

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

February 10, 2005

The Trustee Finance Committee and Trustee Policy Committee meetings were held in the Board Room of the Administration Building beginning at 2:05 p.m. on Thursday, February 10, 2005. Minutes of the meetings are on file in the Office of the Secretary of the Board of Trustees.

President Lou Anna Kimsey Simon called the meeting of the Board of Trustees to order at 3:07 p.m. in the Board Room.

Trustees present: Dolores M. Cook, Joel I. Ferguson (by telephone), Melanie Foster, Dorothy V. Gonzales, Donald Nugent, David L. Porteous and G. Scott Romney.

Trustee Absent: Colleen M. McNamara

University officers present: President Simon, Acting Provost Hudzik, Vice President Poston, Secretary Carter, Vice President and General Counsel Noto, Vice Presidents Denbow, Gray, June, Webb and Webster, Executive Director Williams and Senior Advisor and Director Granberry Russell. Faculty Liaisons present: Robert Maleczka, Sue Melnick and Jon Sticklen. Student Liaisons present: Kierra Hill, Andrew Schepers and Daniel Weber.

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

1. On a motion by Mr. Romney, **THE BOARD VOTED to approve** the agenda by acclamation.
2. On a motion by Mr. Porteous, supported by Ms. Cook, the minutes of the meeting of January 14, 2005, were amended to reflect that Mr. Porteous appointed Trustee Romney to chair the ad hoc committee charged to review compensation levels at MSU, as well as help to formulate benchmarks and guidelines for the evaluation of President Simon. **THE BOARD VOTED to approve** the minutes, as amended.
3. President's Report

President Simon reported that on February 9, 2005, Professor Gil-Chin Lim was involved in a fatal automobile accident. Dr. Lim was the third

Dean of International Studies and Programs, and his special vision and unique work in Korea are embedded in the fabric of MSU's international programs. In the years to come, the University will benefit from the richness of his contributions. President Simon extended her condolences to the friends and family of Dr. Lim.

Governor Granholm's Executive Order

President Simon said that Governor Granholm, in the 2005 State of the State Address, acknowledged that the final report of the Commission on Higher Education and Economic Growth (Cherry Commission) made a strong connection between higher education and the future of Michigan. Last year, this Board was assured that by limiting its tuition increase, Michigan State University would be exempt from an Executive Order in 2005. However, in her Executive Order issued today, the Governor has indicated that higher education would be subject to a 1.87% cut – over \$5 million for MSU – along with additional cuts for the Experiment Station and MSU Extension. President Simon said this is the first stage of a process: the Governor proposes an Executive Order; the Appropriations Committee then acts on that Executive Order.

President Simon said that the State faces very difficult economic times, and the University needs to continue to work with the Governor and the Legislature to have its contribution recognized, with the contribution of other higher education institutions.

Vice President Webster said that the University would receive a \$5 million reduction, per the Executive Order, plus reductions to the Experiment Station and MSU Extension. In the 2006 budget, the reductions to Extension and the Experiment Station would total \$10 million, resulting in a 24% proposed reduction for the Extension Service and a 10.5% proposed reduction for the Experiment Station. The Governor proposes that there be no reductions in 2006 to the University's State appropriations for '06 if MSU agrees not to raise tuition by more than 5% next year.

President Simon added that significant deferred maintenance needs were recognized in both the Executive Order and the Governor's budget recommendation. A \$200 million overall appropriation would be recommended as a supplemental appropriation this year, in view of the impact of the Executive Order on universities. The Governor proposes that in the fall a bond issue for nearly \$2 billion for research would be placed on the ballot; that would require legislative approval.

President Simon emphasized that the Cherry Commission Report and statements made by both Republicans and Democrats indicate an understanding that higher education, jobs and research are inextricably

connected to a better future for Michigan, a theory that the University needs to continue to promote. The Executive Order is disappointing, but the University must continue to work with both parties to seek a brighter future for MSU and for the people of Michigan.

Trustee Nugent expressed extreme disappointment in the Governor's Executive Order. He said MSU worked with the State on MSU's tuition guarantee. Had that not been done, there would be an additional \$45 million in MSU's base budget. Michigan State University was the first to support the Governor on her tuition cap last year. MSU led the way. For the Governor to renege a few months later by proposing a \$5 million cut, plus another \$3 million reduction for Extension and the Experiment Station is very discouraging. A \$5 million reduction from the University's budget this late in the fiscal year has the impact of a \$10 million cutback. Compounding the problem is that for many years deferred maintenance has been removed as a recurring budget item. Mr. Nugent pointed out that the University has had a very tight budget year, and if it were to lose another \$8 million this year, including huge cuts for Extension and the Experiment Station, it would be very difficult. If there is another large cut in the University's appropriation, a 5% tuition increase could not possibly carry it next year.

