

The Board of Regents of the University of Nebraska met on March 5, 2010, at 10:15 a.m. in the Board Room at Varner Hall, 3835 Holdrege, Lincoln, Nebraska, in a publicly convened session, the same being open to the public and having been preceded by advance publicized notice, a copy of which is attached to the minutes of this meeting as Attachment 1.

In compliance with the provisions of *Neb. Rev. Stat.* Section 84-1411, printed notice of this meeting was sent to each member of the Board and was posted in the first floor lobby of Varner Hall. In addition, copies of such notice were sent to the Lincoln Journal Star, Omaha World Herald, the Daily Nebraskan, the Gateway, the Antelope, the Kearney Hub, and the Lincoln office of the Associated Press on February 22, 2010

Regents present:

Timothy F. Clare
Randolph M. Ferlic
Chuck Hassebrook
Howard Hawks
Jim McClurg
Bob Phares, Chairman
Kent Schroeder
Bob Whitehouse, Vice Chairman
Megan Collins
Michel Crabb
Cade Craig
Andrew Klutman

University officials present:

James B. Milliken, President
Linda Pratt, Executive Vice President and Provost
Donal J. Burns, Corporation Secretary
John Christensen, Chancellor, UNO
Harold Maurer, Chancellor, UNMC
Douglas A. Kristensen, Chancellor, UNK
Harvey S. Perlman, Chancellor, UNL
David Lechner, Vice President for Business and Finance
Joel Pedersen, Vice President and General Counsel
Peter G. Kotsiopoulos, Vice President for University Affairs

I. CALL TO ORDER

II. ROLL CALL

The Board convened at 10:15 a.m. in the Board Room at Varner Hall, 3835 Holdrege, Lincoln, Nebraska on March 5, 2010. Attendance is indicated above.

III. APPROVAL OF MINUTES AND RATIFICATION OF ACTIONS

Motion Moved by Hawks and seconded by McClurg to approve the minutes and ratify the actions of the regularly scheduled meeting of February 12, 2010.

Action Student Opinion: Voting Aye: Crabb, Craig, Klutman, and Collins. Voting Aye: Hassebrook, Hawks, McClurg, Phares, Schroeder, Whitehouse, and Clare. Absent: Ferlic. Motion carried.

Regent Phares announced the location of the Open Meetings Act in the Board room.

IV. KUDOS

Regent McClurg presented a KUDOS award to Brock Steinbrink, SAP Cashiering Supervisor at the University of Nebraska Medical Center.

Regent Craig presented a KUDOS award to Angela K. Hollman, LAN Administrator, Information Technology Services, University of Nebraska at Kearney.

Regent Hawks presented a KUDOS to Erin Cron, Assistant Director of Student Organizations and Leadership Programs, University of Nebraska at Omaha.

Regent Hassebrook presented a KUDOS to Bryan Miller, Computer Specialist, College of Arts & Sciences, University of Nebraska-Lincoln.

Regent Collins presented at KUDOS to Leo Masek, Personnel, Natural Resources Business Center, University of Nebraska-Lincoln.

V. PUBLIC COMMENT

Mr. Troy Wiegand spoke on the topic of policies that govern in-state tuition.

Ms. Diane Walkowiak spoke on the topic of the Industrial Arts Building on the Innovation Campus [See Documents file for handout]

Mr. Kile Johnson spoke on the topic of Dr. John R. Rohde (Addendum IX-A-1)

Mr. David Buntain spoke on the topic of Dr. John R. Rohde (Addendum IX-A-1)

Motion Moved by Schroeder and seconded by Whitehouse to approve item IX-A-1

A. ACADEMIC AFFAIRS

IX-A-1 Consider the report of the Academic Freedom and Tenure Committee of the University of Nebraska–Lincoln, and render a decision In the Matter of the Academic Freedom Complaint filed by Dr. John R. Rohde

Action Student Opinion: Voting Aye: Craig, Klutman, Collins, and Crabb. Voting Aye: Hassebrook, Hawks, McClurg, Phares, Schroeder, Whitehouse, Clare, and Ferlic. Motion carried.

VI. RESOLUTIONS

Regent Whitehouse presented the following resolution

WHEREAS, Megan Collins has served with distinction as a member of the University of Nebraska Board of Regents and President of the Association of Students of the University of Nebraska-Lincoln since March 2009; and

WHEREAS, Regent Collins always represented students to the University Administration in a professional and relentless manner; and

WHEREAS, Regent Collins prepared herself thoroughly for and participated energetically in the activities of the Board of Regents during her term; and

WHEREAS, Regent Collins contributed to the Board an articulate, strong, and effective voice for the students of UNL; and

WHEREAS, Regent Collins has worked tirelessly to bring students from both City and East Campus together, strengthening ASUN’s services to all students, and created a satellite office on East Campus; and

WHEREAS Regent Collins fostered sustainability efforts by working with RecycleMania: UNL has collected over 54,183 pounds of material, putting UNL in the top 100 participating schools in the nation; and

WHEREAS, Regent Collins has focused on sustaining financially the NU on Wheels program, and worked tirelessly to ensure the program would provide safe rides home when students find themselves in an unsafe situation; and

WHEREAS, Regent Collins enhanced the newspaper readership program by working to have newspapers delivered directly to Greek living units; and

WHEREAS, Regent Collins was instrumental in opening the Student Money Management Center, thereby encouraging students to take responsibility for their financial futures by creating and upholding a culture of financial empowerment through financial education;

NOW, THEREFORE, BE IT RESOLVED, that the University of Nebraska Board of Regents expresses sincere appreciation for Regent Megan Collin's dedicated service and effective leadership as a member of the board, and wishes her well in all her future endeavors.

Regent Clare presented the following Resolution

WHEREAS, Cade Craig has served with distinction as University of Nebraska Student Regent and as President of the Associated Students of the University of Nebraska at Kearney since March 2009; and

WHEREAS, Regent Craig has diligently represented the students of UNK in all issues affecting their campus, their education and their future careers; and

WHEREAS, Regent Craig has conscientiously focused on input from his peers to guide and advance student government throughout the University of Nebraska system and, in particular, at the University of Nebraska at Kearney; and

WHEREAS, Regent Craig has been a leader by example as he met and exceeded his responsibilities as Student Regent and Student Body President, as he maintained a demanding class schedule in pursuit of future admission to medical school, through his active participation in campus organizations and events and as a frequent volunteer in campus and community activities; and

WHEREAS, because of his forthright and honest character, Regent Craig is highly esteemed by his University colleagues and fellow students and has earned the pride of his family as well; and

WHEREAS, Regent Craig has impressively represented the University in every venue, and has consistently and enthusiastically served as its ambassador;

NOW, THEREFORE, BE IT RESOLVED, that the University of Nebraska Board of Regents expresses its sincere appreciation for the exceptional contributions of Regent Cade Craig during his term of office and wishes him well in all future endeavors.

Regent Schroeder presented the following resolution

WHEREAS, Dr. Richard L. Miller has served with distinction as a faculty member in the Department of Psychology at the University of Nebraska at Kearney since August 1990; and

WHEREAS, Dr. Miller has achieved the rank of Professor of Psychology and currently serves as Department Chair; and

WHEREAS, Dr. Miller has received the top UNK teaching, mentoring and research awards including the Pratt-Heins Foundation Award and the Leland Holdt/Security Mutual Life Distinguished Professor Award; and

WHEREAS, Dr. Miller has received the University of Nebraska Outstanding Teaching and Instructional Creativity Award; and

WHEREAS, Dr. Miller has authored or co-authored more than 70 book chapters and journal articles and has co-edited two books; and

WHEREAS, Dr. Miller has directed nearly 200 undergraduate research projects and, in addition, nearly 30 of his students have had their work published in professional psychology journals; and

WHEREAS, on Thursday, November 19, 2009, at a ceremony in Washington, D.C., Dr. Miller was the first Nebraska educator to be named a "United States Professor of the

Year” by the Council for the Advancement and Support of Education in the nearly 30 years of the prestigious national teaching award; and

WHEREAS, through leadership and example, Dr. Miller has served as a mentor and role model to his colleagues and to his students;

NOW, THEREFORE, BE IT RESOLVED, that the University of Nebraska Board of Regents expresses its sincere appreciation for the exceptional contributions and accomplishments of Professor Richard L. Miller and wishes him well in all future endeavors.

