

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

April 11, 2003

The Trustee Finance Committee and Trustee Policy Committee meetings were held in the Board Room of the Administration Building beginning at 2:00 p.m. on Friday, April 11, 2003. 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, Dorothy V. Gonzales, Colleen M. McNamara, Donald W. Nugent, Randall L. Pittman, David L. Porteous and G. Scott Romney.

Trustee absent: Joel I. Ferguson

University officers present: President McPherson, Provost Simon, Vice President Poston, Secretary Carter, Vice President and General Counsel Noto, Vice Presidents Denbow, Huggett, and June and Senior Advisor and Director Granberry Russell. Faculty Liaisons present: Jonathan Hall, James Potchen, Steven Spees and Brian Teppen. Student Liaisons present: Jim Ciszewski, Matthew Clayson, Misty Staunton and Matt Weingarden.

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

1. On a motion by Mr. Porteous, supported by Ms. McNamara, **THE BOARD VOTED to approve** the agenda.
2. On a motion by Mr. Romney, supported by Ms. Cook, **THE BOARD VOTED to approve** the minutes of February 12, 2003.
3. Trustee GPA Award Recipients

Chairman Porteous and President McPherson presented Trustee GPA Awards for 2003 Spring Semester to the graduating seniors listed below. (Andrew Brinks, Jonathan Brown, Jason McCullough, Guihyun Park and Edward Timke were unable to attend.)

<u>Name</u>	<u>Major</u>	<u>Grade Point</u>
Brian A. Bieber	Physiology	4.00000
Stephanie M. Black	Studio Art	4.00000
Andrew J. Brinks	Civil Engineering	4.00000
Jonathan L. Brown	Lyman Briggs School - Computer Science	4.00000
Laura J. Carrion	Biological Science	4.00000
Cathy C. Conger	Marketing	4.00000
Jennifer D. Gifford	Child Development	4.00000
Andrea J. Hartlerode	Microbiology	4.00000
Jason G. McCullough	Computer Science	4.00000
Guihyun Park	Human Resource Management	4.00000
Christopher N. Scipione	Physiology	4.00000
Suzanne L. Shunn	Lyman Briggs School – Biology	4.00000
Megan P. Smith	Interior Design	4.00000
Stephanie Teich-McGoldrick	Chemical Engineering	4.00000
Edward E. Timke	International Relations	4.00000
Jesse A. Ultz	Finance	4.00000

4. President's Report:

President McPherson expressed his appreciation for the hard work of the GPA Award recipients as their performance reflects so well on Michigan State University.

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 Actions

Provost Simon presented the following personnel actions:

- 1) Thompson, Paul B., AY-Professor, W.K. Kellogg Chair in Agricultural, Food and Community Ethics, Department of Philosophy, Department of Resource Development, Department of Agricultural Economics, \$140,400, with Tenure, effective August 16, 2003.
- 2) Jacoby, William G., AY-Professor, Department of Political Science, \$110,000, with Tenure, effective August 16, 2003.
- 3) Schneider, Sandra K., AY-Professor, Department of Political Science, \$110,000, with Tenure, effective August 16, 2003.

On a motion by Ms. McNamara, supported by Ms. Gonzales, **THE BOARD VOTED to approve** the recommendations.

7. Gift, Grant and Contract Report

Vice President Huggett presented the Gift, Grant and Contract Report for the period of January 28, 2003, through March 20, 2003. The report is a compilation of 264 Gifts, Grants and Contracts, 32 Consignment/Non-Cash Gifts, with a total value of \$51,179,754.64.

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

8. Committee Chairperson Pittman presented the Trustee Finance Committee report and recommendations.

A. Bids and Contract Awards

- 1) It was recommended that a contract in the amount of \$1,107,000 be awarded to Irish Construction Company, Inc., of Howell, Michigan, and that a budget in the amount of \$2,200,000 be established for the project entitled: Campus Fiber Optic System Phase X.
- 2) It was recommended that a contract in the amount of \$550,900 be awarded to Tom's Advanced Paving Company, of Lansing, Michigan, and that a budget in the amount of \$720,000 be established for the project entitled: Brody Lot 65 Reconstruction Phase V.
- 3) It was recommended that a contract in the amount of \$740,000 be awarded to Carol's L.L.C., of Fowler, Michigan, and that a budget in the amount of \$1,025,000 be established for the project entitled: Service Road Reconstruction – Bogue Street to Radiology Driveway.
- 4) It was recommended that a contract in the amount of \$577,387 be awarded to ThyssenKrupp Elevator, of Grand Rapids, Michigan, and that a budget in the amount of \$800,000 be established for the project entitled: Hubbard Hall – Replace Six Elevator Cars and Associated Hoistway Doors.

