

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

September 18, 1998

The Trustee Finance Committee and Trustee Policy Committee of the Whole meeting s were held in the Board Room of the Administration Building beginning at 9:00 a.m. on Friday, September 18, 1998. Minutes of the meetings are on file in the Office of the Secretary of the Board of Trustees.

President McPherson called the meeting of the Board of Trustees to order at 9:55 a. m. in the Board Room.

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

University officers present: President McPherson, Provost Simon, Secretary Pogel, V ice President and General Counsel Noto, Vice Presidents Denbow , Greenleaf, Huggett , Murray, June, Webb, Webster, and Executive Director Williams. Faculty Liaison pr esent: Professor Daniel Kruger. Student Liaisons present: Jamie Czekai, Ebony Gr een, Clay Pelon, and Nate Smith-Tyge.

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

1. On a motion by Mr. Shingleton, supported by Ms. Cook, **THE BOARD VOTED to a pprove** the amended agenda. The Trustee Policy Committee agenda was am ended to include agenda item 7, Attachment 2.F., Revision of Board Policy 01 -01-08.
2. On a motion by Ms. Cook, supported by Ms. Gonzales, **THE BOARD VOTED to ap prove** the minutes of the June 26, 1998, July 9, 1998, and July 23, 1998 Bo ard meetings.
3. President's Report

The President's Report included the following items:

- A. President McPherson introduced Clay Pelon, the new Student Liaison representing t he Council of Graduate Students.

B. President McPherson commented about the death of Dr. Walter Adams, Distinguished University Professor Emeritus of Economics and former President, and his significance to Michigan State. President McPherson noted that as he travels around the country, Dr. Adams is the person most often mentioned by alumni as their favorite professor at Michigan State. The President said, "Walter was a wonderful man in so many ways, and he will be truly missed." A memorial service for Dr. Adams will be held on Sunday, October 25, at 1 p.m. in the Great Hall of the Wharton Center. A reception will follow the service.

C. President McPherson reported that the Alcohol Action Team has been a catalyst for some important discussions on a range of alcohol-related issues as well as non-alcohol issues. He complimented Task Force members for their constructive, non-ideological approach. One more hearing will be held off campus on October 2. The Action Team expects to be finished with its work by the end of October.

D. President McPherson commented on the dedication of the Smith Student-Athlete Academic Support Center. He said the facility is an indicator of the University's commitment to its student athletes. The University community is extremely pleased to have this facility.

E. The President introduced Professor Hans Kende of the MSU-Department of Energy Plant Research Laboratory. Dr. Kende received the Stephen Hales Prize given by the American Society of Plant Physiologists in honor of lifelong achievement in plant biology. The award is presented every two years to a person selected from candidates from all over the world. Dr. Kende has been employed at the Plant Research Lab since 1965.

F. The Spartan Child Development Center located at Spartan Village recently received the Governor's Quality Care Award. It was one of more than 1,000 entries in the competition, and was chosen because of its reputation of high-quality child care and a strong commitment to providing a multicultural environment.

4. Guiding Principles Report

Vice President Greenleaf reported on the U.S.-Canada Free Trade Agreement Conference that was held at Michigan State on September 11-12 to commemorate the 10th anniversary of the Agreement. Vice President Greenleaf said the Conference was an unusual example of two Guiding Principles: Promote Problem Solving to Address Society's Needs (particularly on an international basis) and Generate New Knowledge and Scholarship.

The conference was convened by President McPherson and supported by Provost Simon, several deans, and the Canadian Studies Center. The conference was co-managed by Nancy Pogel and Charlie Greenleaf and 30 practitioners and scholars.

olars from both countries were involved. Professors Max Kreinin of Economics and Dave Schweikhardt of Agricultural Economics did an analysis of what has happened over the last 10 years. Professor Kreinin will edit a book of the proceedings and papers which will be published by the MSU Press.

A session on the second day of the conference asked where do the U.S. and Canada go from here in trade policy and how does their trade agreements relate to world trade. Michigan State expects to have a continuing role in facilitating broader trade policy discussion and conferences in the future.

5. There were no requests to address the Board of Trustees on issues germane to the agenda or other issues.

6. Personnel Actions

Provost Simon presented the academic Appointments and Other Personnel Actions.

A. Appointments

1) Wilson, John D., AY-Professor, Department of Economics, \$130,000, with Tenure, effective August 16, 1998.

2) Booth, G. Geoffrey, AN-Professor and A.J. Pasant Chair, Department of Finance, \$175,000, with Tenure, effective July 1, 1998.

3) Levy, Mark R., AN-Professor, Department of Telecommunication, \$107,500, with Tenure, effective July 1, 1999.