The resolutions were adopted by acclamation.

Professor Miller addressed the Board expressing his thanks for the resolution and spoke of the nurturing academic environment at the University of Nebraska at Kearney.

VII. HEARINGS

Amendment of Section 3.8 and adopt a new Section 3.2.2 of the *Bylaws of the Board of Regents* related to conflict of interest and nepotism

Regent McClurg reported that the Business Affairs Committee met on February 22, 2010 and recommends approval of the following projects: UNL item IX-B-4, program statement and budget for Hamilton Hall sixth floor renovation; UNMC item IX-B-7, installation of new HVAC, Energy Management System and associated equipment improvements in University Hospital Units 1 through 4 and Durham Outpatient Center.

VIII. UNIVERSITY CONSENT AGENDA

Motion Moved by Hawks and seconded by McClurg to approve items VIII-A-1, VIII-B-1, VIII-B-2, and VIII-B-3

A. ACADEMIC AFFAIRS

VIII-A-1 The President’s Personnel Recommendations

B. BUSINESS AFFAIRS

University of Nebraska

VIII-B-1 Approve removal of Board of Regents Policy RP-6.4.5 relating to use of Devaney Sports Center

~~RP-6.4.5 Use of Devaney Sports Center~~

~~1. Current Daily Rental Charges:~~

~~Arena \$ 3,300 (as of 7-1-98)~~

~~Track \$ 1,320 (as of 7-1-98)~~

~~Pool \$ 550 (as of 7-1-98)~~

~~Rental charge is for facility only. All direct costs for special requirements of setup, electricians, plumbers, parking control, ticket takers, clean up, etc., are charged extra and cover true costs.~~

~~2. Rental charges are to be deposited in State Cash Fund. Direct costs for extras must be paid out for services purchased by user.~~

~~3. The Field House Manager will contact promoters and agents (working in conjunction with Pershing Auditorium and State Fair Managers) in an effort to attract “money making” events (such as exhibition games, major entertainers, etc.). All rental charges which will be negotiated on a flat fee or percentage basis will be deposited in the State Cash Fund.~~

~~4. If a UNL student programming organization, (e.g, the Nebraska Union Program Council), serves as promoter or local producer for a major attraction, the organization will pay all expenses related to the use of the facility, plus rental equal to one-half of the net income from the event, with a guaranteed minimum of not less than the figures listed in 1 above.~~

VIII-B-2 Approval of Purchase of Back-Up Computing Equipment Addendum

University of Nebraska Medical Center

VIII-B-3 Approve leasing of space from The Children's Specialty Pediatric Center

Action Student Opinion: Voting Aye: Klutman, Collins, Crabb, and Craig. Voting Aye: Hawks, McClurg, Phares, Schroeder, Whitehouse, Clare, Ferlic, and Hassebrook. Motion carried.

IX. UNIVERSITY ADMINISTRATIVE AGENDA

B. BUSINESS AFFAIRS

Motion Moved by McClurg and seconded by Clare to approve item IX-B-1

University of Nebraska

IX-B-1 Approve the Resolution and Statement of Creation (1) authorizing the President to execute the West Haymarket Joint Public Agency Agreement, and (2) authorizing the President to administer and execute the related approvals and instruments for creating and implementing the West Haymarket Joint Public Agency

There was discussion

Amendment Regent Hawks offered an Amendment to item IX-B-1: Authorize the President to execute the West Haymarket Joint Public Agency Agreement subject to the satisfactory clarification of Section 8 to the Chair of the Board and Regent Clare

Action on Amendment Student Opinion: Voting Aye: Collins, Crabb, Craig, and Klutman. Voting Aye: McClurg, Phares, Schroeder, Whitehouse, Clare, Hassebrook, and Hawks. Motion carried.

Action on Original Motion Student Opinion: Voting Aye: Crabb, Craig, Klutman, and Collins. Voting Aye: Phares, Schroeder, Whitehouse, Clare, Hassebrook, Hawks, and McClurg. Voting No: Ferlic. Motion carried.

Motion Moved by McClurg and seconded by Ferlic to approve items IX-B-2 and IX-B-3

IX-B-2 Approve Amendment of Section 3.8 and adopt a new Section 3.2.2 of the Bylaws of the Board of Regents related to conflict of interest and nepotism

The amendment to bylaw 3.8 is as follows:

3.8 Conflict of Interest. No employee of the University shall engage in any activity that in any way conflicts with duties and responsibilities at the University of Nebraska. *The Board of Regents has adopted Regents Policy 3.2.8 and authorized the implementation of related policies and directives to properly avoid, disclose and manage potential conflicts of interest. nor shall any employee hire or supervise a member of his or her immediate family without expressed written consent of the Board.*

The text of the proposed new section 3.2.2 is as follows:

3.2.2 Nepotism. Subject to the powers vested in the Board, and consistent with the provisions of Neb. Rev. Stat. 49-14-1401, the following shall constitute the Policy of the University prohibiting nepotism.

3.2.2.1 Except as authorized in section 3.2.2.4 of these By-Laws, an official or employee in the University shall not engage in nepotism.

3.2.2.2 For purposes of section 3.2.2 of these By-Laws: (a) Family member means an individual who is the spouse, child, parent, brother, sister, grandchild, or grandparent, by blood, marriage, or adoption, of a University official or employee; (b) Nepotism means the act of hiring, promoting, or advancing a family member in the University or recommending the hiring, promotion, or advancement of a family member in the University, including initial appointment and transfer to other positions in the University; and (c) Supervisor means an individual having authority, in the interest of the

University, to hire, transfer, suspend, lay off, recall, promote, discharge, assign, reward, or discipline employees, responsibility to direct them or to adjust their grievances, or effectively to recommend any such action, if the exercise of such authority is not merely of a routine or clerical nature but requires the use of independent judgment.

3.2.2.3 In addition to the other penalties provided by law, any University employee violating the provisions above may be subject to disciplinary action.

3.2.2.4 (a) The President or the cognizant Chancellor may, upon a written showing of good cause, grant an exception to section 3.2.2.1 of these By-Laws. The written showing of good cause shall be filed with the appropriate University records officer and shall be considered a public record. (b) An official or employee who becomes a supervisor to his or her family member other than by means of nepotism shall notify the President or cognizant Chancellor within seven days of becoming aware of such situation and may continue to act as a supervisor until the President or cognizant Chancellor remedies the situation. The President or cognizant Chancellor shall act as soon as practicable.

3.2.2.5 The President and Chancellors may develop and implement internal policies and directives prohibiting nepotism and the supervision of a family member.

IX-B-3 Approve amendment of RP-3.2.8, Conflict of Interest and Conflict of Commitment

RP-3.2.8 Conflict of Interest and Conflict of Commitment

1. Introduction

University relations with industry, government agencies, individuals, and other enterprises outside the University constitute a complex network of interactions. These interactions have directed attention to potential conflicts of values and interests between these entities and academia. ~~As a result, there has been much attention nationwide to such potential conflicts.~~ Conflict of Interest is addressed in Section 3.8 of the *Bylaws of the Board of Regents* as follows:

~~Conflict of Interest is addressed in Section 3.8 of the *Bylaws of the Board of Regents* as follows:~~

3.8 Conflict of Interest. No employee of the University shall engage in any activity that in any way conflicts with duties and responsibilities at the University of Nebraska ~~nor shall any employee hire or supervise a member of his or her immediate family without expressed written consent of the Board.~~. The Board of Regents has adopted Regents Policy 3.2.8 and authorized the implementation of related policies and directives to properly avoid, disclose and manage potential conflicts of interest.

