

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

September 16, 2005

Trustee Finance Committee and Trustee Policy Committee meetings were held in the Board Room of the Administration Building beginning at 9:30 a.m. on Friday, September 16, 2005. Minutes of the meetings are on file in the Office of the Secretary of the Board of Trustees.

President Simon called the meeting of the Board of Trustees to order at 10:08 a.m. in the Board Room.

Trustees present: Dolores M. Cook, Joel I. Ferguson, Melanie Foster, Dorothy V. Gonzales, Colleen M. McNamara, Donald W. Nugent and David L. Porteous.

Trustee absent: G. Scott Romney

University officers present: President Simon, Provost Wilcox, Vice President Poston, Secretary Barber, Vice President and General Counsel Noto, Vice Presidents Denbow, Gray, June, and Webb, Senior Advisor and Director Granberry Russell and Executive Director Williams. Faculty liaisons present: Norm Abeles (for Jon Sticklen), Brin Keller, Shelia Teahan (for Ross Emmett), Student liaisons present: Bradley Love, Robert Murphy, Andrew Schepers and Emily Sorroche.

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

1. On a motion by Mr. Porteous, supported by Ms. Foster, **THE BOARD VOTED to approve** the agenda.
2. On a motion by Mr. Nugent, supported by Ms. McNamara, **THE BOARD VOTED to approve** the minutes of June 7, 2005, June 17, 2005 and July 21, 2005.
3. President's Comments

President Simon thanked everyone for their participation in the Sesquicentennial Convocation. She said Professor Carter did an extraordinary job, along with the Committee. President Simon said it was a pleasure to have the opportunity to talk about, not only the bold experiment of 1855, but the boldness by design of our future. President Simon commented that in the coming weeks and months Provost Wilcox

will be outlining specific implementation plans that he will share with the Board.

President Simon noted that the University is still in the throes of the State appropriation process. Nothing has yet been finalized. We will refrain from comment until we have a final action by the legislature.

President Simon said that discussions are proceeding in Grand Rapids regarding expansion of the College of Human Medicine in a location where it is already deeply rooted. This concept will unfold over the coming weeks and months in a way that she believes will be into a genuine win-win for mid-Michigan and west Michigan.

President Simon thanked those who attended the NMR dedication yesterday. It was a major milestone, not only for Michigan State, but for the State of Michigan. Collaboration among the research universities is very critical. President Simon said she was pleased to see graduate students and faculty there from the University of Michigan and the Van Andel Institute, because this is genuinely a facility for Michigan.

President Simon acknowledged September 15 through October 15 as Hispanic Heritage Month. It is an opportunity for non-Hispanics and Hispanics alike to become acquainted with and celebrate the Americans of Hispanic heritage who have contributed to the greatness of our country since the American Revolution. She said the University looks forward to celebrating as a community, not simply with East Lansing, but with the entire State of Michigan and the United States during this period of time to enhance mutual understanding and celebrate the important contributions of Hispanic Americans over the last 200 years.

President Simon announced that the Board would talk about the University's response to Hurricane Katrina. She said that every day she becomes prouder of the capacity of the University to rally in ways that are big and small, not only in working with the victims of Hurricane Katrina, but also in the rebuilding effort. President Simon then turned the meeting over to Dr. Barbara Steidle. In introducing Dr. Steidle, Dr. Simon commented that some people in the University community can be relied upon, because of their intelligence and passion, to develop a coordinated student, faculty, and community response to circumstances like this in a way that isn't just a flash in the pan. She noted the Dr. Steidle is one of those people.

Dr. Steidle remarked that Hurricane Katrina produced an out-flowing of offers of assistance and general sense of need to be connected to this effort that was truly unusual. The response from campus and the community had a truly grassroots humanitarian flavor to it. The approach

taken has been decentralized, allowing people to direct their attention to the specific causes they wanted to serve—in effect, letting many flowers bloom. Dr. Steidle distributed a report summarizing many of the activities to date. (See Appendix A)

Dr. Steidle then invited several individuals to speak about their roles in the relief efforts.

She introduced Associate Dean Tom Wolff of the College of Engineering. Dr. Wolff thanked Dr. Steidle. He noted that he has been involved for many years with levee research and levee consulting, such as helping the US Army Corps of Engineers develop procedures and policies for levee design, and developing related software.

Dr. Wolff said he has been involved in media response, radio and news, explaining what happened in New Orleans. He stated that after Hurricane Betsy in 1965, it was realized that the levees around New Orleans were not safe against a major hurricane. A number of studies were done and it was decided to protect New Orleans against a fast moving Category 3 hurricane. The levees were designed against a very rare event, but an even rarer event occurred.

