

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

February 11, 1998

The Trustee Finance Committee and Trustee Policy Committee of the Whole meetings were held in the Board Room of the Administration Building beginning at 1:15 p.m. on Wednesday, February 11, 1998. 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 2:05 p.m. in the Board Room.

Trustees present: Dolores M. Cook, Joel Ferguson (via telephone), Dorothy Gonzales, Colleen McNamara, Donald W. Nugent, John D. Shingleton, Bob Traxler (via telephone), and Robert E. Weiss.

University officers present: President McPherson, Provost Simon, Secretary Pogel, Vice Presidents Denbow, Greenleaf, June, Webb, Webster, and Wilkinson, and Executive Director Williams. Others present: Arnold Revzin, Assistant Vice President, office of the Vice President for Research and Graduate Studies. Faculty Liaison representative present: Daniel Kruger. Student Liaison representatives present: Ebony Green, Nick Krieger, Chad Smith, and Tim Tesmer.

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

1. On a motion by Ms. Gonzales, supported by Ms. Cook, **THE BOARD VOTED to approve** the proposed agenda.
2. On a motion by Mr. Shingleton, supported by Ms. Gonzales, **THE BOARD VOTED to approve** the minutes of the December 5, 1997 Board meeting.
3. President's Report

President McPherson commented that he did not have lengthy remarks since he had presented an extensive report at the State of the University address the previous day.

The President remarked that he was pleased with the collective support and involvement of Urban Affairs Programs and MSU Extension offices in sponsoring the House Bipartisan Urban Caucus Summit recently held on campus for urban mayors, legislators and staff. He said Lansing Mayor Hollister commented to him on the uniqueness of this successful conference.

4. Guiding Principles Report

Vice President Greenleaf reported on a new graduate student certification program in teaching that is being developed in a number of colleges. It is a university-wide effort of the Provost's office.

e to improve the teaching level at Michigan State. The voluntary program permits graduate students who have been or currently are Teaching Assistants to develop their teaching skills and receive a certificate. Associate Dean Estelle McGroarty is in charge of the program in the College of Natural Science. Professor Catherine Bristow of the College of Natural Science and Professor Gail Richmond of Teacher Education in the College of Education are working closely with her. There are 21 doctoral and masters students participating in the 1-1/2 to 2-year program. Students who complete this program are expected to be better teachers and much more attractive in the job market when they complete their degrees.

5. Public Participation on Issues Germane to Agenda

The following individuals addressed the Board of Trustees on issues germane to the agenda.

A. Daniel Andoni, student, had registered to address the Board about recognition of Dr. Martin Luther King, Jr., but chose not to speak.

B. Bob Felt, staff member and President of the MSU CT Union, spoke on behalf of the Executive Board and nearly 2,000 support staff employees in the bargaining unit. He applauded the University's decision to consider suspending classes in recognition of Dr. Martin Luther King, Jr. Mr. Felt said their group has repeatedly asked MSU to designate Dr. King's birthday as a University paid holiday in order to recognize his accomplishments on a much larger scale.

6. Personnel Actions

Provost Simon presented the following personnel action.

A. Extension of Contract

Saban, Nick L., AN-Head Football Coach, Department of Intercollegiate Athletics, effective January 1, 2001 to December 31, 2002.

Vice President Wilkinson commented that it is a roll-over contract consistent with the contract Michigan State has had with Coach Saban. There are no other terms or changes related to the appointment. Mr. Wilkinson said he was pleased to recommend the extension of Coach Saban's contract.

On a motion by Mr. Weiss, supported by Mr. Ferguson, **THE BOARD VOTED to approve** the extension of Coach Saban's contract.

Trustee Weiss complimented President McPherson, Vice President Wilkinson and other administrators for the support and direction of the University's athletic programs.