~~The objective of this University of~~ In addition to Section 3.8 of the *Bylaws*, Nebraska policy is to further elucidate this bylaw. If members of the University community are to be important participants in the economic development arena, and in providing service to industry, a set of policy statements must be provided with as much flexibility as possible. It is neither possible nor advisable to establish rigid rules governing these relations. Nevertheless, the University, while striving to promote research internally and to transfer technology externally, must safeguard against the use of public funds for private gain, conflicts of interest, conflicts of commitment, or interference with University duties in situations involving faculty, staff, students, or the institution itself. The University must also prevent violation of the tenets of fundamental fairness.

~~Nebraska~~ statutes relating to conflict of interest and nepotism apply to all public officials and employees of the University ~~and include, including~~ the ~~following~~ provisions ~~in § of~~ §49-14,101.01 of the Revised Statutes of Nebraska.¹

~~... No ... public employee shall use that person's office or any confidential information received through the holding of a public office to obtain financial gain, other than compensation provided by law, for himself or herself, a member of his or her immediate family or a business with which the individual is associated ..." and no "public employee shall use personnel, resources, property, or funds under that individual's official care and control, other than in accordance with prescribed constitutional, statutory, and regulatory procedures, or use such items, other than compensation provided by law, for personal financial gain ..."~~

~~In addition, many of the funding agencies, especially those operating under the National Science Foundation and the Department of Health and Human Services, Furthermore, federal funding agencies require that the University establish safeguards to prevent employees or consultants from using their positions for purposes which are motivated by (or even give appearance of) a drive for private financial gain either for themselves or family members. What follows is a set of policy statements—some broad, some narrow—for University faculty, staff, students, administrators, industrial sponsors, and other organizations. Responsibility for assurance of compliance with this policy rests with the Chancellor of each campus and with the President for personnel associated with Central Administration.~~²

Responsibility for assurance of compliance with this policy rests with the President and Chancellor of each campus. The Chancellors shall submit an annual report to the President detailing the compliance policies, procedures and management activities at their campus.

2. University-Wide Conflict of Interest Principles

Campus conflict of interest policies will vary according to the unique roles and needs of each campus. However, each campus policy must ensure that broad University-wide principles are followed, including:

1. Prospects of financial gain must not unduly influence faculty and the University with regard to commercially imminent, product oriented research programs versus fulfilling the University's objectives of educating students, advancing basic knowledge and serving Nebraskans through the development and application of knowledge that enables them to develop better lives, stronger communities and genuine economic opportunity.
2. The University must avoid situations where the possibilities for personal gain for the Covered Person may be judged to be so significant that it is unreasonable to expect the Covered Person to exercise the objectivity necessary for public trust in the University and the rigor of its research.
3. Research agreements should encourage the free exchange of ideas and the sharing of research results regardless of the sponsoring entity. Some constraints may be required to protect proprietary information or intellectual property.
4. To the extent practicable and consistent with applicable law, the University must be appropriately compensated for private, commercial use of the public property under its stewardship.

¹"A public official or public employee shall not use or authorize the use of his or her public office or any confidential information received through the holding of a public office to obtain financial gain, other than compensation provided by law, for himself or herself, a member of his or her immediate family, or a business with which the individual is associated." and "A public official or public employee shall not use or authorize the use of personnel, resources, property, or funds under his or her official care and control other than in accordance with prescribed constitutional, statutory, and regulatory procedures or use such items, other than compensation provided by law, for personal financial gain. ..."

²Including Public Health Service, National Institute of Health and National Science Foundation regulations and guidelines (42 CFR Part 50, Subpart F and 45 CFR Part 94.1), Department of Education regulations (34 CFR Part 75.524, 34 CFR Part 75.525 and 34 CFR Part 74.42), and FDA regulations (21 CFR Part 54).

Underlying these principles is the recognition that the University of Nebraska is a public institution with a mission of serving the people of Nebraska through research, teaching and service.

32. Annual Report

Annually, each campus shall submit a written conflict of interest report to the President which includes at least the following information:

- 1) The number of conflicts disclosed, by appropriate academic unit.
- 2) A summary of the nature of the conflicts.³
- 3) The number of conflicts being managed through written plans, by college.
- 4) The number of conflicts eliminated, by college.
- 5) Other material or information related to the management of conflicts of interest at the campus.

43. Personnel Affected by Conflict of Interest and Conflict of Commitment Policy

~~In many instances throughout this policy the term "faculty" is used, primarily because faculty are most often involved in educational, research, and service activities. However, it must be emphasized that these policies also apply to all other University employees including students, support personnel (staff—B and C lines), and administrators, whether these are full-time or part-time employees. The University seeks to identify situations which might lead to a conflict of interest by requiring that, in certain circumstances that are defined later, employees who propose a relationship with an industrial sponsor or other organization complete a Disclosure of Interest Form which has the specific intent of requiring an employee to disclose possible financial interest or other interest in the outcome of the project. The intent of this process is to identify situations which may lead to or be perceived as a conflict of interest. The policy statements which follow are not intended to resolve real conflicts of interest. This is left for resolution by affected personnel and the appropriate administrators.~~

3. Covered Person shall mean:

- 1) University administrative officers and employees, specifically including any University employees with delegated signature, purchasing or contracting authority on behalf of the University;
- 2) University employees and faculty engaged in outside employment or other activities specified in this policy (tech transfer/use of University facilities or equipment) that may create a Conflict of Interest; and
- 3) Sponsored Research investigators, including University employees, faculty, staff and support personnel (managerial/professional and office/service positions), volunteers, trainees, students, contractors and other persons under the direct control of the University of Nebraska, whether paid by the University of Nebraska or not, who participate in Sponsored Research as defined in Section 6§ of this policy 3.2.8.⁴

Conflict of Interest shall mean situations when a Covered Person's direct or indirect personal financial interests may compromise, or have the appearance of compromising, the Covered Person's professional judgment or behavior in carrying out his or her obligations to the University of Nebraska. This includes indirect personal financial interests of a Covered Person that may be obtained through third parties such as a Covered Person's Immediate Family, business relationships, fiduciary relationships, or investments.

³ Conflicts may be identified according to basic categories, for example, conflicts arising from ownership of stock, family relationships, potential undue influence, and the like.

⁴ The term Covered Person includes the definition of an "Investigator" under NIH guidelines, specifically "the Principal Investigator and any other person who is responsible for the design, conduct, or reporting of research funded by the NIH, or proposed for such funding. The definition includes contractors or collaborators, as well as the Investigator's spouse and dependent children." See Responsibility of Applicants for Promoting Objectivity in Research for which PHS Funding is Sought (42 CFR Part 50, Subpart F, grants and 45 CFR Part 94, contracts).

Immediate family shall mean an individual who is the spouse, child, parent, brother, sister, grandchild, or grandparent, by blood, marriage, or adoption of the Covered Person.

54. Individuals and Organizations Affected by Responsible for Administration of Conflict of Interest and Conflict of Commitment Policy

Likewise, this policy is intended to apply to the University's relations with all kinds and forms of government agencies, individuals, and private enterprises in general: entities big and small, startup or established and ongoing, independent and/or portions of larger entities; whether proprietorships, partnerships of any variety, corporations, or other forms of business organization; regardless of where they are located geographically; whether entirely separate from the University; companies involving University employees, spun off from the University; companies involving University employees, spun off from faculty research; or University-affiliated companies.

4. Appropriateness of At the University of Nebraska, all reporting of potential Conflicts of Interest should be undertaken with the goal of full disclosure. The President and Chancellors of each campus shall develop and implement a disclosure process and supporting procedures consistent with the principles set forth in this Policy, covering, at a minimum, sponsored programs administration, institutional review boards, any office of technology transfer, and any other responsible campus administrative officers. The Chancellors shall be responsible for overseeing their campus' reporting process and must designate an administrative officer who will be in charge of developing more specific written procedures for enforcing the policy. Each Chancellor shall submit their campus' processes and procedures to the President for review and approval.

