

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

February 14, 2001

The 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 Wednesday, February 14, 2001. 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 9:48 a.m. in the Board Room.

Trustees present: Dolores M. Cook, Dorothy V. Gonzales, Colleen M. McNamara, Donald W. Nugent, Scott Romney, and Robert E. Weiss. Trustee David L. Porteous was present by phone.

University officers present: President McPherson, Provost Simon, Vice President Poston, Secretary Pogel, Vice President and General Counsel Noto, Vice Presidents Denbow, Greenleaf, Huggett, June, Webb, and Webster, Executive Director Williams, and Senior Advisor and Director Granberry Russell. Faculty Liaisons present: Norman Abeles, Robb Clarke, Daniel Kruger, Ann Slocum, and Ted Tims. Student Liaisons present: Sam Howerton and Kendall Sykes.

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

1. On a motion by Ms. McNamara, supported by Mr. Nugent, **THE BOARD VOTED to approve** the amended agenda. The Policy Committee agenda was amended to include attachment 2.D, "Recognition of Dr. Martin Luther King, Jr. Day."
2. On a motion by Ms. McNamara, supported by Mr. Nugent, **THE BOARD VOTED to approve** the minutes of December 8, 2000 and January 12, 2001.
3. President's Report
 - A. President McPherson acknowledged Trustee Dorothy Gonzales for being honored by Siena Heights University with the Sister Ann Joachim Award. The award recognizes contributions that demonstrate strong leadership and motivation, while maintaining the image and spirit of Siena Heights University.
 - B. President McPherson commented on the recent award granted to Professor Emeritus James Dye. The \$20,000 Camille and Henry Dreyfus Foundation Senior Scientist Mentor Initiative Award was

presented to Professor Dye to mentor undergraduate students for two years.

- C. President McPherson said that MSU is part of a global alliance which will receive twenty million dollars from the Bill and Melinda Gates Foundation. The five-year grant will support efforts to cure the tropical disease known as elephantiasis.
- D. President McPherson noted that February is Black History Month. A variety of campus events were planned and the schedule appears on MSU's web site.
- E. President McPherson commended James Madison Senior Kathleen Romig, who recently won the George J. Mitchell Scholarship. The scholarship, which is awarded each year to just 12 students nationally, pays for one year of graduate study in Ireland or Northern Ireland. Ms. Romig, President McPherson said, will spend a year at the University College Cork in Ireland.

4. Guiding Principles Report

Vice President Greenleaf reported on the Quello Center for Telecommunication Management and Law. The Quello Center, Mr. Greenleaf said, represents non-natural science research. It's a good example of leadership in research at MSU, as well as an example of the engagement aspect of the MSU Promise. A part of the College of Communication Arts and Sciences, the Quello Center researches, among other things, the regulation of cable television and digital technology policy. It also conducts the Washington symposium, probably the most visible part of the Center. U.S. Supreme Court Justice Antonin Scalia led discussions at the opening of the Center just over a year ago, Mr. Greenleaf said. This year's speaker will be Michigan Congressman John Dingell, a telecommunications expert in Congress. He emphasized that MSU has become a leader in telecommunications policy research as a result of the Quello Center.

5. Public Participation on Items Germane to the Agenda

There were no requests to address the Board of Trustees on issues germane to the agenda.

6. Personnel Action

- A. Provost Simon presented the following personnel action:

Davis, Glenn Craig, AN-Professor and Dean, College of Human Medicine; Department of Psychiatry, \$255,000, with Tenure, effective May 15, 2001.

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

B. Information Reports

Information Reports of Academic Personnel Actions of December 5, 2000 and January 4, 2001 were distributed with the Board agenda. The reports are included with the agenda materials in the Office of the Secretary of the Board of Trustees.

7. Gift, Grant and Contract Report

Vice President Huggett presented the Gift, Grant and Contract Report for the period of November 16, 2000 through January 22, 2001. The report is a compilation of 288 Gifts, Grants and Contracts, 171 Consignment/Non-Cash Gifts, and no Consignment/Non-Cash Loans with a total value of \$43,146,776. The Gift, Grant and Contract Report is included with the agenda materials in the Office of the Secretary of the Board of Trustees.

