

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

December 8, 1995

The Trustee Finance Committee and the Trustee Policy Committee meetings were held in the Board Room of the Administration Building beginning at 2:30 p.m. on Friday, December 8, 1995. Minutes of the meetings are on file in the Office of the Secretary of the Board of Trustees.

The meeting of the Board of Trustees was called to order by President McPherson at 3:00 p.m. in the Board Room.

Trustees present: Dolores M. Cook, Dorothy Gonzales, Russell G. Mawby, Colleen McNamara, Donald W. Nugent, John D. Shingleton, Bob Traxler, and Robert E. Weiss.

University officers present: President McPherson, Provost Simon, Secretary Pogel, General Counsel and Vice President Noto, Vice Presidents Denbow, Greenleaf, Webb, Wilkinson, and Acting Vice President June. Faculty Liaison representatives present: Maureen McDonough, Deborah Moriarty, Charles Nelson, and Jacqueline Wright, guest. Student Liaison representative present: Laurin Stine.

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

1. On a motion by Dr. Mawby, supported by Mr. Shingleton, **THE BOARD VOTED to approve** the proposed agenda.
2. On a motion by Dr. Mawby, supported by Mr. Shingleton, **THE BOARD VOTED to approve** the minutes of the Board meeting of October 13, 1995.

On a motion by Mr. Weiss, supported by Ms. Gonzales, **THE BOARD VOTED to approve** the minutes of the Board meeting of November 9, 1995, as corrected.

At the request of Mr. Weiss, the November 9, 1995 minutes were corrected on page five to reflect that he, rather than Mr. Nugent, supported the motion of Mr. Traxler to postpone the recommendation.

3. Trustee GPA Award recipients (listed below) for Fall Semester 1995 were congratulated for their exceptional academic performance. Chairperson Mawby and President McPherson presented awards to Randy Brown, Craig Lewis, Kelly Mleczo and Heather Richter. Mark Fedewa and Jeffrey Vander Laan were unable to attend.

Trustee GPA
Award Recipients

Trustee GPA Award Recipients

Heather A. Richter	4.0000 GPA, Highest
Craig D. Lewis	3.9770 GPA, Second Highest
Randy R. Brown	3.9767 GPA, Third Highest
Mark J. Fedewa	3.9455 GPA, Fourth Highest
Jeffrey J. Vander Laan	3.9287 GPA, Fifth Highest
Kelly M. Mleczo	3.9277 GPA, Sixth Highest

4. Guiding Principles Report

Guiding
Principles Report

Vice President Greenleaf reported on the Principle of Active Learning. He described retention and an early warning system that will focus especially on first-semester freshmen. The system, put in place under the auspices of Assistant Provost Steidle, working closely with Acting Vice President June, the colleges and the Undergraduate University Division, monitors key courses taken by most first-semester freshmen. Students who receive below a 2.0 grade point at mid-term are notified, and a follow-up system encourages them to visit a counselor or the Learning Resources Center for assistance in preparing for final examinations. Although Michigan State is competitive nationally, the intent is to enhance the overall retention rate. In the spirit of continuous quality improvement, the program has made a promising beginning.

5. The following individual addressed the Board of Trustees on an issue germane to the agenda:

Public
Participation
Germane to Agenda

- A. Ms. Rony Murray, staff member and Chairperson of the MSU Coalition of Labor Organizations, on behalf of the Coalition endorsed the University's change from a fully-insured Blue Cross/Blue Shield plan to a Blue Cross/Blue Shield administrative service contract. In addition to saving the University millions of dollars in health benefits costs, Ms. Murray reported it has laid the groundwork for a stronger labor/management partnership on health care issues. She expressed appreciation for the work that was done to make this agreement possible.

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Personnel
Actions

Appointments

6. Personnel Actions

A. Appointments

- 1) Holm, Robert S., AN-Associate Professor, Department of Pediatrics, \$88,241, with Tenure, effective October 1, 1995.
- 2) Hansen, Peder G., AN-John A. Hannah Distinguished Professor, National Superconducting Cyclotron Laboratory, \$125,000, with Tenure, effective October 16, 1995.

Other Personnel
ActionsActing Dean,
International
Studies and
Programs

B. Other Personnel Actions

- 1) Hudzik, John, AN-Professor and Associate Dean, Dean's Office, College of Social Science; School of Criminal Justice, to change title to Acting Dean, International Studies and Programs, and a change in salary rate from \$93,456 to \$102,800, effective November 1, 1995.
- 2) Gast, Robert G., AN-Director and Associate Vice Provost, Agricultural Experiment Station; Professor, Department of Crop and Soil Sciences, to change title to Acting Vice President for Research and Graduate Studies and a change in salary rate from \$136,913 to \$141,913, effective December 1, 1995.
- 3) Webster, Steven R., AN-Assistant Vice President for Governmental Affairs, to change title to Vice President for Governmental Affairs and a change in salary rate from \$89,000 to \$95,000, effective December 8, 1995.

