

MINUTES OF THE MEETING
of the
MICHIGAN STATE UNIVERSITY
BOARD OF TRUSTEES
October 22, 1982

President Mackey called the meeting to order in Room 105 A & B, Kellogg Center, at 8:25 a.m., October 22, 1982.

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

Absent: Trustee Howe.

1. Approval of the Proposed Agenda

Trustee Bruff moved approval of the proposed agenda. Seconded by Trustee Lick. Approved by a vote of 7 to 0.

2. Approval of the September 25, 1982, Minutes

Trustee Fletcher moved approval of the September 25, 1982, Minutes. Seconded by Trustee Bruff. Approved by a vote of 7 to 0.

3. Discussion Items

a. 1982-83 Budget

Vice President Thompson reviewed the 1982-83 recommended budget for the General Fund, Agricultural Experiment Station, Cooperative Extension Service, and Intercollegiate Athletics (copy of material on file in the Secretary's Office). He emphasized that the General Fund budget includes actions previously adopted by the Board incorporated in the interim budget including student fees. He stated that the recommended budgets include a 5% salary adjustment for faculty and administrators effective January 1, 1983.

At the request of President Mackey, Provost Winder commented on the recommended salary adjustment and alternatives considered by the Administration. Included in Provost Winder's remarks was also a summarization of the Faculty Affairs Committee recommendation which is an adjustment of 8% effective January 1, 1983, with the funding for the additional 3% to come from open faculty positions. Provost Winder reminded the Board that these open position dollars were already committed in the \$12 million Cash Management Plan. Provost Winder summarized the relative faculty salary range of our faculty within the Big Ten and supplied information concerning the three-year salary increments for our faculty in comparison to Big Ten and other Michigan public institutions. Provost Winder then asked the Deans of the several colleges to comment on the budget recommendation including the 5% salary adjustment. The following Deans made comments: James Anderson, College of Agriculture and Natural Resources; Erwin Bettinghaus, College of Communication Arts and Sciences; Judith Lanier, College of Education; Richard Lewis, College of Business; Donald Weston, College of Human Medicine; Raymond Vlasin, Life-long Education Programs; Robert Green, Urban Affairs Programs; Ralph Smuckler, International Studies and Programs; and Richard Byerrum, College of Natural Science.

Following the comments by the Deans, President Mackey stated that the record shows, when possible, we are prepared to consider mid-year salary adjustments for the faculty. He stated that if the economic situation of the State improves and if the general financial condition of the University permits, he would be prepared to recommend to the Board of Trustees a mid-year salary recommendation similar to the one which was approved two years ago by the Board.

Discussion
Items

a. 1982-83
Budget

continued - - -

Discussion Items,
cont.

3. Discussion Items, cont.

a. 1982-83
Budget, cont.

a. 1982-83 Budget, cont.

Professor Norman Abeles, Chairperson of the Faculty Affairs Committee summarized the Committee's recommendation relating to the faculty salary adjustments. He stated the Committee recommends a salary adjustment of 8% effective January 1, 1983, or 5% effective October 1, 1982. He stated that he agrees that the Administration and the Board have been concerned about faculty salaries; however, he felt that we could not turn from the progress made during the past three years. President Mackey then summarized the choices relating to this matter which were before the Board and commented that they were consequences, not choices, due to the financial condition of the State of Michigan.

Professor Lawrence Sommers, Chairperson of the Steering Committee, stated that it was necessary to have a quality faculty in order to have a quality institution and this should continue to be the Administration's and the Board of Trustees' goal. He stated that the faculty realized the problem facing the State and that priorities must be carefully considered by the University community. He stated he was pleased to hear President Mackey's comments concerning possible mid-year salary adjustments.

Provost Winder summarized the discussion on the 1982-83 budget recommendation by stating that the alternatives had several impacts within the academic area, i.e., adequate support service, teaching materials, travel, deferment of maintenance, upgrading of teaching/research laboratories, and upgrading of large classrooms. He stated the proposal would permit the University to manage another year within the resources and look to next year without jeopardizing the financial position of the University.

b. 1983-84
Budget
Request

b. 1983-84 Budget Request

Provost Winder summarized the 1983-84 budget request for the General Fund, the Agricultural Experiment Station, and the Cooperative Extension Service. Vice President Breslin summarized the 1983-84 capital outlay request. (Copy of materials on file in the Secretary's Office.)

c. Conflict
of Interest
Policy in
Academic
Areas of the
University

c. Conflict of Interest Policy

Vice President Cantlon reviewed the Interim Guidelines for Potential Conflict of Interest in Academic Areas of the University (copy on file in the Secretary's Office).

