

MINUTES OF THE MEETING  
of the  
MICHIGAN STATE UNIVERSITY  
BOARD OF TRUSTEES  
April 5, 1984

Hearing on the Presidential Selection Process

Chairperson Sawyer called the meeting to order in the Lincoln Room of the Kellogg Center at 5:47 p.m., April 5.

Present: Trustees Crim, Dade, Fletcher, Lick, Martin, Reed, Sawyer and Wilson; Vice Presidents Cantlon, Stewart and Turner; Associate Vice President and Secretary Wilkinson, General Counsel Carr, Assistant to the President Carlisle, Faculty Liaison Group, and Student Liaison Group.

Chairperson Sawyer announced that the purpose of the meeting was to hear from representatives of constituent groups of the University on the presidential selection process. She stated that the Board of Trustees established an Ad Hoc Committee for the purpose of recommending a selection procedure to the Board. This committee recommended that a hearing be held for constituent groups for the purpose of expressing their views to the Board on the selection process and criteria for the selection of a president.

The following are summarizations of the represented constituent group speakers. A complete transcription of their remarks is on file in the Secretary's Office and the office of the Ad Hoc Committee.

1. Dr. Jeanne Gullahorn, member of the 1978-79 Presidential Search Committee, associate dean of the graduate school and professor of psychology.

Dr. Gullahorn stated that during the previous selection process, there was some disagreement among members of the Board of Trustees as to the participation of constituencies in the search and selection process and these disagreements were negotiated with Academic Governance. She felt, however, that there was not a total commitment by certain members of the Board to the agree-upon process. Further, she urged the Board to reach an agreement as to the mode of participation and the type of search and selection process for the current search. There were only two Trustees who participated as members of the previous selection committee and she felt there should be more Trustee involvement during the entire process. She also stated that confidentiality was an important part of the process and indicated that the last selection committee had 17 members and would encourage a smaller committee for the current process.

2. Dr. Charles Webb, Executive Director of the MSU Alumni Association.

He indicated that he anticipated an official position on the presidential selection by the Alumni Association Board of Directors to be taken during their first meeting, May 11. This is the major issue being discussed at the state and national alumni meetings. He introduced alumnus Dr. Russell Mawby of the W. K. Kellogg Foundation, who is also on the Board of Directors of the MSU Alumni Association.

3. Dr. Russell Mawby, Alumnus and Chairman of the W. K. Kellogg Foundation.

He stated that he was expressing his own views, not those of a special constituency, and that the criteria for the new president should include integrity, personal character, concern for students and education, concern for teaching and learning, the capacity to work creatively and effectively with the faculty, be an effective communicator, have scholarly credibility, and have the ability to generate support for higher education, more specifically for this University, and support from the Legislature, from the alumni, business in the corporate world and foundations. There should also be an avid commitment to the land-grant philosophy of education from the new president.

Dr. Mawby stated that his recent experience with the Kellogg Foundation would indicate that the Board must make the selection of a new president based on a recommendation from a committee consisting of members of the Board. He indicated that recent trends show that governing boards are moving toward a pattern of strong board leadership in naming their chief executive officer. He emphasized that the process should include the solicitation of ideas and recommendations from individuals and every possible constituent group, including faculty, staff, students, and alumni, but that the process was primarily that of the Board of Trustees.

Hearing on the  
Presidential  
Selection  
Process:

Representatives  
of Constituent  
Groups of the  
University  
Expressed  
Their Views  
on the  
Selection  
Process.

4. Dr. Lawrence Sommers, Chairperson of the Steering Committee of Academic Council and professor of geography.

He stated that the president of the University has the major responsibility of providing intellectual leadership and developing an environment conducive to scholarship and the acquiring of financial support for the retention of outstanding faculty members. He heartily endorsed the general, personal and professional qualifications as outlined in the Ohio State University presidential selection model recently provided to the Board. Additionally, the president must enthusiastically encourage all members of the academic community in the dual education thrust as indicated by the American Association of Universities and Land-Grant University membership. Finally, he felt the president must communicate effectively to diversified constituencies of the University and have a high priority for maintaining and improving the University's strong international education component.

He also supported the engagement of consultants in the selection process, but stressed that faculty members must be meaningfully involved in an advisory manner in the search and selection process for a new president.

5. Dean Donald Nickerson, Acting Dean of the Urban Affairs Program and assistant dean and professor in the College of Education.

He felt the two representatives from the Council of Deans should be involved in the selection process since that body consists of officers charged with the implementation of the academic programs. Further, the selection committee should be small in size. The Council of Deans has reviewed and revised the job description and criteria for rating utilized in the 1978-79 process and forwarded it to the Board for its consideration.

6. Dean Richard Lewis, Dean of the College of Business and professor of marketing and transportation administration.

His emphasis was that the new president must have the ability to provide good internal and external relations and the ability to raise additional financial support for the University. Confidentiality was another point he stressed and concluded that the selection committee should be limited in size.

7. Dean Donald Weston, Dean of the College of Human Medicine and professor of psychiatry.

Move with "deliberate speed" was Dean Weston's encouraging thought. The faculty, staff, and other constituencies need to have input in the selection process, but his opinion that the process of combining the representatives of the Board and constituent groups caused confusion and led him to recommend the following: the Board should have a separate Board committee with the constituent committee separate from this group. The selection committee should emphasize the qualities and uniqueness of Michigan State University and select a person who is committed to these ideas.

8. LeAnn Slicer, President of the Clerical-Technical Union.

She briefly stated that in addition to the academic criteria and the ability to deal effectively with the State Legislature, the president should have a position background in dealing with labor relations. There should be a strong commitment to affirmative action and a belief in the quality of work life.

9. James Wood, President of the Administrative-Professional Association.

His feeling is that the new president should have demonstrated skills to obtain, allocate, and manage the financial resources of the University and should provide leadership in long-range and financial planning.

