

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

September 22, 2000

The Trustee Finance Committee and Trustee Policy Committee meetings were held in Room E of Michigan State University's Brook Lodge in Augusta, Michigan beginning at 9:00 a.m. on Friday, September 22, 2000. 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 10:55 a.m. in Room E at Brook Lodge.

Trustees present: Dolores M. Cook, Joel I. Ferguson, Dorothy V. Gonzales, Colleen M. McNamara, Donald W. Nugent, David L. Porteous, Scott Romney, and Robert E. Weiss.

University officers present: President McPherson, Provost Simon, Vice President Poston, Secretary Pogel, Vice President and General Counsel Noto, and Vice Presidents Denbow, Huggett, and June. Student Liaison present: Charles McHugh. Faculty Liaisons present via teleconference: Norman Abeles, Robert Bonner, and Ted Tims.

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

1. On a motion by Ms. Gonzales, supported by Mr. Romney, **THE BOARD VOTED to approve** the amended agenda. The agenda was amended in the Trustee Policy Committee to delete Item 2.B – Potential Conflict of Interest.
2. On a motion by Mr. Porteous, supported by Ms. Cook, **THE BOARD VOTED to approve** the minutes of June 7, June 23, and July 26, 2000. Trustee Weiss asked that certain comments he made during the June 23 meeting be re-inserted into the minutes.
3. President's Report
 - A. President McPherson noted that Father Theodore Hesburgh would be at the MSU vs. Notre Dame football game on Saturday, September 23. Father Hesburgh was president of Notre Dame for 35 years. President McPherson said that he worked closely with Father Hesburgh in the foreign aid program, and he admires him very much.
 - B. President McPherson said that MSU physician Larry Nassar is in Sydney, Australia as the medical coordinator for the U.S. gymnastics team, and is team physician for the women's national program. He

said that the MSU Sports Medicine program is particularly strong, and it is not surprising that a member of MSU's faculty would be chosen for that role.

- C. President McPherson reported that donations to MSU were at an all-time high, totaling more than \$121 million. He thanked Vice President Chuck Webb for his hard work and leadership in reaching that milestone. Mr. McPherson also thanked the Provost, the college deans, and the Board for their help in this achievement.
- D. President McPherson remarked that the National Science Foundation had recently donated \$3.75 million to Michigan State to help teachers and students use internet resources in the classroom.

4. Organization of the Board

The resignation of Trustee Bob Traxler created a vacancy in the Chair of the Board. The Board will return to its regular Chair rotation schedule beginning January 1, 2001, as dictated by the Bylaws of the Board of Trustees.

On a motion by Ms. Cook, supported by Mr. Weiss, **THE BOARD VOTED to elect** Trustee Colleen McNamara as Chairperson of the Board of Trustees, and Trustee Donald Nugent as Vice Chairperson of the Board of Trustees.

Trustee Weiss asked that the matter of Chair rotation be referred to the Trustee Policy Committee for the October meeting so that in the case of a vacancy, the Vice Chair would automatically take over as Chair and the person who would become Vice Chair on January 1 of the following year would automatically move into the vacated Vice Chair role.

5. Public Participation on Items Germane to the Agenda

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

6. Personnel Actions

Provost Simon presented the following personnel actions:

A. Appointments

- 1) Loveridge, Scott T., AN-Professor, Department of Agricultural Economics, \$91,818, with Tenure, effective September 1, 2000.
- 2) Buhler, Douglas D., AN-Professor, Department of Crop and Soil Sciences, \$120,000, with Tenure, effective August 1, 2000.
- 3) Bagratuni, Suren, AY-Associate Professor, School of Music, \$65,000, with Tenure, effective August 16, 2000.

