

MINUTES OF THE MEETING
of the
MICHIGAN STATE UNIVERSITY
BOARD OF TRUSTEES
June 25, 1982

President Mackey called the meeting to order in Room 104A and B, Kellogg Center, at 8:16 a.m., June 25.

Present: Trustees Bruff, Fletcher, Howe (arrived at 9:10 a.m.), Krolikowski, Lick, Martin (arrived at 9:26 a.m.), Reed and Sawyer; President Mackey, Vice Presidents Breslin, Cantlon, Dickinson, Schonbein, Stewart, Thompson and Turner; Associate Vice President and Secretary Wilkinson, General Counsel Carr, Assistant to the President Carlisle, Faculty Liaison Group, and representatives from Council of Deans.

1. Approval of the Proposed Agenda

Trustee Bruff moved approval of the proposed agenda with the addition of a personnel action item, seconded by Trustee Reed. Approved by a vote of 6 to 0.

President Mackey announced that following the afternoon action session that an Executive Session, under Section 8. c. of the Open Meetings Act, would be held to discuss negotiation of collective bargaining agreements.

2. Approval of the May 27-28, 1982, Minutes

Moved by Trustee Sawyer, seconded by Trustee Lick, to approve the minutes of the May 27-28, 1982, meeting. Trustee Fletcher requested that his reason for abstaining on the vote granting tenure be recorded as part of the minutes. The minutes were approved with this addition by a vote of 6 to 0.

3. Reports - Discussion of 1982-83 Interim Budget

Vice President Thompson led the discussion on the 1982-83 proposed interim budget (copy on file in the Secretary's Office). Vice President Thompson and Provost Winder responded to several Trustee questions relating to this document. Vice President Thompson emphasized that the document has a revenue and expenditure range, based on anticipated appropriation, student fee, and salary levels.

Vice President Thompson also distributed a supplemental document which summarized comparative support in federal student aid programs, institutional costs per credit hour, and revenue and expenditure summary (copy on file in the Secretary's Office). Vice President Thompson responded to questions relating to this document.

At 11:15 a.m., the Board recessed for Board Committee meetings. During the recess there were meetings of the Investment Committee, and the Land and Physical Facilities Committee. The scheduled Audit Committee meeting was not held.

The Board reconvened for its Action Session at 1:55 p.m. in the Board Room, Administration Building.

Present: Trustees Bruff, Fletcher, Krolikowski, Lick, Martin, Reed and Sawyer; President Mackey, Provost Winder, Vice Presidents Breslin, Cantlon, Dickinson, Schonbein, Stewart, Thompson and Turner; Associate Vice President and Secretary Wilkinson, General Counsel Carr, Assistant to the President Carlisle, Faculty Liaison Group, and Student Liaison Group.

Absent: Trustee Howe

4. Public Comments

No members of the public appeared to address the Board.

At the request of President Mackey, Vice President Turner introduced Pam Holsinger. Ms. Holsinger will represent COGS as a member of the Student Liaison Group to the Board during 1982-83.

5. Personnel Item

It is recommended that the position of Executive Director of the Alumni Association be established and that Charles H. Webb be appointed as Executive Director, effective August 1, 1982. This is an executive management position.

RESOLVED that the above recommendation be approved.

Motion by Trustee Lick, seconded by Trustee Sawyer. Approved by a vote of 7 to 0. Unanimous vote by Trustees present.

Reports -
Discussion of
1982-83 Interim
Budget

Public
Comments

Personnel
Item
Position
established &
individual appt.
as Exec. Dir.
of the Alumni
Association

President Mackey thanked Mr. Jack Shingleton for his efforts in serving as Interim Executive Director of the Alumni Association and said that Mr. Shingleton did his job exceeding well.

Gifts and Grants

A. GIFTS AND GRANTS

Gifts and Grants totaling \$4,244,455 were approved by a vote of 7 to 0 on motion by Trustee Martin, seconded by Trustee Lick.

Authorization to Modify Certain Construction Contract Agreements

B. BIDS AND CONTRACT AWARDS

1. Authorization to Modify Certain Construction Contract Agreements

On May 24, 1982, the Charles Featherly Construction Co. filed a petition for reorganization pursuant to Chapter 11 of the Federal Bankruptcy Code.

