



**OUS RESEARCH COUNCIL**

**PORTLAND STATE UNIVERSITY, URBAN CENTER BUILDING, ROOM 710**

**THURSDAY, JULY 12, 2007, 10:00 A.M. – NOON**

**1) CALL TO ORDER/ROLL CALL**

Chair Rich Linton called to order the meeting of the OUS Research Council at 10:00 A.M. On roll call, the following members answered present:

Kirby Dyess, Bill Feyerherm, John Cassady, David Woodall, and Dan Dorsa

Absent: Nick Konidaris, Gary Tallman, Wayne Embree, and Ray Werner

Research Council staff present: Charles Triplett

Other participants present: Mark Langseth, PSU; Mary Ellen McGillan, OSU Foundation; James Sager, Office of the Governor; Mary Foley, OSU; Dana Bostrom, PSU; Charles Williams, UO; Don Gerhart, UO; Dee Metaj, OHSU; Lynette Schenkel, UO (teleconference); Shauna Whidden, UO (teleconference)

**2) DISCUSSION**

**a. 2007 Legislative Session – Final Outcomes for Research Initiatives**

Chair Linton reviewed the 2007-09 legislative outcomes related to Oregon research initiatives. He noted the state's ETIC investment and acknowledged Bruce Shafer for his lead role in securing the program funding. Linton also noted the seed investment in the OUS climate change center and asked John Cassady for comment. Cassady said that the funding is scheduled for the second part of the biennium and allows for time to work with other campuses to develop inter-institutional opportunities. Kirby Dyess suggested that the new climate center work closely with the existing Natural Resource Center. Cassady agreed and said that Gail Achterman will be very involved in the new center's development.

Linton said that OUS received a good capital facilities budget. There are many facilities projects with connections to research: the OSU Wave Research Center and Linus Pauling Institute, PSU Science Building, and UO Integrative Science Complex- Phase 2. The major investment by the state is through G-bonds and requires a one-to-one match. Many projects have already made substantial gains at raising matching funds. For example, UO's project already has received pledges for \$20 million toward the required match of \$30 million. In the next couple of years, Linton expects that the development of these new facilities will help support Oregon's growing research enterprise.

Dan Dorsa asked Cassady about the Linus Pauling Institute. Cassady said that is a top priority and is making good progress. He expects a campaign announcement in October 2007.

Kirby Dyess added that this is the best budget OUS has received in ten years. Despite the increased state investment, Dyess notes that the state remains a “minority shareholder” in Oregon higher education.

Linton said that all eleven Oregon Inc initiatives were supported, but indicated that funding for some initiatives had to be cut in moving from the original Governor’s budget of approximately \$38 million to a final Legislative authorization of about \$28 million. The state allocations will be moved through OECD and will catalyze several signature research centers. Dyess noted that the Oregon InC investments assume a good foundational higher education budget and thanked Oregon InC leaders for testifying on behalf of OUS.

Dyess asked Dan Dorsa how OHSU fared in the budget process. Dorsa replied that funding for medical students increased but funding for the regional expansion didn’t pass. Linton hoped that OHSU and its university partners (OSU, UO) would bring the regional package to the E-Board for consideration early in 2008.

James Sager said that the Governor is very happy with the outcome of this session. He spent a lot of political capital to get higher education funding increased. Not everything was funded at the level he hoped but the legislature just ran out of money. Funding things like the climate center in the second year allows them to move out of policy package arena.

Linton asked Dave Woodall how the regional campuses felt about the budget. Woodall said they are satisfied with the outcome. The institutions are given more flexibility and there are new opportunities to participate in collaborative research initiatives.

## **b. Compliance Working Group Update**

Chair Linton introduced the next agenda item, an update on the compliance working group. Lynette Schenkel opened the discussion by telling members that the compliance working group is meeting later today and asked for feedback on the draft agenda. She said that the group will focus on the areas that were identified during the first compliance presentation. They will look at the pros and cons of a system-level institutional conflict of interest policy and the potential for a compliance consortium to help the regional institutions meet compliance requirements.

John Cassady asked Schenkel to describe the working group membership. She replied that there are several people from each of the research universities and one regional representative. Dave Woodall suggested that the group communicate all recommendations with the regional institutions. Schenkel agreed and added that the idea of a compliance consortium is in part related to serving the needs of regional campuses.