- 4) Pentland, Brian, AY-Associate Professor, Department of Accounting, \$118,000, with Tenure, effective August 16, 2000.
- 5) Swain, Greg M., AY-Associate Professor, Department of Chemistry, \$76,500, with Tenure, effective August 16, 2000.
- 6) Keller, Brian A., AY-Associate Professor, Department of Mathematics, \$70,000, with Tenure, effective August 16, 2000.
- 7) Bolin, Carole A., AN-Professor, Animal Health Diagnostic Laboratory; Department of Veterinary Pathology, \$115,000, with Tenure, effective August 14, 2000.
- 8) Bolin, Steven R., AN-Professor, Animal Health Diagnostic Laboratory; Department of Veterinary Pathology, \$115,000, with Tenure, effective August 14, 2000.
- 9) Whittam, Thomas S., AN-Hannah Professor in Bacterial Evolution in Food Safety, National Food Safety and Toxicology Center; Departments of Food Science and Human Nutrition and Microbiology and Molecular Genetics, \$125,000, with Tenure, effective January 1, 2001.
- 10) Mason, Ronald Herbert, AN-Head Coach-Hockey, Intercollegiate Athletics, \$153,215, Subject to Contract, effective July 1, 2003 to June 30, 2004.

B. Other Personnel Action

Manson, Gary, AN-Associate Dean, College of Social Science; Acting Director, Center for Integrative Studies/SSC; Professor, Department of Geography, for a change in titles to Acting Dean, College of Social Science and a change in salary rate to \$140,000, effective August 16, 2000.

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

C. Information Reports

Information Reports of Academic Personnel Actions of July 7, 2000 and August 7, 2000 were distributed with the Board agenda. The reports are 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, 2000 through August 30, 2000. The report is a

compilation of 570 Gifts, Grants and Contracts, 50 Consignment/Non-Cash Gifts, and two Consignment/Non-Cash Loans with a total value of \$56,910,381.12. 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

- 1) It was recommended that a contract in the amount of \$1,846,000 (base bid plus Alternate No. 1) be awarded to S & J Enterprises, Ltd., of Grand Ledge, Michigan, and that a budget in the amount of \$2,255,000 be established for the project entitled: Civil Infrastructure Laboratory.
- 2) It was recommended that a contract in the amount of \$132,000 be awarded to Kares Construction Co., Inc., of Lansing, Michigan, and that a budget in the amount of \$166,000 be established for the project entitled: Engineering Building – Install Canopy Hoods in Room 3150.
- 3) It was recommended that a contract in the amount of \$1,264,000 be awarded to John E. Green Company, of Lansing, Michigan, and that a budget in the amount of \$1,535,000 be established for the project entitled: Research Complex Engineering – Ventilation Improvements.
- 4) It was recommended that a contract in the amount of \$1,321,800 be awarded to Irish Construction Co., Inc., of Howell, Michigan, and that a budget in the amount of \$1,685,000 be established for the project entitled: Union Building – Renovations 2000.

On a motion by Mr. Nugent, supported by Mr. Porteous, **THE BOARD VOTED to approve** the Bids and Contract Awards.

B. Fund Functioning as Endowment:

- 1) It was recommended that the Miriam Morgan Freeman Fund be established as a fund functioning as an endowment.

On a motion by Mr. Nugent, supported by Mr. Porteous, **THE BOARD VOTED to approve** the fund functioning as an endowment.

- C. It was recommended to accept the University's audited Financial Statements for the year ended June 30, 2000.

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

Trustee Porteous noted that members of the University's outside auditing firm, KPMG, complimented MSU's internal audit staff. Auditors said that MSU's internal auditing procedures provide a good model for other institutions.

D. Investment Items

- 1) It was recommended to adopt the University's revised Investment Policy Statement.
- 2) It was recommended to adopt the University's revised Statement of Investment Objectives for the Common Investment Fund.

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

President McPherson, Trustee Porteous, Trustee Weiss, and Trustee Romney each complimented and thanked Steve Flowers and financial staff in the office of the Vice President for Finance and Operations for the analytical, efficient, and professional work that they provide the University.

E. President's Compensation

It was recommended to increase President McPherson's annual compensation by 3 percent, effective October 1, 2000, and to award him an additional increment of \$25,000.

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

Trustee Weiss asked that his comments from the Finance Committee be included in the minutes. Mr. Weiss said that President McPherson has done an outstanding job and that the University is in great shape. He said that the President is being compensated for the excellent work he has done.

Trustee Weiss asked where President McPherson's salary will rank among other Big Ten schools. Trustee Nugent responded that the President's new salary will be at the mid-point of the Big Ten Conference.

Vice President Poston said that President McPherson's salary will be approximately \$276,000—the middle of the Big Ten. That number, he said, includes deferred compensation.

