

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

April 25, 2003

President McPherson called the special meeting of the Board of Trustees to order at 5:03 p.m. in the Board Room.

Trustees present: Joel I. Ferguson, Dorothy V. Gonzales (by telephone), Colleen M. McNamara, Donald W. Nugent (by telephone), David L. Porteous and G. Scott Romney.

Trustees absent: Dolores M. Cook, Randall L. Pittman.

University officers present: President McPherson, Provost Simon, Vice President Poston, Secretary Carter, Vice President and General Counsel Noto (by telephone), Vice Presidents Denbow, Huggett, June and Webster, Executive Director Williams and Senior Advisor and Director Granberry Russell. Faculty Liaisons present: Jonathan Hall, James Potchen and Steven Spees. Student Liaisons present: Jim Ciszewski, Jared English and Misty Staunton.

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

1. On a motion by Mr. Porteous, supported by Mr. Ferguson, **THE BOARD VOTED to approve** the agenda.

2. President's Report:

President McPherson deferred his comments to later in the meeting.

3. Public Participation on Items Germane to the Agenda

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

4. Personnel Actions

Authorization of Presidential Leave/Naming of Interim President

Chairman Porteous offered a Resolution, (attachment A) relative to an opportunity that President McPherson has been offered.

On a motion by Mr. Porteous, supported by Ms. McNamara, **THE BOARD VOTED to adopt** the Michigan State University Board of Trustees Resolution dated April 25, 2003.

5. Chairman's Report

Mr. Porteous said that he believes this is an historic day for Michigan State University. The experience Mr. McPherson has had has prepared him and made him the ideal person for this position with the federal government. The values that were created through his mother and father, his energy and work ethic, most likely resulted from his childhood on the farm, getting up early and working late. The only thing Mr. McPherson knows is honesty and integrity. Reviewing other past experiences, President McPherson's service in the Peace Corps, no doubt, whetted his appetite for international service, as well as service above self. Mr. McPherson's experiences in Washington with the White House, with the Department of Treasury and his extensive service with AID, touched upon his passion for the international community. His service with Bank of America provided an important component that will be valuable now, as he deals with some very tough, difficult, financial issues – not just in Iraq, but international financial issues that touch Iraq. And his service as President of Michigan State University for nearly ten years has prepared him for the challenges he will face.

Recently, Mr. Porteous attended an awards ceremony of the International Studies program. At that time, extraordinary contributions by Michigan State University worldwide were highlighted. MSU now has nearly 3,000 students studying abroad. Certainly the complex nature of a research institution like Michigan State University, dealing with the federal government, the state government and a diversity of groups on campus, all join to make President McPherson the ideal person for this assignment. Mr. Porteous also noted Mr. McPherson's extraordinary listening skill that will serve him well in with this new opportunity. President McPherson brings great credit – not only to himself, but to this institution. The tasks are daunting – some might say almost impossible – but those who work with Mr. McPherson know that nothing is impossible for him.

The Board wishes him well as he accepts this challenge and knows he is leaving the institution in great hands – those of Provost Simon who has served the University for many, many years. All of the members of the Board can take great pride in knowing that the institution that he loves – more than any other institution, is going to be in the capable hands of Provost Simon. We also know that when his service is completed, he will be coming back to Michigan State, and that is a great comfort.

President McPherson responded that he has confidence in Provost Simon's capability, broad and deep understanding and commitment to the energy of this institution. Provost Simon and the President are both quick to point out that there is an excellent team of people in place – the deans, the chairs, the vice presidents and core staff. That is why it will be possible to continue the momentum – thanks to strong support of the Board and a very good group of broad based leadership, and, of course, the extraordinary faculty.

While in Washington recently, President McPherson was reminded frequently of how highly our institution is regarded – outside of Michigan, as well as in Michigan. We are engaged in problem solving and we are struggling to find answers, we're educating wonderful students. We should all take note from time to time as to how important this institution is to the world. We have great momentum that will surely continue.