Dyess asked if someone from the Chancellor’s Office internal audit team was working with the group. Schenkel replied that Patti Snopkowski is being updated throughout the process.

Chair Linton asked Schenkel to provide the council with another update on the working group during the September or October meeting.

Dan Dorsa suggested that Schenkel list HIPPA under the human research category. She replied that compliance officers are aware of HIPPA and added that there is a half day workshop on August 23 focused on HIPPA and the Oregon privacy act. The focus of the workshop is to discuss human research and HIPPA compliance as it relates to Oregon institutions.

**c. SB582 Implementation – University Venture Fund Updates**

Linton moved to the next agenda item, an update on SB582 and its implementation. The bill passed and aligns well with the expectations of the universities. The next steps should move quickly. The administrative rules need to be amended slightly to comply with the legislative changes. Caroline Kerl, Randy Geller, and Ryan Hagemann are reviewing the amendments and hope to move them forward for Board approval soon. Dyess agreed that the process should move quickly from here and said that she didn't want Board approval to hold up progress. She stressed that most changes are editorial and not substantive.

John Cassady noted that a lot of time and effort has gone into moving the bill to this point. He acknowledged Chair Linton's contributions and said that the inclusion of an evergreen clause is an example of Linton's leadership.

Chair Linton introduced the development officers and asked them to update the council on the communication and marketing plans. Mary Ellen McGillan said that development officers are excited to see the venture funds finally come to fruition. The communication team has made good progress nailing down the details and the latest FAQ is in the packets that were distributed today. The generic brochure is almost complete but lacks contact information for the regional institutions. The brochure was sent to Greg Chaille at the Oregon Community Foundation (OCF). The OCF may help market the plan.

Shauna Whidden suggested that council members review and signoff on the FAQ before it is distributed more widely. The development team is looking for any final feedback before the document is finalized.

Bill Feyerherm noted the evergreen changes in the legislation and highlighted a couple of examples in the FAQ that describe a "first come, first serve" approach to the credits. He asked if the language should be changed to reflect the evergreen component that was added to the bill.

Whidden replied that the evergreen component is addressed later in the document but admitted the language may be confusing. The point to communicate is that there is a limit on the tax credits available at this time. Credits will not be renewed until repayment begins. We need to communicate that once this allocation is distributed, it's gone until universities begin payback.

McGillan added that the document is intentionally vague to solicit discussion with donors and their financial advisors. The evergreen component is fantastic but not simple to describe in a brochure.

Kirby Dyess asked if the tax credits apply to Oregon corporations as well. She suggested developing a stand alone document focused on corporate donation. Whidden agreed and noted the different needs of a corporate audience.

John Cassady suggested that although the silent phase is short, corporate donations would be a big help to the public kick off. Whidden replied that the launch is a good opportunity to announce a few lead donors. People associated with companies would be a big help.

Rich Linton suggested engaging small companies spun out of OUS institutions. They could add a “if we had this resource” statement to the mix. McGillan agreed and noted the importance of corporate donations to the overall strategy.

Shauna Whidden said that the development team will send the venture fund information (brochure, application, and FAQ) to a generic list of key financial advisors once the materials are finalized.

Dyess said that there may be an opportunity to get an article about the venture funds posted in *Financial Advisor*, a national publication. Although the fund is only available in Oregon, the concept is national news. Whidden suggested pursuing an article in the *Chronicle* as well.

#### **d. Technology Transfer**

Chair Linton moved to the technology transfer agenda items and introduced Chuck Williams to discuss the concepts of “next generation” or “2g” tech transfer.

Williams noted that a “one size fits all” approach to tech transfer doesn’t work. Researcher and investigators are unique. The goal is to avoid a prescriptive process by focusing on opportunities to add value where appropriate. Enabling broad participation and providing a foundation for researchers will create a supportive process and insure good results.

Participation from external partners is critical. The purpose of universities is to create and disseminate knowledge. University technology transfer is sometimes criticized for being too focused on revenue generation. The key to “next generation” tech transfer is to stop emphasizing only the financial payback via intellectual property (IP) ownership. If free software earns 8,000 users, the number of successful users can be used as a metric to solicit additional research funding. The measure of success doesn’t need to be based on license income or patents earned. There are metrics that capture societal benefits, etc.