10. Dr. Patricia Barnes-McConnell, associate professor of the Urban Affairs Program.

Stating that the new president must have an understanding of the University's international programs, she continued with the thought that the president must understand the multi-disciplinary nature of global problems. The land-grant tradition must be kept in mind and the president must understand MSU's prominent role in the moral and intellectual development of young minds and the development of future international leaders.

11. Dr. James Bonnen, professor of agricultural economics.

It is his opinion that the faculty understands the authority of the Board of Trustees in the presidential selection; however, he believes there exists a social contract between the Board and the various constituent groups to identify the problems and the opportunities facing Michigan State University. There is a distinction between the actual physical presence of a faculty member on a selection committee and the perception of the legitimacy of the process. The importance of this is that the president the Board selects is either reinforced or injured by the success or failure in maintaining the perception of the legitimacy in the selection process.

12. Dr. Charles Scarborough, Director of Lyman Briggs School and professor in Lyman Briggs School and Natural Science.

The search and selection process should include guidance from the former Presidents of the University as well as involve the various State of Michigan constituencies. The process should include public hearings regarding the criteria and the personality that the external constituencies would like to see in a new president. There must be a strong commitment to undergraduate education as well as liberal education with an emphasis on commitment to affirmative action in the classroom, in the hiring policies, and the procurement of goods and services.

13. Mr. Ronald Bradley, Council of Graduate Students representative.

The new president must be aware of concerns of not only the faculty, but the graduate and undergraduate students. The graduate students were concerned with representation in the selection process to emphasize a democratic point of view which would provide full participation of student representatives. He emphasized that the approximately 7500 graduate student population have unique needs within the University.

14. Mr. Thomas Decker, Student Council representative.

Student representation is necessary at every stage of the selection process and particularly important in the determination of the selection procedure and the establishment of criteria for the presidency. The Ad Hoc Committee of the Board working with students of the Steering Committee of Academic Council and the Student Liaison Group, has provided the necessary student representation. They should continue to be placed on the selection committee, one representing undergraduate students and the other representing graduate students.

He suggested that a seminar be held with various heads of other university's presidential committee chairpersons in conjunction with the Board of Trustees for the purpose of exchanging ideas and information relating to the selection of a president. All members of the presidential selection committee must be aware that student representatives are full participating members of the committee.

15. Ms. Gloria Tate, Student Council representative.

The new president must be able to work with the student governing bodies and actively seek student participation in the formulation of policy within the University. There should be a commitment to an affirmative action program as well as an equal opportunity program. There must be flexibility and creativity in dealing with student needs and a commitment to progressive student service programs beyond the regular educational mode.

16. Mr. Ronald Tenpas, ASMSU representative.

The Board should consider what its goal is in the selection process and why it's providing the opportunity for other constituencies to participate. The Board should also understand that it will benefit from this input. The president must create a University environment that is responsive to minority students and demonstrate a successful record in affirmative action. The Board must remember Michigan State University's mission has historically included a strong commitment to undergraduate education.

Minutes of the Meeting, cont.

April 5, 1984

The Trustees expressed their appreciation to the speakers and indicated that the information would be valuable in determining the selection process. The Board further agreed to discuss the selection process during the Committee Report session scheduled for April 6, 1984.

Adjourned at 8:07 p.m.

*Cecil Mackey*  
\_\_\_\_\_  
President

*Fayl Wilkinson*  
\_\_\_\_\_  
Secretary

MINUTES OF THE MEETING  
of the  
MICHIGAN STATE UNIVERSITY  
BOARD OF TRUSTEES  
April 5-6, 1984

President Mackey called the meeting to order in the Lincoln Room of the Kellogg Center at 9:05 p.m., April 5.

President: Trustees Dade, Fletcher, Lick, Martin, Reed, Sawyer and Wilson; 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, Dean Erwin Bettinghaus, Faculty Liaison Group and Student Liaison Group. Also present was Ron Laughter, Executive Director of the MSU Foundation.

Absent: Trustee Crim.

1. Approval of Proposed Agenda

Trustee Martin moved approval of the proposed agenda, seconded by Trustee Lick.

Trustee Sawyer moved that the agenda be amended to defer the approval of the Minutes following Public Comments, defer the budget and financial material discussion to precede the Committee meetings, and to add the Report of the Bylaws Committee. Seconded by Trustee Reed.

Trustee Fletcher moved that the agenda be amended to request the Administration to prepare a resolution to support Governor Blanchard's position in opposition of an early rollback of the State income tax. Seconded by Trustee Lick.

The agenda, as amended, was approved by a vote of 7 to 0.

2. Executive Session

Trustee Sawyer stated that an Executive Session has been requested at noon on April 6 under Section 8. (e) of the Open Meetings Act to consult with the University Attorney on pending litigation. The approval of this Executive Session requires a roll call vote.

Secretary Wilkinson called the roll for the Executive Session. The following Trustees voted in the affirmative: Dade, Lick, Martin, Reed, Sawyer and Wilson. Secretary Wilkinson announced the approval of the Executive Session. Approved by a vote of 6 to 1. Trustee Fletcher voted No.

3. Report on the Development Programs

Vice President Dickinson and Executive Director Laughter responded to Trustee questions on the Development Programs annual report (copy on file in the Secretary's Office).

Executive  
Session  
Approved to  
Review  
Pending  
Litigation

4. Academic Program Review

Dean Bettinghaus distributed information relating to the College of Communication Arts and Sciences and responded to Trustee questions (copy of material on file in the Secretary's Office).

5. NMR Scanning Equipment

President Mackey inquired if the Trustees had questions concerning the proposed action items and called upon Dr. James Potchen, Chairperson of Radiology, to respond to questions concerning the financing of the NMR scanning equipment.

The Board recessed at 10:40 p.m.

The Board reconvened at 9:27 a.m. in the Gold Room of the Union Building. Trustee Reed was absent from this session. Dr. Robert Lockhart, Director of Planning and Budgets, was present.