On the motion of Mr. Pittman, supported by Mr. Nugent, **THE BOARD VOTED to approve** all of the above recommendations.

B. Architect/Engineer Selection

- 1) It was recommended that the Board of Trustees appoint Orion Engineering Co., Inc., of Jackson, Michigan, as the architect/engineer for the project entitled: South Campus – 4,160 Volt to 13,200 Volt System Conversion, upon terms and conditions acceptable to the administration.
- 2) It was recommended that the Board of Trustees appoint Parsons of Pasadena, California, as the architect engineer & construction manager for the project entitled “Rare Isotope Accelerator,” upon terms and conditions acceptable to the administration.

On a motion by Mr. Pittman, supported by Mr. Nugent, **THE BOARD VOTED to approve** all the Architect/Engineer selections.

President McPherson said that this is an important step in a project which will have enormous impact, not only in mid-Michigan, but throughout the state. Parsons is a very strong company in California and a natural partner for the University as it has a great deal of experience with this type of project. The continued broad support from the elected structure in and around the State is gratifying.

Mr. Porteous commented that he had the pleasure to recently visit the Cyclotron facility. Once one visits that facility and meets the people, it is easy to see why we are a premier cyclotron and so very well respected and why we are very much in the running for the RIA project. The reputation of the people in that department commands respect from those in state government. We have received and we will continue to need their support for additional funding as we continue to move forward. We are now entering a very critical time period as the evaluation continues. Trustee Porteous is very hopeful that the State will continue to support this critical project because this truly is a statewide economic development project as well as a great academic project.

President McPherson added that membership of the RIA Advisory Board includes James Hoffa of the Teamsters, Rick Wagoner, President and CEO of General Motors, Dick

DeVos, President of ALTICOR in west Michigan, Mary Sue Coleman, President of the University of Michigan, Mark Gaffney, President of the Michigan AFL-CIO, Lu Battaglieri, President the Michigan Education Association, among others. It demonstrates bi-partisan support and wide geographical support.

C. Contract Manager Selection

It was recommended that the Board of Trustees appoint The Christman Company, of Lansing, Michigan, as the construction manager for the project entitled “Kellogg Center – Renovations of Bathrooms in Hotel Guest Rooms” and that construction be authorized to proceed, upon terms and conditions acceptable to the administration.

On the motion of Mr. Pittman, supported by Mr. Nugent, **THE BOARD VOTED to approve** the appointment of Christman Company as construction manager.

D. Sale of Ludington Property

The Trustee Finance Committee recommends to the Board of Trustees that the University authorize the sale of the .637-acre Ludington property located near Ludington, Mason County, Michigan, subject to final approval of the Chair of the Trustee Finance Committee. The Ludington property was purchased by Michigan State University in 1984 for the purpose of conducting a study of the impact of the Ludington pump storage generating plant on the fisheries of Lake Michigan, and has subsequently been used as a research and housing site for faculty and graduate students in the Department of Fisheries and Wildlife.

The property consists of .637 acres, which includes a main building with housing and work area and numerous outbuildings. Over the last two years, the property has not been sufficiently utilized to warrant continued ownership.

On the motion of Mr. Pittman, supported by Mr. Nugent, **THE BOARD VOTED to approve** the sale of the Ludington property, with a dissenting vote from Ms. McNamara.

Trustee McNamara indicated that she planned to vote “no” on this. She differs on the latitude of delegation and possible precedent this Resolution allows the administration.

Mr. Nugent indicated that this is surplus property and that it behooves the University to dispose of it.

E. Modification to the University Non-Contributory Retirement Plan

The Trustee Finance Committee recommends to the Board of Trustees that the University Non-Contributory Retirement Plan (UNCRP) be modified to provide a 5% increase in benefit levels effective July 1, 2003, to help offset changes in retiree health care benefits and also 5% effective January 1, 2004, and 5% effective January 1, 2005, to support these MSU retirees, who receive a fixed UNCRP benefit with no automatic increment. This increase will apply to all individuals receiving benefits only from the UNCRP, and all individuals receiving benefits as a comparison from the UNCRP.

F. Advanced Internet Connectivity

The Trustee Finance Committee recommends that the Board of Trustees support the administration in pursuing advanced networking connectivity between Michigan State University's East Lansing campus and key Internet access points as described in the background to the resolution with the understanding that an RFI will be issued in collaboration with the University of Michigan and other participants, if any, for: 1) the fiber assets and; 2) network management.

