

MINUTES OF THE SPECIAL MEETING
OF THE
MICHIGAN STATE UNIVERSITY
BOARD OF TRUSTEES

July 9, 1998

A meeting of the Trustee Finance Committee was held in the Board Room of the Administration Building beginning at 3:00 p.m. on Thursday, July 9, 1998. Minutes of the meeting are on file in the Office of the Secretary of the Board of Trustees.

President McPherson called the Special Meeting of the Board of Trustees to order at 3:10 p.m. following the committee meeting.

Trustees present: Dolores M. Cook, Joel Ferguson, Dorothy Gonzales, Colleen McNamara, Donald W. Nugent, John D. Shingleton, Bob Traxler, and Robert E. Weiss. Trustees Ferguson, Nugent, Shingleton, Traxler, and Weiss participated via telephone.

University officers present: President McPherson, Provost Simon, Secretary Pogel, Vice Presidents Denbow, Greenleaf, June, Webster, and Wilkinson, and Executive Director Williams. Others present: Associate Vice President Murray. Faculty Liaisons present: Norman Abeles and Daniel Kruger, and Professor Gretchen Flo. Student Liaison present: Louis Smith.

All actions taken were by unanimous vote of the Trustees present, unless otherwise noted.

1. On a motion by Ms. Cook, supported by Ms. Gonzales, **THE BOARD VOTED to approve** the proposed agenda.
2. There were no requests to address the Board of Trustees on issues germane to the agenda or other issues.
3. The Trustee Finance Committee report and recommendations were presented by Committee Chairperson Nugent.

A. Guidelines for the Development of the 1998-99 Budgets

It was recommended that the Board of Trustees adopt the Guidelines for the Development of the 1998-99 Budgets, which include significant revenue and expenditure variables, and proposed tuition and fee rates. In accordance with these guidelines, the administration is directed to develop the General Fund, Michigan Agricultural Experiment Station, Michigan State University Extension, and Intercollegiate Athletics budgets for submittal to the Board for action.

On a motion by Mr. Nugent, supported by Mr. Weiss, **THE BOARD VOTED to approve** the recommendation.

Committee Chairperson Nugent highlighted the 1998-99 Budget Development Guidelines.

B.MSU Tuition Guarantee

It was recommended that the MSU Tuition Guarantee policy be extended to Michigan resident freshmen entering Fall 1998. Tuition rate increases for the next three years (fiscal years 1998-99, 1999-2000, and 2000-2001) will be held to the approximate rate of inflation. As an added incentive to these students to graduate in four years, this assurance will be extended to them for a fourth year (fiscal year 2001-02).

This action is contingent upon state appropriation increases for Michigan State University's general fund of at least the rate of inflation. If the state does not provide at least cost of living increases, it is anticipated that the tuition decision will be considered by the committee accordingly in order to sustain quality.

The MSU Tuition Guarantee acknowledges the potential for restructuring the existing tuition and fee structure to address concerns such as course load, and part-time and off-campus students, within the context of an overall inflation-based adjustment. Tuition and fees for special programs will be considered separately from the Guarantee. For nonresident freshmen entering Fall 1998, the Tuition Guarantee policy will remain at 3 percent for the four-year period ending 2001-02, unless the approximate rate of inflation exceeds that level.

On a motion by Mr. Nugent, supported by Mr. Shingleton, **THE BOARD VOTED to approve** the recommendation.

4. An Executive Session was not requested.

5. On a motion by Mr. Nugent, supported by Mr. Traxler, the meeting adjourned at 3:48 p.m.

Peter McPherson, President

Nancy H. Poge, Secretary

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