6. Budget and Financial Matters

President Mackey called upon Vice President Breslin to brief the Board on the status of the 1984-85 appropriation process. Mr. Breslin reported on the University's hearing with the House Subcommittee and reviewed the appropriation bill as passed by the House. He also commented on the status of the penalty for tuition adjustments. The hearing with the Senate Subcommittee is scheduled for early May and will be held on the campus.

Dr. Lockhart reviewed the budget document and updated the information previously presented to the Board at its February meeting (copy on file in the Secretary's Office). Dr. Lockhart reviewed the changes in revenue from student fees, fringe benefit costs, program allocation, and base budget reductions. He also highlighted the forward funding concept.

Vice President Thompson commented on the proposed 1983-84 Cash Management Plan II and the proposed base budget reductions. President Mackey called upon Provost Winder to comment on the issue of special student fees, general tuition adjustment, and critical problems in specific academic areas.

Provost Winder stated that it is recognized by all of us that MSU is underfunded and that the Board has taken strong measures relating to program budget reductions and budget reallocation. He stressed that academic excellence continues to be the University's goal and that the Administration has reviewed a general tuition increase in the range of 5% - 7% - 9%.

Unless additional substantial funding is forthcoming, Provost Winder stated that the College of Engineering and the College of Veterinary Medicine are at risk of falling below accreditation standards. He stated that the Engineering program does not have sufficient faculty, support services personnel, equipment or appropriate space to meet its program needs and, unless we substantially increase the base budget of the College by approximately \$1.5 million, it will be necessary to reduce enrollment to two-thirds of its present level. Additional funding of approximately \$.5 million is required for the College of Veterinary Medicine.

Provost Winder stated that to meet the essential budget increases for the College of Engineering and the College of Veterinary Medicine by a tuition increase applied to all students would require an adjustment of approximately 3% in addition to the 7% general tuition increase recommendation that he now projects. He stated, as an alternative funding source, the needs of the College of Engineering could be met by a special student fee of approximately \$300 per term for each major in the College and majors in the Agricultural Engineering program, and the funds generated from this assessment would be allocated to the College. He reminded the Board that students are admitted to their respective Colleges at the junior level and the fee would apply to this class level and above.

Dr. Wayne VonTersch, Dean of the College of Engineering, who joined the discussion on the concerns of adequate funding for the College stated that he supported the suggestion of a special fee for majors in the College of Engineering if funds cannot be provided from other sources.

Special Funding Proposals

Trustee Dade moved that the Provost and the Dean of Engineering be encouraged to develop a plan to provide additional revenues from student fees to be allocated to the College of Engineering. Seconded by Trustee Lick. Motion failed on a vote of 2 to 5, with Trustees Crim, Fletcher, Martin, Sawyer, and Wilson voting No.

6. Budget and Financial Matters, cont.Special Funding Proposals, cont.

Trustee Fletcher moved that the Administration develop alternatives to provide additional funding for the College of Engineering and that the Board expresses the willingness to accept the obligation to provide this funding. The Board rejects the alternative of financing this increase at the expense of other academic programs. The Board requests that these alternatives be reviewed at the next regular Trustee meeting. Seconded by Trustee Crim. Approved by a vote of 7 to 0.

President Mackey reminded the Board that a similar situation existed for the College of Veterinary Medicine, and it was agreed that alternative funding proposals should be reviewed for this program, also.

Retirement Options

President Mackey stated that, as part of the budget planning, the early retirement options program was being reinstated. He indicated that these options were similar to those offered during recent fiscal years and fall within the overall budget.

The Board recessed for Committee meetings at 11:50 a.m. During the recess, the Investment Committee and the Land and Physical Facilities Committee met.

7. Executive Session

The Board of Trustees convened at 1:15 p.m. in the Captain's Room of the Union Building for an Executive Session under Section 8. (e) of the Open Meetings Act to consult with Legal Counsel concerning pending litigation.

The Board reconvened for its action session at 2:19 p.m. in the Board Room of the Administration Building.

8. Public Comments

- (a) Alan Suits, citizen of East Lansing, addressed comments to the subject of the Presidential Search process.
- (b) Vicki Fine, member of the MSU PIRGIM Board of Directors and state chairperson for the Board of Directors, shared with the Board that there was an audit on the signatures PIRGIN collected.
- (c) Ron Tenpas, ASMSU Student Liaison, informed the Board that he was attending his last meeting as a student liaison representing the ASMSU Board and thanked them for this opportunity to serve.

9. Approval of the Minutes from February 2-3, 1984, February 14, 1984, and March 3, 1984

Trustee Sawyer moved approval of the Minutes from February 2-3, 1984, February 14, 1984, and March 3, 1984. Seconded by Trustee Wilson. There were no corrections to be made and the Minutes were approved by a vote of 8 to 0.

10. A. PERSONNEL ACTIONAppointment

- 1. J. Gregory Zeikus, Professor, Biochemistry; Microbiology and Public Health, at a salary of \$70,000 per year on an AN basis, with tenure, effective July 1, 1984.

Approved by a vote of 7 to 1 on motion by Trustee Sawyer, seconded by Trustee Dade. Trustee Fletcher voted No.

10. B. GIFT, GRANT AND CONTRACT REPORT

Gifts and grants totaled: \$13,399,788.

Approved by a vote of 8 to 0 on motion by Trustee Martin, seconded by Trustee Wilson.

10. C. BIDS AND CONTRACT AWARDS(1) Plant Biology Building - Plant Research Addition

The following bids were received on March 20, 1984, for construction of a Plant Research Addition to the Plant Biology Building. The addition will consist of three floors plus basement housing faculty offices, research laboratories, and related support areas. The exterior will be brick with limestone trim and aluminum windows.

continued - - -

Approved  
Administration  
to develop  
alternative  
additional  
funding for  
College of  
Engineering

Personnel  
Actions

Appointment

(1) Plant Biology Building - Plant Research Addition, cont.