Trustee Porteous said he also thought the Cherry Commission report was a clear endorsement of the view that the future of Michigan would rest on higher education. In her State of the State address, the Governor stressed the importance of a college education to individuals and to the future of the State. Then, two days later, the Governor issued an Executive Order that broke the sacred pledge that the University made and that was signed into law.

Mr. Porteous said the Extension Service program, through this Order and in the proposed budget for 2006, is being destroyed. It is a program that will not be rescued by raising tuition.

Mr. Porteous continued by pointing out that in the small community that he comes from, the Extension Service not only serves farmers and the agricultural community, but provides significant leadership in economic development. It takes the expertise of campus to the community and brings the expertise of the community back to campus to help drive some very exciting economic development programs. Trustee Porteous expressed hope that the legislature would not support the Executive Order. If the Executive Order and the budget for 2006 move forward as proposed, the doors to MSU Extension are being closed.

President Simon said that, in the remarks she will make during the Founders' Day celebration, there is a reference to the "cold arctic winds of

social change and economic challenges.” The Executive Order is another blast of chilly air. But, the University will continue to tell its story to both parties. The MSU community needs to realize that the winds may be cold, but resolve is strong, and MSU will do whatever it can to persuade legislators that a favorable appropriation for the University will result in a favorable outcome for the State.

Proposed Expansion of MSU College of Human Medicine

President Simon referred to a press release that was issued this date from the stakeholders group representing Grand Action, Grand Valley State University, Michigan State University, Right Place, Inc., St. Mary’s Health Care, Spectrum Health and VanAndel Research Institute. The press release read that the stakeholders group is committed to:

- Creating a financially sustainable state-of-the-art four-year accredited medical school in west Michigan that is nationally emulated for its innovative research and educational capability.
- Undertaking a process of deliberate and measured development and growth so that the stakeholders and other affected institutions may appropriately plan for and manage the phases of development and fully realize the potential benefits of the medical school.
- Actively, both individually and collectively, engaging in the process and providing the needed expertise, perspective, energy, representation and resources to achieve the stated commitment.

President Simon said this commitment was reviewed by the Oversight Committee prior to her signing it, and the Committee has expressed its support.

Second, Glenn Davis, Dean of the College of Human Medicine (CHM), sent a letter to CHM faculty today advising that the west Michigan MSU medical school stakeholders group signed a partnership agreement with MSU committing to create a stronger bio-medical and life science environment in west Michigan through the expansion of the College. He advised that the wording of the agreement is consistent with communication over the past year and that the College is not moving, but expanding. Ongoing strategic planning sessions with hospital leadership will continue.

4. Public Participation on Items Germane to the Agenda

Mark Meadows, Mayor of the City of East Lansing, appeared to speak in support of the new alcohol guidelines that are being considered by the Board of Trustees. He said the amendments to the ordinance and to the process for establishing the guidelines would be supported by the East

Lansing City Council. The Mayor urged an annual review, at least during the first couple of years, to ensure the guidelines are functioning as desired.

Mayor Meadows also spoke about building the proposed parking ramp. The Mayor asserted that the parking ramp plan is different from the plan that was discussed when MSU, the City of East Lansing and Michigan Department of Transportation collaborated on the redesign of Grand River Avenue. The Mayor suggested that it would be more economical for the University to rent 530 spaces from the City of East Lansing than to build the new ramp, as proposed.

Robert Hammond, an MSU alum, said his professional life has been working in the field of alcohol problems. Mr. Hammond said the problem is not alcohol, but binge drinking. He encouraged a more significant alcohol education plan. Mr. Hammond pointed out that many problems on campus involving alcohol have been associated with sporting events. Mr. Hammond urged MSU to not allow alcohol advertising at sporting events.

Jim Anderson, Professor of Economic History, said there has been a serious breakdown in communication between MSU administration, and the faculty, staff and City of East Lansing. Dr. Anderson said there is a surplus of parking spaces on campus, although there is a shortage on north campus. He suggested that the cost of the parking ramp is excessive. Dr. Anderson urged the Board to table the vote on building the proposed parking ramp pending further study and document distribution to those who would be impacted by the ramp.

5. Personnel Actions

Acting Provost Hudzik presented the following personnel information item:

Pursuant to the Board of Trustees' delegation of authority for academic personnel system actions on July 24, 1981, October 23, 1981 and February 26, 1982, and subsequent re-delegations, academic personnel actions have been approved.