B. Information Reports

Information Reports of Academic Personnel Actions of December 19, 1997 and January 30, 1998 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. Gift, Grant and Contract Report

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Assistant Vice President Revzin presented the Gift, Grant and Contract Report for the period of November 22, 1997 through January 26, 1998. The report is a compilation of 284 Gifts, Grants and Contracts, 32 Consignment/Non-Cash Gifts, and no Consignment/Non-Cash Loans with a total value of \$49,143,364.07. The report is included with the Board Agenda in the Office of the Secretary of the Board of Trustees.

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

An additional one-page statistical report with comparative data of Gift and Grant Awards accepted by the Board of Trustees was distributed. The report has been included with the Board Agenda materials.

8. Trustee Finance Committee

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

A. Bids and Contract Award

It was recommended to award a contract in the amount of \$238,200 to Architectural Image Construction & Equipment, Inc., of Mason, Michigan, and that a budget in the amount of \$408,000 be established for the project entitled: Wells Hall - Alterations to Lecture Rooms B106 and B108.

On a motion by Mr. Nugent, supported by Mr. Shingleton, **THE BOARD VOTED to approve** the Bids and Contract Award.

B. Establishment of a Fund Functioning as Endowment

It was recommended to establish the Anton Lang Memorial Fund as a fund functioning as an endowment.

C. It was recommended that the John A. Hannah Professorships be restructured to provide for ten professorships which would meet the original (1969) objectives as established by the Board of Trustees for this significant University academic program.

On a motion by Mr. Nugent, supported by Ms. Gonzales, **THE BOARD VOTED to approve** the endowment and the professorship recommendations.

D. It was recommended to appoint Arthur Andersen LLP as the University's auditors for the 1997-98 fiscal year.

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

E. It was recommended that the University Non-Contributory Retirement Plan (UNCRP) be modified to provide a 6% increase in benefit levels, effective October 1, 1998, to all individuals receiving benefits only from the UNCRP, as well as those receiving frozen benefits who retired prior to April 1, 1969, and those receiving comparison benefits who retired prior to April 1, 1983.

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

F. It was recommended that effective February 11, 1998, the Vice President for Finance and Operations or the Associate Vice President for Business and Finance is authorized and empowered to establish and maintain bank accounts as necessary for the orderly conduct of the business of Michigan State University and to designate signatories for the accounts, to act by actual and facsimile signatures. The authority and power conferred by this action shall vest in any successor positions to the Vice President for Finance and Operations or the Associate Vice President for Business and Finance and individuals appointed to these positions.

This action supersedes all prior Board actions relating to authority concerning bank accounts and account signatories.

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

G. It was recommended that effective February 11, 1998, the Vice President for Finance and Operations or the Associate Vice President for Business and Finance is authorized and empowered to invest the assets of Michigan State University; to purchase, sell, exchange, or transfer all forms of securities and other investments, including rights or options to acquire the same, directly or through instructions to brokers or other agents; to execute and deliver any necessary documents in connection with such transactions; and to delegate such authority to others. The authority and power conferred by this action shall vest in any successor positions to the Vice President for Finance and Operations or the Associate Vice President for Business and Finance and individuals appointed to these positions.

This action supersedes all prior Board actions relating to investment authority.

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

H. The Committee received an update on the University's follow-up on the recommendation from Cambridge Associates, the Board's investment consultant, that the University invest \$5 million as a follow-on investment in the Common Fund's Endowment Private Equity Partners III, L.P. (EPEPIII), effective January 1998.

I. The Committee received a report from Vice President Wilkinson on the modifications to the employee health care program. Vice President Wilkinson advised that Blue Cross Blue Shield and the Physicians Health Plan will continue as MSU's health insurance providers. Blue Cross Blue Shield will consolidate its current indemnity and HMO products to form a new coverage entitled Community Blue that will be available to University employees effective July 1, 1998. It is a national network and provides

coverage for international claims.