Dr. Wolff stated that he has helped with displaced students and is helping with some seminars. Dr. Wolff said he recently received an email from the American Society of Civil Engineers inviting him to join an expert levee reconnaissance team that will partner with the Corps of Engineers and the California Department of Water Resources in investigating the levee failures.

Dr. Steidle then asked Dr. Mark Hansen, Coordinator of Emergency Management for the Extension Service, to say a few words. Dr. Hansen mentioned that the National Extension Disaster Education Network set up an Emergency Management One-Minute Tip, a quick tip that goes out via email to about a thousand staff and affiliates from Extension. Topics include information on how to give, whom to be careful of, how to watch for scams and how to get involved as a host family. That information goes out to county offices and staff on campus and then gets distributed all over the State to various communities. He also noted that the MSU Emergency Management website for Extension has added a Katrina link with categories including agriculture, youth and family, and how to give. The website is continuing to expand.

Dr. Hansen also discussed the Extension Disaster Education Network (EDEN), in which MSU is involved and of which it was a charter member. EDEN better prepares Extension agents for dealing with disasters. EDEN has received calls from Extension counterparts in Alabama and Louisiana.

EDEN is trying to better identify and help meet the needs resulting from this disaster. EDEN will select people from around the country who deal with human stress, people who deal with engineering, and people who deal with food safety experts, who can respond by email or by the chat area to frequently asked questions arising in the stricken areas.

Dr. Hansen noted that Extension's primary contribution is in sharing information. This activity also helps Extension prepare to do a better job here, in the event Michigan faces an emergency situation.

Dr. Stiedle next introduced Eric Hinojosa, who has been working with Kevin Newman through the Residence Hall Association (RHA) to plan the ASMSU RHA tag sale and other efforts.

Mr. Hinojosa stated that students were trying to mirror the projects that March of Dimes, Make a Wish and Jerry's Kids do. These involve selling one donation placard for a dollar at local businesses with the sale proceeds going to charity. The goal is to directly benefit the affected universities, with additional funds given to a reputable charitable organization, such as the Red Cross, that is participating in the hurricane relief effort. Currently, students are distributing the tags in the Akers, Brody, Gilcrest, Holden and Mason movie offices of RHA and the ASMSU business office.

Dr. Steidle introduced Bob Murphy, Chairperson of the Academic Assembly at MSU. Mr. Murphy stated that immediately after Hurricane Katrina, the Academic Assembly met and considered appropriate responses. The main issue that it has been working on is to make sure that all undergraduates who wish to transfer to Michigan State have the opportunity to do so. Mr. Murphy said he has spoken with the Provost's Office, President Simon and Dr. Steidle about these issues and the response he has gotten so far has been very positive. He stated that he hoped there would be financial aid offered later today by the action of this Board to these students.

Dr. Simon noted Ms. Granberry Russell's role as Chairperson of the Board of the Lansing Area Red Cross. She praised Ms. Russell's work.

4. Public Participation on Items Germane to the Agenda

Sayrah Namaste, a member of the Students for Economic Justice who lives in University Village, addressed the Board. She has been involved as a volunteer in the relief efforts. Based on her own experience living in shelters, she expressed great concern about the living situations Lansing has been providing to refugees. She felt that unoccupied housing in University Village represented a more desirable option and urged the

University to share its many resources, not just with those from the various universities of New Orleans, but with those who were not part of the University community.

Austin Jackson, adjunct faculty member at James Madison College and full-time faculty member in the Department of Writing, Rhetoric and American Cultures at Michigan State University, addressed the Board. He noted that some of the Trustees made reference to 9/11. One of the consequences of 9/11 was a series of talks, so students could understand the racial and political impact of the event. He noted that that had not happened with Katrina. He stated that racial, class and political implications have emerged after the storm stripped away not only the physical infrastructure, but also the veneer of equality here in America. Professor Jackson noted that the Sankofa Black Student Organization is partnering with Students for Economic Justice to make sure that Michigan State is doing its utmost to allocate resources, not only to middle-class students transferring to Michigan State, but also to the poor. He urged Michigan State to take responsibility for the most vulnerable, for those people that can't help themselves. Dr. Jackson indicated that he is here to reiterate his support for Students for Economic Justice and addressing this really big humanitarian crisis.