6. Gift, Grant and Contract Report

Vice President Gray presented the Gift, Grant and Contract Report for the period of November 23, 2004, through January 25, 2005. The report is a compilation of 303 Gifts, Grants and Contracts and 69 Consignment/Non-Cash Gifts, with a total value of \$43,631,960.32.

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

Dr. Gray indicated that the value reported is approximately 8% above the same period last year, and federal competitive grants are about 10% higher.

Consistent with the announcement at the last Board meeting that the work of certain research faculty would be highlighted at future Board meetings, Dr. Gray introduced two faculty members whose combined work represents approximately 20% of the value reported in this Gift, Grant and Contract Report.

Dr. Gray introduced Dr. Joan Ferrini-Mundy, an MSU faculty member since 1999.

Dr. Ferrini-Mundy spoke on Project PROMISE (Promoting Rigorous Outcomes in Mathematics and Science Education). The project is a \$35 million, five-year mathematics and science partnership funded by the National Science Foundation. It is a comprehensive research development and capacity building effort to improve student learning and performance in mathematics and science in grades K-12 and to improve the pre-service education of teachers in conjunction with the Teachers for a New Era Project, funded at MSU by the Carnegie Corporation.

Dr. Ferrini-Mundy expressed her appreciation for the institutional support that the University has provided in establishing the partnership and acquiring space, technology and other resources necessary for the PROMISE Project. The project provides significant research opportunities in collaboration with K-12 educators to address the common objective of improving K-16 mathematics and science teaching and learning for all students.

Dr. Gray then introduced Dr. Thomas Whittam, who was recruited in 2001 by MSU as a John Hannah Distinguished Professor, in the Department of Food Safety and Toxicology.

Dr. Whittam reported that most of the biomedical research done in this country is supported by the National Institutes of Health (NIH). Every year scientists from around the country apply for grants to support their research by submitting research proposals to the NIH. The NIH also supports research through contracts by identifying research that is high-priority. The NIH has awarded a seven-year contract for \$10.2 million to MSU. That represents a major, stable commitment to the University for research to control food and waterborne diseases.

Dr. Whittam said he is looking forward to having some outstanding breakthroughs in the next few years.

7. The Trustee Finance and Audit Committee

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

A. Bid and Contract Awards

- 1) It was recommended that a contract in the amount of \$289,000 be awarded to Nielsen Commercial Construction Company, and that a budget in the amount of \$455,000 be established for the project entitled: Food Stores – Fire Protection and Fire Alarm Upgrade.

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

- 2) It was recommended that a contract in the amount of \$396,400 be awarded to Nielsen Commercial Construction Company and that a budget in the amount of \$580,000 be established for the project entitled: Farrall Hall – Alterations to Room 132 BSL-2 Food Safety Laboratory.

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

- 3) It was recommended that a contract in the amount of \$686,800 be awarded to Nielsen Commercial Construction Company, and that a budget in the amount of \$1,130,000 be established for the project entitled: Psychology Research Building – Barrier Free Alterations, Fire Alarm Upgrades and Interior Renovations.

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

- 4) It was recommended that a contract in the amount of \$2,916,800 be awarded to Kares Construction Company Inc., and that a budget in the amount of \$4,100,000 be established for the project entitled: MSU Spartan Statue Intersection Reconstruction and Steam Service Replacement.

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

- 5) It was recommended that a contract in the amount of \$15,260,000 be awarded to Granger Construction Company, and that a budget in the amount of \$19,500,000 be established for the project entitled: Grand River Avenue – Parking Ramp No. 6.

On a motion by Mr. Nugent, supported by Mr. Romney, **THE BOARD VOTED to approve** the recommendation. Trustee Foster voted against the recommendation.

Mr. Nugent indicated that all of the bids approved were the low bids for these projects.

Trustee Porteous said he appreciated Mayor Meadows appearing before the Board and the suggestion that the Board continue to enhance communications between the University and the City of East Lansing. Mr. Porteous said that the parking ramp building project had been discussed in detail many times. He said he felt the issues that were raised were valid, but that this project should move forward. Mr. Porteous said he felt the additional funds required to make the structure architecturally pleasing to campus and to East Lansing would be well spent.

Trustee Foster said that she cannot support the economics of the project, and, therefore, would vote against the recommendation.

Trustee Romney pointed out that this project was discussed extensively and was part of the 20/20 Vision campus master plan. Mr. Romney said the issue of safety is paramount in his view, and that is the reason he would vote in favor of the recommendation.