Special features include a research laboratory designed to be suitable for safe handling and containment of hazardous materials, laboratory equipment, prefabricated environment rooms, and an automatic fire protection system for the entire addition. Toilet rooms in the existing building will be modified to meet requirements for the physically handicapped. The deductive alternate was for deletion of the energy monitoring and control system installation in the existing Plant Biology Building.

| <u>Contractor</u>                     | <u>Base Bid</u> | <u>Deductive Alternate</u> |
|---------------------------------------|-----------------|----------------------------|
| Granger Construction Company          | \$5,545,000     | \$32,716                   |
| Design & Build, Inc.                  | 5,579,000       | 32,800                     |
| A. Z. Shmina & Sons Co.               | 5,583,000       | 30,000                     |
| Spence Brothers                       | 5,630,000       | 31,000                     |
| The Christman Company                 | 5,631,281       | 32,000                     |
| Darin & Armstrong                     | 5,666,000       | 31,000                     |
| Clark Construction Co.                | 5,725,000       | 32,736                     |
| Erickson & Lindstrom Construction Co. | 5,754,000       | 32,000                     |

Notification and/or plans and specifications were sent to the offices of Builders Exchange in Lansing, Detroit, Kalamazoo and Grand Rapids and Dodge Reports in Detroit, Lansing, Flint, Kalamazoo, and Grand Rapids. The following minority organizations were also notified: Inter-City Business Improvement Forum, Michigan Minority Business Council, Association of Minority Contractors, and the Greater Lansing Minority Association. Advertisements for bids were also placed in the Lansing State Journal, Detroit News, and Grand Rapids Press. No minority or women-owned business submitted bids.

The subcontracting goals for this project were ten percent Minority Business Enterprises (MBE) and five percent Women Business Enterprises (WBE). The low bidder has certified that it will comply with the requirements. Submittals from Granger Construction Company indicate that the MBE subcontract will be in the amount of \$560,000 (10%) and the WBE subcontract will be in the amount of \$482,000 (8.7%).

It is recommended by the Professional Services Contractor, Hoyem-Basso Associates, Inc., that a contract in the amount of \$5,545,000 be awarded to Granger Construction Company of Lansing, Michigan, and that the following budget be established:

|  |                    |
|--|--------------------|
| Contractor - Granger Construction Company      | \$5,545,000        |
| Professional Services - Hoyem-Basso Associates | 315,000            |
| Other Planning Costs                           | 5,000              |
| MSU Construction Inspection                    | 60,000             |
| Landscaping                                    | 35,000             |
| Furnishings and Equipment                      | 885,000            |
| Contingency                                    | 490,000            |
| <b>Total</b>                                   | <b>\$7,335,000</b> |

Plant  
Biology  
Building --  
Plant Research  
Addition  
Approved

The project cost was estimated at \$7,500,000 by Hoyem-Basso Associates and University staff in October 1983.

Temporary funding for this project will be internal sources during the early stages of construction. Permanent external financing will be arranged when market conditions appear appropriate within the next twelve months.

RESOLVED that the above contract be awarded and project budget be established as recommended.

Approved by a vote of 8 to 0 on motion by Trustee Sawyer, seconded by Trustee Lick.

## 10. C. BIDS AND CONTRACT AWARDS, cont.

April 5-6, 1984

(2) University Village Steam Piping Replacement

The following bids were received on March 8, 1984, for Replacement of Deteriorated Steam Piping in University Village. This project would consist of replacing the 30-year old main steam piping which serves 35 University Village apartment buildings.

| <u>Contractor</u>                       | <u>Base Bid</u> |
|---|-----------------|
| John E. Green Company, Inc.             | \$732,540       |
| Shaw-Winkler, Inc.                      | 772,000         |
| Industrial Mechanical Contractors, Inc. | 789,000         |
| A-N-J Heating & Air Conditioning        | 800,200         |

Physical Plant estimated the bid cost at \$642,000 in November 1983.

Notification and/or plans and specifications were sent to the offices of Builders Exchange and Dodge Reports in Lansing. The following minority organizations were also notified: Inner-City Business Improvement Forum, Michigan Minority Business Council, Association of Minority Contractors, and the Greater Lansing Minority Association. No minority or women-owned businesses submitted bids.

The subcontracting goals for this project are ten percent Minority Business Enterprises (MBE) and five percent Women Business Enterprises (WBE). The low bidder has certified that it will comply with the requirements. Submittals from John E. Green Company, Inc., indicate that MBE subcontracts will be in the amount of \$76,000 (10%) and WBE subcontracts will be in the amount of \$44,500 (6%).

It is recommended that a contract in the amount of \$732,540 be awarded to the John E. Green Company, Inc., of Potterville, Michigan, and that the following budget be established:

|  |           |
|--|-----------|
| Contract - John E. Green Company, Inc. | \$732,540 |
| Landscape Restoration                  | 5,000     |
| Design, Coordination, and Inspection   | 36,600    |
| Contingency                            | 70,860    |
| Total                                  | \$845,000 |

Funding for this project will be from the Auxiliary Activities Fund.

RESOLVED that the above contract be awarded and project budget be established as recommended.

Approved by a vote of 8 to 0 on motion by Trustee Sawyer, seconded by Trustee Reed.

(3) Central Control of Energy Consuming Systems

The following bids were received on March 8, 1984, for construction of Central Control of Energy Consuming Systems - Phase D. This project will provide for installation of the systems in Wells Hall, Veterinary Clinical Center, Snyder-Phillips Halls, Mason-Abbot Halls and Brody Hall. Energy savings resulting from this project will yield a simple payback of less than five years.

| <u>Contractor</u>                              | <u>Base Bid</u> |
|--|-----------------|
| MCC Powers A Unit of Mark Controls Corporation | \$560,665       |
| Oak ADECK, Inc.                                | 914,752         |

Installation of central control systems in these five buildings was estimated at \$419,900 in October 1982, as part of a central control feasibility study. The difference between the base bid and the estimate is due to inflation and technological changes in the central control field.