Dr. Jackson also noted that a talk sponsored through James Madison College led to a discussion generated from students themselves about possibly bringing some of the poor to campus and making them part of the University community, allowing them to share its resources. Professor Jackson added that he would like to stress the housing issue that Sayrah Namaste just mentioned. He also requested that the Board consider using its food service system to provide food services for some of the most vulnerable people. Professor Jackson thanked the Board and emphasized that he hoped the Trustees would take this proposal seriously.

Trustee Porteous stated that he could not be prouder of this Board, the administration, the faculty, staff and students at this University for their rapid response to this terrible disaster. He is pleased that MSU is working, not just on short-term issues, but also on dealing with the long-term ramifications of Hurricane Katrina. Mr. Porteous said that great ideas are being generated, several of which were discussed today. As Chairman of the Board, he stated a commitment to what the University needs to do in the future to assist the stricken communities.

Trustee Porteous offered a resolution (Appendix B) reiterating MSU's strong commitment to helping victims of Hurricane Katrina. Mr. Porteous also requested an update to the Board and the University community about what Michigan State is doing to meet the needs of the broad

population that has been talked about so eloquently today. President Simon remarked that this will be done with great enthusiasm.

President Simon again commended the work of Ms. Granberry Russell and her associates. She stated that MSU will be working with the Red Cross and the community to try to make sure that we are as sensitive as possible to what people who are being displaced want.

Mr. Nugent said that the alumni clubs throughout the State have gotten very much involved. He thinks Spartans are caring people who provide a lot of leadership.

Trustee McNamara added that people are working hard on the actual physical and psychological needs related to this disaster. She suggested that a day be devoted to discussing the many implications of Katrina and its aftermath, with each academic unit addressing the issue through its own intellectual base.

Ms. Cook said that it is natural for this University to reach out to the people who need to pick up their academic life. She noted that for her, the most serious impact of this horrible tragedy has been what Mr. Jackson focused on: those people who are unable to help themselves. Trustee Cook urged the University to focus on the neediest of those affected by this tragedy.

President Simon asked Ms. Granberry Russell if she wanted to address the Board. Ms. Granberry Russell agreed with the comments of Trustee Cook, Dr. Jackson and Sayrah Namaste. Ms. Granberry Russell observed that the most vulnerable in the Gulf region were disproportionately poor and disproportionately of color and African American. She applauded the efforts of the Michigan Legislative Black Caucus, the Catholic Social Services, the Salvation Army and the range of other community organizations, faith-based organizations, and individuals, non-profit as well as for profit. She noted that it will be years, if ever, to bring closure to this complete and total devastation in the Gulf region. She expressed her gratitude to those who have come forward to help.

Dr. Simon stated this is not only a wake-up call to help, but it is a wake-up call for the land-grant voice for the vulnerable wherever they are. She said it really is the land-grant heart that ultimately will make the difference. And it is that combination of cutting edge knowledge and land-grant heart that is what we are really talking about as we look at the Hurricane Katrina response. She stated that we will need to continue to remember that, whether it is in Louisiana or in the furthest corner of the State of Michigan.

Mr. Porteous said he would like to follow up on Ms. McNamara's suggestion because he thinks that has great potential. He thinks there are

many here, including himself, who do not fully understand the impact of what has happened down in New Orleans and Alabama. A day when the University's intellectual efforts are focused on helping us learn more and understand better could be very powerful.

On a motion by Mr. Porteous supported by Ms. Cook, **THE BOARD VOTED to approve** the resolution.

5. Personnel Actions

Provost Wilcox presented the following personnel actions:

Appointments

1. Hadlock, Charles J., AY – Associate Professor, Department of Finance, \$170, 000, with Tenure, effective August 16, 2005.
2. Conlin, Michael E., AN – Associate Professor, Department of Economics, \$115,000, with Tenure, effective August 16, 2005
3. Dickert-Conlin, Stacy A., AY – Associate Professor, Department of Economics, \$115,000, with Tenure, effective August 16, 2005.
4. Reese, Laura A. AY – Professor, Dean's Office, College of Social Science, Department of Political Science, \$150,000, with Tenure, effective August 16, 2005.

On a motion by Mr. Ferguson supported by Ms. McNamara, **THE BOARD VOTED to approve** the recommendations.

Provost Wilcox commented on each of the four:

Dr. Hadlock's interests include corporate finance, management incentives, managerial labor markets, and capital structure. He received MSU's Excellence in Teaching Award in '99 and the Dorothy J. Withrow Emerging Scholar Award from MSU in 2003.