The background behind this is that Internet connectivity has become as necessary to the conduct of higher education and its associated research and outreach functions as is electrical power and other utilities – it is a critical element and tool of university work. Michigan State has a history of being a national leader in data network connectivity, and the quality and reputation of its environment for learning, research and service will continue to depend on, and be facilitated by, the quality of connectivity.

The state's research universities, especially, are facing a unique set of advanced networking needs. Activity is consistently increasing in computing-based research that involves multiple locations: for example, grid computing, remotely-controlled experimentation and observation (e.g., the SOAR telescope), remote specialized data analysis – all of which require that very large data sets be moved across the Internet in short time frames. Some of these activities will require such high bandwidth and service priority that dedicated channels may be needed to move their data between MSU and other institutions or major Internet access points. Michigan's Life

Sciences Corridor is based on a “core facilities” model that locates specialized experimental, analytical or computation facilities at one of the four LSC institutions (Wayne State, University of Michigan, Michigan State, VanAndel Research Institute), and expects that researchers at all institutions will use the facilities wherever they are located. Most of the core facilities are designed to enable remote use over the Internet so that scientists may remain at their home institutions while conducting research or analysis at another institution.

MSU’s overall Internet traffic volume has been increasing at an annual rate of 200 – 300% (3-4x). Current arrangements for bandwidth with Merit Network provide that the cost of hauling this traffic increases with traffic volume and peak bandwidth demand. MSU’s ability to restrain cost in the future will depend on finding a new arrangement for which increasing bandwidth costs are more fixed and less variable.

Current market and technological conditions may provide an attractive solution to these challenges. Commercial data network owners are offering new models for sale and use of their fiber-optic network assets, and new multi-wavelength network operating gear offers the needed multi-channel, high-bandwidth performance. The current data communications economy makes these new opportunities available, but also involves a rapid rate of change; swift action may be required to respond appropriately and timely to the opportunities available. MSU will collaborate with the University of Michigan, Wayne State University, other universities and Merit Network to explore and possibly develop a fiber data network arrangement that would meet the described needs, connect the state’s research universities (and possibly other universities and research institutions) to each other and provide redundant connectivity to Internet and other access points in Chicago. This capacity is intended for MSU-related traffic. MSU’s interests involve transport of data in support of direct institutional needs and the University’s research, educational and outreach partnership.

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

Mr. Pittman advised that he has learned that one of the key factors behind this is an opportunity for cost savings while improving availability and performance for the University.

Ms. McNamara intends to support the Resolution, but certainly with the caveat that the Board maintains communication with the administration as this moves forward.

9. Committee Chairperson McNamara presented the Trustee Policy Committee report and recommendations.

A. Revision of Graduate Students Rights and Responsibilities

It was recommended that the Board of Trustees approve the revisions of the Graduate Student Rights and Responsibilities document. (On file in the Office of the Secretary of the Board of Trustees.)

On a motion by Mr. Romney, supported by Ms. McNamara, **THE BOARD VOTED to approve** the revision of Graduate Students Rights and Responsibilities document.

Dr. Simon explained the Graduate Students Rights and Responsibilities document is an important cornerstone for graduate students across the University. This revision has been a collaborative venture between the Council of Graduate Students and the University Graduate Council to make adjustments in this document that are both, from their perspective, substantive to clarify issues as well as to take care of some editorial changes including, for example, changing “terms” to “semesters” to reflect our current pattern of delivery of instruction.

Jim Ciszewski, Student Liaison and Council of Graduate Students President, indicated that he is very happy that the document has made it this far, after several years of effort. He would like to see it approved.

Dr. Steven Spees spoke on behalf of Academic Governance as it went through Academic Council. He said it was approved unanimously.

Mr. Romney thanked all those who were involved in revising the document. He very much appreciates the efforts of COGS in preparing the document.

B. Notice of Intent to Negotiate Contracts

Pursuant to state law, the Chair of the Policy Committee gave public notice to the full Board during the Committee’s report of the University’s intention to negotiate agreements regarding technology

licensing, research and related matters. There are two companies on which the Chair gave notice:

- 1) Red Cedar Technology, Inc., (formerly Applied Computational Design Associates), a Michigan firm based in East Lansing. Dr. Ronald Averill, a Professor in the Department of Mechanical Engineering, and Dr. Erik Goodman, a Professor in the Department of Electrical and Computer Engineering, and their respective families each own or have options to buy equity interests of more than 5% of the company. Dr. Averill serves as President of Red Cedar Technology, Inc. Dr. Goodman serves as Vice President for Engineering of Red Cedar Technology, Inc., and is a member of its Board of Directors.
- 2) The University intends to negotiate agreements regarding technology licensing, research and related matters with GeneCTAr.com LLC, a Michigan firm based in Lansing, Michigan. Dr. Thomas Brown, an Adjunct Professor in the Department of Entomology, and his immediate family cumulatively own or have options to buy an equity interest of more than 5% of the company. Dr. Brown is also the President of GeneCTAr.com LLC.

