

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

March 31, 1994

The Trustee Policy Committee and the Trustee Finance Committee meetings were held in the Lincoln Room of The Kellogg Center beginning at 2:30 p.m. on Thursday, March 31, 1994. Minutes of those 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 3:50 p.m. in the Lincoln Room.

Trustees present: Dolores M. Cook, Joel Ferguson, Russell G. Mawby, Barbara J. Sawyer-Koch, John D. Shingleton, Bob Traxler, and Robert E. Weiss.

Trustee absent: Dorothy Gonzales.

University officers present: President McPherson, Provost Simon, Secretary Hesse, General Counsel and Vice President Kurz, Vice Presidents Denbow, Meyer, Pierre, Turner, and Wilkinson. Faculty Liaison representatives present: Dr. Etta Abrahams, Dr. David Fisher, and Dr. Dozier Thornton. Student Liaison representatives present: Kathleen O'Neil, Cathleen Smith, and Brad Thaler.

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 agenda.
2. On a motion by Mr. Shingleton, supported by Dr. Mawby, **THE BOARD VOTED to approve** the minutes of the Board meeting of February 4, 1994.
3. The following individuals addressed the Board of Trustees:
 - A. Timothy S. Chang, faculty member in Animal Science and member of the MSU Asian Pacific American Faculty and Staff Association, thanked the administration for supporting their recent conference, "The Changing University: An Asian American Perspective." The Association has requested that action be implemented to recruit more Asian American faculty, staff, and students; increase scholarships/financial aid and funding for student organizations; and offer more ethnic courses and programs.
 - B. Mark Finkelstein, staff member and Director of Hillel Jewish Student Center, encouraged the campus community to assume responsibility for ensuring cultural diversity in support of the mission of the University. Board members were asked to assume a more active role in improving the campus environment by forming a committee to study, evaluate, and act in support of cultural diversity at Michigan State.
 - C. Mike Squillace, student and member of the Handicapper Council, expressed appreciation for recent activities making the campus more accessible in accommodating handicapper students, faculty, staff, and visitors. He spoke of access for handicapper students with non-mobility characteristics, such as the need for computers being adapted and accessible for blind and visually impaired students, employing more highly qualified interpreters, retention of interpreters, and improved leadership in the Office of Programs for Handicapper Students.
 - D. Rondy Murray, staff member and President of the CT Union of MSU, conveyed the CTU's response and commitment to the Guiding Principles. She addressed specific issues related to access to quality training and education for CTs, diversity training, and rewarding employees for making cost-saving suggestions. Attention was called to the following facts: the length of time bargaining units have been in contract negotiations, ingratitude for the union's contributions to the savings in health care costs, injuries due to failure to enforce an ergonomics policy, and the morale of employees. The CTU recommends regular communication with a willingness to listen and deal with the difficult issues.

Public
Participation

March 31, 1994

Public
Participation
continued

- E. Alyce Duckworth, a student, expressed concern for the rising cost of attending the University. She acknowledged that although it was the lowest in a few years, increased tuition has had a negative effect on students who have been forced to either take out loans or drop out of school, and many leave MSU in debt. In her view, the financial aids system needs to be improved. Ms. Duckworth thanked President McPherson for bringing budget issues forward while students are still on campus and she recognized Trustee Dorothy Gonzales for her interest in students.
- F. Brad Thaler, student and Chairperson of Student Assembly of ASMSU, commended the Board for keeping the tuition increase near the level of inflation, making it the lowest increase in almost ten years. He thanked the Trustee Finance Committee, President McPherson, Vice President Wilkinson, Provost Simon, Dr. Lockhart, and others for meeting with student forums to discuss the budget. He is hopeful that in future years student input will become a regular part of the process.
- G. Brian Debbaudt, graduating senior in Chemical Engineering and former ASMSU Chairperson, commented on his experiences as a student at Michigan State during the past five years. He is confident that his high-quality education has prepared him for employment. It is his opinion that Michigan State has lived up to its AAU and land-grant reputations.
4. Trustee GPA Award recipients for Spring Semester 1994 were congratulated for their exceptional academic performance. Chairperson Ferguson and President McPherson presented awards to Juliann M. Walters, Meghan A. Lynch, Sarah Colombini, Tanya M. Leinicke, and Steven J. Wasylk. Jennifer J. Jewett was unable to attend the meeting.

Trustee GPA
Award Recipients

Juliann M. Walters	4.0000 GPA, First Highest
Meghan A. Lynch	3.9870 GPA, Second Highest
Jennifer J. Jewett	3.9810 GPA, Third Highest
Sarah Colombini	3.9777 GPA, Fourth Highest
Tanya M. Leinicke	3.9742 GPA, Fifth Highest
Steven J. Wasylk	3.9671 GPA, Sixth Highest

5. Personnel Actions were presented by Provost Simon:

Personnel Actions

A. Other Personnel Actions

Other Personnel
Actions

University Distinguished Professor Designation

University
Distinguished
Professor
Designation

On June 9, 1989, the MSU Board of Trustees approved the establishment of the University Distinguished Professor designation. The Provost and President recommend approval of the University Distinguished Professor designation for the individual listed below, to be effective August 16, 1994.