Notification and/or plans and specifications were sent to the offices of Builders Exchange and Dodge Reports in Lansing. The following minority organizations were also notified: Inner-City Business Improvement Forum, Michigan Minority Business Council, Association of Minority Contractors, and the Greater Lansing Minority Association. No minority or women-owned businesses submitted bids.

The subcontracting goals for this project were five percent Minority Business Enterprises (MBE) and five percent Women Business Enterprises (WBE). The low bidder has certified that it will comply with the WBE requirements. The University's Minority Procurement Coordinator has determined that a good faith effort was made by MCC Powers to locate a MBE and has, therefore, waived the requirement for this project. The WBE subcontract will equal 28.1% of the total contract amount or approximately \$157,000.

continued - - -

University  
Village --  
Steam Piping  
Replacement  
Approved

Approved  
Construction of  
Central  
Control of  
Energy  
Consuming  
Systems in  
Wells Hall,  
Veterinary  
Clinical Center  
Snyder-Phillips  
Halls, Mason-  
Abbot Halls,  
and Brody  
Hall

10. C. BIDS AND CONTRACT AWARDS, cont.

April 5-6, 1984

(3) Central Control of Energy Consuming Systems

It is recommended that a contract in the amount of \$560,665 be awarded to MCC Powers of Ferndale, Michigan, and that the following budget be established:

|                                      |               |
|--------------------------------------|---------------|
| Contractor - MCC Powers              | \$560,665     |
| Design, Coordination, and Inspection | 40,000        |
| Contingency                          | <u>32,335</u> |
| Total                                | \$633,000     |

Funding for this project will be from the Auxiliary Activities Fund, General Fund, and a State of Michigan Energy Conservation Measure grant.

RESOLVED that the above contract be awarded and project budget be established as recommended.

Approved by a vote of 8 to 0 on motion by Trustee Lick, seconded by Trustee Sawyer.

10. D. OTHER ITEMS FOR ACTION(1) 1983-84 Cash Management Plan II

On March 15, 1984, a budget update and planning memorandum was distributed to the Board of Trustees by President Mackey. This document summarized the budget data presented to the Board of Trustees at its February 2, 1984, meeting which indicated a potential \$17.5 million shortfall in the General Fund for fiscal 1984-85. This document also indicated that base budget reductions effective July 1, 1984, averaging 1.5% for academic units and 2.5% for support service units, will reduce this potential shortfall to approximately \$15.1 million. Other reductions from the \$263.8 million expenditure projection for 1984-85, reversions of 1983-84 budgeted expenditures, and uncommitted 1983-84 revenues should further reduce the shortfall to somewhere in the range of \$9.5 - \$12.5 million, necessitating a 1984-85 cash management plan in the range of 5.5% - 7.5%.

Recognizing that this adjustment will place a heavy burden on academic and support service units and in order to provide an opportunity for these units to assume some of this burden in the present fiscal year, it is recommended that a cash management plan in the range of .5% - 4% of the 1983-84 reducible base be implemented. The first .5% will be required and will accrue to the Provost's and the respective Vice Presidents' budgets to meet the 1984-85 cash management targets. All additional savings up to 4% identified prior to June 1, 1984, will be carried forward and credited against major administrative or operating unit 1984-85 cash management targets. The effect of this proposal is to reduce the University's reliance upon the expenditure of forward funding during the current fiscal year.

RESOLVED that the above recommendation be approved.

Approved by a vote of 8 to 0 on motion by Trustee Sawyer, seconded by Trustee Lick.

(2) 1984-85 Housing Ratesa. Residence Hall

It is recommended that the double room residence hall rate be established at \$804 per term for the 1984-85 school year, effective with the fall term. This is an increase of \$20 per term over the current rate. The credit to the trust reserve will be \$5 per term.

RESOLVED that the residence hall rate be approved as recommended.

Approved by a vote of 7 to 0 on motion by Trustee Wilson, seconded by Trustee Sawyer. Trustee Reed abstained.

b. University Apartments

It is recommended that the University Apartments basic rate be established at \$220 per month for a one-bedroom apartment and \$236 per month for a two-bedroom apartment for the 1984-85 fiscal year, effective July 1, 1984. This is an increase of \$10 and \$11 per month, respectively, over the current rates.

RESOLVED that the University Apartments rates be approved as recommended.

Approved by a vote of 7 to 0 on motion by Trustee Fletcher, seconded by Trustee Sawyer. Trustee Reed abstained.

Approved  
Cash Manage-  
ment Plan  
to be  
Implemented

Approved  
Residence Hall  
Double Room  
Rate  
for 1984-85

Approved  
University  
Apartments  
Rate for  
1984-85

(3) 1984-85 Fees for the Advanced Management Program

The Advanced Management Program has requested that the program fee be changed from \$4,800 to \$5,100 per year for the 1984-85 year, an increase of 6 $\frac{1}{4}$ %. This is based on anticipated increases in the cost of tuition, books, meals and room rentals, plus an extended pre-program course on business techniques which is planned for the new class starting in fall, 1984. Rates for non-residents will be adjusted to reflect university established differentials.

Approved  
Advanced  
Management  
Program  
Fees for  
1984-85

Approval of the increase at this time will permit notification to participants so that their budgets can be adjusted to meet the increase.

RESOLVED that the fees for the Advanced Management Program be increased from \$4,800 to \$5,100 per year, effective fall term, 1984.

Approved by a vote of 7 to 0 on motion by Trustee Lick, seconded by Trustee Martin. Trustee Dade left the room prior to this vote.