C. Approval of Contract Terms and Conflict Management Procedures

- 1) It was recommended that the Board of Trustees approve the administration's recommendation for execution of an agreement with Mid Michigan Research, consistent with earlier public notice given at a Board meeting and with the applicable "Agreement Term Sheet" as now presented to the Board for inclusion in its minutes. (Attachment 1.)
- 2) It was recommended that the Board of Trustees approve the administration's recommendation for execution of a termination and waiver agreement with Synthon Chiragenics, consistent with earlier public notice given at a Board meeting and with the applicable "Term Sheet" as now presented to the Board for inclusion in its minutes. (Attachment 2.)
- 3) It was recommended that the Board of Trustees approve the administration's recommendation for execution of a license agreement with Cyagra, Inc., consistent with earlier public notice given at a Board meeting and with the applicable "License Term Sheet" as now presented to the Board for inclusion in its minutes. (Attachment 3.)

- 4) It was recommended that the Board of Trustees approve the administration's recommendation for execution of a) a testing services and optional equipment purchase contract, and b) a patent license, each with Digital Flow Technologies, Inc., consistent with earlier public notice given at a Board meeting and with the applicable "Term Sheets" as now presented to the Board for inclusion in its minutes. (Attachment 4.)

On a motion by Ms. McNamara, supported by Ms. Cook, **THE BOARD VOTED to approve** the administration's recommendations for execution of these agreements.

F. Affirmative Action Report

The Board of Trustees heard The Annual Progress Report – Affirmative Action and Diversity Within Community.

Paulette Granberry-Russell expressed her appreciation for the opportunity to present the University's Annual Progress Report on Diversity and Affirmative Action for the year 2001-2002. Although the report was compiled by her office, Ms. Russell indicated that the data was received from both academic and support units campus-wide.

MSU engages in aggressive efforts that expand opportunities for both women and minorities in access to education and employment. This is true through recruitment efforts and through retention programs. Among the conclusions of the report for the year 2001 – 2002, total minority enrollment increased 4% from a year ago and is now at 16.4% of the total student population. Women students continue to represent 54% of the total student population. That is a slight number increase, although not a percentage increase, from a year ago. Total enrollment of minority freshmen again increased to an historic high of 20.4% of the freshman class. Despite a decrease of 53 workers in the academic workforce, women increased from 39.2% to 39.6%, and persons of color increased in both number and percentage from 17.9% to 18.3% as compared to last year. Although there was a decline in the number of tenure system faculty, the number of persons of color in the tenure system increased from 15.5% to 16.1%, and women tenure system faculty increased from 27% to 28.4%. Among support staff, the number of women and persons of color was also slightly higher than the year before.

Ms. Russell stated that MSU compares favorably with our peer institutions in the CIC and Big Ten and nationally in terms of its representation in the academic workforce of faculty of color and women faculty. Faculty

recruitment and retention is a national problem – it is not a problem unique to MSU. Ms. Russell's office has a role in the hiring process of both academic staff and support staff. As to academic hiring, Ms. Russell and her office review every academic appointment on this campus. With respect to tenure system faculty, her office signs off on the recruitment plan as well as the applicant pool and those who are scheduled for on-campus interviews. Ms. Russell explained that her office engages in aggressive recruitment. All college units have sought out her office in the years 2002-2003 to provide tailored recruitment assistance. Specific persons of color and women are identified who meet selection criteria and units are strongly encouraged to send personally tailored letters directly to such individuals.

The efforts have improved the representation of women and minorities, although overall campus representation is not at an acceptable level yet within employment ranks and within the student body. The office of Admissions has and will continue to engage in aggressive student recruitment activities such as: CAAP orientation meetings; a high school counselor banquet; programs such as Spartan Exploration Day; Finance Your Education Workshops, Detroit pre-orientation meetings and family days help in such efforts.

The King, Chavez, Parks (KCP) program assists in efforts to recruit a diverse student body. The State of Michigan KCP administrators have identified the Graduate School's KCP future faculty program as the top program among the State of Michigan universities. MSU KCP Fellows have the highest completion graduation rate among the Michigan KCP programs.

