

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

September 13, 1996

Trustee Finance Committee and Trustee Policy Committee meetings were held in the Board Room of the Administration Building beginning at 9:00 a.m. on Friday, September 13, 1996. Minutes of the meetings are on file in the Office of the Secretary of the Board of Trustees.

President McPherson called the meeting of the Board of Trustees to order at 11:00 a.m. in the Board Room.

Trustees present: Dolores M. Cook, Dorothy Gonzales, Colleen McNamara, Donald W. Nugent, David L. Porteous, 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, June, Webb, Webster, and Wilkinson, Acting Vice President Gast, and Executive Director Williams. Faculty Liaison representatives present: David Grummon, Ludmilla L. Litus, Maureen McDonough and Deborah Moriarty. Student Liaison representatives present: Frank Aiello, Joseph Caro, Precious Johnson, and Karin Peterson.

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

1. On a motion by Mr. Shingleton, supported by Mr. Nugent, **THE BOARD VOTED to approve** the proposed agenda.
2. On a motion by Mr. Shingleton, supported by Mr. Nugent, **THE BOARD VOTED to approve** the minutes of the Board meetings of June 14, 1996 and July 8, 1996, as amended.

Ms. McNamara asked to have Mr. Weiss' explanation of his vote on the 1996-97 operating budgets included in the June 14, 1996 minutes, and for the July 8, 1996 minutes to recognize that it was the first action meeting attended by Trustee Porteous since being appointed by Governor Engler.

3. President's Report

- A. Provost Simon introduced Dr. Natalie Kreeger who earned a doctorate in educational administration at age 73. Dr. Kreeger has been a life-long educator and has a school in Fowlerville, Michigan named for her. President McPherson and Chairperson Weiss presented the degree to Dr. Kreeger.
- B. Dr. Richard (Mark) Lenski, Hannah Professor of Crop and Soil Sciences, Microbiology, and Zoology, was congratulated for being a recipient of a John D. and Catherine T. MacArthur Foundation Fellowship for \$250,000. Dr. Lenski's grant will be used to continue research in evolutionary biology and microbiology ecology.
- C. President McPherson reported that at the beginning of each school year he will reflect on the past year and present plans for the next 12 months. He cited accomplishments of 1995-96 as the Tuition Guarantee, the financial health of the University resulting in an upgraded credit rating, construction of buildings which are mostly academic, \$10.4 million for a second year to be used for technology, the Technology Guarantee, the virtual university concept, Detroit College of Law at MSU, official opening of the MSU Washington office, and a new multi-year budget from NSF for the Cyclotron. Priority areas for the next phase of the Guiding Principles will include progress on study abroad, retention, academic environment, and advising. The President said the faculty's role is important in advancing these cross-university initiatives and he will continue to seek the advice of faculty, students, and staff.

Ms. Cook complimented President McPherson for his dialogue with Board members as the priority issues were developed and for including the University community in those discussions as well. Mr. Shingleton commented on the multitude of activities and accomplishments of the past two years and congratulated the President and his staff.

President's
Report

September 13, 1996

Guiding Principles
Report

4. Guiding Principles Report

Vice President Greenleaf reported on a series of forums which will be held over the next few weeks with approximately 12-15 people from various University units, members of the Steering Committee of Academic Council, Deans, students, and members of the Labor Coalition. Agenda items for the meetings will be the cross-university initiatives for the next phase of the Guiding Principles. The President, Provost, Vice President Wilkinson, and Vice President June will facilitate the meetings to seek ideas and talk about issues. As the draft of the cross-university initiatives document develops, it will be broadly distributed.

5. The following persons addressed the Board of Trustees on issues that were not germane to the agenda.

- A. Mr. Ronald Nelson, of Michigan Farm Bureau, reported that it had been an extremely difficult year for agriculture in Michigan, and every crop had been affected by adverse weather. He complimented MSU Extension for its special edition publications that alerted farmers to the problems and provided advice in combating diseases.
- B. Mr. Lauren T. (John) White, owner and operator of White's Truck Lines and White's Ash Services, Inc. of Manistee, Michigan, asked Board members to review his proposal to remove ash from an MSU generating plant and use it as fill for an airport renovation project. Some community members have objected to the project.

Public
Participation on
Issues not Germane
to Agenda

6. Personnel Actions

Provost Simon presented the academic appointments of Professors Lawson, Colmeiro, Dirkx, Garrity, and Hall. Provost Simon was joined by Search Committee Chair Brad Rakerd in recommending the appointment of James Spaniolo as Dean of the College of Communication Arts and Sciences, and Search Chair Ronald Rosenberg for the appointment of Professor Fisher as Director of the Honors College. Vice President Webb recommended the appointment of Marsha Heil as Associate Vice President for Development, and Vice President Wilkinson presented the contract extensions of Coaches Izzo and Mason.

Personnel Actions

Provost Simon thanked Dr. Donald Lammers for his many years as leader of the Honors College.

