

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

February 7, 1992

The Trustee Finance Committee and the Trustee Policy Committee meetings were held in the Board Room of the Administration Building beginning at 8:30 a.m. on Friday, February 7, 1992. The minutes of the committee 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 John DiBiaggio at 11:15 a.m. in the Board Room of the Administration Building.

Trustees present were: Dolores M. Cook, Joel Ferguson, Russell G. Mawby, Dean Pridgeon, Melanie Reinhold, Barbara J. Sawyer, John D. Shingleton, and Robert E. Weiss.

University officers present included: President DiBiaggio, Provost Scott, Secretary Davis; Vice Presidents Guyer, Meyer, Pierre, Turner, and Wilkinson. Faculty Liaison representatives present were: Grandstaff, Probst, and Thornton. Student Liaison representatives present were: Edelmann, Kemnitz, Tetens, and Tingson.

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

1. On a motion by Ms. Sawyer, supported by Ms. Cook, **THE BOARD VOTED to approve** the proposed agenda.
2. On a motion by Ms. Sawyer, supported by Mr. Weiss, **THE BOARD VOTED to approve** the minutes of the December 6, 1991, Board meeting.
3. The following individual addressed the Board of Trustees on the subject listed:
 - A. Ms. Jamie Kendall, member of the ASMSU Handicapper Council, remarked about her attendance at the signing of the American Disabilities Act, and thanked President DiBiaggio for the appointments of Eric Gentile and Judy Gentile to the Task Force. She also commented on accessibility to the University auditorium and the Business library facilities.
4. President DiBiaggio welcomed Dr. Russell G. Mawby to his first meeting as a member of the Board of Trustees since being appointed by Governor Engler, effective January 1, 1992, to succeed Trustee Thomas Reed. He stated the University will benefit from Dr. Mawby's insight, wisdom, and love of Michigan State.

Dr. Mawby responded as follows:

"I would simply comment that I regard it as both an honor and a privilege to become a member of this Board and to have now a new relationship with the University that is my alma mater. As you commented, this University has been an enriching influence in my life since literally early childhood and I am grateful for that and now grateful for the opportunity, hopefully, of being helpful to the University. I want to be a constructive participant with everyone else and hope I can make a useful contribution. It might be appropriate for me to comment, because of my role with the W. K. Kellogg Foundation, that the Foundation has enjoyed a relationship with this University for about 65 years which long predates my participation with the Foundation. We have appreciated this relationship because of the commonality of mission, a shared concern for people, and our mutual commitment to the application of knowledge to human concerns. The involvement of the Foundation in helping the University in its purposes has been much appreciated by the Foundation Board and staff. In discussions with the Foundation's Board of Trustees, with leadership here, and with the Governor, I have made it clear and wish now to clarify here the point that my presence on this Board will neither enhance nor detract from the possibility of continuing Foundation responsiveness to University requests for assistance in accomplishing the University's objectives. I see three or four items in the gift and grant list today of ways in which the Foundation has provided assistance to University interests. I want to be absolutely above board and I hope that no one finds this relationship troublesome. If they do, I hope they will discuss it with me. I look forward very much in my new opportunity as a Trustee to be helpful to this University and to work with fellow Trustees and everyone concerned with the University in its future development. Thank you very much."

Public
Participation

Welcome to
Trustee Russell G.
Mawby

February 7, 1992

- 5. President DiBiaggio announced that the Board would adjourn for lunch and reconvene at 1:00 p.m.
- 6. The meeting was reconvened by President DiBiaggio at 1:00 p.m.

Trustees present were: Dolores M. Cook, Joel Ferguson, Russell G. Mawby, Dean Pridgeon, Melanie Reinhold, Barbara J. Sawyer, John D. Shingleton, and Robert E. Weiss.

University officers present included: President DiBiaggio, Provost Scott, Secretary Davis; Vice Presidents Guyer, Meyer, Pierre, Turner, and Wilkinson. Faculty Liaison representatives present were: Grandstaff and Thornton. Student Liaison representatives present were: Edelmann, Kemnitz, Tetens, and Tingson.