On a motion by Mr. Nugent, supported by Mr. Romney, **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

- 1) It was recommended that a contract in the amount of \$142,446 be awarded to HBC Contracting of Lansing, Michigan, and that a budget in the amount of \$185,000 be established for the project entitled: Case Hall – Replace Cafeteria Refrigeration Equipment.
- 2) It was recommended that a contract in the amount of \$321,416 be awarded to Royal Roofing Co., Inc., of Orion, Michigan, and that a budget in the amount of \$403,000 be established for the project entitled: Food Stores – Roof Replacement.
- 3) It was recommended that a contract in the amount of \$1,129,895 be awarded to HBC Contracting of Lansing, Michigan, and that a budget in the amount of \$1,400,000 be established for the project entitled: Hubbard Hall – Fire Protection System.
- 4) It was recommended that a contract in the amount of \$229,000 be awarded to Lakeshore Engineering Services, Inc., of Detroit, Michigan, and that a budget in the amount of \$310,000 be established for the project entitled: Hubbard Hall – Asbestos Abatement for Fire Protection System.
- 5) It was recommended that a contract in the amount of \$824,490 be awarded to Nielsen Commercial Construction Co.,

of Holt, Michigan, and that a budget in the amount of \$1,500,000 be established for the project entitled: Student Data Services – Gilchrist, Landon, Mayo, Yakeley, and Snyder-Phillips.

- 6) It was recommended that a contract in the amount of \$1,995,000 be awarded to Sandborn Construction of Portland, Michigan, and that a budget in the amount of \$3,300,000 be established for the project entitled: Campus Fiber Optics System Phase VIII.
- 7) It was recommended that a contract in the amount of \$790,900 be awarded to Kares Construction Co., Inc., of Lansing, Michigan, and that a budget in the amount of \$1,165,000 be established for the project entitled: Spartan Stadium – South Concourse Restoration 2001.
- 8) It was recommended that a contract in the amount of \$646,700 be awarded to Christman Constructors, Inc., of Lansing, Michigan, and that a budget in the amount of \$850,000 be established for the project entitled: Spartan Stadium – Column Repair 2001.
- 9) It was recommended to appoint Christman Constructors, Inc., of Lansing, Michigan, as the Construction Manager to proceed with construction at a preliminary estimate of \$750,000 on the project entitled: Breslin Center – Structural Rigging Grid and Fall Arrest System.
- 10) It was recommended that a contract in the amount of \$199,935 be awarded to HBC Contracting of Lansing, Michigan, and that a budget in the amount of \$345,000 be established for the project entitled: Fee Hall Alterations to Rooms E109 and E110.

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

Trustee Porteous asked why the University was using a construction manager for the Breslin Center project. Vice President Poston responded that there is a narrow window of time in which the work must be completed. Because construction of the Breslin annex has temporarily eliminated the use of the auxiliary gymnasium, men's and women's basketball must both practice on the main arena floor. The construction manager, Dr. Poston said, may also save the University some money.

Mr. Porteous asked that the Breslin bid be broken down into construction manager dollars versus actual construction

dollars. University Engineer Bob Nestle said that the construction management fee is approximately 5% of the total cost of the project.

Trustee Weiss asked how long the University would continue to fund additional construction projects for Fee Hall. He asked if the money could be better spent on a new medical school building. Both Provost Simon and Assistant Vice President Ron Flinn responded that Fee Hall is best suited for office space, and it has not reached the end of its useful life for that purpose.

B. Funds Functioning as Endowments

- 1) It was recommended to establish the Education Policy Center Discretionary as a fund functioning as an endowment.
- 2) It was recommended to establish the Myra K. Hart Endowment for Schlicker Organ Maintenance as a fund functioning as an endowment.
- 3) It was recommended to establish the Milton E. Muelder Endowment for Educational Programs as a fund functioning as an endowment.
- 4) It was recommended to establish the School of Music Facilities Fund as a fund functioning as an endowment.

On a motion by Mr. Nugent, supported by Mr. Weiss, **THE BOARD VOTED to approve** the funds functioning as endowments.

C. Investment Restructuring

It was recommended to invest \$5 million in Satellite Overseas Fund, Ltd., \$5 million in OZ Overseas Fund, Ltd., and \$10 million in Commonfund Distressed Debt Partners, L.P. ("DDP").

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

Trustee Romney asked about the overall return on endowment funds for the year 2000. Assistant Vice President Steve Flowers responded that the endowment funds were up 6.9% in 2000, compared to a 9% decrease in the S&P 500.

9. The Trustee Policy Committee report and recommendations were presented by Committee Chairperson McNamara.

A. Revised Policy on Patents

It was recommended that the Board of Trustees approve the revised policy on patents as stated in Policy Committee Agenda attachment 2.C.1. The revised policy appears below.

PATENTS

Consistent with its public service mission and with regulations governing federally-funded research, the University endeavors to foster the development of its inventions and discoveries through patenting and licensing to industry. A patent provides an incentive for a company to license an invention from the University and to invest in developing and marketing products based on the invention. Licensing proceeds provide a means for the University to recognize and reward the creative research efforts of inventors and to support additional University research.

Any discovery or invention which a) results from research carried on by, or under the direction of, any employee of the University which is supported by University funds or by funds controlled or administered by the University, or b) results from an employee's duties with the University, or c) has been developed in whole or in part through the utilization of University resources or facilities not available to the general public shall belong to the University ("University Inventions").