Dr. Conlin's interests are in applied game theory, industrial organization, hotel industry issues, discrimination in the National Football League, tipping, voting, and liquor laws. His teaching experience includes work in microeconomics and in industrial organization.

Dr. Dickert Colin's interests include public finance, poverty, labor, demography, taxation and marriage and teaching experience at the undergraduate and graduate level in microeconomics and public finance.

Dr. Reese's research interests include urban politics and policy, local economic development and sexual harassment policy. She has teaching experience in urban politics, economic development, public policy processes and American government.

Other Personnel Actions

Youatt, June, AN – Assistant Provost, Undergraduate Education; Dean, Undergraduate Studies; Professor, Department of Family and Child Ecology, to add title Acting Dean, College of Human Ecology, and for a salary rate change to \$155,000, effective September 1, 2005.

Rappley, Marsha D., AN – Associate Dean, College of Human Medicine, Associate Professor, Department of Pediatrics and Human Development, for a change in title to Acting Dean and for a salary rate change to \$230,000, effective July 1, 2005.

On a motion by Mr. Porteous supported by Ms. McNamara, **THE BOARD VOTED to approve** the two appointments.

Dr. Wilcox commented that Dr. Youatt's assumption of the position of Undergraduate Education of Acting Dean of the College of Human Ecology is part of the continuing process of transitions in the College of Human Ecology. Dr. Youatt is a member of the faculty of the College and has worked closely with Dean Song in the last several months. Dean Song has done an amazingly astute job of moving the transition to this point through the last few months.

Provost Wilcox noted that the Board was informed that Dr. Rappley's appointment was in the offering at its last meeting. The details of that appointment have now been finalized.

Trustee McNamara commented that MSU has literally hundreds of people on the personnel information reports. Ms. McNamara would like the Board to be made aware of the higher profile changes within that set.

6. Gifts, Grants and Contracts

Vice President Gray presented the Gift, Grant, and Contract Report for the period June 2, 2005 through August 30, 2005. The report is a compilation of 726 Gifts, Grants, and Contracts and 53 Consignment/Non-Cash Loans, with a total value of \$118, 176,598.40

On a motion by Mr. Porteous supported by Mr. Nugent, **THE BOARD VOTED to approve** the Gifts, Grants and Contract Report.

Vice President Gray introduced Dr. Larry Drzal. Dr. Drzal has been with MSU since 1985. He is Director of the Composites, Material and Structure Center; he is a faculty member in the Department of Chemical Engineering. He is a leading expert in composite materials and their processing and has won numerous U.S. government, College of Engineering and University awards, including being named University Distinguished Professor in 1997. Dr. Drzal is presently involved in research involving broad areas of nanocomposites and biocomposites. The biocomposite research is centered on the development of sustainable structural bio-composites that can replace petroleum based structural composites. Dr. Drzal is also the co-director of the Center for Renewable Materials.

Dr. Drzal provided a PowerPoint presentation describing his research. That presentation can be found in Appendix C.

7. Finance and Audit Committee

Chairperson Nugent presented the Trustee Finance and Audit Committee report and recommendations.

A. New Investment Managers

Mr. Nugent said the Finance and Audit Committee met yesterday to review MSU's investment portfolio and to see if any changes are needed in its diversification strategies. He is very pleased to report that for last fiscal year MSU had a 15.3% return on its investments. The investment portfolio is now worth over \$1 billion, which is pretty dramatic. MSU had the fourth highest return in the Cambridge Associates group for the year. MSU is number 2 in the nation.

On a motion by Mr. Nugent, supported by Mr. Ferguson **THE BOARD VOTED to** terminate Standard Pacific and replace it with Viking and Global Investors as an absolute return manager.

On a motion by Mr. Ferguson, supported Ms. Foster **The BOARD VOTED to** approve the selection of Alson Partners, LLC, as an absolutely return manager. Its focus is in a different area than that of Global Partners.

On a motion by Ms. Foster, supported Ms. Gonzales, **The BOARD VOTED to** move the selection of the Limerock Partners, LLC as an inflation hedge manager.

Trustee Porteous commented that MSU is very fortunate to be one of the schools that were early in investing in hedge funds. He noted that

the newspapers have been carrying stories about hedge funds that are now running into trouble because so much money has been flowing into those funds. He asked if the University is as aggressively invested in hedge funds now as it was in the past.

Trustee Nugent affirmed that the University is doing some refocusing on different funds and indicated that is why we are seeing an increase in the absolute returns. MSU is remaining diversified and by maintaining that diversification protecting itself from the ups and downs of the equity market.