The following programs are instrumental in encouraging minorities to attend college and to select MSU as their college of choice, as well as to major in math, science and in disciplines where there is under representation of women and minorities: Emerging Scholars Program in the Department of Mathematics; Woodcreek Elementary School Science Project in the College of Veterinary Medicine; Young Peoples College involving Lansing School District and the Colleges of Human Medicine and Veterinary Medicine; a program called ITS ABC Project that involves historically Black colleges and universities and the College of Natural Science; the Young Educators Society for urban, middle and high school students in the College of Education; the Grow Your Own Program involving Lansing and Flint school districts and the College of Education; and the OsteoCHAMPS Program of Michigan High Schools in the College of Osteopathic Medicine, working with a number of schools, statewide; the Partnership for Learning Programs for Detroit, Lansing and Flint high school students that is sponsored by the Honors College, James Madison College and the Lyman Briggs School.

Ms. Russell indicated that the University must continue to work as an institution to see that students who need financial support have access to it. Students from low-performing schools who may never consider college an option must see a college education as an attainable goal. MSU's CAMP program that supports migrant students must continue to help them see MSU as that attainable goal. Assisting with that goal is the Martin Luther King, Jr., endowed scholarship that was launched this past year. The first annual MLK scholarship banquet and other fundraising activities generated pledges and contributions in excess of \$30,000 within a two-week period.

Elsewhere, accessibility improvements across campus have increased, including installation of an elevator and new wheelchair lift for the pool in Jenison Fieldhouse and renovation to the entrance of the IM Sports Circle.

The Office of Multicultural Development, International Life and Student Life, the Counseling Center, the Office for LGBT concerns and MRULE have continued work on the development of a model and measurement instrument related to multicultural competence that is needed not only on this campus but needed by students as they move into a global society.

Focus has been placed on retention of women in the areas of academic science, mathematics, engineering and technology careers. The African American and African Studies Graduate Program was launched by the College of Arts and Letters that provides support for students who are interested in pursuing education and a career in this area, as well as being used in recruitment by assuring greater diversity in our faculty.

MSU has a purchasing supplier diversity program that continues to expand and provides economic growth for local minority-owned and women-owned businesses. In the last year, we have continued to increase supplier diversity and contracts at MSU.

Mr. Romney pointed out that traditionally, MSU has been at the high end in numbers of members of the student body in the various categories of minorities, compared with our peer institutions. He stated that he is impressed with the additional efforts of Ms. Russell and her department.

President McPherson commended Ms. Russell for her hard work and her continued innovative efforts that result in a diverse campus.

Mr. Pittman indicated that the Board endorses and wants to continue to support programs that work, but that we need to improve. He encourages every kind of creative idea. He applauds Ms. Russell and her staff and all

the people on campus who support her and are committed to taking positive active steps toward diversity.

Ms. Cook noted the campus-wide support for what Ms. Russell is doing. She found it very rewarding to see such wide support for Ms. Russell's work.

Mr. Porteous was most gratified by listening to individuals' stories at the Diversity Awards Program about what issues of diversity had meant to them and the things they are doing to make life better for all of us. Another experience he had recently was his meeting with several students, arranged by Misty Staunton. He found it very helpful to not only listen to the students but be challenged by the students. One particular point they made was that we need to re-double our efforts on retention. He is glad to learn of the retention programs in place and expressed that they must continue and be enhanced to improve their effectiveness.

Ms. Granberry Russell said that diversity on campus closely mirrors the percentage of minorities statewide.

Mr. Nugent commented that it is an excellent report and that it is little wonder the audience at the Diversity Awards celebration was probably the largest ever.

In response to a question by Trustee Gonzales, Dr. Simon indicated that growth in institutional financial aid over a period of time has exceeded the growth in level of tuition. We are still very dependent on programs by the State of Michigan and our intention is to encourage the State of Michigan to put financial aid dollars behind both need and achievement. Dr. Simon also indicated that she is very optimistic about the Capital Campaign in that it will give MSU the opportunity to keep pace with our peer institutions by using private dollars to bridge some of the financial aid issues.

Ms. McNamara asked Ms. Russell why she doesn't address lesbian, bisexual, gay, trans-gendered numbers in her report. Ms. Russell responded that the numbers in the data are intended to respond to obligations we have under Federal regulatory scheme; in terms of affirmative action programming, those are not a protected class. MSU does enjoy 44 collaborative initiatives in lesbian, gay, bisexual and trans-gender programs university-wide. It is the largest number of initiatives in the history of the program, focusing on a more affirming campus climate and LGBT awareness education.