The procedures for disclosure at each institution must, at a minimum, include the following:

- 1) Annual disclosures by Covered Persons who may have potential Conflicts of Interest.
- 2) A description of the process for developing, implementing, and overseeing conflict management plans, including a detailed process for managing and/or eliminating potential Conflicts of Interest.
- 3) A description of procedures for ensuring coordination among all University organizations with a role in oversight of conflicts.
- 4) A description of the process by which a Covered Person may address concerns regarding a Conflict of Interest situation or the management thereof.
- 5) A description of how:
 - o Disclosures will be reviewed and retained, and the level of activity of each college on the campus will be reported to the President pursuant to paragraph 109 of this policy;
 - o Responsible campus officials are to review and manage potential Conflicts of Interest;
 - o The campus will provide related training and advice about Conflict of Interest issues;
 - o The campuses will review and validate their program on a regular basis;
 - o The campus will make its implementation procedures for this policy available publicly; and
 - o The institution will enforce this policy and provide sanctions when necessary.

65. Conflicts of Interest Involving Sponsored Research

Research is basic to the University's teaching and service missions. Good teaching and learning depend upon research. Likewise, through its research, teaching, and service activities, the University's resources can best be brought to bear on public issues requiring objective, systematic study. Research forms an inherent part of departmental and collegiate missions, and brings recognition to the University and its faculty. All forms of research, which are within departmental and collegiate missions, and which maintain the high quality characteristic of the University, are appropriate to the University's open environment. Similarly, University teaching and service activities have potential for commercial use and development. ~~Industry-supported research is a legitimate academic endeavor. On a nationwide basis, research universities are actively seeking to strengthen their relations with industry. Government and industry alike support basic, applied, and proprietary research. Since research ranges over a broad spectrum, distinctions between these categories are often arbitrary; all can educate students in the scientific method. Industrial support should complement ongoing faculty research initiatives as well as provide additional opportunities for graduate education. Because industry has pioneered many new scientific areas, collaboration with industry can challenge faculty, enrich graduate and undergraduate education, and open options for students' future employment. Although the University wishes to foster University-industry partnerships, the University wishes to avoid any potential problems that may arise as a result of industrial sponsors directing research to meet their short-term needs and objectives. Prospects of financial gain could influence faculty and the University to choose the more commercial imminent, product-oriented research problems, rather than those fulfilling the University's objectives of educating students and advancing and applying more basic knowledge. Such problems could affect the quality and breadth of University research, teaching, and service missions, bias student education, cause favoritism, and undermine professor-student relationships. On federally-sponsored projects, academia attempts to prevent such problems by the established external peer review system of evaluating research proposals. In addition, on each campus the appropriate University department chair(s) or director(s), the appropriate dean(s), and vice-chancellor(s) all make appropriate review of external funding proposals. Although an established peer review system is not typically utilized by industrial sponsors, a considerable number of University-industry relations are initiated by faculty proposals which oftentimes complement federal projects. Such industry-related research should be encouraged. Nevertheless, to make certain that research and service activities conducted for industrial sponsors are appropriate to the University's mission, the University's customary internal review of industry-sponsored projects must be especially thorough.~~

5. Policy Statement I: Review of Appropriateness of Proposed Research Project

~~As part of its research, education, and public service missions, the University encourages interactions between faculty and industry and other external agencies that enable faculty and other University personnel to pursue projects within their fields of interest and in keeping with their departmental and collegiate missions, or, if appropriate, the interdisciplinary missions of centers and institutes.~~

~~a. Faculty and other University employees have the freedom to undertake research, educational, or public service projects and to seek sponsorship of their liking, but must not be unduly influenced to accept external projects or sponsorship not of their own choosing.~~

~~b. Since the integrity and institutional commitment of principal investigators, departmental chairs or directors, and deans ultimately safeguard the quality and relevance of all research, educational, and service activities, all three, and the appropriate vice-chancellor or his or her designee must promptly review all proposals to industrial concerns and other equivalent external agencies. In rare circumstances, the appropriate administrator may nominate a single individual who shall be individually responsible for the review of all aspects of proprietary service and sponsored projects in certain defined areas. Proposals under \$5,000 will continue to receive the traditional campus review but are usually exempt from considerations under the Conflict of Interest Policy. However, any University employee with a personal financial interest of any sort resulting from or associated with the proposed agreement must complete the Disclosure of Interest Form. As a result, it may be necessary to require the approval of the appropriate administrator.~~

~~c. Internal review of such agreements must ensure that all industrial contracts and grants, or other forms of relationships, conform to departmental, center, institute, and~~

~~collegiate missions; maintain the breadth and quality of research, teaching, and service creditable to the University; and are executed by the duly authorized administrative officer(s).~~

~~d. Questions regarding the appropriateness of industrial contracts and grants, or other forms of relationships, that cannot be resolved at the departmental, center, institute, or collegiate level must be reviewed and resolved by the appropriate vice chancellor or chancellor. Each campus has the option of establishing a faculty committee to make recommendations to the vice chancellor or chancellor for his or her final disposition.~~

Sponsored Research means research, training, and instructional projects performed by Covered Persons using any University space, materials, equipment or property that involves funds, materials or other compensation from sources outside the University through a grant or contract that obligates the University to a specified statement of work, sets forth binding financial terms in the form of a budget or up-front payment, or contains terms related to ownership of and rights to use intellectual property developed thereunder. Sponsored Research is a vital endeavor of the University; it allows faculty the means to pursue excellence in their research and scholarly activity, it expands opportunities for graduate and undergraduate student participation in research, it enhances the quality of University research facilities through public and private support, and it helps facilitate the commercialization of research and technology to benefit the University and Nebraska. The University encourages its faculty and staff to engage in both sponsored and non-sponsored research recognizing that compliance with this policy can help assure that appropriate standards of accountability are met and extramural considerations do not hinder the dissemination or commercialization of research.

Each campus shall establish its own Sponsored Research application approval process, including applicable internal or external peer review systems and implementing best practices for approving federally, publicly and privately sponsored research projects. The Chancellor shall be responsible for overseeing the research approval process and must designate an administrative officer who will be in charge of developing more specific written procedures for implementing the policy. The procedures for Sponsored Research approval at each campus must at a minimum include procedures for disclosing, identifying, reviewing, managing and reporting conflicts and potential conflicts that arise with regard to Sponsored Research on their campus pursuant to Article 3 of this policy.

76. Openness of Research and Publication of Results

The traditions of free exchange of ideas and prompt dissemination of knowledge are fundamental to the University's mission and should govern all research, teaching, and service activities conducted by University ~~personnel; faculty, staff and students.~~ The University is committed to an open teaching and research environment, which ensures free faculty and student exchange of ideas, thereby contributing to the advancement of knowledge in all disciplines. As far as possible, the acceptance of support external to the University should not create situations which curtail open discussion of the research among colleagues and students. ~~Industry or federal agencies, on the other hand, may require a period of confidentiality for proprietary information provided to project participants for patent purposes or to protect trade secret information and may seek prior review of publications resulting from its sponsorship. It is acceptable to protect such proprietary information or trade secrets. The decisions to patent and to file the patent application or to keep the information a trade secret must be made as expeditiously as possible to avoid undue delays in publication.~~

7. Policy Statement II: Openness of Research and Publication of Results

a. Industry typically treats the products of its research in a very confidential manner. On occasion, industry expects project participants to maintain the same degree of confidentiality with sponsored research. It is important to note that openness, freedom of discussion, and freedom to publish go to the very core of the University. Nonetheless, there are certain legitimate needs for confidentiality on the part of industry that must be met by Sponsored Research investigators. Data received from an industry sponsor and marked "confidential" may be kept in a confidential status for a stated period of time. Also, it is prudent to recognize the need to maintain the confidential status of the results of the project for a period of time sufficient to determine patentability and filing of patent applications or as agreed upon in an agreement between the sponsor and the

University. When appropriate, the University may enter into confidential agreements to protect proprietary information, where this is deemed necessary, either through direct agreement with an industrial sponsor or through an agreement between the sponsor and a University employee.

The campus official responsible for administration of research or other campus official designated by the Chancellor must ensure that all individuals who participate in industry-sponsored research projects are fully informed in writing of the ownership and disposition of inventions and requirements of confidentiality regarding research results and other confidential information provided by the sponsors of such projects.