Dr. Poston commented that MSU has avoided highly leveraged funds and that is why we have continued to be successful.

B. Sale of MSU Merillat Equine Center

It was recommended to the Board of Trustees that the University enter into an agreement to sell to Rockland Development Corporation the 80 acre MSU Merillat Equine Center for \$1,350,000.

On a motion by Trustee Ferguson, supported by Trustee Gonzales, **THE BOARD VOTED to approve** the recommendation.

C. Architect and Engineering Appointment

On a motion by Trustee Nugent, supported by Trustee Ferguson, **THE BOARD VOTED to approve** Fishback, Thompson, Carr, Huber, Inc. as the architect engineer for the project entitled, Steam Distribution, New Steam Tunnels from STM0229 to STM0268. (Bogue Street) and STM0169 to STM0126 (Shaw).

D. Bids and Contract Awards

It was recommended that the Board of Trustees approve the following eight contracts:

1) \$367,990 be awarded to Bosch Builders, Inc. and a budget in the amount of \$400,000 be established for the project entitled: Beef Cattle Research Center Roof Extension.

2) \$6,118,000 be awarded to Weiland Davco Corporation and a budget in the amount of \$8,640,000 be established for the project entitled: Research Complex Engineering Addition #2 – Energy and Automotive Research Laboratory.

3) \$708,000 be awarded to Moore Trosper Construction Company and a budget in the amount of \$1,105,000 be established for the project entitled: Chemistry – Alterations to Rooms 535, 536 and 537.

4) \$406,300 be awarded to Superior Electric of Lansing and a budget amount of \$600,000 be established for the project entitled: Engineering Building Fire Alarm Upgrade.

5) \$379,990 be awarded to the Nielsen Commercial Construction Company and a budget in the amount of \$525,000 be established for the project entitled: Public Safety, Replace DX Air-Conditioning with Chiller.

6) \$1,035,000 be awarded to Kares Construction Company and a budget in the amount of \$1,240,000 be established for the project entitled: Union Building – Elevator Replacement.

7) \$324,000 be awarded to Bornor Restoration, Inc., and a budget in the amount of \$415,000 be established for the project entitled: Holden Hall Roof Replacement.

8) \$3,306,000 be awarded to Carrs Construction Company, Inc., and a budget in the amount of \$4,083,000 be established for the project entitled: Food Store Relocation MSU Bakery.

On a motion by Trustee Nugent supported by Trustee Porteous, **THE BOARD VOTED to approve** the eight recommendations.

E Diagnostic Center for Population and Animal Health

It was recommended to the Board of Trustees that it adopt the Resolution Approving a Construction and Completion Assurance Agreement, a Conveyance of Property, a Lease and an Easement Agreement, if Necessary, for the Michigan State Animal Health Diagnostic Laboratory.

On a motion by Trustee Nugent, supported by Trustee McNamara, **THE BOARD VOTED to approve** the recommendation. The Resolution is attached as Appendix D.

F. Modification to the University Non-Contributory Retirement Plan

It was recommended to the Board of Trustees that the University Non-Contributory Retirement Plan (UNCRP) be modified to provide a five percent increase in benefit levels effective January 1, 2006,

January 1, 2007, and January 1, 2008 to support MSU retirees who receive a fixed UNCRP benefit with no automatic increment.

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

- G. It was recommended that the Board of Trustees that a variance to the University zoning ordinance be granted to allow construction of a parking lot in the protected green space at the Clarence Lewis Arboretum.

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

8. Policy Committee

Trustee McNamara presented the Trustee Policy Committee report and recommendations.

A. Notice of Intent to Negotiate a Contract

Pursuant to State law, the Chair of the Policy Committee gave public notice to the full Board of the University's intention to negotiate agreements regarding technology licensing, research and related matters with *MetagenX, LLC*. Dr. Christina Chan, an Associate Professor in the Department of Chemical Engineering and Material Science, and Dr. Neil Wright an associate professor in the Department of Mechanical Engineering, and their immediate families own or have options to buy an ownership interest of more than five percent of the company. Drs. Chan and Wright are each members and managers of the company.

B. Approval of Contract Terms

It was recommended that the Board of Trustees approve the administration's recommendation for execution of a research contract with *Biophotonic Solutions, Inc.*, consistent with earlier public notice given at a Board meeting and with the applicable "Research Contract Term Sheet" presented for inclusion in its minutes. (See Appendix E)

It was recommended to the Board of Trustees that it approve the administration's recommendation for execution of a research agreement with IC Tech, Inc., consistent with earlier public notice given at a Board meeting and with the applicable "Research

Contract Term Sheet” as presented for inclusion in its minutes. (See Appendix F)

On a motion by Ms. McNamara and supported by Mr. Porteous, **THE BOARD VOTED to approve** the recommendations.