Dr. Simon offered that post-September 11th, we need to reach out to Arab-American populations in our programming. We have been building some linkages that are continuing and need to continue to work on them. As our

society changes we need to address issues that will emerge from those changes.

On a motion by Ms. McNamara, supported by Ms. Cook, **THE BOARD VOTED to approve** The Annual Progress Report – Affirmative Action and Diversity Within Community.

9. Chairperson's Report

Trustee Porteous said he attended an International Awards ceremony on campus and said this is one of many, many programs to be very proud of. It recognized people who are part of MSU who have done remarkable things in international programs and study abroad programs. It also recognized people in the community who have done some extraordinary things on behalf of Michigan State, international understanding and international projects. A community member who had been very active in the program to eradicate polio was highlighted. His efforts resulted in vaccination of over three million children in India, alone. The University can take great pride in such programs.

Mr. Porteous also wants to highlight the extraordinary leadership of basketball Coach Tom Izzo, his assistants and his players who did a great job representing this University throughout the season and particularly in the NCAA basketball tournament. Coach Izzo was a commentator during coverage of the Final Four and during the championship game and brought great credit to this institution across the world. Mr. Porteous congratulates Coach Izzo, his assistant coaches and his players. He expressed disdain for actions of a minority of students whose behavior was damaging to this institution.

10. Trustees' Comments

A. Trustee Cook related that a woman she encountered while in San Antonio for the basketball tournament told her what a credit the basketball players are to MSU. They spent a lot of time with children, signed autographs and were very courteous to everyone.

Ms. Cook congratulates the deans and staff of the Medical Schools and the College of Veterinary Medicine for their recognition of their outstanding programs and the College of Education and other programs on campus that have received national recognition. Ms. Cook also looks forward to commencement and welcoming the new Governor to our campus to speak at undergraduate convocation.

B. Trustee Nugent was pleased to see the number of students who received the GPA Awards, who all had a 4.00000. It reflects the

quality of our student body. He remarked about the women's basketball team going to the NCAA tournament and the recognition the University received from the *US News and World Report*. It was too bad that the University received a blemish as a result of disruptive students Friday and Sunday nights. Further, he commends everyone who is working so hard to maintain the remarkable quality of the education available at MSU as we face these tough budget times, and not forgetting our land-grant mission of keeping education accessible to students.

- C. Trustee Romney said he is proud and inspired by our basketball team and our coach. The academic people have been an inspiration. The Affirmative Action Program of this University is inspiring as well as the Diversity Awards. He also expressed gratitude for all those working so hard to meet the financial crisis we face.

President McPherson offered his appreciation to the four Student Liaisons to the Board of Trustees: Jim Ciszewski, Matt Clayson, Misty Staunton and Matt Weingarden. They have strong views and have good questions and never let the administration off easy. They have done an outstanding job.

President McPherson said that college by college, department by department and program by program, and in every service function, there are huge discussions on how we are going to cope with the budget crises we are facing. He expressed his gratitude to Dr. Simon, Dr. Poston and others for what they are doing across campus as we face these challenges.

11. Public Participation on Issues Not Germane to the Agenda

President McPherson said that the group requesting to speak during the public participation section of this Board meeting is the largest since he has been here. Board policy allows a group of speakers up to a total of 15 minutes on an issue and individual speakers up to five minutes. In light of the number who want to speak on the subject of Affirmative Action, the Board will extend the time limit to one-half hour on that topic. Individuals who want to speak on Affirmative Action issues would have 1½ minutes each in order to allow as many as possible the opportunity to voice an opinion.

The following groups were represented to speak on Affirmative Action: NAISO; MEXA.; CRU; RHA; APASO; Campbell Hall Govt., Coalition of Indian Undergraduate Students; RESA; Coalition for Social Responsibility; Domestic Partner Benefits Sub-Committee; Alliance of LBGT Students.

Following is a synopsis representative of views presented:

It's important to not only pay lip service to retention and to affirmative action. MSU should strive to beat itself – not others – in the quest for retention and affirmative action.

Thanks to President McPherson for his comment that affirmative action is a tradition at MSU and one that we want to continue. The students are here to help him keep that tradition. The students believe strongly in equal access; this country cannot survive without affording equal access.

This year, more than ever before, student groups came together. They talked about why student retention is a problem and have compiled a list of suggestions, including strong support for establishment of a freestanding multicultural center with a development officer.

A teaching assistant from the Math Enrichment Program said with one exception, all of her students are women or students of color. They need funding for more TAs in order to assist with retention.