Vice President Cantlon also reviewed the agreement between Recomtex and the University concerning the licensing agreement for research and development (copy on file in the Secretary's Office).

Trustees Martin and Bruff left the meeting at this point.

d. High
Technology
Development

d. High Technology Development

Vice President Cantlon summarized for the Trustees the University developments in the high technology area. His comments were in the following areas:

1. College of Engineering - collaborative writing in deposit materials.
2. Greater Lansing Regional Chamber of Commerce Mid-Michigan High Technology Day at MSU.
3. Attendance at a conference at the University of Pittsburgh concerning product development, meeting with representatives of various financial houses.
4. Meeting with local professionals in law, accounting, and other areas relating to available expertise in these professional areas.
5. Meeting with NSF officials concerning the four research universities within the State and their moving into the high technology profit sector.
6. Meeting with representatives in the development of area research parks.
7. Cooperation with the Lansing Community College in the technology area.
8. Update on Neogen.

continued - - -

3. Discussion Items, cont.

Discussion
Items, cont.

9. Wharton Center Financing

c. Wharton
Center
Financing

Associate Vice President Wilkinson, Assistant Vice President Terry, Mr. William Broucek, Executive Vice President of the Ann Arbor Trust Company, and Mr. Robert Chapman, a Vice President of the Ann Arbor Company, responded to questions concerning the proposed financing for the Wharton Center (copy of material on file in the Secretary's Office).

The Board recessed at 12:27 p.m. During the recess, the Trustees held a brief Investment Committee meeting.

The Board reconvened in the Board Room, Administration Building, at 1:46 p.m.

Trustee Martin arrived at 1:52 p.m.; Absent: Trustee Howe.

At the request of President Mackey, Professor Lawrence M. Sommers introduced the two new members of the Faculty Liaison Group to the Board. Assistant Professor Paul Hunt will serve as a member of the Faculty Liaison Group for two years and Professor Henry Silverman will serve a one year term.

4. Public Comments

Public Comments

- a. Senator Jackie Vaughn read a concurrent resolution offering the very highest praise, thanksgiving and gratitude as a lifelong tribute to Dr. Clifton and Dolores Wharton in whose honor the Clifton and Dolores Wharton Center for Performing Arts has been named. Senator Vaughn presented both President Mackey and Chairperson Bruff with framed copies of the resolution that was adopted unanimously by the House of Representatives and the Senate.
- b. Collette Moser, Professor, Agricultural Economics, and Gerie Bledsoe, Associate General Secretary of the National AAUP, Washington, D.C., addressed the issue of faculty salaries.

5. Wharton Center Financing

Wharton Center
Financing

The Board of Trustees considered the recommended resolution for the \$8 million financing for the Wharton Center for the Performing Arts. Prior to consideration of the resolution, the Trustees and officers involved in this transaction (Vice President Thompson, Associate Vice President Wilkinson, and Assistant Vice President Terry) were asked whether they were a director or employee of the Ann Arbor Trust Company, or owned more than 1% of any class of stock of the Ann Arbor Trust Company or the National Bank of Detroit, and whether they had a direct or indirect interest in this financial transaction. All parties involved indicated that they did not have such interest as defined by the resolution. Trustee Fletcher stated that he is a de minimis shareholder of the National Bank of Detroit and would abstain from voting on this transaction.

On motion by Trustee Bruff, seconded by Trustee Lick, the resolution was approved by a vote of 6 to 0. Trustee Fletcher abstained.

A. PERSONNEL CHANGES

Appointment

Appointment

- 1. Patrick J. Oriel, Professor, Microbiology and Public Health, and Project Director of Molecular Biology Institute, with tenure, at a salary of \$60,000 per year on AN basis, effective September 13, 1982.

Motion was made by Trustee Sawyer, seconded by Trustee Lick, to approve the above appointment. Approved by a vote of 5 to 1. Trustee Fletcher voted No. Trustee Krolikowski left the meeting prior to this vote.

B. GIFT, GRANT, & CONTRACT REPORT

Gift, Grant,
& Contract
Report

Gifts and Grants totaling \$2,943,676 were approved by a vote of 6 to 0 on motion by Trustee Bruff, seconded by Trustee Lick. Trustee Krolikowski returned to the meeting after this vote.