C. Fall 2005 Enrollment Report and Status Report

Dr. Wilcox presented the preliminary fall 2005 enrollment report and the status report on the opening of the academic year.

Dr. Wilcox stated that a portion of those numbers represent planned enrollment growth in the College of Osteopathic Medicine. And while MSU actually admitted fewer new students at the freshman level this year, more of those students chose to attend Michigan State University, an indication of MSU's appeal. Dr. Wilcox states that MSU continues to be a very good value in the eyes of students and families.

Vice President June introduced two new staff members in his unit. Dr. Tom Rios, who was unable to be present at the meeting, is Associate Vice President. Dr. Denise Maybank is Associate Vice President of Student Life. Dr. June stated that he felt the opening of school went well.

Dr. Youatt mentioned that the University has an annual convocation on the first day that students are on campus. This year's featured speaker was Khaled Hosseini, the author of The Kite Runner, which 78 percent of the students read before they arrived on campus. Dr. Youatt mentioned that one in seven first-year students are in freshman seminars and 1800 are enrolled in living and learning programs.

Dr. Karen Klomparens, Dean of the Graduate School, said MSU enrolled a good set of master's and Ph.D. students. The University has a full cohort of graduate fellows this year and continuing its good enrollment of international graduate students.

Dr. Linda Stanford, Assistant Provost for Academic Services, pointed out that the Office of Admissions and Scholarships, the Office of the Registrar and the Office of Financial Aid together did a superb job of serving families and students. In particular, she praised the Office of Financial Aid which worked overtime to serve every single student whose aid needed to be repackaged. She noted, with respect to course scheduling, that MSU's colleges are doing a superb job of anticipating student demand.

Dr. Wilcox observed that the enrollment group's ability to manage course scheduling effectively provides significant benefits to the University community.

D. Status of Programs in the College of Human Ecology

Dr. Wilcox gave a brief outline of the reorganization of the College of Human Ecology. In February 2004, then-Provost Simon called for reorganization of the College of Human Ecology, setting in place a number of discussions across the campus and a realignment of units. To date, all of the units but one (the Department of Apparel and Textile Design) have found new homes within the University. In most cases there is consensus that those homes are an improvement for students and faculty alike. Dr. Wilcox noted that the transition has been smooth. In general, students have felt very little impact at all from the changes. Dr. Wilcox stated that, following review by Academic Governance, the Board will be asked later in the year to dissolve the College and finalization of all the moves that have taken place to this date.

E. New Residential Program in the Arts and Humanities

Dr. Wilcox reminded the Board that two years ago Academic Council passed a resolution calling for the creation of a new residential academic unit on campus with broad connections with the arts and humanities. The discussions have proceeded with Academic Council calling for a timeline that would set the admission of new students in the fall of 2007.

Dr. Wilcox stated that over the last summer, a committee of faculty developed the outline of a curriculum for the new college. Its report is now being reviewed by several subcommittees of Academic Governance. The report is important in that it describes a truly interdisciplinary curriculum, one that draws on the University's in the arts and humanities, but reconfigures them in a way that is integrated across the curriculum. Largely because of that format, the summer curricular working group also recommended that the college be configured as an independent college and not as a school within another college. If Academic Council endorses that proposal and endorses the formation of the college, the Board would be asked to review that recommendation at its next meeting and to create a new residential college for the University.

Dr. Wilcox also noted that aside from the simple piece of being residential, with students all living together and faculty offices and

classroom experiences together, the new college will have a focus on service and engagement that will help to bring the arts and humanities into the community, but more importantly, help students understand the vital opportunities that arts and humanities can play in the community.

F. Ordinance 21.00

A resolution was introduced regarding Ordinance 21.00 (Appendix G)

In order to provide context to this discussion, President Simon spoke about the Stadium expansion project. She noted that it included many improvements to the Stadium, like expanded access for those with disabilities and better facilities and amenities that will be enjoyed by all who sit in the west stands. She reminded those present of the University's expectation that the Department of Intercollegiate Athletics will remain financially self-sufficient including all of its facility improvements. In addition, the project provides space for the Alumni Association and for University Development. However, the infrastructure costs for this space were paid for through the portion funded through Intercollegiate Athletics. She noted a sense of tension between the amenities that are expected by those who use the suites and the club area and overall policies on the use of alcohol on campus.