The students represented here are strong Spartans and support the basketball team and other athletic teams across campus. There is something wrong when members of the Board of Trustees will go all the way to San Antonio to watch a basketball game, but won't walk a mile across campus to meet with the students they work for. The retention rate for African American students is 43%. The programs available at MSU are good, but more needs to be done.

There is a question as to why MSU gives full scholarships to convicted sex offenders. The speaker is a rape survivor and wants to know where her full-ride is. More needs to be done to ensure safety for women who walk on campus. She wonders why there is a freestanding student athlete support building and there is not a freestanding multicultural center.

Acts of diplomacy are good, but if the demands are not met, they are willing to take it to the next level, i.e., acts of militancy.

Speaker is outraged at comments on how great the basketball team represented this University and how lovely it was to see them act so politely. Is it because they are of color that good behavior is not

expected? She is tired of 20 police being outside every social function they attend. She is tired of meeting with Mr. McPherson when he brings the police with him. The benefactors of white privilege don't have to come to meetings like this, they don't have to stay up all night to meet and devise plans of action. These students will work in a fashion of diplomacy and respect, but if that doesn't work, they will take it to the next level.

A freshman speaker says there are not enough events for minorities, Latinos, Hispanics. She requests more economic support and support from staff so that all the work isn't done by the students. She asks for more math teachers of color.

Student speaker adamantly supports housing in residence halls for same-sex domestic partners of Resident Assistants. Resident Assistants who are married are encouraged to live together, sometimes with their children. Same sex partners should have the same privilege.

12. An Executive Session was not requested
13. On a motion by Mr. Romney, supported by Ms. McNamara, **THE BOARD VOTED to adjourn** at 4:15 p.m.

Respectfully submitted,

L. Susan Carter
Secretary of the Board of Trustees

CONTRACT TERM SHEET

Attachment 1

Party: Mid Michigan Research, LLC

Project Description: Multiple testing and test design project phases to be conducted in the Engines Research Laboratories, Department of Mechanical Engineering.

Term: Three years (ending June 30, 2006), unless terminated earlier at Mid Michigan Research's discretion.

Contractual Terms: Payment for testing and test design projects shall not exceed \$15,000 per test, with a cumulative total not to exceed \$90,000 per year. Mid Michigan Research may elect to delay the commencement of the testing and/or test design phases at any point, or may elect to permanently discontinue the entire project, at the company's discretion.

Because the contracted phases involve test design and/or testing for Mid Michigan Research's materials, resulting test designs, data and reports summarizing data will be owned by Mid Michigan Research. Any collateral IP created by MSU in conducting the contracted tests, including without limitation testing methods, will be owned by MSU.

Services Provided: By MSU to Mid Michigan Research:
MSU will design and/or execute tests using its mechanical engineering infrastructure.
By Mid Michigan Research to MSU:
None under contemplated agreement.

Use of University Facilities/Personnel:
MSU personnel will execute the contracted test design and/or tests in MSU facilities.

Organization Type: Michigan corporation based in Okemos.

Personnel Interest: Dr. Harold Schock of the Department of Mechanical Engineering and his immediate family own or have options to buy an equity interest of more than 5% of the company. Dr. Schock is also an officer in Mid Michigan Research.

TERMINATION AND WAIVER TERM SHEET

Party: Synthon Chiragenics

Agreement: At Synthon's request, Synthon and MSU agree to terminate the License Agreement between them dated July 17, 2001.

Synthon shall pay MSU \$105,000 in full satisfaction of Synthon's remaining obligations under the License Agreement, consisting of the following:

\$30,000 for prorated royalties due in 2003

\$50,000 for research support for Prof. Hollingsworth in the first quarter, 2003

\$25,000 for legal expenses

(The termination and waiver agreement will relieve Synthon of out-year research and minimum royalty obligations while permitting MSU to approach other corporations regarding possible licenses.)

Technology: Patents in the area of development of chiral intermediates that were licensed to Synthon under the License Agreement of July, 2001. Some of the patent rights initially licensed were relinquished to MSU by agreement of Synthon in December, 2002, for subsequent re-licensing to Avecia.

Technology's Potential Commercial Utilization:

Drug discovery and development; development of chiral intermediates

Services Provided: By MSU to Synthon Chiragenics: None under contemplated agreement
By Synthon Chiragenics to MSU: None under contemplated agreement.

Use of University Facilities/Personnel:

No use of MSU facilities/personnel by Synthon Chiragenics under the contemplated agreement.

Organization Type: Corporation based in New Jersey.

Personnel Interest: Dr. Rawle Hollingsworth, of the Department of Biochemistry and Molecular Biology and his immediate family own or have an option to buy equity interests of more than 5% of the company.