(4) Financing for NMR Scanning Equipment

At its December 2, 1983, meeting, the Board of Trustees approved the Administration's recommendation to provide a \$2 million internal line of credit for the purpose of providing working capital and for the purchase of an 0.5 Telsa Nuclear Magnetic Resonance (NMR) whole-body scanning equipment. It has now been determined that there is a sufficient number of advantages to warrant the purchase of a 1.5 rather than an 0.5 Telsa system. In order to provide the funding for this larger system, it is recommended that the following revised financing resolution be approved.

Approved  
Financing for  
Nuclear  
Magnetic  
Resonance  
Scanning  
Equipment

It is recommended that a \$2,476,000 (two million four hundred and seventy-six thousand) internal line of credit be established for the purpose of purchasing and providing working capital for a clinical nuclear magnetic resonance (NMR) whole-body scanning facility. The use of this equipment will be administered by the Department of Radiology. The interest rate used in this internal loan will be the actual cash investment interest rate of the University, which is estimated at approximately 9.5%. Repayment of this obligation is scheduled over a six-year period from user fees. The Colleges of Human Medicine and Osteopathic Medicine have accepted the responsibility for financially underwriting this venture should this be necessary. The purchase of this equipment and execution of this loan is contingent upon obtaining a Certificate of Need.

If the Certificate of Need is not forthcoming, or if its securing will inordinately slow the process of operationalizing the NMR, then the College Deans may reevaluate the options and recommend to the Provost and Vice President for Finance and Operations that the President approve the project without a Certificate if this is in the best interests of the University. If in the event the decision is made to proceed without a Certificate of Need, the dollar limit for the line of credit will revert to \$2,000,000 as authorized in the Board Resolution of December 2, 1983. And additional funds needed to meet the financial needs of the project will be provided from the resources of the two colleges of medicine.

RESOLVED that the above recommendation be approved.

Approved by a vote of 6 to 0 on a motion by Trustee Fletcher, seconded by Trustee Reed. Trustee Crim and Dade left the room prior to the vote.

(5) Liaison Proposal

At its February 3, 1984, meeting, the Board of Trustees accepted a proposal to increase the participation of the faculty and student liaison groups in the regular meetings of the Board. The Board requested that these groups review this proposal and forward any comments relating thereto through the Secretary's Office for Board consideration at its April 6 meeting. Distributed with the agenda are comments received from representatives of the student liaison group.

Approved  
Proposal to  
Increase  
Participation  
of Faculty and  
Student Liaison  
Groups in Board  
of Trustees  
Meetings

Following is a revised proposal which includes suggested changes made by the Administration. This revision changes the original proposal from "time should be reserved..." to "time may be reserved...". Also, the second sentence deletes the words "Whenever possible, these...".

continued - - -

(5) Liaison Proposal, cont.PROPOSAL TO INCREASE THE PARTICIPATION OF THE  
FACULTY AND STUDENT LIAISON GROUPS IN THE MEETINGS OF  
THE BOARD OF TRUSTEES

As part of the agenda of the scheduled meetings of the Board of Trustees, time may be reserved for discussion of items suggested by members of the faculty and student liaison groups. These groups should prepare materials relating to these items for distribution to the Board through the Secretary's Office in advance of the meetings. These materials will be distributed by the Secretary along with the regular agenda materials. Suggested items for discussion should be reviewed with the appropriate administrative official and, then, be brought to the attention of the Secretary, who will consult with the President and the Chairperson of the Board prior to their placement on the agenda.

RESOLVED that the above proposal be approved.

Approved by a vote of 8 to 0 on motion by Trustee Wilson, seconded by Trustee Martin.

(6) Academic Reorganization

Distributed with the agenda is information which recommends organizational changes to strengthen the capacity of Michigan State University to function effectively. It is recommended that the Board of Trustees approve the proposed changes.

RESOLVED that the positions of Vice Provost for Agriculture and Natural Resources and Vice Provost for Human Health Programs be established as Executive Management positions. Also, that the Division of Human Health Programs, administered by the Vice Provost for Human Health Programs, be established.

Approved by a vote of 8 to 0 on motion by Trustee Sawyer, seconded by Trustee Lick.

(7) Research Agreements

Distributed with the agenda is background information from Vice President Cantlon relating to two agreements under the Inter Guidelines for Potential Conflict of Interest.

- a. It is recommended that the Board of Trustees approve a continuation of the agreement with the Bio-Gas Detector Corp.
- b. It is recommended that the Board of Trustees approve the Administration negotiating an agreement with Probe-Tek.

RESOLVED that the above recommendations be approved.

Motion was made by Trustee Reed to approve the two agreements as listed above. Seconded by Trustee Sawyer. Approved by a vote of 7 to 0. Trustee Dade left the room prior to this vote.

(8) Amendment to Course Fee Courtesy Policy

On December 2, 1983, the Michigan State University Board of Trustees approved the Course Fee Courtesy Policy for dependent children and spouses of designated faculty and staff as a continuing program effective Winter Term 1984.

The current policy provides that if the eligible faculty or staff member retires in accordance with Michigan State University's retirement policy, the Course Fee Courtesy will continue for the dependent children and spouse enrolled at the time, but it does not extend to future enrollments of otherwise eligible dependent children and spouses during retirement.

It is recommended that the Board of Trustees amend Section 7 of the Course Fee Courtesy Policy to provide eligibility for dependent children and spouses of designated faculty and staff members who retire in accordance with Michigan State University's retirement policy as long as they meet the other eligibility requirements of the Course Fee Courtesy Policy.

continued - - -

Approved  
Academic  
Reorganization  
of Vice Provost  
for Agriculture  
and Natural  
Resources and  
Vice Provost  
for Human  
Health  
Programs be  
Established as  
Executive  
Management  
Positions.

Approved  
Continuation  
of Agreement  
with Bio-Gas  
Detector  
Corporation  
and Approved  
the Admini-  
stration  
Negotiating an  
Agreement with  
Probe-Tek.