Linton thanked Williams and asked for comment from technology transfer directors. Dana Bostrom replied that she’s working on an “open door” inventory/portal of all the free technologies and where to locate them.

Cassady asked Bostrom if she was talking about things that are potentially open source. Bostrom answered “no” and clarified that she’s creating an inventory of things that are already open source. Arundee Pradhan added that they’re doing something similar at OHSU.

Bostrom said that she’s also engaged in a project to enhance AUTM metrics. The current licensing survey lacks metrics that measure societal benefit. An interim proposal is due to be released later this month. The metrics discussed in the new report are not based on dollars. In September, AUTM will release a new draft plan to members. Linton asked Bostrom to keep council members informed on the AUTM report and meetings. Oregon is now well positioned to reach a new level in tech transfer.

Pradhan shared some recent developments regarding the Bayh-Dole Act. The act periodically comes under attack and is currently being discussed in a congressional subcommittee on science and technology. Congressman David Wu chairs the subcommittee and as a result, Oregon is very well plugged into the discussions. On July 17<sup>th</sup>, Pradhan will be testifying to a congressional hearing on Bayh-Dole.

Don Gerhart added that a recent teleconference organized by AUTM and an upcoming teleconference for AAU members are focused on preparation for the congressional hearings. Pradhan and Linton echoed Gerhart’s remarks and added that AUTM, AAU, NASGULC, and others are working to create a unified front. Gerhart stressed that part of the message out of the AUTM teleconference is that a reevaluation of the Bayh-Dole Act isn’t necessarily a bad thing. The review could be a good opportunity to make adjustments to the act.

Chair Linton suggested moving to the next topic and asked Pradhan to discuss OTRADI and multi-institutional IP.

Pradhan began by saying that OTRADI is very different from ONAMI and may need to have a unique IP policy to be successful.

Cassady asked how the two signature research centers are different. Pradhan answered that ONAMI and BEST are meant primarily to enhance the university research function and opportunities for commercialization. OTRADI will have its own facility, equipment and staff who performance a service to universities.

OTRADI will operate under a different model than the other SRCs. A working group has been created to work through some of these issues. OTRADI won’t own any IP. The credit/ownership will go to the inventor(s) and the lead investigator will help determine which institution assumes IP management. A designated lead institution will negotiate on behalf of the others in shared IP scenarios.

SRCs are ultimately expected to be self-sustaining. The biopharmaceutical accelerator receives the first option to license the technology. If they choose not to exercise that option, the IP reverts back to the institution. Revenue sharing will be decided on a case by case basis, but each component must be a non-zero. Gerhart added that the non-zero component is designed to keep all participants growing. Dan Dorsa suggested that there is tension around this issue. To make

OTRADI work, it will develop a culture that requires management. Gerhart said that a contract research group – a unit that does research for hire – is a good example.

Chair Linton thanked Pradhan and suggested that they continue the discussion in the Oregon InC Commercialized Research Subcommittee. Feyerherm suggested that DOJ be involved to minimize any potential misconceptions before moving too far forward.

Linton noted the limited time remaining and quickly summarized the final agenda items before introducing Joe Tanous to discuss the Kauffman Foundation RFP. Tanous thanked Linton and described his work with tech transfer. Tanous has several verbal agreements with Kauffman but hasn't seen the final RFP and doesn't want to depend on one institution to support his proposal. He's put feelers out to the Bill and Linda Gates foundation as well.

The four beta programs that Tanous is working with are doing well. One is funded and another is receiving gap funding from ONAMI. The key is assistance and resources. Additional resources are necessary to continue the commercialization process after the initial tech transfer occurs.

Kirby Dyess said that biggest challenge to successful commercialization is recruiting the right people. Money is the lesser of the challenges.

Tanous replied that most universities have the IP and a business plan packaged together. The UO business plan competition and entrepreneurship program is a prime example. It's won national and international awards and the ideas are phenomenal, but the plans that are created are in part an educational exercise for graduate and professional students. When students graduate, the package – business plan and IP – might be put on a shelf. There are some success stories, but there can be more. Linton suggested that the new University Venture Fund will help assure that ideas move efficiently from entrepreneurial education to proof-of-concept studies to start-up business creation.

Chair Linton asked Tanous to bring back the draft proposal to the Research Council. Kauffman is expected to release an RFP in October.

### **3) ADJOURNMENT**

The meeting adjourned at 12:10 P.M.