A. Appointments

- 1) Lawson, Bill E., AY-Professor, Department of Philosophy, \$75,000, with Tenure, effective August 16, 1997.
- 2) Colmeiro, Jose, AY-Associate Professor, Department of Romance and Classical Languages, \$49,500, with Tenure, effective August 16, 1996.
- 3) Spaniolo, James D., AN-Dean and Professor, Dean's Office, College of Communication Arts and Sciences; School of Journalism, \$130,000, with Tenure, effective October 1, 1996.
- 4) Dirkx, John M., AY-Associate Professor, Department of Educational Administration, \$51,500, with Tenure, effective August 16, 1996.
- 5) Garrity, George M., AY-Professor, Department of Microbiology, \$84,300, with Tenure, effective August 16, 1996.
- 6) Hall, Melinda G., AY-Professor, Department of Political Science, \$78,000, with Tenure, effective August 16, 1996.
- 7) Heil, Marsha K.S., AN-Associate Vice President and Director of Development, University Development, \$100,000, Executive Management, effective September 16, 1996.
- 8) Izzo, Thomas, AN-Head Men's Basketball Coach, Intercollegiate Athletics, \$111,240, Subject to Contract, effective July 1, 2000 to June 30, 2001.
- 9) Mason, Ronald H., AN-Head Hockey Coach, Intercollegiate Athletics, \$107,300, Subject to Contract, effective July 1, 1999 to June 30, 2000.

Appointments

September 13, 1996

6. B. Other Personnel Action

- 1) Fisher, Ronald C., AN-Professor, Department of Economics, to add title of Director, Honors College, and to change from an academic year appointment basis at \$80,992 to an annual appointment basis at \$103,990, effective August 16, 1996, and for a change in salary rate to \$106,732, effective October 1, 1996.

On a motion by Mr. Nugent, supported by Ms. Cook, **THE BOARD VOTED to approve** the Appointments and Other Personnel Action.

C. President's Contract

Chairperson Weiss reported that at the recommendation of the Board, he and Vice Chairperson Cook had met with President McPherson regarding his contract, and that it was a privilege to present amendments to the contract as follows: the contract will be extended one year, and put into the form of a "rolling" contract. Deferred compensation will be increased by 3 percent and the life insurance package will be increased. The compensation will remain at \$185,400.

On a motion by Chairperson Weiss, supported by Vice Chairperson Cook, **THE BOARD VOTED unanimously to approve** amendments to the President's contract. The contract is included with the agenda materials in the Office of the Secretary of the Board of Trustees.

Trustee Cook said the Board felt the accomplishments of the President deserved public recognition with a vote of confidence. She spoke about the University's stability and a spirit of cooperation under his leadership.

During the contract discussions, Trustees Cook and Gonzales met with faculty and student liaisons to discuss the Board's recommendations. Dr. McDonough reported that the faculty supports the concept of a rolling contract to provide stability to the institution. She noted that one faculty concern was accountability; this was addressed by President McPherson's commitment to have an annual public discussion of where the University has been and where it is going in the future. Ms. Peterson said she believed the student population would support the recommendation as students are pleased with the direction of the University, and it is important for the University to continue to progress.

President McPherson thanked Chairperson Weiss and others for their comments.

- D. Information Reports of Academic Personnel Actions of June 28, 1996, July 26, 1996 and August 30, 1996 were distributed with the Board Agenda and have been included with the agenda materials in the Office of the Secretary of the Board of Trustees.

7. The Gift, Grant and Contract Report for the period of May 18, 1996 through August 23, 1996 was presented by Dr. Gast. The report is a compilation of 489 Gifts, Grants and Contracts, 58 Consignment/Non-Cash Gifts, and 1 Consignment/Non-Cash Loan, with a total value of \$26,215,679.00. The report is included with the Board Agenda in the Office of the Secretary of the Board of Trustees.

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

8. The Trustee Finance Committee report and recommendations were presented by Committee Chairperson Nugent.

A. Bids and Contract Awards were recommended as follows:

- 1) a contract in the amount of \$4,288,000 be awarded to Kares Construction Co., Inc., of Lansing, Michigan, and that a budget in the amount of \$5,000,000 be established for the project entitled: Duffy Daugherty Football Building Renovations.
- 2) a contract in the amount of \$5,394,000 be awarded to Granger Construction of Lansing, Michigan, and that a budget in the amount of \$6,445,000 be established for the project entitled: Wharton Center - Parking Ramp No. 3 Addition.

Personnel Actions
continued
Other Personnel
Action

President's
Contract

Information Reports
of Academic
Personnel Actions

Gift, Grant and
Contract Report

Trustee Finance
Committee

Bids and Contract
Awards

Duffy Daugherty
Football Building
Renovations

Wharton Center
Parking Ramp No.3
Addition

September 13, 1996

Trustee Finance
Committee cont.
Selection of
Architect/Engineer
Hubbard Hall
Cafeteria Renovations

Funds Functioning
as an Endowment
College of Natural
Science

Gloria Stragier
Staff Award

College of
Veterinary Medicine

Invest with
TA/Advent VIII
Venture Capital Fund

Acceptance of
1995-96 Financial
Report

Adopt 1997-98
Budget Request
Guidelines

Trustee Policy
Committee

MSU Ordinance
27.00 Selling
(Guidelines)

Committee to
discuss advertising
on campus

Update on Welcome
Week

Preliminary Report
on Enrollment for
1996-97

Chairperson's
Report and Trustees'
Comments

8. B. Selection of Architect/Engineer was recommended as follows:

- 1) appointment of The Collaborative, Inc., of Toledo, Ohio, as the Architect/Engineer for the project entitled: Hubbard Hall - Cafeteria Renovations.