At the time of this filing, Featherly was the prime contractor on the following three MSU projects:

- a. Parking Ramp III. \$2,182,200.00
- b. Engineering Research Building Air Turbulance Lab. Modifications 114,074.00
- c. Olds Hall Fire Safety Modifications 138,584.00

All three of the above projects carry bonds for the full amount of the contract, with Auto Owners Insurance Co. being the bonding company. Additionally, a small contract with Featherly for minor modifications in Fee Hall was issued through the Purchasing Department. Work on this project is essentially complete and a balance of approximately \$2,700 is owed to the contractor. (Additional background information is being distributed with the agenda.)

It is recommended that the Administration be authorized to take actions as appropriate to bring about completion of Parking Ramp III, the Engineering Research Building, and the Olds Hall Fire Safety Projects on as timely a basis as possible, provided that such arrangements can be made at a cost to the University which does not exceed the contract price originally established by the bid process and, further, provided that the Board be informed as to the nature of those actions.

RESOLVED that the above recommendation be approved.

Approved by a vote of 7 to 0 on motion by Trustee Bruff, seconded by Trustee Lick.

1982-83 Interim Budget

C. OTHER ITEMS FOR ACTION

1. 1982-83 Interim Budget

Recommendations for the adoption of an interim budget and cash management program have been distributed. (A copy of the Interim Budget is on file in the Secretary's Office.)

RESOLVED that the 1982-83 total general fund expenditures of \$222,880,174 and a cash management reduction of \$12,000,000 producing a net 1982-83 Interim General Fund Expenditure Budget of \$210,880,174 be approved per the schedule distributed with the agenda. Further resolved that a 1982-83 Interim Expenditure Budget of \$17,114,838 for the Agricultural Experiment Station and \$20,603,344 for the Cooperative Extension Service be approved.

Approved by a vote of 7 to 0 on motion by Trustee Sawyer, seconded by Trustee Lick.

President Mackey reiterated that a final 1982-83 budget, including proposed salary adjustments, will be presented to the Board of Trustees when the State appropriation is enacted. The tuition level will also be decided at a later date.

C. OTHER ITEMS FOR ACTION, cont.

June 25, 1982

2. Authorization for Standby Line of CreditAuthorization
for Standby
Line of Credit

With execution of the State Executive Order deferring a substantial portion of the University's appropriation scheduled for the period of July 1, 1982, through September 30, 1982, the Administration initiated discussions with the Ann Arbor Trust Company to secure a line of credit commitment in order to permit the University to continue operations in the event that this deferment would seriously impair the University's cash flow position. This is a contingency action which the Administration considers prudent in order to meet the University's obligations. On behalf of the University, the Ann Arbor Trust Company contacted the several Michigan banks capable of providing a standby line of credit and receiving a one-year commitment of not to exceed \$14,000,000 from the Michigan National Bank of Lansing, Michigan, at an interest rate equal to 70% of the New York prime rate.

It is recommended that the following resolution relating to this stand-by line of credit be approved by the Board of Trustees:

RESOLUTION OF THE BOARD OF TRUSTEES
OF MICHIGAN STATE UNIVERSITY
AUTHORIZING ACCEPTANCE OF A COMMITMENT
FOR A STUDENT FEE REVENUE BORROWING

WHEREAS, the Board of Trustees of Michigan State University, a body corporate created by and existing under the Constitution of the State of Michigan, and having full constitutional authority over and general supervision of said Michigan State University and the control and direction of all expenditures from said Michigan State University's Funds in the exercise of its constitutional duties, has received from Michigan National Bank, a national banking association of Lansing, Michigan, a commitment for a line of credit to be repaid from student fees, a copy of which is on file in the Secretary's Office as Exhibit A, under which this Board may obtain the sum of up to \$14,000,000 from said Michigan National Bank; and

WHEREAS, in the opinion of this Board it is necessary and expedient that said Commitment be accepted in case it is necessary to draw upon the line of credit so established.

WHEREAS, prior to the time of the consideration of this Resolution the following members of the Board who solicited said financing or took part in the approval of, negotiation for or the representation of either the University or Michigan National Bank, in the transaction fully disclosed that he or she was a director or employee (including president, vice president, cashier or other officer) or stockholder owning more than 1% of any class of stock of Ann Arbor Trust Company, Ann Arbor, Michigan, or Michigan National Bank directly or indirectly: NONE. Based on inquiry made just prior to the consideration of this Resolution, no officer or employee of Michigan State University who solicited the proposed line of credit or took part in the approval of, negotiation for or the representation of either the University or Michigan National Bank was a director or employee (including president, vice president, cashier or other officer) or stockholder owning more than 1% of any class of stock of said Ann Arbor Trust Company,

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

1. The Commitment for a Line of Credit outlined in Exhibit A from Michigan National Bank, Lansing, Michigan, is hereby accepted.