David W. Rohde Political Science; Institute for Public Policy and
Social Research

B. Appointments

Appointments

- 1) Fisher, Rachel A., AN-Professor, Department of Pediatrics and Human Development, \$63,000, with Tenure, effective April 1, 1994.
- 2) Henry, James B., AN-Professor and Dean, Eli Broad College of Business; Department of Finance and Insurance, \$165,000, with Tenure, effective July 1, 1994.

Provost Simon commented briefly on the appointment of Professors Fisher and Henry.

Prior to the vote, Mr. Weiss said he would abstain from voting since he had not met the person being recommended for appointment as Dean of the Eli Broad College of Business. Mr. Traxler commented on spousal appointments and the need for careful scrutiny of qualifications and competency of the spouse. He suggested that discussion take place early in the employment process.

On a motion by Mr. Shingleton, supported by Ms. Sawyer-Koch, **THE BOARD VOTED to approve** the University Distinguished Professor Designation and the appointments of Professors Fisher and Henry. The vote was 6-0. Mr. Weiss abstained.

- C. Information Reports of Academic Personnel Actions dated January 19, 1994, February 16, 1994, and March 16, 1994, were distributed with the Board Agenda and are included with the agenda materials in the Office of the Secretary of the Board of Trustees.

Information
Reports

March 31, 1994

Gift, Grant and
Contract Report

6. The Gift, Grant and Contract Report was presented by Vice President Pierre for the period of January 8, 1994 through March 4, 1994. The report is a compilation of 241 items and 56 Consignment Equipment-Gifts with a total value of \$21,772,716.

On a motion by Ms. Cook, supported by Mr. Weiss, **THE BOARD VOTED to approve** the Gift, Grant and Contract Report. The report is included with the Board Agenda in the Office of the Secretary of the Board of Trustees.

Vice President Pierre commented specifically on the importance of the \$1.8 million grant from the National Science Foundation to the Center for Microbial Ecology. President McPherson reported that the already intense competition for grants is becoming more intense.

Trustee Policy
Committee

7. Trustee Policy Committee reports and recommendations were presented by Chairperson Weiss as follows:

1992-93 Annual
Report on
Affirmative Action

- A. At the Committee meeting, Provost Simon introduced Dr. Ralph Bonner, Director of Affirmative Action Compliance and Monitoring, who presented an overview of the 1992-93 Annual Report on Affirmative Action with the theme, "diversity is a practical principle in a practical vision." The report is presented in two related documents: A Descriptive Report and A Data Report. Vice Presidents Turner and Wilkinson provided updates on **MSU IDEA II** and the collaborative efforts of their areas to advance affirmative action, diversity, and pluralism at the University.

On a motion by Mr. Weiss, supported by Mr. Ferguson, **THE BOARD VOTED to accept** the Annual Affirmative Action Report.

Guiding
Principles

- B. The Trustee Policy Committee, with the concurrence of Trustee Finance Committee Chairperson Traxler, recommended the following action:

WHEREAS the Board of Trustees applauds President McPherson, Provost Simon, and Vice President Wilkinson for working with all segments of the University community in the formulation of the six Guiding Principles,

WHEREAS the concept of the six Guiding Principles represents a significant policy framework for Michigan State University,

WHEREAS formal endorsement of the concept of the six Guiding Principles will send a clear message of the support of the Board of Trustees for the work of the University administration as the principles are implemented,

THEREFORE BE IT RESOLVED that the Board of Trustees endorses the concept of the six Guiding Principles which are:

- 1) Improve ACCESS TO QUALITY education and expert knowledge
- 2) Achieve more ACTIVE LEARNING
- 3) Generate new KNOWLEDGE AND SCHOLARSHIP across the mission
- 4) Promote PROBLEM SOLVING to address society's needs
- 5) Advance DIVERSITY WITHIN COMMUNITY
- 6) Make PEOPLE MATTER

On a motion by Mr. Weiss, supported by Ms. Sawyer-Koch, **THE BOARD VOTED to approve** six Guiding Principles. The vote was unanimous 7-0.

Trustee Finance
Committee

8. Trustee Finance Committee reports and recommendations were presented by Committee Chairperson Traxler as follows:

Bids and Contract
Awards

- A. Bids and Contract Awards

- 1) It was recommended that a contract in the amount of \$146,335 be awarded to Capitol Excavating and Paving Company of Mason, Michigan, and that a budget in the amount of \$193,400 be established for the project entitled: Akers Road and Parking Lot 29 - Reconstruction.