- 7. The report of the President included the following:

President's
Report

- A. President DiBiaggio provided an update on the success of MSU 2000 which includes the recent \$5 million gift of the Dow Foundation for an additional wing of the Engineering building. It is anticipated that the new goal will be surpassed because of the generosity of alumni, friends, and the faculty and staff.
- B. President DiBiaggio congratulated the musicians and conductors of the Michigan State University Chamber Orchestra and Chorale from the School of Music who were selected to participate in the Mozart Bicentennial at Lincoln Center in New York City.
- C. The University has received a \$6 million grant from the U. S. Agency for International Development to make advances in plant biotechnology to increase crop production in developing nations. President DiBiaggio reported the reward of the grant to Michigan State is the result of a team effort and is a significant achievement in line with the University's particular strengths in its land-grant mission.
- D. President DiBiaggio announced that Michigan State, through the Office of the Provost, will be cosponsoring with the Committee on Institutional Cooperation (CIC) a Conference on Retention of Undergraduate Students to be held on our campus February 23-25. This conference is another evidence of Michigan State's long-term commitment to improve retention of undergraduate students including women, minorities, and handicappers.
- E. The annual Awards Convocation and the State of the University Address will be held on February 10. Awards to be presented will include ten Distinguished Faculty, six Teacher-Scholars, six Excellence-in-Teaching, and a first-time Presidential Award for Distinguished Community Service.

- 8. Provost Scott reported there were no personnel items to come before the Board for action.
- 9. On a motion by Ms. Cook, supported by Mr. Weiss, **THE BOARD VOTED to approve** the Gift, Grant and Contract Report for the period November 9, 1991, through January 10, 1992, with a total value of \$16,319,849.95. The report is included with the Board Agenda in the Office of the Secretary of the Board of Trustees.

NO Personnel
Actions

Gift, Grant &
Contract Report

In addition to the regular report, Dr. Pierre presented the Gift, Grant and Contract Annual Report which included comparisons of fiscal years 1991 and 1992. Dr. Pierre also presented enrollment data on graduate admissions from the annual report on Graduate Education and Research, and commented on the "Report of the Council on the Review of Research and Graduate Education" (CORRAGE).

Annual Report
of Gift, Grant &
Contracts and
Graduate Education

- 10. The reports and recommendations of the Trustee Finance Committee were presented by Ms. Sawyer, the Committee Chairperson.

Trustee Finance
Committee

- A. Bid and Contract recommendations were presented as follows:

Bid & Contract
Recommendations

- 1) A contract in the amount of \$15,780,000 be awarded to Granger Construction Company of Lansing, Michigan, and that a budget in the amount of \$20,860,000 be established for the project entitled College of Business Addition.

College of
Business addition

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

Trustee Finance Com.
Bid & Contract
Recommendations cont.

T B Simon Power
Plant Unit 4

Approval of
retirement options
for Locals 999 and
1585 and Local 547

Revision of State-
ment of Investment
Objectives for
Pooled Cash Fund

Contract with
East Lansing Schools

Trustee Reinhold
report on deferred
maintenance

Reports on tuition
and fee policy
questions and status
report of MUSIC

Trustee Policy
Committee

Naming of building
to house College of
Engr materials
research program

Annual report on
undergraduate
recruitment and
admissions
Chairperson's Report

Mr. Pridgeon named
Chairperson

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- 2) A contract in the amount of \$1,793,000 be awarded to Quality Electric, Inc., of Holt, Michigan, and be assigned to Alberici/Clark (A Joint Venture), the general architectural/mechanical contractor, for the project entitled T. B. Simon Power Plant - Unit 4 - Electrical Construction. The establishment of a project budget in the amount of \$61,545,000 for the T. B. Simon Power Plant - Unit 4 was also recommended.

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

- B. It was recommended that the Board of Trustees approve the inclusion, in the University's base retirement plan, of the option allowing individuals to cash-out up to and including 100 percent of base retirement plan accumulations as permitted by the vendors for persons classified as Skilled Trades (AFSCME Local 999), Operating Engineers (Local 547) and Service Maintenance employees (AFSCME Local 1585):

- 1) on or after retirement, termination, or resignation, and
- 2) at or after attainment of age 55 years.

It was also recommended that the Board of Trustees approve this change to be effective June 1, 1991, for current employees and that, at the same time, it also be applicable to those who have left the University prior to that date.

On a motion by Ms. Sawyer, supported by Dr. Mawby, **THE BOARD VOTED to approve** the recommendations.

- C. It was recommended that the Statement of Investment Objectives for the Pooled Cash Fund be revised to reflect an updated list of governmental agencies and organizations as allowable investments and reflect an upgraded rating for allowable investments in financial institutions. The recommendation included in the agenda materials was amended to provide for restrictions of investments in domestic and foreign banks to those banks receiving a rating, from a nationally recognized bank rating service, equivalent to a rating of B or better from Thomson Bank Watch Service.