2. Kenneth W. Thompson, Vice President for Finance and Operations, is authorized to initiate the appropriate documentation for the transaction as circumstances warrant, such documentation and unqualified opinions as to the validity of the borrowing to be prepared by the firm of Martin, Axe, Maxwell, Smith, Buhl & Schwartz, bond counsel.

Approved by a vote of 7 to 0 on motion by Trustee Sawyer, seconded by Trustee Lick.

Trustee Fletcher said this is a very unusual financial transaction necessitated on the part of the University because of the current economic situation within the State of Michigan. This does not mean that the Board should not address the general issues relating to the procedures and the practices that the University follows in soliciting financial transactions in the banking community, and I would like the record to show that I have suggested that the Board review this matter in the near future.

June 25, 1982

Extension of
Contract with
East Lansing
School District

3. Extension of Contract with East Lansing School District

Since 1947, the University and the East Lansing Public School District have entered into various agreements wherein the University reimburses the District for a share of the operating and capital costs for K-12 students who live in University housing. In return, the School District has constructed the necessary facilities and furnished the required educational programs for these students. At its May 1979 meeting, the Board of Trustees extended these arrangements through the current 1981-82 school year.

Representatives of the University and the School District recently met to review these arrangements and recommend that the University and the School District extend the current arrangements for an additional three-year period, or through June 30, 1985, and that the present program be adjusted by a factor of 8% for each of the three years included in the extended agreement. Also, it is recommended that the University expend an additional \$4,000 to cover the after-hours operation of the Spartan Village Community Center, to be adjusted by an 8% factor in each of the succeeding years of the contract. (Background information relating to the current agreement is provided with the agenda.)

RESOLVED that the current agreement between the University and the East Lansing Public School District be extended through June 30, 1985, as recommended.

Approved by a vote of 7 to 0 on motion by Trustee Lick, seconded by Trustee Sawyer.

Mission
Statement

4. Mission Statement

It is recommended that the following Mission Statement for the University, dated June 15, 1982, be adopted by the Board of Trustees.

MISSION STATEMENT

Michigan State University holds a unique position in the state's educational system. As a respected research and teaching university, it is committed to intellectual leadership, and to excellence in both developing new knowledge and conveying that knowledge to its students and to the public. And as a pioneer land-grant institution, Michigan State University strives to discover practical uses for theoretical knowledge, and to speed the diffusion of information to residents of the state, the nation, and the world. In fostering both research and its application, this university will continue to be a catalyst for positive intellectual, social, and technological change.

Founded in 1855 as an autonomous public institution of higher learning by and for the citizens of Michigan, this institution was in 1863 designated the beneficiary of the Morrill Act endowment. It became one of the earliest land-grant institutions in the United States. Since 1863, Michigan State has evolved into an internationally-esteemed university, offering a comprehensive spectrum of programs and attracting gifted professors, staff members, and students. The university seeks excellence in all programs and activities, and this challenge for high achievement creates a dynamic atmosphere. At Michigan State University, instruction, research, and public service are integrated to make the institution an innovative, responsive public resource.

As the only land-grant institution in the state, Michigan State University is committed to providing equal educational opportunity to all qualified applicants; to extending knowledge to all people in the state; to melding professional and technique instruction with quality liberal education; to expanding knowledge as an end in itself as well as on behalf of society; to emphasizing the applications of information; and to contributing to the understanding and the solution of significant societal problems. Michigan State University's adherence to academic freedom and open scholarly inquiry supports these essential academic functions.

The university's land-grant and service mission first originated in the areas of agriculture and the mechanic arts. While these emphases remain essential to the purpose of Michigan State, the land-grant commitment now encompasses fields such as health, human relations, business, communication, education, and government, and extends to urban and international settings. The evolution of this mission reflects the increasing complexity and cultural diversity of society, the world's greater interdependence, changes in both state and national economy, and the explosive growth of knowledge, technology, and communications. Just as the focus on agriculture and the mechanic arts was appropriate when Michigan State University was founded, the wide range of instructional, research, and public service commitments that now characterize this university is essential today.