Trustee Cook said she had a family member who was riding a bicycle around Circle Drive and was badly injured. She intends to support the project for a number of reasons, but there is no question about the safety issue.

B. Appointment of Investment Manager

It was recommended that the Board of Trustees select Moon Capital as an absolute return manager, contingent upon the approval of the Chairperson of the Trustee Finance and Audit Committee, after consultation with the Trustee Finance and Audit Committee.

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

8. The Trustee Policy Committee report and recommendations were presented by Trustee Cook.

- A. Amendment of Ordinances

It was recommended that the Board of Trustees amend Ordinance 21.00 relating to Alcoholic Beverages through the adoption of a revised section 21.03, as presented in Attachment A, and that Ordinance 15.00, relating to Disorderly Assemblages or Conduct, be amended to include a new section, 15.11, as presented in Attachment B.

On a motion by Ms. Cook, supported by Mr. Romney, **THE BOARD VOTED to approve** these changes to the ordinances.

The guidelines envisioned by Ordinance 21.03 will be brought before the Board at a future date.

- B. Policy Revision: Board of Trustees' Award

It was recommended that the Board of Trustees approve an amendment to the Board of Trustees' Award to allow students who meet the Board of Trustees' Award criteria to be eligible for this award if they graduate in the summer semester. (Attachment C)

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

9. Sesquicentennial Report

Trustee Cook reported that the Sesquicentennial Committee met on February 1, 2005. Ms. Cook said television spots highlighting significant people from the history of the University have been shown on local stations since January. Trustee Cook noted that, as part of the celebration of the Sesquicentennial, President Simon has undertaken an ambitious schedule of hosting receptions at Cowles House. All members of MSU's faculty and staff would be invited to the open house receptions. Trustee Cook also said the President will be traveling in Asia, with certain faculty, to build academic bridges and connections with alumni.

In September 2005, the University will present an academic convocation; the Historical Society Conference will be hosted on campus in September;

dedication of the new Sparty will take place on October 8, 2005; a reunion of all the current members of the Sports Hall of Fame will be held in the fall of 2005. Additionally, the University will establish an Academic Hall of Fame. Garrison Keillor has been invited to campus in the fall of 2005 for discussion and a presentation.

At the request of Chairman Porteous, presentations about Sesquicentennial activities and events will take place at each Board meeting through 2005.

Trustee Cook introduced Lynne Goldstein, Chair of the Department of Anthropology, who said the Department will hold its summer 2005 field school on central campus. It will involve excavation of what was known as Saints' Rest, the first dormitory building, built in 1855. The proposed undertaking is designed as a Sesquicentennial excavation project that will reveal what student life was like at the founding of the institution.

Trustee Cook introduced Linda Stanford, Assistant Provost for Academic Services and University Registrar, who spoke regarding the Founders' Day celebration on February 11, 2005. The commemoration includes the opportunity to tour several campus locations, enjoy presentations by three University Distinguished Professors and attend the Academic Awards Convocation and installation of Lou Anna Kimsey Simon as Michigan State University's 20th president. The faculty of the University will present a mace to Dr. Simon that was designed and constructed by University staff and made from historically significant wood from campus. All events will be open to the public.

10. Appointment to MSU College of Law Board

Trustee Porteous explained that Michigan State University makes several appointments to the Board of Trustees of the MSU College of Law (formerly the Detroit College of Law). Mr. Porteous recommended that Judge Robert E. Weiss, a former member of the MSU Board of Trustees and a long-time member of the Law College Board, be re-appointed to the MSU College of Law Board of Trustees for a three-year period, ending January 10, 2008.

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

11. Resolution to Field Hockey team

Trustee Porteous congratulated the Women's Field Hockey team on advancing to the Final Four. Mr. Porteous introduced captains of the team

and the head coach and presented them with a resolution of congratulations. (Attachment D)

12. Chairperson's Report

Trustee Porteous emphasized that February 11, 2005, will be a special day, as it marks inauguration of the 20th president of Michigan State University. Mr. Porteous said during the period of time between Dr. Simon's appointment and her inauguration, she confirmed the great confidence the Board had in her. Mr. Porteous praised Dr. Simon for her courage in confronting tough issues early in her tenure. He acknowledged that this is a special time in Dr. Simon's life, as well as that of her family and of this University.

13. Trustees' Comments

- A. Trustee Cook remarked that President Simon's love of sports has taught her the importance of being a team player and of achieving. Ms. Cook said she looked forward to the Founders' Day celebration that will validate what Dr. Simon has meant to this University and what she will mean to the University in the future.