C. BIDS AND CONTRACT AWARD

October 22, 1982

Additions and Alterations to McCrary Hall, Kellogg Biological Station

1. Additions and Alterations to McCrary Hall, Kellogg Biological Station

The following bids were received on October 14, 1982, for Additions and Alterations to McCrary Hall at the Kellogg Biological Station. This project consists of additions to enlarge the kitchen and service area of the cafeteria and the building entrances. Also included are interior alterations to improve operational efficiency, site work, kitchen equipment, and upgrading of the plumbing, heating, and electrical systems. This is the first phase of construction under the facilities and program development grant from the Kellogg Foundation.

<u>Contractor</u>	<u>Base Bid</u>
Docsa-Smith Associates, Inc.	\$279,000
Grandview of Western Michigan, Inc.	282,814
Hoffman Construction Company	295,000
Edward L. Prince Co., Inc.	300,900
Van Allen Builders	308,900
Schweitzer, Inc.	310,949
Johnson-Klein, Inc.	312,700
Whitaker Construction Company	323,400
DeYoung & Bagin Construction Company	324,300
G. O. Lewis Company	325,693
Wagner-Flook Builders, Inc.	329,700
Triangle Associates, Inc.	331,590
Hanel-Vance Construction Company	361,000

Kingscott Associates, Inc., the professional services contractor, estimated the construction bid cost at \$313,690 in August 1982.

Notification and/or plans and specifications were sent to the offices of Dodge Reports in Detroit, Kalamazoo, Grand Rapids, Lansing, and Flint, The Builders Exchange in Detroit, Kalamazoo, Grand Rapids, and Lansing, the Inner-City Business Improvement Forum, the Greater Lansing Minority Business Association and The Association of Minority Contractors. Advertisements for bids were placed in the Detroit Free Press, Battle Creek Inquirer, Grand Rapids Press, Kalamazoo Gazette, and Lansing State Journal. No minority contractors submitted bids.

It is recommended that a contract in the amount of \$279,000 be awarded to Docsa-Smith Associates, Inc., of Kalamazoo, Michigan, and that the following budget be established:

Contract - Docsa-Smith Associates, Inc.	\$279,000
Kingscott Associates, Inc., Fee and Expenses	29,000
Furnishings and Equipment	40,000
Contingency	<u>28,000</u>
T O T A L	\$376,000

This project will be funded by a grant from the Kellogg Foundation.

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

Approved by a vote of 6 to 0 on motion by Trustee Sawyer, seconded by Trustee Reed. Trustee Martin left the meeting prior to this vote.

D. OTHER ITEMS FOR ACTION1. 1982-83 Budget

The Board of Trustees approved the 1982-83 Interim Budget on June 25, 1982, set tuition and fee rates on July 23, 1982, and approved adjustments to the 1982-83 Interim Budget on September 25, 1982. Included with the agenda was the 1982-83 Interim Budget including funding for merit salary rate increases effective January 1, 1983, for faculty and other academic personnel, student employees, and administration equal to 5% of the salary base.

RESOLVED that the recommended salary adjustments and the 1982-83 University General Fund, Agricultural Experiment Station, Cooperative Extension Service and Intercollegiate Athletics budgets be approved as submitted.

Approved by a vote of 6 to 0 on motion by Trustee Bruff, seconded by Trustee Sawyer. Trustee Krolikowski left the meeting prior to this vote. Trustee Martin returned to the meeting prior to this vote.

1982-83 Budget

D. OTHER ITEMS FOR ACTION, cont.

October 22, 1982

2. 1983-84 Budget Requests1983-84 Budget
Requestsa. Operating

a. Operating

The proposed 1983-84 operating budget requests for the University General Fund, the Agricultural Experiment Station and the Cooperative Extension Service were distributed with the agenda.

RESOLVED that the proposed 1983-84 operating budget requests be approved.

Approved by a vote of 6 to 0 on motion by Trustee Fletcher, seconded by Trustee Lick. Trustee Krolikowski left the meeting prior to this vote.

b. Capital Outlayb. Capital
Outlay

The proposed 1983-84 capital outlay request was distributed with the agenda.

RESOLVED that the proposed 1983-84 capital outlay budget request be approved.

Approved by a vote of 6 to 0 on motion by Trustee Reed, seconded by Trustee Fletcher.