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C. OTHER ITEMS FOR ACTION, cont.

June 25, 1982

4. Mission Statement, cont.Mission
Statement, cont.

By 1964, the instruction, research, and public service activities at Michigan State University had achieved the high level of excellence necessary for membership in the Association of American Universities (AAU). Innovation and leadership in these three crucial areas, and in the extension of knowledge to the state, the nation, and the world, are the hallmarks of this university. An excellent and diverse faculty insures the superior quality of academic programs, and contributes to the expansion of knowledge and its application in the public interest.

Research and scholarship help preserve and enrich cultural and creative traditions, as well as contribute to the formulation of new knowledge. Graduate programs draw upon and support faculty research, extend the benefits of research, and educate students for professional careers. The established national and international reputation of the university is based upon the quality and distinctiveness of the research and scholarly activity of its faculty and students.

Research and public service are mutually enriching activities for both faculty and students, and contribute significantly to the high quality of both undergraduate and graduate instructional programs. Through research, faculty members enhance the scope and effectiveness of their teaching. Through public service, faculty validate past research findings and identify the need for new research and for modifications of curricula. Participating with faculty in research and service projects provides students with unique learning opportunities, and consequently improves the quality of both graduate and undergraduate education.

At the undergraduate level, the university offers strong, comprehensive programs in the liberal arts and sciences and in major professional areas which include a significant general education component. Michigan State University provides opportunities for students of varying interests, abilities, backgrounds, and expectations. Underlying all educational programs is the belief that an educated person is one who becomes an effective and productive citizen. Such a person contributes to society intellectually, through analytical abilities and in the insightful use of knowledge; economically, through productive application of skills; socially, through an understanding and appreciation of the world and for individual and group beliefs and traditions; ethically, through sensitivity and faithfulness to examined values; and politically, through the use of reason in affairs of state. Mindful of such purposes, Michigan State University is committed to graduating educated men and women with diverse backgrounds who are active learners, ready to assume the responsibilities of leadership wherever opportunities arise.

Michigan State University fulfills the fundamental purposes of all major institutions of higher education: to seek, to teach, and to preserve knowledge. As a land-grant institution, this university meets these objectives in all its formal and informal educational programs, in basic and applied research, and in public service. As an AAU institution, this university meets these commitments through its instructional and research programs. Through the excellence of its academic programs, the strength of its support services, and the range of its student activities, the university provides opportunities for the fullest possible development of the potential of each student and each citizen served, and enhances the quality of life and the economic viability of Michigan. Education of its citizens is the state's best investment in its future. Michigan State University has honored, and will continue to honor, this public trust.

RESOLVED that the above be approved.

Approved by a vote of 7 to 0 on motion by Trustee Lick, seconded by Trustee Bruff.

5. Amendments to Bylaws for Academic GovernanceAmendments to
Bylaws for
Academic
Governance

The following proposed amendments to the Bylaws for Academic Governance have been approved by the Academic Senate (Bylaw 3.1.3.4.). It is recommended that the Board of Trustees approve the amendments (deletions are crossed out; new wording is underlined):

- 3.2.2.2. The voting members of the Faculty Council shall be the elected faculty representatives, ~~and the faculty members of the Steering Committee/~~ and faculty chairpersons of Academic Council Standing Committees. ~~shall have voice without vote, unless the chairperson is also concurrently an elected member of the Faculty Council.~~

continued - - -

Amendments to
Bylaws for
Academic
Governance,
cont.

5. Amendments to Bylaws for Academic Governance, cont.

- 4.7.1. *The Colleges of Human Medicine and Osteopathic Medicine shall jointly select one member. The College of Urban Development, James Madison College, Justin Morrill College, and Lyman Briggs College shall jointly select one member. Every other Each college, including non-college faculty shall select one member....*
- 4.8.1. *The three residential colleges shall jointly select one member. Each other college, including non-college faculty, shall select one member....*
- 4.9.1. *The Colleges of Arts and Letters, Natural Science, and Social Science shall select one member. Seven members shall be selected from other colleges with undergraduate degree programs on a rotating basis. Each college with undergraduate degree programs shall select one faculty member. Each of the general education departments (American Thought and Language, Natural Science, Social Science, and Humanities) shall select one faculty member....*

RESOLVED that the above amendments to the Bylaws for Academic Governance be approved.