President Simon stated that no Big Ten university permits alcohol in its stadium proper, in what MSU would call the outdoor seating area at Spartan Stadium. At Indiana, Penn State, Northwestern and Iowa, beer and wine are served with varying hours of service. Full service is provided at Purdue, Illinois, Wisconsin and Minnesota. Currently, alcohol is not served at Ohio State, but OSU does serve alcohol in connection with its basketball games. At the University of Michigan, currently no alcohol is served in what MSU would call the press box area. University of Michigan is planning to construct a new set of luxury boxes and it has yet to make a decision public with respect to what it will do.

President Simon noted that the issue of alcohol in these facilities is not new; it was part of the original conversation about the facilities. What has been unfortunate is that this issue was not resolved prior to the January 2005 and April 2005 discussions and Board action on alcohol including the open container ordinances.

She stated that in listening to the community over the last few weeks and months, she has heard that this is a symbolic issue as

well as one involving the reality of how one provides amenities to donors who give different levels of resources to the University. She noted that MSU already provides special amenities to donors who are in the Stadium Club area in that those individuals have access to servers who provide food and drink, an amenity not provided to others.

President Simon noted that there is difference of opinion about how best to represent the University and meet the market demands in the competitive world of intercollegiate athletics. She underscored that whatever is done, MSU's commitment to responsible use of alcohol, including no consumption of alcohol by people who are minors, which is the only definition of responsible use of alcohol by minors under the law, has to be reinforced.

She stated that the resolution before the Board does a set of things. First of all, it clarifies that alcohol will be served in the Stadium suites and the Club and the way in which it is to be done. Second, it clarifies that this action is not the beginning of a series of actions, but the closure of actions with respect to the alcohol as they relate to athletic events. And third, it clarifies through ordinances changes the position of the Board, because in the series of actions that were taken beginning in 2003, the Board's will with respect to the use of alcohol was devolved into a judgment by the Secretary of the Board under a set of guidelines and matrices that were not part of the original Board action.

President Simon pointed out that what the administration has tried to do is clarify the basis for action, reinforcing that alcohol will not be permitted in the outdoor seating in the Stadium, including the Club Seats. The resolution would permit alcohol in the Stadium before athletic events in the indoor club area and in the suites, per the rules and regulations. President Simon stated her belief that this is a solution for the University and for the University community that takes into account the various viewpoints and again, tries to position the University in a way that is both responsible and competitive.

On a motion by Ms. McNamara and supported by Ms. Cook, **THE BOARD VOTED to approve** the recommendation.

Trustee Cook complimented President Simon on the way she skillfully let all of the Trustees' voices be heard on this issue. She said Dr. Simon was very conscientious about seeing that all points of view were represented in the fairest way possible and thinks this compromise shows Dr. Simon's leadership. She noted that the

Board worked collegially to come to this resolution. Trustee Cook stated that although she has been on the other side of this alcohol issue for a lot of reasons, Dr. Simon graciously allowed all of the Trustees to express their opinions without rancor and with a good debate and disagreement. Ms. Cook stated that she, therefore, was prepared to support the resolution and that she looks forward to President Simon discussing the guidelines that are appropriate for its implementation.

Mr. Nugent said that MSU college athletic events are amateur, not professional. He stated that although he appreciated the way the resolution had developed, he would not be supporting the motion.

Trustee Porteous noted that he had heard many positive comments about the stadium improvements. He stated that the revenues from this stadium addition are helping to improve a broader area of the Stadium.

President Simon said MSU has been learning from experience with regard to issues, including accommodations for those with disabilities. She noted that the area is still a construction zone and will be through January.

Trustee Ferguson indicated that Trustee Cook summed things up better than anyone could. He voiced concern about shutting off drinking in the boxes while tailgaters continue to drink and said that it was, therefore, hard for him to support the resolution. He stated that it is the wrong message to base decisions on the behavior of some individuals who do not drink responsibly. However, he noted that individuals have strong positions on both sides of this issue and therefore in the spirit of Trustee Cook, he would support the resolution.

Trustee Foster said she concurs with President Simon, that there is no right or wrong answer to this issue. She would encourage everyone and especially the press to not overlook what a great stadium we have, and how it has raised the mark in our athletic program.

Trustee Cook added that she had serious concerns about how this decision is implemented, because of the need to protect the University and to be sure that this does not put the liquor license at risk.