Mr. Weiss said that the Board, over the past several years, has wanted to bring the President's salary up to presidential salary levels at peer schools. He said that President McPherson asked that raises not be higher than 3% each year.

Trustee Nugent commented that the President has taken the 3% yearly increase and put it into his deferred compensation package.

Trustee Cook explained that the Board and administration are working to raise faculty salaries. She said that the Board is committed to seeing that both the President and the faculty are properly compensated. President McPherson noted that faculty salaries have increased approximately 5% each of the last three years, but that additional work is needed to improve faculty salaries to keep MSU competitive.

Trustee Ferguson noted that he would like to revisit the Tuition Guarantee and eliminate it.

President McPherson said that he is very grateful for the increases in salary that the Board has given him, and that he appreciates the good working relationship he enjoys with the Board.

Mr. McPherson said that he and Mrs. McPherson will donate \$25,000 back to the University to plant trees on south campus. He said that he hopes that his gift to the University will stimulate other gifts.

President McPherson emphasized that employees throughout campus work very hard and are proud of the University.

9. The Trustee Policy Committee report and recommendations were presented by Committee Chairperson McNamara.

- A. Preliminary Fall Enrollment Report

Provost Lou Anna Simon presented the Preliminary Fall Enrollment Report to the Board.

Provost Simon said that the Fall, 2000 students constitute a very good class. Overall preliminary enrollment numbers, she said, are at 43,340, which is an increase of about 300 students over last year. This year set a record for the number of applications submitted, Dr. Simon emphasized, because the academic strength of the University is growing. Application numbers are up by about 4,300 since 1993.

Even though fewer students were admitted this year, the size of the class increased over last year, she said.

Dr. Simon explained that this year the Office of Admissions admitted fewer students based simply on test scores and grades. More applications were individually read in order to admit a larger variety of students, she said.

The Honors College has admitted its desired number of students, Dr. Simon noted, which is approximately 6% of the student population.

Ninety-one percent of this year's entering class is from the state of Michigan, and approximately 80% of graduate students are from Michigan. The number of admitted transfer students was down this year, Provost Simon said, because the size of the freshman class is up. Director of Admissions, Gordon Stanley, said that Michigan State received about 17,800 applications from residents of Michigan, about 4,000 out-of-state applications, and about 700 international applications.

The total number of students of color at Michigan State has grown to 15.6%. The number of female students has remained constant, and international student numbers are up slightly. Dr. Simon said that the College of Business remains the largest college at MSU, even though enrollment numbers in the college are down. The College of Communication Arts and Science had the largest enrollment increase at 28%.

Trustee Porteous asked President McPherson if universities are ultimately penalized when they admit more students because appropriations increases are based on percentages from the prior year, rather than the actual number of students a university enrolls. President McPherson said that enrollment has increased by 4,000 students since 1994, and the State of Michigan has not made up that difference with increases in funding. Faculty numbers did not increase with the increase in students, he said.

B. Status Report on the Opening of the Academic Year

The status report on the opening of the academic year was presented by Angie Brown, Director of University Housing, and by Ann Bolger, Director of Residence Life.

Dr. Simon commented that administration is working to create a sense of community in the residence halls to deal with an array of issues that do not necessarily relate to classroom instruction.

Ann Bolger said that her department received a great deal of positive feedback from parents and students regarding the opening of the

residence halls. She noted that the Department of Residence Life has moved toward a mentor model in the halls. The student staff in the halls have moved away from a primarily enforcement role. There is a much stronger emphasis on group facilitation, leadership, and ethical decision making.

Ms. Bolger also explained the new Community Standards Initiative in the residence halls. She said that residents of each hall floor set up their own standards on how they would like to treat each other, how they will handle conflict management, and how they will create inclusion. Mentors, Ms. Bolger said, conduct weekly meetings where the entire community comes together to discuss how well the standards are working, and what needs to be adjusted. Noise management and cleanliness are some of the issues that each community deals with, she said.

Ms. Bolger said that Michigan State University is the largest university system to put the community standards program into place. She explained that standards that communities set up do not override University policies or Housing guidelines.