In order to assist the University in protecting University Inventions, University employees and students (including postdoctoral appointees, graduate and undergraduate students) shall disclose any University Inventions to the University prior to disclosing such discoveries or inventions through publications, presentations, or communications with third parties (including research sponsors) in a manner which may inhibit or preclude the University from obtaining patent protection. Such disclosure may also be required to comply with legal and/or contractual obligations owed to governmental or non-governmental research sponsors. University faculty shall not disclose University Inventions in the course of performing Outside Work for Pay unless and until the University has had the opportunity to take the steps necessary to protect University Inventions through patent or otherwise.

The University's goal is to manage University Inventions in such a manner as to produce the greatest benefit to the University and to the public. The University may, but is not obligated to, seek to protect any University Inventions by patent or otherwise. After receiving disclosure of a University Invention, the University may elect to assign title to the University Invention to the inventor(s).

The University will recover all direct expenses incurred for the patenting, protection and licensing of each University Invention from its licensing proceeds before distributing the net proceeds remaining among the inventor(s), the inventor's major administrative unit, and the University according to the following schedule:

Net Licensing Proceeds on a Particular University Invention	Inventor(s)	Major Administrative Unit	University
First \$5,000	100%	0	0
Next \$100,000	33 1/3%	33 1/3%	33 1/3%
Next \$400,000	30%	30%	40%
Next \$500,000	20%	20%	60%
All Additional Net Licensing Proceeds over \$1,005,000	15%	15%	70%

The President shall be responsible for administering this policy and managing University Inventions, including technological know-how that may be licensable but may not be patented or patentable. The President has delegated this authority under this policy to the Vice President for Research and Graduate Studies. The President may authorize exceptions to this policy that she/he determines to be in the best interest of the University.

Particular University Inventions or licensing proceeds may be transferred to the Michigan State University Foundation for administration consistent with the net licensing proceeds distribution table above.

On a motion by Ms. McNamara, supported by Mr. Romney, **THE BOARD VOTED to approve** the revised policy.

B. Recognition of Dr. Martin Luther King, Jr. Day

It was recommended that the Board of Trustees approve the continuation of adjusting the spring semester class schedule by canceling classes on the designated national holiday honoring Dr. Martin Luther King, Jr., with goals and achievements to be documented at five-year intervals.

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

Vice President Lee June indicated that campus student leaders have expressed their support for the resolution. Senior Advisor and Director Paulette Granberry Russell said that support for Martin Luther King, Jr. Day activities continues to increase. President McPherson noted that the approach of reviewing activities every five years ensures that interest is maintained.

Trustee Porteous said that the University has been doing an excellent job with activities recognizing Dr. Martin Luther King, Jr., however, he noted that he had not seen any statistics on student and faculty participation in MLK Day programs. Mr. Porteous suggested that the Board have further discussions about this.

President McPherson emphasized that this is an effort to keep MLK Day from becoming just another holiday. He said that there is intense interest in Dr. King's message, which is global and timeless, and that interest and dialogue should continue. Other universities' participation in MLK Day programs has fallen off, while MSU's continues to increase.

Trustee Porteous suggested that classes continue on Martin Luther King, Jr. Day, but that each class devote time to the recognition of Dr. King. President McPherson responded that Trustee Porteous' idea had been considered. He noted that the actual number of class days does not decrease because of the cancellation of classes on MLK Day.

Provost Simon said that the fact that some students do not have class on Mondays, and that some professors may not be prepared to have in-depth discussions on Dr. King's message were considered in the decision to keep the same number of overall class days but to cancel classes on MLK Day.

10. Chairperson's Report and Trustees' Comments

A. Chairperson's Report

- 1) Trustee McNamara wished President McPherson luck as he prepared to testify before the Michigan House Appropriations Subcommittee on Higher Education.

B. Trustees' Comments

- 1) Trustee Gonzales commented on how impressed she was with student participation in Martin Luther King, Jr. Day. She said that the programs have made a real impact on campus. It gives students an opportunity to learn and to be part of the celebration.

Ms. Gonzales said that she and Trustee Nugent had recently spent time with a group of prospective MSU students, and she was very impressed by those students. Ms. Gonzales added that she hopes the University made a good impression on them and that they choose to attend MSU. The students told Trustee Gonzales that MSU was the first University they

visited where they met Trustees during the admissions process.

Trustee Gonzales wished President McPherson luck on his testimony before the House Subcommittee.

- 2) Trustee Romney said that it was very important that President McPherson do well in his testimony before the House Subcommittee. He added that the faculty are very interested in appropriations with respect to salaries.

Mr. Romney commended President McPherson on his State of the University address that was given the previous day. He said that he was also very impressed with faculty members who received awards during the ceremony.