Research conducted by faculty under industry or other commercial sponsorship must, as far as possible, maintain the University's open teaching, research, and service environment.

~~b. The campus official responsible for administration of research or Chancellor's designee must review and approve any new, proposed, or ongoing faculty-industry interactions which has these interactions might compromise the University's open teaching and research environment. ~~Those in the line of reviewing University-industry relationships~~—The appropriate department chair(s) or director(s), dean(s), and ~~the appropriate vice chancellor, or,~~ in rare circumstances, the individual designated to perform the complete administrative review as described in Section 1--shall ~~investigate~~aid in this process and shall seek to resolve all potential problems. ~~Concerns regarding violation of the Conflict of Interest policy shall be brought prior~~ to the attention of the appropriate campus vice chancellor or chancellor, Provost, or President ~~for resolution~~approval of such interaction.~~

~~e. The campus official responsible for administration of research or Chancellor's designee shall from time to time provide current information to the department chairs, deans, directors and faculty pertinent information for timely reporting of concerns regarding violation of the *Conflict of Interest* and *Conflict of Commitment* policy.~~

Faculty must have the right to disseminate their research results, indeed are obligated to do so. The University discourages individual faculty from agreeing to forego this basic right. Likewise, the University will not unilaterally forego this right on behalf of its faculty, staff and students. However, the University and faculty may accept reasonable delays in submission of new findings for publication or other release of information to enable sponsors or the University to obtain proprietary or patent protection, for example. In special circumstances to be determined by the University, a researcher may waive his or her right to disseminate the results of his or her research and elect to enter an agreement to maintain the confidentiality of proprietary research for specified periods of time. ~~d. Faculty must normally.~~⁵

The campus official responsible for administration of research or Chancellor's designee shall work with faculty engaged in industry-sponsored projects to provide written notification to support personnel and students involved in ~~industry-sponsored~~these projects, describing all contract and grant terms affecting them, including the possibility of delays in publication caused by the need of the sponsor to review manuscripts or any other obligations of confidentiality. Graduate students must not be assigned to thesis research topics which might be affected by confidential agreements. The appropriate ~~administrator~~campus official or Chancellor's designee may authorize exceptions where appropriate for personnel involved in short term service related projects.

8.

87. Outside Employment: Avoidance of and Conflicts of Commitment

The University not only permits but expressly encourages faculty to pursue outside professional activities including interactions with industry, with or without compensation, which will enrich a faculty member's academic contributions to the University. Consulting can expose faculty to research problems and perspectives which may enrich faculty teaching, research, extension, and service backgrounds. However, faculty and administration must be sensitive that such interactions could cause *Conflicts of Interest* and must ensure that ~~University employees~~Covered Persons do not make

⁵An example of such a circumstance would be research performed pursuant to a contract with an agency of the federal government requiring security clearance.

unnecessary or inappropriate commitments of their time or expertise which can adversely affect the University and its mission. A conflict of commitment must be avoided, disclosed and managed when it could jeopardize the faculty's and the University's integrity which is essential to maintaining the public's trust. constitutes a Conflict of Interest for a Covered Person.

The assumption that faculty Covered Persons will devote their time and effort to the University's mission University in proportion to their appointments--that full-time appointment connotes full-time commitment of time, effort, and expertise to the University--is inherent in University employment. Outside consulting activities, often acceptable in themselves, can interfere with a faculty member's University employee's paramount obligations to the University by placing significant, competing demands upon the time and energy of the faculty member a Covered Person with the potential for the neglect of instructional and, research and other employment obligations. In some circumstances, the faculty member's a Covered Person's proposed outside activities may directly conflict with the objective of assignments within the University.

The University, through an outside employment policy enacted by the Board of Regents, seeks to minimize the potential for faculty conflict of commitment by several mechanisms. The time that may be devoted to outside activity is normally limited to two working days per month; greater time commitments require specific approval of the Board of Regents. (For practical reasons, faculty are given considerable freedom in the scheduling of any outside activities.) In addition, the University must examine the application of an employee's expertise to proposed educational, industrial, or other consulting activities to assure that there is no any Conflict of Interest and/or conflict of commitment or other conflict of interest is properly disclosed and managed. Hence, the University requires prior disclosure of proposed consulting, extramural teaching, or other activities to the department chair and the subsequent prior approval of the college dean and campus administration. Such disclosure may be made by completing the appropriate campus form for disclosure of Interest Form outside employment and may require the provision of additional documentation to the chair, dean, or other administrator.

In certain other circumstances, the specific approval of the Board of Regents may be required. The relevant policy of the Board of Regents is set forth in Section 3.4.5 of the *Bylaws of Board of Regents*.

9. Policy Statement III: Disclosures of Outside Commitment

a. Outside Activity and Employment and Consulting Relationships. As University-industry relationships increase with a growing desire for consultancies and other professional activities outside the University, University staff member employees must continue to observe the University policy on outside employment embodied in Section 3.4.5 of the *Bylaws of the Board of Regents*. In addition, University employees must observe the Board of Regents policy on Conflict of Interest stated in Section 3.8 of the *Bylaws of the Board of Regents*. Accordingly, each campus shall develop appropriate forms for employees to disclose 1) potential Conflicts of Interest, and 2) outside employment in order for review, documentation, approval and management of Conflicts of Interest and outside employment.

b. Outside Professional Activities Requiring Regental Approval. The Application for Permission to Engage in Professional Activity Outside the University Form is to be used by members of the professional staff for the purpose of requesting requisite approval pursuant to Section 3.4.5 of the Bylaws of the Board of Regents to engage in professional activity outside of the University.

Section 3.4.5 of the Bylaws specifically encourages University staff members to engage in professional activities outside the University as a means of broadening their experience and keeping them abreast of the latest developments in their specialized field. It is implicit in this Regental policy that the University, as an educational and research institution, will benefit and better serve the people of the state as a result of outside professional activities by its professional staff.

~~The purpose of the Application for Permission to Engage in Professional Activity Outside the University Form is to provide documentation of the requisite approval under Section 3.4.5 and to provide an established procedure for review and approval of outside professional activity.~~

Department chairpersons, department heads, deans, and directors have primary responsibility to review the specific nature of each proposed outside professional activity within their respective areas of administrative responsibility and to deny approval to any such activity which would interfere with the normal University duties of the ~~staff member~~employee involved ~~or which would represent a conflict and to require proper disclosure and management of interest or any Conflict of commitment.~~Interest.

It is impossible to anticipate all questions which may arise in connection with the application of Section 3.4.5 of the *Bylaws* to the varied outside professional activities of ~~staff members.~~employees. However, several general guidelines are set out below to assist in the administration of this policy:

1) Section 3.4.5 of the *Bylaws* ~~applies only~~does not apply to members of the ~~professional~~Office and Service staff, that is, A-line and B-line personnel.

2) Section 3.4.5(a) of the *Bylaws* requires Regental approval of outside professional activities where the ~~staff member~~employees will accept retainer fees or other remuneration on a permanent or yearly basis as a professional consultant. The key consideration in determining whether there will be acceptance of a retainer fee or remuneration on a permanent yearly basis is the nature of the professional business relationship between the ~~staff member~~employee and his or her client or patient. If this business relationship is one where the ~~staff member~~employee is obligated at the beginning of the professional relationship with a client or patient to provide professional services over a period of one year or longer, then approval by the Board of Regents is required.