Approved  
Amendment of  
Section 7 of  
the Course  
Fee Courtesy  
Policy

10. D. OTHER ITEMS FOR ACTION, cont.

April 5-6, 1984

(8) Amendment to Course Fee Courtesy Policy, cont.

It is impossible to predict with any certainty the number of dependent children and spouses who will be eligible for the Course Fee Courtesy Policy as a result of this amendment, but the number involved is likely to be quite small.

RESOLVED that Section 7 of the Course Fee Courtesy Policy be amended to read as follows (amendment is underlined):

Except as stipulated below, the Course Fee Courtesy for dependent children and spouses will be discontinued at the conclusion of the term or summer session at which the employment of the eligible faculty or staff member is terminated. The dependent children and spouse of an eligible faculty or staff member participating in the University's Long-Term Disability Program or who dies while on active service or while participating in the University's Long-Term Disability Program retain eligibility as if the eligible faculty or staff member were still living or were not not participating in the University's Long-Term Disability Program as long as they meet the other eligibility requirements of the Course Fee Courtesy Policy. The dependent children and spouses of eligible faculty or staff members who retire in accordance with Michigan State University's retirement policy also retain eligibility as long as they meet the other eligibility requirements of the Course Fee Courtesy Policy.

Approved by a vote of 7 to 1 on motion by Trustee Martin, seconded by Trustee Crim. Trustee Fletcher voted No. Trustee Dade returned to the room prior to this vote.

Trustee Fletcher moved an amendment that the Course Fee Courtesy Policy be extended to all citizens of the State of Michigan qualified to enroll at Michigan State University. The amendment failed for the warrant of a second.

(9) Board of Trustees Resolution on State Income Tax Rollback

The Board of Trustees of Michigan State University believes that any attempt to accelerate rollbacks in the State's income tax may constitute direct and serious threat to this University and to economic stability in the State.

Remaining strong advocates of the income tax increase, we restate our conviction that long-range recovery requires vigilant adherence to sustained policies of increased revenue. Rollbacks that would significantly reduce state revenues at this time would return us to the perilous conditions that posed a clear and present threat to quality at Michigan State University.

We urge all citizens to remember that the intent of the tax increase was to restore the State's economy to a permanent sound condition. It is clear to us that the recovery is not yet assured; it would be a tragic mistake for us to assume otherwise.

This Board of Trustees recognizes that even with the tax increase, economic recovery in the state is not guaranteed. With revocations of commitments to the tax increase, fiscal instability is guaranteed.

Approved by a vote of 8 to 0 on motion by Trustee Fletcher, seconded by Trustee Reed.

(10) Board of Trustees Resolution on Voter's Choice

We, the Board of Trustees of Michigan State University, are concerned with the sweeping negative effect of the Voter's Choice constitutional amendment being proposed for a ballot referendum.

We, as a Board, are opposed to the proposed amendment because of the devastating effect it would have on the funding of Higher Education and other basic State services.

Approved by a vote of 8 to 0 on motion by Trustee Crim, seconded by Trustee Reed.

The Board further requests that at the next Board meeting, the administration have prepared facts on how the proposed constitutional amendment would affect Higher Education in general and Michigan State University specifically.

Approved  
Resolution on  
State Income  
Tax Rollback

Approved  
Resolution on  
Voter's Choice

11. REPORTS TO THE BOARD

April 5-6, 1984

A. Board Committee Reports(1) Investment Committee

Trustee Wilson reported that the Trustee Investment Committee heard a report from Mr. David Thurston, of Cambridge Associates, concerning the recent performance of the University's investment managers. Mr. Thurston also discussed endowment spending policies which will be the subject of the next Trustee Investment Committee meeting.

The Committee recommended to the Board the adoption of a revised Statement of Investment Objectives which incorporates the Board's recent decision to make real estate investments.

RESOLVED that the revised Investment Objectives are approved as presented.

Approved by a vote of 8 to 0 on motion by Trustee Wilson, seconded by Trustee Sawyer.

(2) Land and Physical Facilities Committee

Trustee Lick reported that the Land and Physical Facilities Committee approved the following item and recommended it for approval by the Board.

The transfer of 15 acres of land on Collins Road (described in a Certificate of Survey) to the Michigan Biotechnology Institute subject to agreement on the appropriate safeguards to the University concerning the future use of this property should MBI change its character, no longer exist, or modify the use of the property.

Approved by a vote of 5 to 1 on motion by Trustee Lick, seconded by Trustee Sawyer. Trustee Fletcher voted No. Trustee Crim abstained, and Trustee Martin left the room prior to the vote.

(3) Presidential Search Liaison Committee

Trustee Sawyer distributed a report prepared by the Presidential Search Liaison Committee (copy on file in the Secretary's Office).

Trustee Dade requested that the Trustees discuss the question of the need for confidentiality in the presidential selection process. Each Trustee supported the need for confidentiality in the selection process, with the exception of Trustee Martin who had left the meeting and Trustee Fletcher who stated the following: "I cannot sign an oath of confidentiality. I have spent twenty years occupying assorted public offices. I have operated in a completely open atmosphere and believe all public business should be transacted before the public."

Trustee Lick stated that the ad hoc committee had discussed the possibility of engaging a consulting firm to assist in the presidential selection process, and distributed background information on three firms under consideration. She stated that the ad hoc committee was considering the engagement of the Presidential Search and Assessment Service of Washington, DC, for this service.

Following discussion, it was agreed that a special meeting of the Board would be held on April 14 at 9:30 a.m. to continue the discussion on the presidential selection process.

(4) Board of Trustees Bylaws Committee

Trustee Wilson reported that the Bylaws Committee had met and that Vice President Thompson was preparing an amended document for review. He invited members of the Board to attend the next meeting of the Committee on a date yet to be announced.