Trustee Romney noted that he had recently visited the Veterinary School and was very impressed with the technology that is used there by students and faculty. Mr. Romney also visited the Cyclotron, and added that he did not previously know that MSU had one of the top two nuclear physics schools in the United States. He said that MSU is one of two national finalists for a radioactive isotope accelerator from the U.S. Department of Energy.

- 3) Trustee Cook said that the State of the University address is one of the landmark activities that occurs annually on campus. It is a very energizing experience, she noted, to hear the President's vision for the University's future, and to honor members of the faculty. She said she wishes she had more time to meet with faculty, and she greatly appreciates their contributions to the University. Ms. Cook commended faculty who received awards.

Ms. Cook talked about DNA research that will be conducted in the Science Building in conjunction with the Life Sciences Corridor. She said that it is wonderful that Michigan State University is involved in such important research.

- 4) Trustee Weiss said that he hopes that MSU's chance to receive the national radioactive isotope accelerator will increase because the U.S. Secretary of Energy, Spencer Abraham, is very familiar with campus.

Mr. Weiss said that it is a critical time for the University as President McPherson prepares to address the Michigan House Appropriations Subcommittee on Higher Education. Trustee Weiss noted that he has been a long-time advocate of access to MSU for middle-class families. The Tuition Guarantee, he said, has maintained access for those families. For the State

to not give equal funding to MSU and its students, compared to the University of Michigan and Wayne State University, would be a travesty to the mission of MSU, which is to educate Michigan men and women. Trustee Weiss said that if MSU cannot continue the Tuition Guarantee, it would put a tax shift on Michigan families. He urged the Legislature to see that there is fairness for Michigan State University.

Trustee Weiss added that when funding for MSU is discussed, it should be in terms of dollars instead of percentage points. It is important to discuss per-student dollar figures.

- 5) Trustee Nugent commended President McPherson on the State of the University address, and congratulated faculty members who received awards at the Awards Convocation.

Mr. Nugent echoed Mr. Weiss' concerns regarding State funding for MSU. He said that the ability to be able to maintain the Tuition Guarantee looks bleak, and the challenge to improve faculty salaries is strained. Trustee Nugent emphasized that the funding gap among Michigan universities must be closed.

- 6) Trustee Porteous agreed with the comments of his colleagues.

Mr. Porteous, who was in Hawaii at the time of the meeting, talked about the recent tragedy between a U.S. submarine and a Japanese fishing boat. He said that it is a reminder that there are tragedies that do occur when our students are abroad. Trustee Porteous added that he hopes that MSU has contingency plans that allow programs to be responsive to unfortunate circumstances.

11. Public Participation on Issues Not Germane to the Agenda

- A. Sharmon Oliver, a teaching assistant and member of the Graduate Employees Union (GEU), explained that the GEU is a union of teaching assistants and administrative graduate assistants. The group is seeking official recognition from the MSU administration. A petition has been filed by the GEU with the Michigan Employment Relations Commission, and the GEU looks forward to being the exclusive representative of teaching assistants and graduate assistants.

Ms. Oliver also noted that the lack of healthcare coverage for teaching assistants and graduate assistants has resulted in high medical debts for some students, and can compromise students' health and education. She said that some prospective students have chosen not to attend MSU because of the lack of healthcare coverage.

- B. Marco Meniketti, a Ph.D. candidate at MSU and a member of the Council of Graduate Students, said that graduate students have concerns over healthcare and remuneration packages. MSU needs to be able to attract the very best graduate students, he emphasized. A graduate employee union, he noted, is inevitable.
 - C. Wayne Cass, staff member in the Physical Plant and Chair of the Coalition of Labor Organizations, said that he supports the efforts of graduate students to unionize. He noted that there are challenges to be met in unionizing. Input by employees on the conditions of their employment makes the University better. The outcome of these efforts will produce more cooperative relationships on campus, Mr. Cass said. Mr. Cass added that employees identify very closely with MSU. There is a connectedness and identity as a result of working at Michigan State University.
 - D. David Dwyer, professor of anthropology, linguistics and African languages, said that the relationship of faculty and graduate students is a mentor/apprentice relationship. He said that graduate assistants form part of the University's professional workforce. The University would not run in the way that it does without the work of graduate students. He said that graduate students are entitled to organize for the purpose of collective bargaining. Professor Dwyer urged the Board to help graduate students achieve their goal in a timely manner. He said that if there is unionization, the relationship of faculty and graduate students will remain professional and collegial.
12. An Executive Session was not requested.
13. On a motion by Mr. Nugent, supported by Mr. Romney, the Board voted to adjourn at 10:55 a.m.

Respectfully submitted,

Nancy H. Pogel, Ph.D.
Secretary of the Board of Trustees