~~3) In addition to obtaining prior approval of the department chair and campus administrator,~~ Section 3.4.5(b) of the *Bylaws* requires Regental approval of outside professional activity requiring more than an average of two days per month during the period of the ~~staff member's~~employee's full-time employment. The Board of Regents has interpreted this language to mean two days per month during the assigned work week. ~~It is often very difficult to identify an assigned work week, particularly for faculty. They often perform their regular or routine University duties during evening hours and on weekends.~~ For this reason, Regental approval will only be required when ~~a staff member's~~an employee's outside professional activities will prevent the performance of his or her assigned duties at the University more than an average of two days per month during the period of full-time employment. ~~Thus, if outside professional activities are to be performed only during a time when the staff member would not otherwise be performing such duties, then Regental approval under the two days per month provisions of Section 3.4.5(b) of the Bylaws would not be required, regardless of the length of time to be devoted to the outside activity.~~

4) Section 3.4.5(~~e~~) of the *Bylaws* requires Regental approval of outside professional activity involving the charging of fees for work performed in University buildings with University equipment and materials. ~~It is not practical to prescribe guidelines under subparagraph (e) which will cover the many and varied outside professional activities of staff members. The President and Chancellors are authorized to develop specific policies with regard to the charging of fees for work performed in University buildings with University equipment and materials should be developed by each chancellor.~~

~~5) Section 3.4.5(d) of the Bylaws requires Regental approval of outside professional activities where remuneration is received for services provided to departments or agencies of state government. This subsection applies only to the departments or agencies of the government of the State of Nebraska. It does not apply to services provided to departments or agencies of the governments to other states. Also, it does not apply to services provided to political subdivisions within the State of Nebraska, such as municipalities, counties, school districts, public power districts, irrigation districts, natural resource districts, etc.~~

~~6) Section 3.4.5 of the Bylaws does not require individual approval of each separate client or patient relationship for professionals such as accountants,~~

engineers, architects, lawyers, psychologists, therapists, etc. It is sufficient that the nature of the outside professional activity be generally described so that appropriate evaluation may be conducted regarding potential interference with University duties, *Conflict of Interest*, and conflict of commitment. So long as none of the circumstances requiring Regental approval under subparagraphs (a), (b), (c), and (d) of Section 3.4.5 of the *Bylaws* exist, no further information need be provided by the ~~staff member~~employees, and the professional activity may be approved by the chancellor upon the recommendation of the appropriate dean or director.

~~76)~~ Activities for a professional organization with which ~~a staff member~~an employee is associated do not constitute the type of professional activity coming within the scope of Section 3.4.5 of the *Bylaws* unless a professional service is provided to the organization for which the ~~staff member~~employees is paid a professional fee which is commensurate with the actual value of the professional service provided.

The foregoing should not be construed to relieve any ~~staff member~~employee of complying with applicable policies or regulations of the department, college, division, campus, or University with regard to time one is allowed away from regular University duties.

~~e. Declaration of Interest~~ University employees proposing outside employment or a consulting relationship of any nature pursuant to Section 3.4.5 of the *Bylaws* are required to complete ~~a confidential Disclosure of Interest Form~~.

~~10. Other Activities Requiring Disclosures~~ the appropriate campus form for disclosure of Economic Interest or Commercial Involvement outside employment.

~~With increasing University interactions with outside organizations, the University must ensure that other less obvious potential conflicts are identified and, if necessary, addressed in a formal process. Accordingly, the University requires that faculty identify and report, to the appropriate administrator, the potential for real or perceived conflicts which can result from their relations with industry, or other organizations, so that problems may be avoided. For example, the University must avoid situations where the possibilities for personal gain for the University employee or his or her immediate family may be judged to be so significant that it is unreasonable to expect the employee to exercise the objectivity necessary to the University's public trust. In addition, employees are required to report their involvement with commercial or educational enterprises where the name of the University may be used for commercial gain. To assist in identifying such potential conflicts of interest, each member of the faculty or University staff proposing any arrangement with an industrial sponsor or proposing to have financial interest in an outside organization must complete a Disclosure of Interest Form which seeks to identify situations likely to lead either to a conflict of interest or conflict of commitment or the appearance of such conflict. It must be emphasized that while such disclosures are necessary, they will not and should not, ipso facto, prevent such arrangements. Personal discretion or administrative adjustments can often be used to resolve most potential conflicts. For example, reducing the percentage of a faculty appointment, or granting a leave of absence, to reflect the faculty member's respective commitments to the University and to the outside entity may be appropriate and help to resolve the conflict.~~

~~11. Policy Statement IV: Disclosures of Interest~~

~~a. Situations Requiring Disclosure of Economic or Commercial Interest. When accepting support from industrial sponsors, faculty and other University personnel, whether full-time or part-time, must disclose all directly or indirectly related commercial connections with and financial interests in such sponsors. In addition, in situations where a faculty member's immediate family has such commercial connections and financial interests, disclosure must also be made. Further, disclosure of economic interest in any company which competes with the industrial sponsor must also be provided. In the following specific situations, University employees are required to declare their economic or commercial interest, since there is significant possibility of conflict of interest:~~

~~1) If a University employee and/or a member of his or her immediate family (defined as the spouse of an individual, a natural or adopted child of an individual, a~~

~~parent of an individual or his or her spouse, or a person claimed by an individual or his or her spouse as a dependent for federal income tax purposes) in the aggregate own or have options to purchase the lesser of either 5 percent or more or \$2,000 or more of voting stock in a company which sponsors a research project of the employee, then the University employee is required to declare the equity interest in full.~~

~~2) If a University employee or a member of his or her immediate family, as defined in Section 11.a.1), in the aggregate own the lesser of 5 percent or more or \$2,000 or more of the voting stock, is an officer in a company which competes with the sponsor of a research project in which the employee is involved.~~

~~3) If a University employee or a member of his or her immediate family, as defined in Section 11.a.1), holds a position as an operational officer in a company with which the employee has a University research project.~~

~~4) If a University employee or a member of his or her immediate family, as defined in Section 11.a.1), holds a full-time or part-time position or has financial interest in a company which is the recipient of funds from a government agency or other sponsor.~~

~~5) If a University employee has involvement with commercial or educational enterprises where the name of the University may be used to further the commercial development of a product or service.~~

~~6) If a University employee or his or her immediate family, as defined in Section 11.a.1), receives a loan, honorarium, gift, in-kind contribution, or other consideration of value from a sponsor or a sponsor employee.~~

~~7) If the sponsor or agency supporting research is the Department of Health and Human Services, the National Science Foundation, other Federal units or a not-for-profit private agency, it is necessary to declare any significant financial interest with any other agency, company, corporation, or other entity that might influence or be perceived to influence the conduct of research. Such significant financial interest is defined to be anything of monetary value, including but not limited to, salary or other payment for services (e.g., consulting fees or honoraria); equity interests (e.g., stocks, stock options, and other ownership interests); and intellectual property rights (e.g., patents, copyrights, and royalties from such rights). A significant financial interest in business enterprises or entities exists when the value of such interests exceeds \$2,000 per annum, or if salary, fees, or other continuing payments represents more than a 5 percent ownership interest for any one enterprise or entity when aggregated for the investigator and the investigator's spouse and dependent children. Investments in mutual funds in which the extent of investment in a particular industry is unknown are excluded from the requirement to declare financial interest.~~

~~b. Memberships on Boards of Directors. Faculty or other University personnel memberships on boards of directors associated with the sponsor of any project proposal must be declared since the individual may be in a position to direct funds and direct the use of other University personnel, including research students and assistants, into areas of research that result in conflict of interest.~~

~~c. Part-time Employees and Faculty on Leave of Absence. The Conflict of Interest policy applies to part-time employees and faculty or other employees who are on leave of absence. The possibility of conflict of interest or conflict of commitment is especially likely if the employee is also a part-time employee of the sponsor of the project.~~

~~d. Process for Disclosure of Interest. Disclosure of economic or commercial interest is made by completing the Disclosure of Interest Form. All new, renewal, or continuation sponsored project proposals in excess of \$5,000 prepared for submission to a sponsor must also have a completed Disclosure of Interest Form. Information provided in this form will be considered confidential.~~

~~e. Resolution of Conflicts. Wherever possible, the appropriate departmental chair(s) or director(s), dean(s), and the appropriate vice chancellor(s) must review and resolve any faculty conflicts of interest or conflicts of commitment. In some circumstances, the involvement of the chancellor, Provost, or President may be required to resolve the conflict.~~