Approved  
Adoption of  
a Revised  
Statement of  
Investment  
Objectives  
Which  
Incorporates  
Real Estate  
Investments

Land and  
Physical  
Facilities  
Committee --  
Approved  
Transfer of  
15 Acres of  
Land on  
Collins Road  
to Michigan  
Biotechnology  
Institute

11. REPORTS TO THE BOARD, cont.

April 5-6, 1984

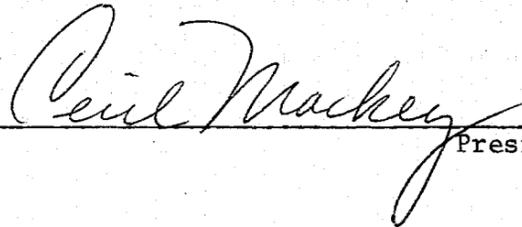
B. President's Report

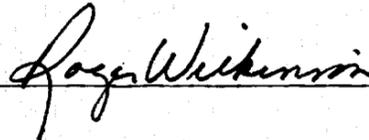
President Mackey stated that Trustee Fletcher had asked for comments on the Ludington property matter and called upon General Counsel Carr to respond.

Mr. Carr reported that the Internal Audit did an in-depth analysis of all of the financial transactions relating to this matter and reported that there may be a conflict of interest on the part of a particular professor. Mr. Carr also stated that the professor did not personally profit in this transaction.

In response to Trustee Fletcher's request, President Mackey commented on the review of the Tenure policy. President Mackey said that the Board should continue to convey to the Academic Governance its sense of urgency on completing the review of this matter.

Adjourned at 5:19 p.m.

  
\_\_\_\_\_  
President

  
\_\_\_\_\_  
Secretary

MINUTES OF THE MEETING  
of the  
MICHIGAN STATE UNIVERSITY  
BOARD OF TRUSTEES  
April 14, 1984

Meeting on the Presidential Selection Process

Chairperson Sawyer called the meeting to order in the Board Room of the Administration Building at 9:40 p.m., April 14.

Present: Trustees Crim, Dade, Fletcher, Lick, Martin, Reed and Sawyer; Associate Vice President and Secretary Wilkinson, General Counsel Carr, Assistant to the President Carlisle, Faculty Liaison Group, Student Liaison Group, and Drs. Frederic Ness and Ronald Stead of the Presidential Search and Assessment Service (PSAS).

Absent: Trustee Wilson.

Chairperson Sawyer announced that the purpose of the meeting was for a Trustee discussion on the Presidential Selection Process. She stated that following the consensus reached at the April 7, 1984, meeting of the Board of Trustees, the Ad Hoc Committee engaged the Presidential Search and Assessment Service as consultants for the preliminary phase of the selection process. This phase includes the gathering of information about the University by PSAS, the formulation of a report which includes suggested criteria for the new president, and a recommended search process. Chairperson Sawyer called upon Dr. Ness to provide background information.

1. Dr. Ness said that their firm performed two services: presidential search and assessment of presidents currently serving. He noted that their firm was a nonprofit service for the national associations of higher education in Washington, DC. He stated that their firm is not an executive search firm, but they consult with institutions in the selection and assessment process. Each institution must search and select its own president and that PSAS serves in a supportive role in this process. He stated since they have been engaged for this preliminary assignment that, through two days of interviews on campus, they have gathered substantial information about Michigan State University and will also review a substantial amount of written information which has been made available to them.

In approximately two weeks, they will issue a written report to the Trustees. The report will not be a consensus of the professional interviews conducted, but PSAS's judgment as to what are the principal issues the new president will have to confront in the initial three-to-five year period following appointment to office.

continued - - -

1. Dr. Ness, cont.

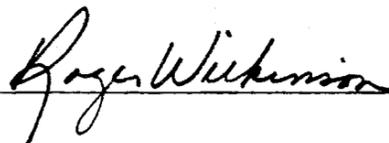
He stated that the report will also include a section on the recommended qualifications of the president and a section relating to the recommended search process. He indicated that the report is a working paper to guide the Board in the selection process and encouraged the Board to modify it to meet its needs.

2. Dr. Stead emphasized that this was a unique opportunity to advance the public relations of the University. The Board must use the greatest degree of responsibility and care in how it treated candidates since this would be a national search. He stated that this was an opportunity to bring the various constituencies of the University together. He stated that the search must be an active search which involves more than just the placing of advertisements and the receiving of applications. The Board must seek out qualified candidates through various contacts with other persons and educational organizations. He stated that this results, also, in a great deal of telephone follow-up. His final note was that the Search Committee structure should be small.
3. Dr. Ness pointed out that in addition to the size of the Search Committee, that persons chosen were not representatives of their particular constituent groups but must represent the entire institution.

Following the above comments, the Trustees discussed the issue of confidentiality in the process, the timetable, and projected cost. Several questions were directed to Drs. Ness and Stead concerning their experience in prior selection processes.

4. At the request of Chairperson Sawyer, Dr. Ness outlined the role of their firm if they were engaged as consultants for the entire selection process. He said that they would try to keep the process on schedule and felt that six months was an optimistic timetable for selecting the new president. Their firm would assist in developing a statement of qualifications and would review advertisements relating to the posting of the position. They would develop a list of sources for nominations and recommend how to pursue our follow-up with these sources. He also said that their firm has a network of information and candidates which would be made available to the Search Committee. They would help establish procedures and develop a log or record keeping process. Their firm would use a dry run process to assist the Search Committee in reviewing applications and statements of qualifications. During this time they would assist the Committee in developing a rating process and provide the Committee with guidance on the interview process. He would anticipate weekly or regular communication with the Chair of the Committee.
5. At the request of Trustee Fletcher, Dr. Ness responded to questions relating to internal versus external candidates. He also commented on various situations involving this issue based on his experience as a consultant and stated that this was an issue that the Committee or Board must address initially in the process.

Chairperson Sawyer thanked Drs. Ness and Stead, and it was agreed that the Board would establish a date to meet upon receipt of the preliminary report from PSAS.



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Secretary