Dr. Simon also emphasized that the University wants all students to have the value of these community experiences. The things students learn in these communities, she said, should complement what students learn in classrooms.

Ms. Bolger said that students are also talking in their communities about ethical decision making, academic integrity, and cultural competency.

Trustee Cook asked that the Board receive periodic updates on the progress of the community standards system in the residence halls.

Provost Simon said that this model of communities comes from small, liberal arts, private colleges where students typically pay much more than they do at MSU. She said that the argument can be made that student development comes from small communities as opposed to the large communities of research institutions.

Ms. Brown explained that the changes being made in the residence halls revolve around a larger question: Where do we want to be in the future? She said that students already have expectations of the University when they arrive on campus. Ms. Brown explained that MSU representatives are visiting high schools to influence expectations about residential communities before students come to campus.

Ms. Brown noted that full-time staff must also change to meet the new expectations of risk-taking and leadership in the residence halls.

C. Update on Brook Lodge

Trustee Emeritus Russ Mawby, a member of the Community Advisory Board, and Joel Heberlein, General Manager of the Kellogg Center, presented a status report on Brook Lodge since MSU took over management of the facility.

Mr. Heberlein reported that since MSU began operation of Brook Lodge on March 8, 2000, he and his staff have been preparing it for the public. He said that there have been, among other changes, staff, landscaping, and technology updates. He explained that his staff is working to advertise Brook Lodge in new markets along with the Kellogg Center and the Kellogg Biological Station.

Mr. Heberlein noted that business has been extremely good since the transfer to MSU. Many other colleges and universities have already used the facility, he said. Mr. Heberlein also outlined several possible festivals that could be held at Brook Lodge such as film, music, and wine festivals.

Dr. Mawby explained that Michigan State University is the largest landowner in the county with over 6,000 acres, which include Brook Lodge and the Kellogg Biological Station, and Lux Arbor.

Vice President Poston said that the 6,000 acres of land provide great opportunities for research. Dr. Mawby added that the biological, historical, and business opportunities in the area create an excellent mix of possibilities for future research and development.

Dr. Mawby said that he envisions Brook Lodge as a world-class conference center, which would bring together great academic minds. He said that he hopes the local community and especially colleges and universities in the area will consider Brook Lodge as a great resource.

10. Chairperson's Report and Trustees' Comments

A. Chairperson's Report

- 1) Trustee McNamara said that she is excited and honored to be Chairperson of the Board. She said that she believes that the work of Michigan State University is very significant, and that it can change the world.

B. Trustees' Comments

- 1) Trustee Romney reflected on his years at Michigan State. He said that he learned to think, work, and volunteer at MSU. Mr.

Romney noted that he tutored other students when he was on campus, and that the day's discussions about communities were particularly meaningful to him. Trustee Romney said that it is a privilege to be a member of the Board and to work closely with Trustees and the administration.

- 2) Trustee Porteous welcomed Scott Romney to the Board, and congratulated Colleen McNamara as Chairperson of the Board. He said that Trustee McNamara will do a marvelous job as Chair, and that her leadership qualities are valuable.
- 3) Trustee Cook congratulated Colleen McNamara on her election as Chairperson, and Don Nugent on his election as Vice Chairperson. Ms. Cook welcomed Scott Romney to the Board.

Ms. Cook also commented on how beautiful Brook Lodge is, and thanked Dr. Russ Mawby for his work with Brook Lodge and his commitment to Michigan State University.

- 4) Trustee Weiss congratulated Colleen McNamara and Don Nugent. He welcomed Scott Romney to the Board of Trustees.
- 5) Trustee Gonzales congratulated Colleen McNamara and welcomed Scott Romney.
- 6) Trustee Nugent said that it is a pleasure to work with Scott Romney. Mr. Nugent thanked President McPherson for his donation to the University.

11. Public Participation on Issues Not Germane to the Agenda

There was one written request in advance of the meeting to address the Board of Trustees on issues not germane to the agenda. The person making the request did not participate by phone or in person.

12. An Executive Session was not requested.

13. On a motion by Mr. Ferguson, supported by Ms. Gonzales, the Board voted to adjourn at 12:15 p.m.

Respectfully submitted,

Nancy H. Pogel, Ph.D.
Secretary of the Board of Trustees