Mr. McPherson spoke for a few moments yesterday with the Governor, explaining what he is about to do and Provost Simon's new responsibilities. Governor Granholm was quick to say how pleased she is that Dr. Simon will be doing this. President McPherson affirmed to the Governor that he is coming back in the fall, pursuant to this Resolution. President McPherson has also been calling the legislative leadership to express the importance that our great public institutions do not become quasi private in the sense that more and more of the cost of education is paid by the individual student. Public institutions like MSU have been a source of social and economic mobility, a source of strength in our society, and we want to make sure that they are still truly accessible in the long term. This will not only be worked on this summer, but in the years ahead when we are all back here together again.

President McPherson expressed his deep affection for the University and his deep commitment to getting a lot more accomplished – not only RIA, but a long list of other challenges that work will continue on in the next few months by Provost Simon, Vice President Poston and with the strong support of the Trustees. President McPherson thanked the Board for making this opportunity available to him.

President McPherson is deeply committed to returning to the University. He is also excited about this opportunity. The Iraq central bank and the finance ministry are shells. Some things need to be done early, or they won't get done for years. For that reason, there is value in this "crash" approach, working closely with Iraqi people.

7. Trustees' Comments

Trustee Ferguson offered that Mr. McPherson did a super job with the AID, and he was the Secretary of the Treasury. Mr. Ferguson indicated that President McPherson's picture is in the dictionary under "Compassionate Conservative" because he certainly is that in dealing with people. Additionally, Mr. Ferguson offered to the reporter that Mr. McPherson doesn't play golf, he doesn't watch television – all he does is work. So what they're going to get from this guy is that he's going to work around the clock; he's going to be totally committed to the job; and he will do the very best job possible; he doesn't go home when he's supposed and since his wife's not with him, he'll work even longer. Trustee Ferguson said President McPherson will do a wonderful job.

Trustee Romney congratulated President McPherson and said it is a great honor for him. He will need a lot of good luck and a lot of our prayers for this to be successful. It is an important effort for that country and for the people in that part of the world. He has devoted himself to so many areas of community service. That is a great example to all the students, the faculty and all of us here at Michigan State. It's in the tradition of Michigan State to be a participant in the community and to devote time to community service. We congratulate him for all he is doing. Mr. Romney also expressed great confidence in Lou Anna Simon; she can fulfill the role of Interim President and do a wonderful job. We are going to enjoy the opportunity to work with her while Mr. McPherson is away. We look forward very much to his return, and we wish him all the best.

Trustee McNamara expressed her pride that the President will be in Iraq. She was quite unenthusiastic about the war, but is very enthusiastic about where we are at now and we need to do what we can. She echos what everyone else has said that the President will do a terrific job, he will do us proud and she is very confident that the Board will work well with Provost Simon and will move things forward. Good luck and come back.

Trustee Gonzales said she is very proud of the President. They picked the right man for the job. He should take care of himself, and we will wait for him to get back. Dr. Simon can surely hold down the fort while he is gone.

Trustee Nugent pointed out that part of our Michigan State statement is "transforming lives". Mr. Nugent can think of no way that Michigan State University could have greater influence on transforming so many lives than this. Truly, it fulfills that motto. The Board wishes Mr. McPherson all the best; he should stay healthy and safe, and Dr. Simon and the entire team will continue to work as we have. What a tremendous demonstration of leadership in showing us how to transform lives.

President McPherson remarked that although he is very excited about this new challenge, he is going to miss the University. He was reminded recently what a beautiful campus this is and what a wonderful campus it is. Joanne McPherson is here today and will continue to be on campus and will continue to do everything she can, as she has for some time. We are all very appreciative of those efforts.

Further, this Resolution is important for the Board to have passed, rather than implementing the usual procedures where Provost Simon acts on behalf of the President. It is important to have affirmed this with a Resolution – for technical reasons, but most substantively because the Board is saying that they expect Provost Simon to exercise full powers of the presidency. President McPherson doesn't want to be engaged in University business while he is away. A clear authority is needed with Provost Simon exercising that authority. The Board and the President have total confidence that she will do an excellent job, as we have done all along.

Mr. Porteous said he is glad that the Resolution will be included in the minutes of the meeting because it does a very good job of speaking to the history and the mission of Michigan State University, the service of our presidents over the years to serve not only this state, but this country and the world. What Mr. McPherson is doing is very much in keeping with that tradition.