Trustee Gonzales explained that she was going to vote no on this resolution. She worries about how those individuals who drink will

drive once they leave. Ms. Gonzales said it is really an issue of safety and comfort. She mentioned that she is a nondrinker.

A roll call vote was taken by Secretary Barber:

Trustee Cook: Yes

Trustee Ferguson: Yes.

Trustee Foster: Yes.

Trustee Gonzales: No.

Trustee McNamara: Yes.

Trustee Nugent: No.

Trustee Porteous: Yes.

President Simon commented that guidelines are contained in a memo. (Appendix H) They would be the plan beginning with the October 1st game. The last paragraph of the memo indicates that the University is going to continue to monitor this by assessing the patterns of other institutions and the reaction of its patrons. She stated that adjustments would be made accordingly and that the Board would be kept informed of those adjustments.

Trustee Cook said one of the important elements in the guidelines is the time when people will be allowed to consume alcohol and when they will not be permitted to consume alcohol.

President Simon underscored that the sale of alcohol will be a sale by the glass. It will be conducted through Housing and Food Service and the license that exists through Kellogg Center with the appropriate permits, assuming that those are approved by the liquor commission. The sale of alcohol, if the University's application is approved by the Michigan Liquor Central Commission, will occur on the 7th floor and on the 4th floor Club Level. President Simon noted that the sale for the remaining games of this football season will follow the following guidelines: beer and wine sale only and sales will begin when the suite and club patrons are permitted to enter their respected areas, which as Trustee Cook said is two hours prior to game time and will cease at kickoff.

President Simon commented that she believes this is an issue on which reasonable people can disagree. She said the University is

going to move forward in a way that captures the delicate balance of the competing viewpoints. We will continue to assess our position. She also noted that Trustee Romney, who could not be here today, would have been supportive of this resolution, and probably would have been supportive of something more aggressive than this resolution. President Simon understands the positions of the Trustees.

9. Sesquicentennial Report

Trustee Cook referred to the Academic Convocation that took place on campus this week. The Academic Convocation was very well received. President Simon's speech to the convocation was one of the highlights. Trustee Cook introduced Sharon Radtke from the Alumni Association, who gave an overview of upcoming events.

Ms. Radtke described plans for the water carnival and the Sesquicentennial parade. The water carnival, on October 7th, brings back an event first held on campus in 1923. The parade will be on Saturday, October 8th. The Grand Marshals will be the past Presidents of MSU and their spouses.

10. Chairman's Report

Trustee Porteous noted that his report really was devoted to the Hurricane Katrina activities. But, he noted two other matters. He extended condolences to Trustee Ferguson for the loss of his brother, Brian, who was an amazing athlete, but more importantly was an amazing mentor to young men and young women in this community. He also extended congratulations to Trustee Cook on her 50th wedding anniversary.

11. Trustee Comments

Trustee Cook congratulated Jeff Kacos for the new Sparty intersection. She stated that it is a great symbol of the Sesquicentennial celebration. She thanked the West Michigan alumni group for its support

Trustee Nugent extended his sympathy to Trustee Ferguson.

Trustee Ferguson noted that the new stadium addition is truly the focal point of this campus and something the University will treasure for many generations.

Trustee Foster complimented the President and Dr. Carter and the other individuals involved with the Sesquicentennial Academic Convocation MSU had last week. She also stated that it is heartwarming to hear what

the University is doing in response to the hurricane and that she is very proud to be sitting here representing her constituents.

Trustee Gonzales said she wanted to pay condolences to Trustee Ferguson for the passing of his brother and that she looks forward to the upcoming Sesquicentennial events.

Trustee Ferguson thanked everyone for giving him their condolences. He also expressed his appreciation for President Simon's work.

President Simon asked Vice President Denbow to introduce a new member of Team MSU.

Vice President Denbow introduced the new head of the University's news office, Deb Hammacher, who comes from a similar position at Emory University.

12. Public Participation on Issues Not Germane to the Agenda

Representative John Stewart, Chair of the Michigan Higher Education Appropriations Committee, addressed the Board. He noted that the State of Michigan has cut its support for Michigan State University over the last four years by an amount not less than \$33 million. He expressed concerns about the accuracy of per-student funding numbers presented at the higher education hearings held the previous day. He asked for support for formula-based funding and indicated that such an approach was in MSU's interests.

13. An Executive Session was not requested.

14. On a motion by Mr. Ferguson, supported by Ms. McNamara, **THE BOARD VOTED to adjourn** at 1:02 p.m.

Respectfully submitted,

Alison E. Barber
Secretary of the Board of Trustees