C. Funds Functioning as an Endowment were recommended as follows:

- 1) establishment of a fund functioning as endowment, the College of Natural Science Undergraduate Research Support Program.
- 2) establishment of a fund functioning as endowment, the Gloria Stragier Staff Award.
- 3) establishment of a fund functioning as endowment, the College of Veterinary Medicine Educational Initiatives and Curriculum Enhancement Fund.

D. It was recommended to invest \$2 million with TA/Advent VIII (TA Associates VIII, LLC) venture capital fund, effective late fall 1996.

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

E. It was recommended to accept the 1995-96 financial report and report of independent auditors as the official financial report of the University.

F. It was recommended to adopt the 1997-98 Budget Request Guidelines, including operating needs for the University General Fund, the Agricultural Experiment Station, the Michigan State University Extension, and the Plant Initiative.

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

G. Ms. McNamara commented on the success of the Federal direct student loan program as noted in the draft financial statements. She said it is a significant improvement in service to students, and she would like Michigan State to be supportive of the program.

9. Committee Chairperson McNamara presented the report of the Trustee Policy Committee.

A. MSU Ordinance 27.00 - Selling (Guidelines)

Central guidelines were developed to be used in implementation of MSU Ordinance 27.00 - Selling. The Committee received the guidelines as information and suggested some refinements to be developed regarding selling in relation to charitable groups. The guidelines are on file with the agenda materials in the Office of the Secretary of the Board of Trustees.

B. Chairperson McNamara would like the University community to be aware that the Policy Committee will be discussing advertising on campus. The current advertising ordinance will be reviewed and will probably be revised. Similarly, the current policy on advertising, sponsorship, underwriting, and commercialization will be examined. The Committee expects to review this issue over the next 2 to 6 months and comments will be appreciated.

The Committee also received an update on Welcome Week and other matters related to the beginning of the fall 1996 semester.

C. At the committee meeting, Provost Simon presented a preliminary report on enrollment for the 1996-97 year which showed an increase in the percentage of first-time undergraduates, transfer and minority students.

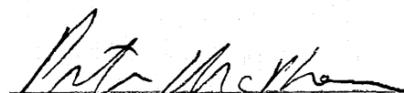
Mr. Nugent suggested that future reports on Welcome Week and enrollment be presented to the Board as a whole rather than to one committee.

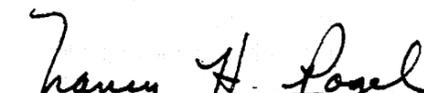
10. Chairperson's Report and Trustees' Comments

A. Chairperson Weiss introduced Ms. Colleen Pero, Board of Trustees candidate who was in the audience.

September 13, 1996

10. B. Ms. McNamara complimented Vice President Denbow and the Public Relations staff for its enthusiasm in welcoming the MTV Rock the Vote, Choose or Lose Campaign to Michigan State. MTV reported MSU had the highest campus registration of voters they had experienced.
- C. Mr. Porteous thanked students, faculty and employees for their welcome to him. He also thanked President McPherson and his management team for the new Board member orientation.
- D. Mr. Nugent commented on the outstanding job the University does in working on critical issues such as the bacterial disease that affected the wheat crop as reported by Mr. Ron Nelson of Michigan Farm Bureau.
- E. Mr. Shingleton stated he believes one, if not the most important, responsibility of the Board is the hiring and evaluation of the President. He said the contract is extremely well done and is appropriate recognition of President McPherson's accomplishments.
- F. Ms. Cook said she wished to acknowledge publicly the work of one "extraordinarily significant person," Provost Lou Anna K. Simon. Trustee Cook complimented Provost Simon and President McPherson for their teamwork.
11. President McPherson announced there had been a request for the Board of Trustees to meet in Executive Session to consult with its attorney to consider material exempt from discussion or disclosure by state or federal statute. The session is exempt from disclosure under Section 8(h) of the Michigan Open Meetings Act.
- On a motion by Mr. Shingleton, supported by Mr. Nugent, **A ROLL CALL VOTE** was conducted by Secretary Pogel. The motion passed unanimously for the Board to meet in Executive Session.
12. Following the Executive Session, Board members returned to the Board Room to adjourn.
- Board members were joined at lunch by University officers and administrators, faculty liaisons and student liaisons.


 Peter McPherson, President


 Nancy H. Pogel, Secretary

Chairperson's
 Report and Trustees'
 Comments
 continued

Request for
 Executive Session