The State Board of Higher Education met November 18, 2010, by conference call. The call originated in the North Dakota University System office on the 10th floor of the Capitol. The board president called the meeting to order at 9:04 a.m. CT.

Members present:
- Mr. Jon Backes, President
- Mr. Grant Shaft, Vice President
- Mr. Duaine Espegard
- Ms. Kirsten Diederich
- Mr. Claus Lembke
- Ms. Melissa Bonner
- Mr. Richie Smith
- Dr. John Girard, faculty representative

SBHE members absent:
- Mr. Mike Haugen

Staff members present:
- Mr. William Goetz, Chancellor
- Dr. Marsha Krotseng, Vice Chancellor for Strategic Planning/Executive Director of CTEC
- Ms. Erika Lorenz, Secretary

Others participating:
- Mr. Shane Goettle, Commissioner, North Dakota Department of Commerce
- Mr. Justin Dever, North Dakota Department of Commerce
- Mr. Brian Opp, North Dakota Department of Commerce

Centers of Excellence Commissions Recommendation - North Dakota State University Center for Biopharmaceutical Research and Production, $3,015,000 grant with matching funds in the amount of $6,630,000
Dr. Krotseng presented an overview of the Centers of Excellence (COE) Commission recommendation. She said the application was approved by the COE Commission contingent upon the Center for Biopharmaceutical Research and Production (CBRP) providing a sub-license for Altravax, as a part of the match, and third party valuation of the sub-license to ensure its value is at least $3 million. Mr. Goettle and Mr. Dever provided a brief overview of the project. The matching funds will be used for equipment and other expenses. The center expects to create 40-60 high-value, private sector jobs. The Center will receive a $2 million grant from the Greater Fargo/Moorhead Economic Development Corporation, $1.25 million (cash and contracts) from SomahLution, $3 million (in kind contribution) from Altravax, and $380,000 (cash) from Avianax. Mr. Goettle said the availability of the match must be verified before funds are released.

In response to a question from Mr. Espegard regarding Director, Dr. Satishchandran Chandrasekhar’s involvement in the project, Mr. Dever said Dr. Chandrasekhar’s involvement abides by NDSU’s policy on conflicts of interest. In response to a question from Mr. Backes regarding intellectual property rights, Mr. Goettle stated the sub-license is for use on one disease target and the intellectual property rights are still under negotiations. Mr. Dever explained that SBHE policies regarding intellectual property rights apply to the COE. President Bresciani said the negotiation and management of intellectual property rights would be the responsibility of the NDSU Research Foundation. President Bresciani said this proposal has the potential for a substantial return on investment for NDSU and the state of North Dakota.

**It was moved** by Lembke, seconded by Espegard, to approve the North Dakota State University – Center for Biopharmaceutical Research and Production (CBRP), $3,015,000 grant with matching funds in the amount of $6,630,000, to be in place before funds are dispersed. Diederich, Lembke, Espegard, Bonner, Smith, Shaft, and Backes voted aye. The motion carried.

The meeting adjourned at 9:32 a.m.