Acting Vice
President for
Research and
Graduate StudiesVice President
for Governmental
AffairsFaculty
Promotion and
Tenure
Recommendation

C. Faculty Promotion and Tenure Recommendation

Most of the recommendations for faculty members whose current probationary appointments in the tenure system end on August 15, 1996 were made at the Board meeting on June 9, 1995. A tenure action was delayed last spring on recommendation of the college for the faculty member named below.

The following action is recommended by the Departmental Chairperson, the Dean, and the Provost in accordance with the tenure rules.

The following promotion which includes the award of tenure is recommended:

- 1) Troutman-Robinson, Denise E., promotion to Associate Professor, Departments of American Thought and Language; Linguistics and Germanic, Slavic, Asian, and African Languages.

Information
Reports of
Academic
Personnel Actions

D. Information Reports of Academic Personnel Actions of October 27, 1995 and November 17, 1995 were distributed with the Board Agenda and are included with the agenda materials in the Office of the Secretary of the Board of Trustees.

Provost Simon provided educational and background information on the individuals being presented for faculty Appointments and Other Personnel Actions. Regarding the acting appointments of Dr. Hudzik and Dr. Gast, Provost Simon commented that Michigan State is fortunate to have very good people in the background who can step into these positions on an interim basis.

President McPherson presented the personnel recommendation of Mr. Webster.

On a motion by Mr. Shingleton, supported by Mr. Nugent, **THE BOARD VOTED to approve** the Appointments, Other Personnel Actions, and Faculty Promotion and Tenure Recommendation.

Gift, Grant and
Contract Report

7. The Gift, Grant and Contract Report for the period of September 16, 1995 through November 10, 1995 was introduced by Dr. Robert Gast and presented by Dr. Arnold Revzin, Assistant Vice President for Research and Graduate Studies. The report is a compilation of 355 Gifts, Grants and Contracts, 39 Consignment/Non-Cash Gifts, and no Consignment/Non-Cash Loans, with a total value of \$20,677,035.39. The report is included with the Board Agenda in the Office of the Secretary of the Board of Trustees.

On a motion by Dr. Mawby, supported by Mr. Shingleton, **THE BOARD VOTED to approve** the Gift, Grant and Contract Report.

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8. The Trustee Finance Committee report and recommendations were presented by Trustee Nugent, at the request of Trustee Traxler.

Trustee Finance Committee

A. Bids and Contract Awards were recommended as follows:

Bids and Contract Awards

- 1) reject the bid received for the project entitled: Food Science Building - Roof Replacement.
- 2) a contract in the amount of \$867,700 be awarded to Haussman Construction Co., of Lansing, Michigan, and that a budget in the amount of \$1,150,000 be established for the project entitled: International Center - Barrier Free Alterations.
- 3) a contract in the amount of \$173,821 be awarded to Superior Electric of Lansing, Inc., of Lansing, Michigan, for the project entitled: Revitalization of Michigan Animal Agriculture (RMAA) - Beef Cattle Research Center Electrical Renovation.
- 4) a contract in the amount of \$1,024,000 be awarded to Moore Trospen Construction Company, of Lansing, Michigan, and that a budget in the amount of \$1,394,000 be established for the project entitled: Student Services Building - South Wing Air Conditioning.

Food Science Bldg. Roof Replacement

International Center Barrier Free Alterations

Revitalization of Michigan Animal Agriculture (RMAA) Beef Cattle Research Center

Student Services Bldg. South Wing Air Conditioning

B. Approval of six resolutions regarding State Building Authority financing of the five Animal Agriculture Facilities Renovation projects and the Crop and Soil Sciences Research Facility project (Projects).

Financing of Animal Agriculture and Research Facility project

C. Appointment of Smith Barney Inc. as investment bankers for the issuance of bonds to finance construction of the Detroit College of Law/MSU Business Library Building.

Detroit College of Law/MSU Business Library Investment Bankers

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

University Architect Norman Schleif was complimented by Trustee Traxler for exceptional management of the various construction projects that have occurred within a short period of time. President McPherson concurred with Mr. Traxler's comments.

D. It was recommended that effective January 1, 1996, the University's indemnity program with Blue Cross Blue Shield of Michigan (BCBSM) be changed from a fully-insured program to a self-insured program with aggregate stop loss for the period January 1, 1996 through December 31, 1997.

Blue Cross Blue Shield of MI change to Self-Insured Program

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

Trustee Nugent commented on the cooperative relationships which enabled faculty, organized labor, and the administrative offices to reach an agreement on health care coverage. Trustee Weiss complimented the groups for their cooperative efforts which will offer considerable savings to the University and preserve benefits.