- 2) It was recommended that a contract in the amount of \$115,500 be awarded to L & L Construction Co., Inc., of Holt, Michigan, and that a budget in the amount of \$148,500 be established for the project entitled: Dormitory Road - Reconstruction.

Akers Road and
Parking Lot 29
ReconstructionDormitory Road
Reconstruction

March 31, 1994

- 3) It was recommended that a contract in the amount of \$181,747.50 be awarded to Peters Construction Company, of Kalamazoo, Michigan, and that a budget in the amount of \$270,000 be established for the project entitled: Kellogg Bird Sanctuary - Wintergreen Lake Control Project.
- 4) It was recommended that a contract in the amount of \$127,695.12 be awarded to Bornor Restoration, Inc., of Lansing, Michigan, and that a budget in the amount of \$177,000 be established for the project entitled: Parking Ramp No. 1 - Restoration 1994.
- 5) It was recommended that a contract with an estimated cost of \$800,000 be awarded to Cusack's Masonry Restoration, Inc., of Hubbardston, Michigan, and that a budget in the amount of \$1,000,000 be established for the project entitled: Wilson Hall - Exterior Restoration.
- 6) It was recommended that contract in the amount of \$2,229,000 (Base Bid) be awarded to Design & Build, Inc., of Lansing and that a budget in the amount of \$2,700,000 be established for the project entitled: Spartan Stadium Renovations - Phase II.

Trustee Finance
Committee cont.
Bids and Contract
Awards cont.

Kellogg Bird
Sanctuary

Parking Ramp No.1
Restoration

Wilson Hall
Exterior
Restoration

Spartan Stadium
Renovations -
Phase II

On a motion by Mr. Traxler, supported by Ms. Cook, **THE BOARD voted to approve** the Bid and Contract Award recommendations.

B. Funds Functioning as Endowments

- 1) It was recommended that the Anthony Koo/Kwan-Wai So Lecture in Chinese Studies be established as a fund functioning as an endowment.
- 2) It was recommended that the MSU School of Music Jazz Studies be established as a fund functioning as an endowment. The School of Music has received a cash gift of \$10,000 and a pledge of an additional \$15,000 which will be used at their discretion.

Funds Functioning
as Endowments

Anthony Koo/
Kwan-Wai So Lecture
in Chinese Studies

MSU School of
Music Jazz Studies

- C. It was recommended that the sale of a residence and lot located near Ft. Wayne, Indiana, for \$17,500 be approved. Proceeds of the sale were designated in the donor's will to be used for canine research in the College of Veterinary Medicine.

Sale of residence
near Ft. Wayne, IN

On a motion by Mr. Traxler, supported by Ms. Sawyer-Koch, **THE BOARD voted to approve** the funds functioning as endowments and the sale of property.

- D. It was recommended that the Board of Trustees adopt the basic residence halls room and board rate of \$1,867 per semester effective Fall semester 1994 and adopt the basic University Apartments rates of \$344 per month for a one-bedroom apartment and \$380 per month for a two-bedroom apartment effective August 1, 1994.

Residence Halls
and University
Apartments Rates

- E. It was recommended that the Board of Trustees adopt the Guidelines for the Development of the 1994-95 Budgets and direct the administration to implement the tuition and fee schedule contained therein, and to develop the General Fund, Agricultural Experiment Station, Michigan State University Extension, and Intercollegiate Athletics budgets in accordance with these guidelines for submittal to the Board at its June meeting.

Guidelines for
Development of
1994-95 Budgets

On a motion by Mr. Traxler, supported by Mr. Shingleton, the above recommendations were approved.

- F. It was recommended that the Statement of Investment Objectives for the Endowment and Retirement Funds be revised to reflect current investment philosophy and the restructuring of the investment portfolio as approved at the November 19, 1993 and January 25, 1994 Board meetings.

Statement of
Investment
Objectives for
Endowment and
Retirement Funds

On a motion by Mr. Traxler, supported by Mr. Shingleton, the above recommendation was approved.

March 31, 1994

Trustee Finance
Committee cont.Short-term Cash
InvestmentsReport of funding
status of
construction
projectsChairperson's
ReportResolution to
General Counsel
and Vice President
Mary Beth Kurz