~~12. Furthermore, consistent with the foregoing policy statement regarding conflicts of commitment and the effect such conflicts can have on a faculty member's research programs and the duties faculty members owe the University, University employees proposing outside employment or a consulting relationship with a third party shall disclose to the University any: i) confidentiality or non-disclosure agreements, ii) non-compete agreements or any agreement containing a non-compete clause, iii) assignments of intellectual property rights to the contracting party, and iv) involvement with commercial or educational enterprises where the name of the University may be used for commercial gain to the Chancellor or the Chancellor's designee. Although agreements of this type can be problematic, the University shall endeavor to promptly review such agreements and resolve any potential conflict of commitment to allow the University employee to perform the proposed outside employment or consulting while maintaining the integrity of their research projects and commitments to the University.~~

~~98. Conflicts of Interest Involving Faculty Commercialization of University Technology Transfer~~

University projects have resulted in the creation of new Nebraska businesses which have transferred research results into products and services and which have contributed to the State's economy. Certain research discoveries lend themselves to commercialization by starting new ventures through the University or through faculty rather than the traditional licensing to existing companies. Moreover, this means of commercializing discoveries may be the best, or in some instances the only, means to transfer such new technology. The University recognizes this as an acceptable method of commercializing discoveries when it is in the best interests of the University, the State, and the inventor and is the most effective means to transfer such technology.

In establishing new companies to commercialize University technology, the University may accept equity positions or combinations of equity and future royalties in return for licensing the technology. This is an acceptable University activity and is an integral part of the technology transfer program. However, in such situations, reasonable limits on the University's involvement with respect to administrative time and the amount of equity taken must be observed. ~~This University technology transfer activities shall be governed by Section 3.10 of the Bylaws and Section 4.4.2 of the Policies. Such oversight~~ will enable the University to be aware of and take steps to prevent or manage potential Conflicts of Interest which may arise, involving, among other things, favoritism in future dealings with the same company, discrimination against its competitors, or the use of public funds for private gain. Accordingly, University direction of the company must be limited in time, and the amount of equity taken must be less than controlling. The Board of Regents has separately authorized and delegated authority to the University Technology Development Corporation (UTDC), and nothing in this policy is intended to limit the authority of UTDC as it relates to properly managing or preventing conflicts of interest or otherwise.

Conflict situations also apply to any profit- or nonprofit-affiliated private entities established by the University or one of its employees. Therefore, in the University's relations with all such entities, the Conflict of Interest policy must be followed.

~~Ownership of equity in a company may entitle the University to membership on the company's board of directors. Such memberships are positive from the University's perspective since board members can look after the University's interest in company management. However, increased possibilities for conflicts of interest are inherent in such membership. In addition, ownership of equity in a company established by a University employee may also create situations which may lead to conflicts of interest. Thus, University employees, who hold ownership or equity or receive company royalties, or board members or company officers, who are University administrators involved in internal decisions regarding personnel, budgeting, contract negotiations, and the like, may be in a position to direct University projects to benefit the company causing problems of favoritism, discrimination, and improper use of public funds for private gain. In addition, board members or company officers are exposed to internal~~

~~confidential matters of their companies, and their company obligation may, therefore, conflict with their obligations to the University. Although accepting membership on a company's board of directors may be appropriate, the University must be provided with sufficient information to determine whether conflicts may arise as a result of the membership on the board.~~

Where University technology is transferred in return for an equity position, or royalties, or projects are to be performed in exchange for an equity position, the affected University employees must be fully apprised of disclose such proposals, and a suitable arrangement that reflects the Regents Patent Policy must be concluded, both with prior to approval of the faculty and with the industry sponsor. The arrangement should provide for the faculty inventor to share in any consideration received by the University in accordance with established practices proposal.

~~In recent years, because of federal tax law changes,~~ For-profit entities have been formed specifically to fund research and development, such as research and development limited partnerships. Such entities solicit investors from members of the public. There is the possibility that prospective investors may be induced to invest by what appears to be University involvement in the funding entity or by unrealistic expectations of the outcome of the projects. In either event, the name of the University could be unfairly traded upon. Therefore, care must be taken that the investor solicitation is consistent with the potential outcome of the research and the policy on the use of the University's name.

~~13. Policy Statement V: Conflicts of Interest Involving the University~~

~~a-~~ Where appropriate, the University may accept equity in a company as complete or partial payment for transferring University technology to the company for commercialization. Only the Board of Regents may approve acceptance of equity in a company upon the recommendation of the ~~eognizant chancellor, the Provost, and the~~ President.

~~b-~~ The University may designate individual(s) to hold membership on the board of directors of a company in which the University holds equity.

~~e-~~ University faculty, administrators, or other members of the University community holding any such board of directors membership shall oppose or absent themselves, as appropriate, from any funding decisions or other decisions relating to the University which:

- 1) violates or is contrary to any law or University policy or procedure in regard to grants or contracts;
- 2) would constitute a Conflict of Interest with such person's University office of employment; or
- 3) involves improper use of University (public) funds.

~~d-~~ When external entities raise funds for University projects through any form of investment offerings, University personnel must scrupulously avoid the endorsement of any such offering or any statement of potential research results. The University's prior written consent must be obtained to use its name in connection with advertising or promotion of any investment offering.

~~e-~~ The past history of funding of University research or other projects by any company or firm shall not have any bearing on purchasing decisions made by the University of Nebraska.

~~14. Commitments~~109. Institutional Conflicts of Interest

An Institutional Conflict of Interest may occur when the University **Equipment and Facilities** or a Covered Person in a senior administrative position has a financial interest in a commercial entity that itself has an interest in a University research project, including potential conflicts with equity/ownership interests or royalty arrangements. Each campus shall develop and establish processes and procedures for review of institutional conflicts involving technology transfer or other commercial activities. This process must at a minimum include:

~~Company access to specialized University equipment, facilities, and personnel, acquired to further the teaching, research, and public service missions, may form the basis of University/industry relationships much as faculty seek access to complementary industrial facilities. Industry's use of University facilities and personnel, whether for research or for routine testing on a fee-for-service basis, is mutually advantageous. Access to sophisticated or unique University facilities for research or product development benefits companies of every size. The University benefits from full utilization of its facilities, resulting revenues, and increased opportunities to educate students. Since facilities are limited and are dedicated to all University missions, however, uses furthering these missions shall have priority. Depending upon availability, use by external sponsors is appropriate.~~

~~15. Policy Statement VI: Commitments of University Equipment and Facilities~~

~~When allowing industry to utilize University facilities directly for commercial purposes, the University shall make certain that industry indemnifies the University for all liabilities arising from such use; that industry pays an appropriate fee determined by the institution; and that such use does not interfere with University research, education, or public service programs.~~

~~16. Transfer of Rights in Discoveries~~

~~The Regents' patent policy extends to all patentable inventions and discoveries made at the University. Transfer of rights in and commercialization of such inventions and discoveries, whether by license, assignment, or sale, can further the mission of the University by making the discoveries available to the general public, by bringing recognition to the University and faculty, and by providing funds to the University which strengthen its research, teaching, and service roles. Such transfer of technology is encouraged. Industry typically treats the products of its research in a very confidential manner. On occasion, industry expects project participants to maintain the same degree of confidentiality with sponsored projects. It is important to note that openness, freedom of discussion, and freedom to publish go to the very core of the University. Nonetheless, there are certain legitimate needs for confidentiality on the part of industry that must be met by project participants. Data received from an industry sponsor and marked "confidential" may be kept in a confidential status for a stated period of time. Also, it is prudent to recognize the need to maintain the confidential status of the results of the project for a period of time sufficient to determine patentability and filing of patent applications or as agreed upon in an agreement between the sponsor and the University. When appropriate, the University may enter into confidential agreements to protect proprietary information, where this is deemed necessary, either through direct agreement with an industrial sponsor or through an agreement between the sponsor and an individual employee.~~

~~17. Policy Statement VII: Transfer of Rights in Discoveries~~

~~a. Each campus of the University has a process for the evaluation and disposition of inventions and discoveries created by University employees. Following appropriate evaluation but prior to making a patent application, the invention or discovery is brought to the attention of the Board of Regents in writing. The Board may accept the invention or discovery and pursue a patent application or return the invention to the inventor, in accordance with Section 3.10 of the Bylaws of the Board of Regents. It should also be noted that Regental Policy RP-3.2.7, "Patent and Technology Transfer Policy", mandates that one-third of royalties be paid to the faculty inventor(s) of a patent.~~

~~b. Faculty, or other principal investigators on industry-sponsored research, must ensure that all individuals who assist in their research projects are fully informed in writing of the ownership and disposition of inventions and requirements of confidentiality regarding research results and other confidential information provided by the sponsors of associated projects.~~

- ~~1) 18. Procedures for identifying and overseeing institutional Conflicts of Interest;~~
- ~~2) Principles and strategies for managing institutional Conflicts of Interest; and~~
- ~~3) Principles and strategies for institutional management of equity.~~

Each Chancellor shall submit their campus' processes and procedures for review of institutional Conflicts of Interest to the President for review and approval.