LICENSE TERM SHEET

Party: Cyagra, Inc.

License: Sub-license for MSU to use technologies (including U.S. Pat. No. 5,945,577) in the agricultural field licensed by Cyagra for the research program of Dr. Jose Cibelli.

Cyagra first right of negotiation on inventions developed by Dr. Cibelli in the course of research based on technologies in the agricultural field sub-licensed to MSU by Cyagra.

Term: MSU sub-license to technologies from Cyagra – the shorter of the life of licensed patent(s) or of the license to Cyagra.

Cyagra first right of negotiation on inventions developed by Dr. Cibelli in the course of MSU research based on technologies in the agricultural field sub-licensed to MSU by Cyagra – duration of sub-license.

Technology: Cloning, development and/or making of cloned bovine animals or products that are composed of, made in or derived, extracted or isolated from cells or tissues of such animals for the production of food or fiber. Specifically excluded is the cloning of such animals for all purposes related to veterinary or medical therapies, including, but not limited to, the production of biopharmaceutical agents, proteins, peptides and polypeptides in milk for pharmaceutical, nutraceutical or other use.

Payment Terms: No payments are involved in the mutual license.

Services Provided: By MSU to Cyagra: None under contemplated agreement.
By Cyagra to MSU: None under contemplated agreement.

Use of University Facilities/Personnel: No use of MSU facilities/personnel by Cyagra under the contemplated agreement.

Organization Type: Corporation based in Massachusetts

Personnel Interest: Dr. Jose Cibelli, of the Departments of Animal Science and Physiology, and his immediate family own or have an option to buy equity interests of more than 1% of the company.

**TESTING SERVICES AND OPTIONAL EQUIPMENT
PURCHASE TERM SHEET**

Attachment 4

- Party:** Digital Flow Technologies, Inc.
- Contract:** Instrument testing projects to be conducted in the Turbulent Shear Flow Laboratory, Department of Mechanical Engineering. One instrument may be purchased by MSU for use in the Laboratory for the price of \$70,000.
- Term:** Three years unless terminated earlier at Digital Flow Technologies' discretion.
- Contractual Terms:** Payment for testing and test design projects shall not exceed \$3,000 per test, with a cumulative total not to exceed \$30,000 per year. Digital Flow Technologies may elect to delay the commencement of the testing at any point, or may elect to permanently discontinue the entire project, at the company's discretion.
- One unit (a multiple channel instrument for velocity magnitude, temperature and pressure measurement with computer interface, rack mount and power supply) may be purchased from Digital Flow Technologies by MSU for a price not to exceed \$70,000. Any purchase would be approved at the Department and College level following a competitive bid process conducted to explore the cost effectiveness of other commercially available units with similar capabilities.
- Services Provided:** By MSU to Digital Flow Technologies:
MSU will test instruments using its mechanical engineering infrastructure.
By Digital Flow Technologies to MSU:
None.
- Use of University Facilities/Personnel:**
MSU personnel will execute the contracted tests in MSU facilities.
- Organization Type:** Michigan corporation based in East Lansing.
- Personnel Interest:** Dr. John Foss of the Department of Mechanical Engineering and his immediate family own or have options to buy an equity interest of more than 5% of the company. Dr. Foss is also an officer of Digital Flow Technologies.

LICENSE TERM SHEET

- Party:** Digital Flow Technologies, Inc.
- License:** Exclusive License to use technologies below for commercial purposes.
- Term:** Ending at the expiration of the Patent.
- Technology:** U.S. Patent Number 5,654,507 "Pulse Width Modulated Constant Temperature Anemometer"
- Technology's Potential Commercial Utilization:**
Air flow sensor and related instrumentation.
- Payment Terms:** Payment of \$1,000 upon signing; a running royalty of 5.0% of Net Sales with \$1,000 annual minimums beginning January 1, 2005, 25% of any sublicensing revenues.
- Services Provided:** By MSU to Digital Flow Technologies, Inc.: None under contemplated agreement. By Digital Flow Technologies, Inc. to MSU: None under contemplated agreement.
- Use of University Facilities/Personnel:**
No use of MSU facilities/personnel by Digital Flow Technologies, Inc. under the contemplated agreement. A separate testing services and optional equipment purchase agreement may involve use of MSU facilities and personnel.
- Organization Type:** Michigan corporation based in East Lansing.
- Personnel Interest:** Dr. John Foss of the Department of Mechanical Engineering and his family own or have options to buy an equity interest of more than 5% of the company. Dr. Foss is also an officer of Digital Flow Technologies, Inc.