Approved by a vote of 7 to 0 on motion by Trustee Fletcher, seconded by Trustee Martin.

MSU Board of
Trustees
Resolution on
Affirmative
Action

6. MSU Board of Trustees Resolution on Affirmative Action

In light of recent incidents, the Board of Trustees of Michigan State University reaffirms and restates the University's total commitment to the principles of equal opportunity, nondiscrimination, and affirmative action. The Board strongly supports and endorses recent statements by University President Cecil Mackey that any expressions of racism - in any form - are absolutely inconsistent with the principles and commitments of Michigan State University.

The Board condemns the publication in The State News advertising supplement of the Theta Chi chapter photograph, picturing members of the fraternity with the blackface statue, identified as "Willie." While the Board appreciates the public and private apologies of The State News and the fraternity, we emphasize that such apologies do not excuse the racial slur inherent in the photograph, nor do apologies erase the damage done to the entire University community. The Board believes the action taken by the national chapter of Theta Chi fraternity, placing the Michigan State University chapter on investigatory probation, is very appropriate. The Board will carefully monitor the findings of the investigation.

The Board has also noted the statements by President Mackey that the Theta Chi photograph is not the only recent incident of a racial slur on the campus. Any racial disparagement is absolutely contrary to Board policy. The Board is committed to our stated mission to develop an environment of understanding, communication, and support - free of discrimination or intimidation of any kind. The Board emphatically restates its belief that each person should value others for their worth and potential and assume responsibility for guaranteeing that all have access to all advantages of living, working, and learning at Michigan State University. Administrators and supervisors have a special responsibility to assure that the University policy is implemented at every level.

RESOLVED that the above resolution be approved.

Approved by a vote of 7 to 0 on motion by Trustee Bruff, seconded by Trustee Lick.

D. REPORTS TO THE BOARD

June 25, 1982

1. Board Committee ReportsBoard
Committee
Reportsa. Investment CommitteeInvestment
Committee

Trustee Krolikowski reported that the Investment Committee met with its consultant, Cambridge Associates, Inc., to review recommendations resulting from last month's investment manager interview process.

Based upon recommendations from Cambridge and from the Administration, the Committee voted to recommend to the Board a new investment management structure involving three investment managers.

Trustee Krolikowski said that it is recommended that McCowan Associates, Inc., Strong/Corneliuson Capital Management, Inc., and Trinity Investment Management Corporation be appointed as the University's new investment managers.

Approved by a vote of 7 to 0 on motion by Trustee Krolikowski, seconded by Trustee Sawyer.

b. Land and Physical Facilities CommitteeLand and
Physical
Facilities
Committee

Trustee Lick reported that the Land and Physical Facilities Committee approved unanimously the following items:

1. Acceptance of the Martin Farm consisting of 160 acres located in Calhoun County at an approximate evaluation of \$128,000.00.
2. Extension of the current lease between Michigan State University and the Cass County Parks Department for Fred Russ Forest Park located in Volinia Township, Cass County, to May 31, 1999.

Trustee Lick said the Committee recommends to the Board the approval of these two items.

Approved by a vote of 7 to 0 on motion by Trustee Lick, seconded by Trustee Sawyer.

2. President's ReportPresident's
Report

At the request of President Mackey, Provost Winder reported that since Dr. Jack Kinsinger, Associate Provost, will be leaving Michigan State University as of September 1, 1982, to assume the position of Vice President for Academic Affairs at Arizona State University, he will immediately post and initiate the search process for this position.

Provost Winder said that he believes it is necessary to have a person appointed as Acting Associate Provost in the interim. Following informal consultation on this matter with the Deans and Vice Presidents, he has asked Professor Richard Sullivan, former Dean of the College of Arts and Letters, to serve as Acting Associate Provost, effective September 1. In the meantime, Professor Sullivan has been asked to function in the Provost's Office so that he can become acquainted with the many complicated duties of the Associate Provost. Provost Winder stated that Professor Sullivan will not be a candidate for this position on a continuing basis.

At the next meeting of the Board, Provost Winder said he will recommend that Professor Sullivan be appointed as Acting Associate Provost.

The Board recessed to an Executive Session at 3:18 p.m. (A copy of the minutes is filed in the Executive Session Minutes book in the Secretary's Office.)

Cecil Mackey

President

Roger Winder

Secretary