- G. Pursuant to action authorized by the Board at its last meeting, the Trustee Finance Committee approved the selection of Trust Company of the West (TCW) and Pacific Investment Management Company (PIMCO) as managers of fixed income funds for the Base Cash Pool portion of the University's Short-Term Cash investments with an allocation of \$45 million to each firm. Each firm will receive \$22.5 million on April 4, with the remainder to be funded in equal amounts on the first day of the following three calendar quarters. The Committee authorized the administration, in consultation with the Board's investment consultant, to modify this funding schedule if economic circumstances dictate. The Committee also authorized the administration to execute necessary legal agreements.
 - H. At the earlier meeting, the Committee received a report of the funding status of the construction projects funded by the proceeds of the 1992 bond refinancing.
9. President McPherson commented about the budget as follows. He was pleased to have the budget adopted and recognized the efforts of Dr. Simon, Mr. Wilkinson, Dr. Lockhart, and many others who had worked together in the process. Some decisions are reflected in the Principles, others still need to be made to bring the University to greater heights. He feels good about his first six months at the University--the Guiding Principles have been adopted and a budget was approved. He has good feelings about the people he is working with and about the Board working together on these important matters. However, he realizes this was the first important step of many.
10. Chairperson's Report
- A. Chairperson Ferguson commented on the importance of the budget and the accomplishments of the administration.
 - B. In recognition of General Counsel and Vice President Mary Beth Kurz, the following resolution was presented.

Resolution

The Board of Trustees of Michigan State University today pays special tribute to Mary Elizabeth Kurz, General Counsel and Vice President for Legal Affairs.

Soon, she will be leaving this University to accept a position and new challenges with the Texas A & M University System, which encompasses several schools with a total enrollment of 75,000 students.

This latest development in her career is further recognition of the outstanding legal affairs expertise she has exhibited since graduating with honor from the University of Maryland School of Law.

Prior to joining the MSU administration in 1987, she served with distinction as the Legal Counsel for the University of Montana, as Assistant Attorney General for the State of Maryland, and as Assistant Legislative Officer to the Governor of Maryland.

In her seven years at Michigan State University, she has developed an accomplished legal staff capable of responding to the increasing complexity of University issues.

Most impressive is the high degree of professionalism she has displayed, whether on high profile legal matters or in day-to-day counseling situations.

An indication of her standing in her profession came in 1992, when she was selected to serve as President of the National Association of College and University Attorneys.

Therefore, be it hereby resolved that the members of the Board of Trustees of Michigan State University acknowledge General Counsel and Vice President Mary Elizabeth Kurz for the valuable services she has given to this University. In particular, appreciation is extended for the efficiency and patience she has displayed in matters under consideration by this Board and which, ultimately, contributed immeasurably to the entire University community.

We wish her well and continuing success as she moves on to the next chapter in her already impressive career.

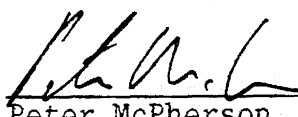
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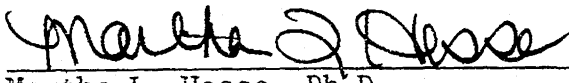
Trustees'
Comments

11. Trustees commented as follows:

- A. Mr. Weiss remarked that he believes Alyce Duckworth's presentation during public participation was representative of a broad view across campus. As the University moves forward in implementing the Principles, the Board must remember those comments relative to quality and access at this institution.
- B. Ms. Cook commended the Finance Committee and the administration for the budget that was presented to the Board. She recognized the hours devoted to the budget process and expressed appreciation that Policy Committee members were kept informed.
- C. Ms. Sawyer-Koch announced the following events: the Michigan Association of Governing Boards (MAGB) awards banquet on April 6, two MSU students and two MSU faculty will receive recognition; the Association of Governing Boards (AGB) annual meeting in Washington, D.C., April 16-18; and the May 26 Campus Climate Seminar to be held at MSU. The three person ad-hoc Board committee will provide a schedule of special meetings. Board members can still provide feedback to the ad-hoc group.
- D. Mr. Shingleton commented on the budget and shared his belief there will be a need for increased productivity at the University. The budget proposed by the Finance Committee was a sound proposal which will put Michigan State in a competitive position for recruitment of students and will provide access to all those who can and want to attend MSU. He remarked about the student presentations during public participation.
- E. President McPherson reported in the months ahead there will be dialogue about academic climate issues related to Principle 2 to promote active learning.
- F. Dr. Mawby concurred with the actions taken at the meeting today with regard to the budget and Guiding Principles and believes the actions will have great impact on the character and quality of the future of the University. He urged the Board to plan its calendar for the balance of 1994 and 1995 and would like to have a calendar established in June, subject to adjustment, so commitments can be made for adequate attention to be given to the business of the University.
- G. Chairperson Ferguson announced a Board retreat would be held in June at the Kellogg Foundation in Battle Creek. He also reported the meeting was held at The Kellogg Center for the convenience of Board members attending the annual Diversity Conference events which were taking place.
- H. President McPherson reported the University had received broad media coverage on the pending tuition decision. It is an important message to the State.

12. On a motion by Mr. Ferguson, supported by Mr. Weiss, the meeting adjourned at 5:16 p.m. for Trustees to attend the Excellence in Diversity Awards Ceremony and Reception.


Peter McPherson
President


Martha L. Hesse, Ph.D.
Secretary