E. It was recommended that the following investment restructuring actions be taken:

Investment Restructuring

1) Hedge/Arbitrage Investments:

Allocation of additional \$4 million (\$1 million each) to Davidson, Kempner, and Farallon Capital (arbitrage managers) and Pequot Partners and Emerald Partners (hedge managers).

2) Restructuring Investments:

Allocation of \$1.6 million to Oaktree Capital Management's OCM Opportunities Fund, L.P.

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

F. The Committee received a report describing the University's exceptional recent investment performance.

Report on investment performance and transfer of investment responsibilities

G. The Committee received a report of a transfer of investment responsibilities through reorganization of one of the University's investment managers, Arnhold and S. Bleichroeder Capital. The successor firm is Iridian Asset Management LLC.

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Trustee Policy
CommitteeConflict of
Interest in
Employment Policy
StatementDe Minimis
Ownership -
Claytech and IC
TechChairperson's
Report and
Trustees' CommentsResolution to
Dr. Percy Pierre,
Vice President for
Research and
Graduate Studies

9. Committee Chairperson Cook presented the recommendations of the Trustee Policy Committee as follows:

- A. It was recommended that the Board of Trustees approve the policy statement on Conflict of Interest in Employment as a replacement for the Employment of Relatives Policy. The policy statement is included with the agenda materials in the Office of the Secretary of the Board of Trustees.

Provost Simon reported that an existing policy was revised to achieve two objectives: to clarify the word "affinity" and to provide better guidance regarding the role of faculty in various aspects of implementation of the policy.

- B. It was recommended that authority be delegated to the President to approve or disapprove an agreement to be negotiated between the University and Claytech.
- C. It was recommended that authority be delegated to the President to approve or disapprove an agreement to be negotiated between the University and IC Tech.

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

10. Chairperson's Report and Trustees' Comments

- A. Dr. Mawby presented the following resolution as an expression of the Board's appreciation for Dr. Percy Pierre's leadership and service during the past five years. Dr. Mawby said he is delighted that Dr. Pierre will continue to serve the University as a teacher and a scholar.

Resolution to Dr. Percy Pierre

The Board of Trustees of Michigan State University today extends to Percy Pierre its deep appreciation and best wishes.

For five years, Dr. Pierre has lent his leadership and vision to Michigan State University's quest for sustained excellence in research and graduate education as Vice President for Research and Graduate Studies.

His knowledge of the federal government has helped Michigan State improve its competitiveness for federal projects; there was a substantial increase in the amount of federal dollars coming to the University during his tenure. Dr. Pierre's success comes from his ability to forge a path for MSU's interests both on campus and amidst a variety of external agencies as well.

His leadership in the effort to secure funding for the Food Safety/Toxicology Center--the largest federal facilities grant the University has ever received--means that MSU will have the best food safety facility in the nation. That center is characteristic of the priorities established by Dr. Pierre, to focus on research that not only enhances our scientific reputation, but improves the lives of the citizens of the state and the country.

Dr. Pierre's service on the Commission on the Future of the National Science Foundation helped solidify the importance of basic research as an item on the national agenda. His work on the Defense Science Board helped in development of the Technology Reinvestment Program. These activities have translated into major grants to MSU faculty in materials research and in industrial extension.

Dr. Pierre also has been a steward of academic excellence. In particular, the reestablishment of the Graduate School will help ensure a strong future for advanced studies at MSU into the 21st century.

His vision also has led to the creation of the Office of Intellectual Property, which facilitates the conversion of the results of MSU faculty research into products of value to society.

As Dr. Pierre continues to bring his expertise, his integrity and his dedication to serve the University as a teacher and scholar, the Board of Trustees, on behalf of Michigan State University and the citizens of Michigan, extends its sincere gratitude and best wishes for the future.

On a motion by Dr. Mawby, supported by Mr. Weiss, **THE BOARD VOTED to approve** the resolution.

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- B. Chairperson Mawby reported that one of the responsibilities of the Board of Trustees each year is to conduct a review of the President under the terms of the contractual relationship. The Board has completed its conversation with the President about the past year and his goals for the next year. Tangible accomplishments of the past year have been the tuition guarantee program; leadership in working with the Governor and the Legislature in the State appropriation with a significant increase of \$10.4 million, above the 3 percent, which has been directed for technology to move the University forward; the Detroit College of Law at Michigan State University; and, the Food Safety and Toxicology Center. Additional notable activities this year have been the visit of President Clinton, the success of the Debate Team, and the volleyball and football teams. Dr. Mawby commented that the Board appreciates the President's vision and his perspective on issues which is refreshing and stimulating. There is spirit and enthusiasm at the University.