Further, Mr. Porteous pointed out that Trustee Cook could not be here today in person or by telephone. The minutes should reflect that Ms. Cook has never missed a meeting in over 12 years that she has been on the Board. The only reason that she is not here today or available by phone is because she is on a plane traveling to participate in an event for MSU's Capital Campaign. If there had been any way at all that she could have participated, she would have done so. Mr. Porteous knows she sends her best. On behalf of the entire Board, Trustee Porteous expressed gratitude to Mrs. McPherson for her willingness to share President McPherson with the world and to continue to share her home and herself with the University while he's gone.

With those comments, President McPherson underlined how well regarded and how important Michigan State is known to be in Washington and around the world. We don't always give ourselves enough credit.

Provost Simon said that there is probably no one, other than his family, who is more anxious for President McPherson to return than herself. We have developed a very strong administrative team. We have a sense of direction and purpose for the institution that is clearly understood. With

the help of the individuals on that team, we will be sure that momentum is not lost in this period of time and that all the things that he will check on when he returns will have a progress report.

8. Public Participation on Issues Not Germane to the Agenda

There was no public participation.

9. An Executive Session was not requested

10. On a motion by Mr. Ferguson, supported by Mr. Porteous, **THE BOARD VOTED to adjourn** at 5:27 p.m.

Respectfully submitted,

L. Susan Carter
Secretary of the Board of Trustees

**Michigan State University
Board of Trustees Resolution
April 25, 2003**

Whereas, the mission of Michigan State University as a public, land-grant institution encompasses teaching, research, and public service/outreach;

Whereas, there is a long and distinguished tradition of public service by the presidents of Michigan State University;

Whereas, the nation again seeks a president of Michigan State University to perform an essential public service function for our country by acting as Financial Coordinator in the Office of Reconstruction and Humanitarian Assistance in Iraq;

Whereas, President Peter McPherson is uniquely suited to perform this service to the nation, because of his background in finance, government service, and education, including his distinguished tenure as the 19th President of Michigan State University;

Whereas, the Board of Trustees and University community are proud that President McPherson has been asked to take on this prestigious special assignment; and

Whereas, it will be in the best tradition of Michigan State University and benefit both the University and our nation for President McPherson to perform these peacekeeping services on behalf of our nation; and

Whereas, the University is fortunate to have one of the most experienced and respected chief academic officers in the nation and the Chair of the Committee for Institutional Cooperation, Dr. Lou Anna Simon, a faculty member at the University for almost 30 years and Provost of Michigan State University for the last nine years, to discharge the duties and responsibilities of the University's presidency while President McPherson is on his special assignment.

NOW, THEREFORE, be it

RESOLVED, that President McPherson is authorized to take an unpaid leave to discharge a special public service assignment whereby he will act as Financial Coordinator in the Office of Reconstruction and Humanitarian Assistance in Iraq; and be it

RESOLVED, in order to undertake this assignment, and solely for the purposes and term thereof, President McPherson may accept an appointment as a special employee of the United States Government, receiving a salary from the United States Federal Government, but not from the University, in connection with, and for the term of, this appointment; and be it

RESOLVED, that this appointment shall be for a fixed leave period not to exceed 130 days, which shall commence immediately; and be it

RESOLVED, that the Board and President McPherson both intend that he will return to campus and resume his duties on campus upon the completion of this appointment; and be it

RESOLVED, that in recognition of the public service nature of this special assignment and his expected prompt return to the University community, President McPherson will, for the duration of this special assignment and related leave, retain his title and, insofar as is reasonably possible, the non-salary benefits of his employment at the University; and be it

RESOLVED, that Dr. Simon is hereby appointed the Interim President of Michigan State University, commencing immediately and continuing for the duration of President McPherson's special assignment and related leave; and be it

RESOLVED, that Dr. Simon is hereby granted authority, as Interim President, and during her appointment as Interim President, to discharge all the duties and responsibilities of the president of Michigan State University under the University's Bylaws, the resolutions of the Board, University policies, and otherwise under law; and be it

RESOLVED, that Dr. Simon is hereby authorized to represent the University, as its Interim President, and during her appointment as Interim President, on all associations, societies, consortia, and other entities on whose boards and committees, and at whose meetings, the President of the University has historically represented the University; and be it

RESOLVED, that the Chairperson of the Board is hereby authorized to execute such documents and agreements as may be necessary or appropriate in connection with the implementation of the foregoing, with a copy provided to each member of the Board.