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

- D. It was recommended that the contract with the East Lansing Public Schools be approved for the period from July 1, 1992 through June 30, 1997, and agreed that the University pay a fixed sum of \$105,448 annually beginning with fiscal year 1992-93 and continuing through fiscal year 2014-2015 to reimburse the school district for capital improvements to Spartan Village School.

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

- E. At the morning committee meeting, Trustee Reinhold reported on her tour of University buildings and facilities to review the status of deferred maintenance.

- F. Additional reports at the committee meeting included a presentation on tuition and fee policy questions raised in conjunction with the Board's action on this subject at its last meeting, and a status report of the Michigan Universities Self-Insurance Corporation (MUSIC) and the University's participation therein.

11. The reports and recommendations of the Trustee Policy Committee were presented by Mr. Ferguson, the Committee Chairperson.

- A. It was recommended that the building which will house the materials research program of the College of Engineering be named the Herbert H. and Grace A. Dow Institute for Materials Research.

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

- B. Provost Scott presented an annual report on undergraduate recruitment and admissions to the Policy Committee at its morning meeting.

12. The report of the Chairperson and Trustees included the following:

- A. On a motion by Mr. Weiss, supported by Ms. Sawyer, **THE BOARD VOTED to name** Mr. Pridgeon as Chairperson of the Board of Trustees in accordance with the Board of Trustees **Bylaws**.

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Chairperson's
Report continuedMs. Cook named
Vice Chairperson

Trustee Comments

Statement regarding
Fiscal Challenges

- B. On a motion by Mr. Ferguson, supported by Dr. Mawby, **THE BOARD VOTED to name** Ms. Cook as Vice Chairperson of the Board of Trustees.

- C. Mr. Pridgeon commented that he is honored and privileged to serve as the Chairperson of the MSU Board of Trustees. The 1992 Board Meeting dates were announced as follows: April 2-3, June 11-12, July 23-24, October 8-9, and December 10-11.

- D. Mr. Pridgeon presented the following statement regarding fiscal challenges:

"We all recognize the critical economic situation in the nation and in the state and the impact that this may have on future appropriations to Michigan State University. We also recognize the public concern about accountability and affordability of higher education.

As Chair of the Board of Trustees, I have talked with my colleagues about the need to move ahead with planning for 1992-1993 and beyond to assure that Michigan State can meet the projected fiscal challenge while sustaining the access and quality teaching, research and service required for a land-grant university.

On behalf of the Board of Trustees, I ask the President in conjunction with the Provost and the Vice President for Finance and Operations to initiate such actions as may be necessary to position the University to handle the fiscal challenges of 1992-1993.

Also, on behalf of the Board, I ask the President to initiate the development of a new, multi-year planning process, which will guide Michigan State for the first part of the decade of the 1990's.

In formulating plans for our consideration, you should know that my colleagues and I understand that no options should be eliminated simply because they have not been part of the traditions of Michigan State or higher education. However, our shared commitment to quality and access must guide all of this planning.

We ask that a progress report be presented at the April meeting of the Board."

- E. Mr. Weiss expressed appreciation to the University Outreach division for providing assistance to the people of Genesee County.

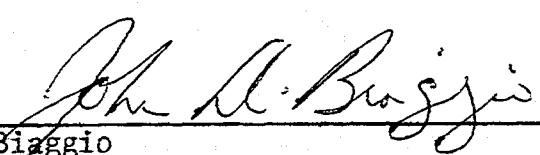
Mr. Weiss congratulated Mr. Pridgeon and Ms. Cook, the new officers of the Board, and said he looks forward to a working relationship of the Board which will be beneficial to the University.

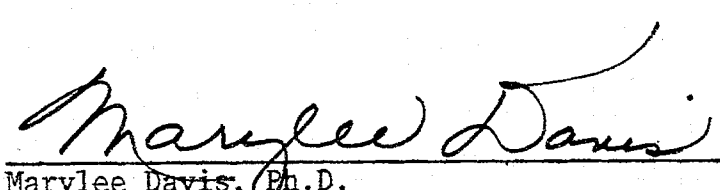
Mr. Weiss offered to be of assistance with the Legislature in the distressing budget situation.

- F. President DiBiaggio commented that Dr. Guyer will be retiring from the University on April 1, 1992, and that a time will be provided to appropriately acknowledge him.

President's
Comments

13. The meeting was adjourned at 2:20 p.m.


John DiBiaggio
President


Marylee Davis, Ph.D.
Secretary