Chairperson's
Report and
Trustees' Comments
continued

Chairperson Mawby presented the following recommendation. At the request of the President, the recommended adjustment is consistent with that which is occurring throughout the University.

Compensation
for President

Be it resolved that President McPherson's salary be increased by 3 percent to be placed in deferred compensation effective October 1, 1995, and further, that the payment of the \$5,000 for purchase of life insurance be continued without limitation as to coverage.

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

- C. Dr. Mawby reported it was the final meeting at which he would serve as Chairperson of the Board. He commented on the privilege of being a Trustee of a premiere and pioneer land-grant University and on the honor of serving as Chairperson. As Board Chairperson, Dr. Mawby said he tried to reflect what he understood to be the position, mind-set, and philosophy of the entire Board. He said he was proud of the Board of Trustees and he emphasized that it had been a privilege to work with them and with the President. At the organizational meeting in January, Trustee Weiss will become Chairperson and Trustee Cook will become Vice Chairperson.
- D. President McPherson responded that it had been a very good year, and Dr. Mawby had provided effective, sound and strong leadership. He said that he appreciated Dr. Mawby as an adviser and a helpful problem solver who looked at the big picture and focused on big problems. The President noted that there had been difficult issues to study and work through with the faculty, labor unions, and students, but during the last year discussions were conducted in a professional, civil, and positive tone.
- E. As Vice Chairperson and on behalf of the Trustees, Mr. Weiss thanked Dr. Mawby for serving as Chairperson and said the Board has been proud to be represented by him.
- Mr. Weiss recounted various accomplishments of the past year which included representation of the women's volleyball team in the final four NCAA tournaments, the victories of the Debate Team, the ground breaking for the new Law School, and the Food Toxicology building.
- F. Mr. Shingleton said that it had been a real pleasure working with this Board and with the associates seated at the Board table this year. He said there had been weighty decisions to make and he believed they were handled professionally. He said he felt comfortable that "all of us tried to do the best thing that we knew how in the best interest of the University."
- G. Ms. Gonzales thanked Dr. Mawby for his leadership as Chairperson, and the President for his leadership. Trustee Gonzales said she hoped the spirit of the season stays with the Board throughout the next year so that the Board would be caring, tolerant, and inclusive of all the MSU community in its deliberations.
- H. Mr. Nugent thanked Dr. Mawby and President McPherson for their leadership. He thanked members of the Board and noted that it had been a privilege to come to know each of them as well as the faculty, administrators, students, and many more people he had not known previously. He said 1995 had been an outstanding year; everyone at the University had contributed a great deal to that, and he was grateful.

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Trustee's
Comments

- I. Ms. McNamara said she wished to echo Trustee Nugent's comments. Since they were both new Board members, there had been a whole new world of people to meet. Trustee McNamara noted that it had been a very good year and she was developing great affection for all of the Board and others with whom she was working. She said she was glad to be here and looked forward to being a veteran member of the Board during the next year.
- J. Mr. Traxler said he wished to join his colleagues in extending sincere appreciation and gratitude to Dr. Mawby for his role as Chairperson.

Trustee Traxler commented on the importance of the position of Vice President for Research and Graduate Studies. He said that he believed it was essential for the University to seek out the finest, most talented and gifted individual who has national recognition in research and a broad-based knowledge of all disciplines in the research areas. Mr. Traxler said he was hopeful the selection process would result in a candidate who would enjoy the support of the entire Board and bring great credit and honor to Michigan State.

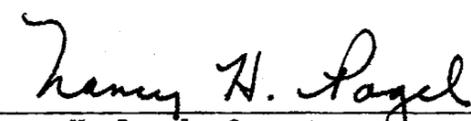
- K. Ms. Cook complimented Dr. Mawby for his leadership and the harmony that is present among Board members. She also acknowledged President McPherson's contributions. Ms. Cook said she was grateful for the changes that have taken place and for the addition and contributions of Trustees McNamara and Nugent. She observed how much Board members enjoy working together. Trustee Cook also thanked the following people for their assistance during the past year: Carol Pride and Sharin Noall of the Board of Trustees office; Dr. Martha Hesse, former Secretary of the Board; and Dr. Nancy Pogel, new Board Secretary. Trustee Cook also thanked Renee McAuley, an employee of The Kellogg Center.
- L. President McPherson said that the meeting could not adjourn on a better note. He wished everyone a happy holiday season.

Executive Session
not requestedPublic
Participation on
Other Issues -
None

11. An Executive Session was not requested.
12. There were no requests to address the Board of Trustees on other issues.
13. On a motion by Dr. Mawby, supported by Mr. Weiss, the meeting adjourned.



 Peter McPherson, President



 Nancy H. Pogel, Secretary