B. Other Personnel Actions

On June 9, 1989, the MSU Board of Trustees approved the establishment of the University Distinguished Professor designation; 21 individuals were approved with the designation on July 20, 1990, 14 individuals were approved with the designation on October 1, 1992, and 19 individuals were approved with the designation on February 1, 1997. From a fourth nomination cycle, a standing advisory committee reviewed nominations and recommended 10 candidates to the Provost. Based on these recommendations, the Provost and President now recommend approval of the University Distinguished Professor designation for the 10 individuals listed below, to be effective September 18, 1998.

Charles R. Atkin Departments of Communication and
Telecommunication

Kim R. Dunbar Department of Chemistry

Hiram C. Fitzgerald Department of Psychology

	Kenneth Keegstra	MSU-DOE Plant Research Laboratory; Departments of Biochemistry and Botany and Plant Pathology
Glenda T. Lappan		Department of Mathematics
Tien-Yien Li		Department of Mathematics

Ram Narasimhan	Department of Marketing and Supply Chain Management
Allan Schmid	Departments of Agricultural Economics and Resource Development

William H. Schmidt
Department of Counseling, Educational Psychology and Special Education

Jan A. Zeevaart
MSU-DOE Plant Research Laboratory;
Department of Botany and Plant Pathology

On a motion by Mr. Weiss, supported by Mr. Shingleton, **THE BOARD VOTED to approve** the Appointments and Other Personnel Actions.

C. Information Reports

Information Reports of Academic Personnel Actions of June 30, 1998 and July 31, 1998 were distributed with the Board Agenda and have been included with the agenda materials in the Office of the Secretary of the Board of Trustees.

7. Gift, Grant and Contract Report

Vice President Huggett presented the Gift, Grant and Contract Report for the period of June 9, 1998 through September 4, 1998. The report is a compilation of 570 Gifts, Grants and Contracts, 53 Consignment/Non-Cash Gifts, and one Consignment/Non-Cash Loan with a total value of \$54,965,803.07. The Gift, Grant and Contract Report is included with the agenda materials in the Office of the Secretary of the Board of Trustees.

On a motion by Mr. Nugent, supported by Ms. Gonzales, **THE BOARD VOTED to approve** the Gift, Grant and Contract Report.

8. The Trustee Finance Committee report and recommendations were presented by Committee Chairperson Nugent.

A. Bids and Contract Awards

It was recommended to authorize the University administration to award contracts for the W.K. Kellogg Eagle Heights Estate restoration project within the estimated costs of the project.

B. Funds Functioning as Endowment

It was recommended to establish the following Funds Functioning as Endowments:

- 1)Dr. Grace Anne Boulton Scholarship Fund.
- 2)Economic Research and Academic Support Endowment Fund.
- 3)Charlotte and Erwin Goring Endowed Scholarship Fund.
- 4)Student Medical Education Enrichment Fund.

On a motion by Mr. Nugent, supported by Mr. Ferguson, **THE BOARD VOTED to approve** the recommendations for the Bids and Contract Awards and the Funds Functioning as Endowments.

C.Base Retirement Plan Policy Changes

It was recommended that the Board of Trustees approve permitting employees who retire, terminate, or resign their employment with the University, regardless of age, to collect their base retirement plan accumulations as permitted by the vendors and the IRS rules.

It was also recommended to allow currently employed individuals to take in-service distributions as permitted by the Internal Revenue Service under the following situations; i.e., attainment of age 59½; disability; death; loans; or financial hardship, which covers purchase of a principal residence; avoidance of eviction from home; college tuition for self, spouse, or dependents; medical expenses; or funeral expenses of a family member.

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

D.Audited Financial Statements

It was recommended that the Board of Trustees accept the audited financial statements for the year ended June 30, 1998.

On a motion by Mr. Nugent, supported by Ms. Cook, **THE BOARD VOTED to accept** the 1997-98 financial report and report of the independent auditors as the official financial report of the University.

E.Information Item

The Committee received a report on the University's Endowment Fund that had a total market value of \$231.5 million on June 30, 1998.

9. President McPherson presented the report of the Trustee Policy Committee of the Whole.

A.*De Minimis* Ownership

It was recommended to delegate to the President the authority to enter into an agreement with DPD, Inc. (Dr. Parviz Soroushian)

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

B. Courtesies to Former Trustees

It was recommended to approve the revised Board of Trustees policy on Courtesies to Former Trustees (Board of Trustees Policy Manual 01-01-08).

Upon request through the Office of the Secretary of the Board of Trustees, the University will provide the following courtesies to former members of the Board of Trustees: two complimentary tickets to Wharton Center events for personal use or use of immediate family and the option to purchase two additional tickets for any event. These courtesies are in addition to those which former Trustees currently receive.