At the request of President Mackey, Mr. Samuel Baker, Director of Employee Relations, commented on the funds committed in the 1982-83 budget for additional training for University staff. Mr. Baker summarized the supervisory training program and other activities.

3. Trustee Lick read the following resolution:

Resolution of
commendation
to all who have
given their
consistent
commitment to
excellence to
the University
during unprece-
dented economic
times

The Board of Trustees at Michigan State University today enthusiastically commends the faculty and staff, students, parents, alumni, and other friends of our University for their consistent commitment to excellence during unprecedented economic times.

The Michigan State community has not permitted budget difficulties to serve as an excuse for reducing the standards that have traditionally been maintained here, at a time when the temptation to do so is admittedly attractive.

The Board of Trustees is well aware of the problems and challenges faced by all members of the Michigan State community, and we sincerely appreciate the effort to retain a mood of cooperation in all sectors of the institution. Surely, there are many examples of which we are aware that demonstrate unselfish and innovative approaches to difficulties caused by budget constraints.

We are heartened, especially, by the obvious commitment to the future displayed by our faculty and staff. Because of this unwillingness to let current problems adversely affect the future, the Board of Trustees is confident, indeed, convinced, that Michigan State University will emerge from perilous economic times as a stronger, bolder, more efficient, more innovative, and more compassionate institution.

Our commitments and patience have been severely tested; our ability to provide the state, region, nation, and world with Michigan State leadership has been threatened.

This Board of Trustees is grateful that during these challenging and threatening months, our University has not only survived, it has in many ways thrived.

The Michigan State community has been vigilant in the guarding of honored traditions of excellence at the nation's pioneer land-grant university. As we acknowledge that effort, we promise our concurrent vigilance.

Approved by a vote of 6 to 0 on motion by Trustee Lick, seconded by Trustee Bruff. Trustee Krolikowski returned to the meeting after this vote.

October 22, 1982

Conflict of
Interest Policy4. Conflict of Interest Policy

The Board of Trustees discussed the Interim Guidelines for Potential Conflict of Interest in academic areas (copy on file in the Secretary's Office). These guidelines serve as policy while this subject is being reviewed by academic governance committees for development of a final recommendation for Board consideration.

RESOLVED that the interim guidelines be approved.

Approved by a vote of 6 to 1 on motion by Trustee Reed, seconded by Trustee Fletcher. Trustee Bruff voted No. Trustee Bruff requested that the record show that he voted "No" on the interim policy because, in his opinion, the policy does not give guidelines on how we address the conflict of commitment nor does it provide a method of enforcement.

Recomtex
Agreement5. Recomtex Agreement

A motion was made by Trustee Lick, seconded by Trustee Fletcher to delegate to the President the authority to negotiate a research and development contract with Recomtex (information on file in the Secretary's Office).

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

Reports to the
BoardE. REPORTS TO THE BOARDBoard Committee
Reports1. Board Committee ReportsInvestment
Committeea. Investment Committee

Trustee Krolikowski reported that in the interest of time, the Board Investment Committee cut short its scheduled agenda and heard a brief report on the staff progress to date in the development of an investment monitoring system.

It was the consensus of the Committee that the staff efforts are consistent with the Committee's expectations.

b. Land and Physical Facilities Committee

Trustee Lick stated that the Land and Physical Facilities Committee at its meeting voted to sell 53.23 acres of the old South Haven Experiment Station for \$46,000.

The Committee recommends that the Board of Trustees approve the above action.

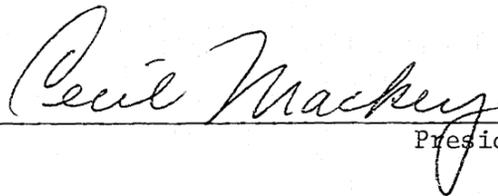
Approved by a vote of 7 to 0 on motion by Trustee Lick, seconded by Trustee Fletcher.

Trustee Lick reported on the Trustees' off-campus site visit on August 27.

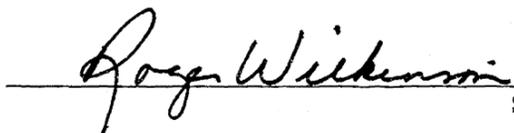
President's
Report2. President's Report

President Mackey reported on his recent visit to the Peoples' Republic of China.

Adjourned at 3:32 p.m.



President



Secretary