Trustee Cook commended faculty, staff and union leaders for working together to accomplish revisions to the health care benefits. She said it was an extraordinary effort by everyone involved in presenting information to Board members and to the membership of their various groups. On behalf of the Board, she said "they deserve a big thank you." President McPherson concurred with her comments.

9. Trustee Policy Committee of the Whole

President McPherson presented the report of the Trustee Policy Committee of the Whole.

It was recommended that the University honor Dr. Martin Luther King, Jr., in a manner that reflects the universality of the King legacy for all people. The Board directs the Provost to adjust the academic calendar for spring semester by canceling the regular class schedule on the designated national holiday and adjusting the academic calendar so that the number of class days is maintained. Further, the University administration should promote programs designed to explore the origins and the applications of the legacy for the entire University community.

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

Trustee Cook said she had been concerned about maintaining a full academic calendar and making sure that the University was not closed. She also said that evaluating outcomes of the program was a concern. She said these issues were addressed during the committee discussion. She said the most compelling argument is that this is a national holiday.

10. Chairperson's Report and Trustee Comments

A. Chairperson's Report

1) Chairperson Shingleton reported he is pleased that Michigan State is ranked 25th in the nation and second in the Big Ten with 62 freshmen Merit Scholars in 1997.

2) Mr. Shingleton supported Trustee Cook's remarks complimenting University employees and administrators for working together to create an insurance package that serves everyone well.

3) Mr. Shingleton said he was pleased the recommendation to honor Dr. Martin Luther King, Jr. was approved. He reported that the careful study of appropriate recognition and the endorsement of faculty and students, as well as the fact that students would not lose a day of classes and the University would not be closed, were all factors in his decision.

4) Chairperson Shingleton reported that he had requested information that would help him to better understand alcohol issues. He recommended that Secretary Pogel distribute this same material to Board members so they could study and discuss alcohol issues on campus. Mr. Shingleton suggested referring the item to

he Trustee Policy Committee so an appropriate focus could be determined.

B.Trustees' Comments

1)Trustee Nugent commented that the success of the hockey and basketball teams has created positive activity in out-state media.

2)Trustee Weiss noted the \$50,000 grant from the J. P. McCarthy Development Grant Program Foundation to Professor Richard Schwartz of the Department of Microbiology for myeloid differentiation research.

3)Trustee Cook thanked student liaisons for their participation in the breakfast discussion about alcohol issues. She said the discussion of the percentage of students who are involved in alcohol problems put the issue in proper perspective. Trustee Cook recommended including students in any future exploration or study of this topic by the Board.

4)Trustee Gonzales introduced members of Alpha Phi Omega, a co-ed community service fraternity, and thanked them for their positive contributions to the community. Some of their activities include: Bowling for Scholars, assisting with the MSU Cancer Center, State Walk, MSU Safe Place, working with the Boys and Girls Club of Lansing, and participating in sports and other activities with children each week. A tutoring program for children has also been initiated. At the national level they support the American Cancer Society, assist the American Red Cross with the campus blood drive, and work with Habitat for Humanity on a regular basis.

11.Public Participation on Issues Not Germane to Agenda

The following individual addressed the Board of Trustees on issues not germane to the agenda.

Allyn Shaw, student, staff member, and President of the MSU Student Food Bank, reported that the food bank is a Registered Student Organization that began operating in the Fall of 1992. It is sponsored by the Council of Graduate Students (COGS) and the Associated Students of MSU (ASMSU) and is the only known registered food bank in the country that is run solely by students for students. The food bank served 2,700 families for a total of 7,500 people during the 1996 academic year. Mr. Shaw introduced their adviser, Mrs. Bea Mott, and Amanda Hanlin, the fundraiser chair.

12.President McPherson reported that there had not been a request for an Executive Session.

13.On a motion by Ms. Gonzales, supported by Mr. Shingleton, the Board voted to adjourn at 2:46 p.m.

Peter McPherson, President

Nancy H. Pogel, Secretary

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