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

C. Reports

At the earlier Policy Committee meeting the following reports were presented:

1) The Committee deferred the recommendation to change the name of Eustace Hall to Eustace-Cole Hall until the October Board of Trustees meeting to permit Jeffrey and Kathryn Cole to be present.

2) Vice President Murray and Vice Provost Hunt provided a progress report on institutional systems and operations, "Year 2000 Request."

3) Provost Simon presented a preliminary report on Fall 1998 enrollment, as of September 14, 1998. The report included total head-count enrollment as well as numbers of new transfer and graduate students, minority, international, and Honors College students. The official count will occur at the quarter-of-semester point which is the evening of September 24, 1998.

10. Chairperson's Report and Trustees' Comments

A. Chairperson's Report

1) Chairperson Shingleton complimented the President for the progress of the Alcohol Action Team.

- 2)Mr. Shingleton commented that the Smith Student-Athlete Academic Support Center dedication was a splendid event and a tribute to many people . He encouraged everyone to visit the facility.
- 3)Mr. Shingleton remarked that he had wandered through campus following the dedication ceremony on Saturday and had witnessed a magnificent display of people having a wonderful time on a football Saturday. He said there were tailgate events along the banks of the Red Cedar, behind the Auditorium, and as far north as the Student Services Center.
- 4)Chairperson Shingleton said he attended the 10th Anniversary U.S.-Canada Free Trade Agreement Conference, and it is his view that such a conference brings prestige to the University. He would like to see more national/ international conferences held at Michigan State.

B.Trustees' Comments

1)Trustee McNamara commented that, "like everyone in the room, I had my own relationship with Walter Adams that I will treasure." She said, "The beauty of Dr. Adams was that he gave each of us a little piece of who he was to keep with us." She said she was very grateful to him for that.

2)Trustee Weiss complimented President McPherson for his accomplishments during the past five years. He particularly noted the Smith Student-Athlete Academic Support Center and the law school as being significant events.

Mr. Weiss spoke about Dr. Walter Adams. He said that people and traditions have made Michigan State the quality institution that it is. He suggested that video recordings of special individuals would preserve and continue the University's legacy.

Mr. Weiss said the campus was beautiful and full of activity during the past weekend . People were happy to be Spartans. Trustee Weiss commended students, faculty, and staff, and said the campus was a wonderful showcase for Michigan State.

3)Trustee Nugent reported that he visited with Trustee Traxler and is pleased that he is coming along so well and gradually getting stronger. Mr. Nugent said Mr. Traxler extends his best wishes to everyone.

Mr. Nugent also remarked that it had been a great weekend of activities at Michigan State.

Mr. Nugent complimented Keith Williams for the recent Alumni Association trip to the Oregon football game. He said several hundred West coast alumni attended the game to show their support for Michigan State. Mr. Nugent also complimented Chuck Webb for his involvement with alumni and friends of the University.

- 4)President McPherson acknowledged Vice President Webb and the donors who contributed to the success of the Smith Student-Athlete Academic Support Center project. The President said the endowment for computers pleased him, and the University expects to add to it. He said it is equally important to maintain the physical structure and furnishings as it is to build buildings.

5)Trustee Cook remarked that it had been a good trip to the Oregon football game.

Ms. Cook commented that Dr. Walter Adams was an extraordinary person in many ways, and it had been a joy to spend time with him in joint activities during the Capital Campaign. Ms. Cook said she thought of Dr. Adams on Saturday, as he would have loved the events of the day.

Trustee Cook remarked that the campus looked beautiful as she drove through it prior to Saturday's events. She said the tree initiative is lovely, the new parking lots look great, and groups of students, alumni and guests were enjoying the day. Trustee Cook said she sensed a change in the attitude of students. This sends a positive message about their pride in the reputation and image of Michigan State. She said that she went home with a great sense of satisfaction.

Ms. Cook commended the administration for a good start to the academic year, and the President for the extraordinary Free-Trade conference held on the campus.

- 6)President McPherson noted that school had opened with a record lack of glitches this year, considering that the University has enrolled over 4,000 additional students in the past few years, and there has been a large infusion of freshmen in the residence halls and in classes.

7)Trustee Gonzales remarked that Dr. Walter Adams was a special person to her and she will miss him.

Ms. Gonzales said she attended the U.S.-Canada Free Trade Agreement Conference and it was excellent.

Trustee Gonzales applauded everyone who was involved with the dedication ceremonies on Saturday. She also complimented the students who appeared to be having a great time at the football game on Saturday, without incidents. She said the majority of MSU students are responsible individuals.

11. President McPherson reported that there had not been a request for an Executive Session.

12. On a motion by Mr. Nugent, supported by Mr. Weiss, the Board voted to adjourn.

13. President McPherson announced that lunch was available in 443A & B.

Peter McPherson, President

Nancy H. Pogel, Secretary

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