Trustee Cook expressed her sadness at the passing of Dr. Lim. She said she had known him since he came to Michigan State, and his passing impacts the University. She extended her sympathies to his family.

- B. Trustee Romney said, during the past several years, MSU has cut programs and taken other steps to drive efficiency. In business, a company is rewarded for efficiency; the University is not being rewarded for its efficiency. The Cherry Commission called for increased funding, growth and value in education. The Governor's Executive Order is not consistent with that recommendation.

Mr. Romney congratulated Dr. Simon on her inauguration and thanked her for her willingness to serve this University.

- C. Trustee Nugent said he is looking forward to the Founders' Day events and said he expects it to be a grand day for President Simon, the University and all those associated with it.

Mr. Nugent said that he had the pleasure of working with Dr. Lim both locally and in Korea. Dr. Lim was a great representative of this University. He said he will truly miss his friendship.

Trustee Nugent noted that one of MSU's greatest early scientists was Dr. William Beal. As part of the Sesquicentennial celebration, Mr. Nugent suggested a bust of Dr. Beal be placed in the Library or near his garden.

Mr. Nugent endorsed Trustee Romney's comments about the budget.

- D. Trustee Foster recognized President Simon and noted that in the past 30 days Dr. Simon has spoken to the Women's Economic Club, the Detroit Economic Club and the Detroit Athletic Club, among others. Ms. Foster attended one of the presentations and said that the President did a tremendous job of selling Michigan State University and highlighting the complex array of projects in which the University is involved.

Ms. Foster said she had traveled with Dr. Lim to Africa in 1992, and he was always a diplomat and a strong advocate for Michigan State's global expansion. He will be sorely missed.

Trustee Foster said that the Student Liaison meetings now have a different format: the same Trustees will be meeting with the students regularly, rather than Trustees rotating from month to month. Ms. Foster said she feels this structure will bring more continuity to the process.

- E. Trustee Gonzales said she has truly enjoyed working with and growing with President Simon over many years. Ms. Gonzales described the President as having a lot of patience and applauded her willingness to serve as a role model.

Ms. Gonzales remarked that Dr. Lim was a wonderful man. He often called on Trustee Gonzales to meet with him and his guests from abroad.

14. Public Participation on Issues Not Germane to the Agenda

Deborah Wilson, representing the Graduate Employees Union (GEU), pointed out that February 11, 2005, marks a new beginning at Michigan State University. Ms. Wilson congratulated President Simon and said this is a time to look forward to a bright future. In the past few months President Simon has demonstrated that increased participation, recognition and voice builds a community and builds a university. Ms. Wilson pointed out that Board of Trustees meetings, under her leadership, are more participatory and discussion based.

Ms. Wilson noted that there are 1,255 graduate students teaching thousands of MSU undergraduate students this semester. Many of these people love teaching and want to do the best job they can. Ms. Wilson said that the GEU is in contract negotiations and seeks the support of the Board of Trustees. Teaching Assistants are a crucial part of MSU. Ms. Wilson said they look forward to working toward common goals.

David Mitchell, representing Students for Economic Justice, welcomed President Simon. Mr. Mitchell asked the Board to consider whether public comment could be placed earlier in Board meetings. He pointed out that many in the audience had left the room, and the press had left, as well.

Mr. Mitchell spoke in favor of MSU joining the Workers' Rights Consortium (WRC). He said the WRC would monitor the conditions under which clothing bearing an MSU logo is made. Mr. Mitchell said MSU is one of only two Big Ten universities that are not part of the WRC. Mr. Mitchell said that MSU's quest for responsible citizenship could be advanced by joining the WRC. He called for legal accountability between the University and those that are licensed to manufacture MSU clothing.

Leo Sell, President of the Administrative Professional Association (APA) at MSU, said that the APA is affiliated with the Michigan Education Association (MEA). Mr. Sell said that through affiliate organizations, the APA works with the legislature to influence appropriations and the level of support for MSU from the State. Mr. Sell said that the MEA has changed its approach with legislators from a concern for K-12 education to one for K-16 education. He said the union's efforts with the legislature are in partnership with MSU's administration and Board of Trustees, on behalf of APA membership and the MEA. He would keep encouraging the MEA to be consistent with the message that support for higher education, as well as K-12, is simply not sufficient in this State, and they must find a way to do more.

15. An Executive Session was not requested.

On a motion by Mr. Romney, supported by Ms. Foster, **THE BOARD VOTED to adjourn** at 5:09 P.M.

Respectfully submitted,

L. Susan Carter
Secretary of the Board of Trustees