110. Appeal of Administrative Decisions

Each campus shall assure that an appeal mechanism is in place to allow ~~faculty and others~~ Covered Persons to appeal ~~any administrative-an adverse~~ decision relating to ~~the Conflict of Interest~~ this policy.

19. Disclosure of Interest Form

~~A facsimile of the Disclosure of Interest Form appears on the next page.~~

Regent Hawks requested that the Board revisit this policy within the next 12 months to assure it is more comprehensive.

- Action Student Opinion: Voting Aye: Craig, Klutman, Collins, and Crabb. Voting Aye: Schroeder, Whitehouse, Clare, Ferlic, Hassebrook, Hawks, McClurg, and Phares. Motion carried.
- Motion Moved by Whitehouse and seconded by McClurg to approve item IX-B-4
- University of Nebraska-Lincoln
- IX-B-4 Approve the Program Statement and Budget for the Hamilton Hall Sixth Floor Renovation at the University of Nebraska-Lincoln
- There was discussion
- Action Student Opinion: Voting Aye: Klutman, Collins, Crabb, and Craig. Voting Aye: Whitehouse, Clare, Ferlic, Hassebrook, Hawks, McClurg, Phares, and Schroeder. Motion carried.
- Motion Moved by Hawks and seconded by McClurg to approve item IX-B-5
- IX-B-5 Approve an increase of \$400,000 in the Keim Hall project budget for the purchase of additional furniture and equipment
- There was discussion
- Action Student Opinion: Voting Aye: Collins, Crabb, Craig, and Klutman. Voting Aye: Clare, Ferlic, Hassebrook, Hawks, McClurg, Phares, Schroeder, and Whitehouse. Motion carried.
- Motion Moved by McClurg and seconded by Ferlic to approve item IX-B-6
- IX-B-6 Approve the conditional disposal or removal of the Industrial Arts Building at the Nebraska Innovation Campus of the University of Nebraska-Lincoln (UNL) on or after July 1, 2010 and following an open process to allow an opportunity for proposals for appropriate adaptive reuse
- There was discussion
- Action Student Opinion: Voting Aye: Crabb, Craig, and Collins. Voting No (abstained counted as No vote): Klutman. Voting Aye: Hassebrook, Hawks, McClurg, Phares, Schroeder, Whitehouse, and Clare. Voting No: Ferlic. Motion carried.
- Motion Moved by Ferlic and seconded by McClurg to approve item IX-B-7
- IX-B-7 Approve the installation of new HVAC, Energy Management System and associated equipment improvements in University Hospital Units 1 through 4 and Durham Outpatient Center on the UNMC Campus
- Action Student Opinion: Voting Aye: Craig, Klutman, Collins, and Crabb. Voting Aye: Hassebrook, Hawks, McClurg, Phares, Schroeder, Whitehouse, Clare, and Ferlic. Motion carried.

- Motion Moved by Ferlic and seconded by Schroeder to approve item IX-B-8
- University of Nebraska Medical Center
- IX-B-8 Approve two construction contract change orders to the Harold M. and Beverly Maurer Center for Public Health building on the UNMC campus
- Action Student Opinion: Voting Aye: Klutman, Collins, Crabb, and Craig. Voting Aye: Hawks, McClurg, Phares, Schroeder, Whitehouse, Clare, Ferlic, and Hassebrook. Motion carried.
- Motion Moved by Schroeder and seconded by Ferlic to approve item IX B-9
- IX-B-9 Approve the selection of Alley Poyner Macchietto Architecture to provide architectural design services for the Stanley M. Truhlsen Eye Institute at the University of Nebraska Medical Center
- Action Student Opinion: Voting Aye: Collins, Crabb, Craig, and Klutman. Voting Aye: McClurg, Phares, Schroeder, Whitehouse, Clare, Ferlic, Hassebrook, and Hawks. Motion carried.
- Motion Moved by Whitehouse and seconded by McClurg to approve item IX-B-10
- University of Nebraska at Omaha
- IX-B-10 Approve the Resolution authorizing the expenditure of \$492,000 from the Sixth Series Replacement Fund to make Student Center improvements
- There was discussion
- Action Student Opinion: Voting Aye: Crabb, Craig, Klutman, and Collins. Voting Aye: Phares, Schroeder, Whitehouse, Clare, Ferlic, Hassebrook, Hawks, and McClurg. Motion carried.
- Motion Moved by McClurg and seconded by Hawks to approve item IX-B-11
- IX-B-11 Approve the Resolution (1) adopting the Seventh Supplemental Resolution to the Sixth Series Resolution authorizing the issuance of not to exceed \$18,000,000 aggregate principal amount of Revenue Bonds (UNO Student Housing Project), Series 2010B, for the Student Housing, (2) authorizing the execution and delivery of a Supplemental Master Trust Indenture, and the related Master Note, (3) authorizing the negotiated sale of such Revenue Bonds, Series 2010B, approving a Bond Purchase Agreement, a Continuing Disclosure Certificate, a Tax Compliance Agreement, and the Preliminary Official Statement, and authorizing the Vice President for Business and Finance to determine interest rates (not to exceed an average rate of 5.00%), principal amounts and principal maturities and redemption provisions of such Revenue Bonds, Series 2010B, and (4) approving the preparation and use of a final Official Statement. In addition, approve the execution of an amendment to the ground lease/purchase agreement to facilitate ownership transfer at such date as would be mutually beneficial to the parties to the ground lease/purchase agreement
- There was discussion
- Action Student Opinion: Voting Aye: Craig, Klutman, Collins, and Crabb. Voting Aye: Schroeder, Whitehouse, Clare, Ferlic, Hassebrook, Hawks, McClurg, and Phares. Motion carried.

C. FOR INFORMATION ONLY

- IX-C-1 University of Nebraska Strategic Planning Framework
- IX-C-2 University of Nebraska Strategic Framework Accountability Measures
- IX-C-3 Calendar of establishing and reporting accountability measures
- IX-C-4 University of Nebraska Strategic Dashboard Indicators
- IX-C-5 Board of Regents agenda items related to the University of Nebraska Strategic Framework

D. REPORTS

- IX-D-1 Quarterly personnel report for the period October through December 2009
- IX-D-2 Spring 2010 Enrollment Report
- IX-D-3 Status of Capital Projects exceeding \$5 million as of December 31, 2009
- IX-D-4 Quarterly Status Report of Six-Year Capital Plan and Capital Construction Report
- IX-D-5 Quarterly Gifts, Grants, Contracts and Bequests
- IX-D-6 Semi-Annual Report of Licenses
- IX-D-7 Bids and Contracts
- IX-D-8 Status Report on Fire Safety and Protection
- IX-D-9 Changes in Construction Projects by Budget or Use Categories
- IX-D-10 NCTA Education Center Intermediate Design Report

Chairman Phares accepted the reports

X. ADDITIONAL BUSINESS

None

ADJOURNMENT

There being no further business, the meeting was adjourned by Chairman Phares at 12:10 p.m.

Respectfully submitted,

Donal J. Burns
Corporation Secretary

Robert A. Phares
Chairman of the Board