

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

September 12, 2007

President Simon called the meeting of the Board of Trustees to order at 9:35 a.m. in the Board Room.

Trustees present: Joel Ferguson, Melanie Foster, Dorothy Gonzales, Colleen McNamara, Donald Nugent, Faylene Owen, and George Perles.

Trustees absent: Scott Romney.

University officers present: President Simon, Provost Wilcox, Vice President Poston, Secretary Barber, Vice President and General Counsel Noto, Vice Presidents Denbow, Gray, June, Webb, and Webster, Senior Advisor and Director Granberry Russell, and Executive Director Beekman. Faculty liaisons present: Rebecca Henry, James Potchen, John Powell, and Susan Sleeper Smith. Student liaisons present: Eric Hinojosa, Michael Leahy, Jarrod Morrice, and Yanisleidy Reina.

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

1. On a motion by Trustee Foster, supported by Trustee Gonzales, the **BOARD VOTED to approve** the agenda.
2. On a motion by Trustee Owen, supported by Trustee McNamara, the **BOARD VOTED to approve** the meeting minutes of June 15, 2007 and July 11, 2007.
3. President's Report
 - A. Start of School Year

President Simon said MSU welcomed approximately 46,000 students to campus, including 7,370 incoming first year students, more than 2,000 new graduate students, and over 1,300 new transfer students. A series of fall welcome events have occurred for the student and faculty.

President Simon thanked Provost Wilcox, Vice President Poston, Vice President June, and Assistant Vice President Gore for an

exceptional move-in. There was a great excitement among students and faculty at the new Residential College in the Arts and Humanities. President Simon noted that she also visited freshman business students at Shaw Hall who are part of a new residential program there. She received many positive comments from students and parents as she helped with the move-in activities.

B. Year of Arts and Culture

President Simon announced that this academic year has been declared the Year of Arts and Culture. Among the many planned activities are the Wharton Center's 25th anniversary celebration, the opening of the Residential College in Arts and Humanities, and ground breaking for the Eli and Edythe Broad Art Museum.

C. Hispanic Heritage Month

President Simon stated that September 15 is the beginning of Hispanic Heritage Month. This offers an opportunity for the MSU community to learn about the culture, and explore the many contributions, of Hispanic Americans.

D. Rosh Hashanah

President Simon noted that the evening of September 12 marks the beginning of the Jewish New Year. This is an important event for the MSU community. President Simon acknowledged Trustee Owen as MSU's first Jewish, female Trustee.

E. Campus Sustainability Leadership Awards

President Simon said that MSU was recognized by the Association for the Advancement of Sustainability in Higher Education for making environmental stewardship a major component of the campus vision. The university received the Campus Sustainability Leadership Award for its commitment to annual reductions of two percent in its greenhouse gas emissions, to meet LEED standards for new buildings, and to academic programs and research initiatives related to sustainability.

F. State Budget

President Simon asked Vice President Webster to comment on the State Budget.

Vice President Webster said that as the fiscal year for the State of Michigan comes to a close, the Michigan constitution requires that a budget be put into place. If the list of cuts supplied by the Senate is passed, MSU would not receive the restoration of the \$26 million August appropriation that was withheld by the State of Michigan and was promised to be paid to MSU by October 17, 2007. The more distressing news is that the budget deficit estimated for the following year exceeds one billion dollars.

Vice President Webster noted that compromise usually occurs in the preparation of the budget. That could take the form of a temporary income tax increase with some budget cuts and reforms. The potential impact on universities' appropriations is not clear.

President Simon said that some may argue that the advocacy for MSU and for the University Research Corridor is simply self-serving and another example of the "me too" aspects of the budget negotiation process. As the report from the Anderson Economic Group indicates, the three universities with medical schools in Michigan had a direct impact of well over 12 billion dollars to the State of Michigan. These universities must be viewed as vehicles for getting more money into the State in terms of research grants and contracts.

G. Truman Scholarship Honors Institution Award Presentation

President Simon introduced Fred Slabach, Executive Secretary of the Truman Foundation, and Cynthia Jackson-Elmore, Associate Professor, School of Social Work, and Dean-designate of the Honors College, pending approval later in the meeting, for the presentation of the Truman Scholarship Honors Institution Award.

Ms. Jackson-Elmore said that on behalf of the Honors College, she would like to introduce Mr. Fred Slabach, Executive Secretary of the Truman Foundation. She noted that Mr. Slabach was a Truman Scholar and graduate with high honors.

Mr. Slabach said that on behalf of the Board of Trustees of the Harry Truman Scholarship Foundation and President Madeline Albright, it is an honor to present MSU with the Truman Scholarship Honors Institution Award. The Truman Scholarship Foundation is the sole federal memorial to the 33rd president of the U.S. The Foundation was established in 1975 with the goal of providing scholarship awards to students who were interested pursuing careers in public service.

Mr. Slabach stated that due to the very competitive nature of the scholarship, it is highly unusual for any one college or university to have a number of its students selected as Truman Scholars. MSU has had 15 Truman Scholars selected over the years. This is a truly amazing record that the university should be proud of. The respective missions of the Truman Scholarship Foundation and MSU are similar in that they further President Truman's vision that free and inquiring minds with unlimited access to the sources of knowledge can be architects of a peaceful and prosperous world.

4. There was no Public Participation on Issues Germane to the Agenda.
5. Personnel Actions

Provost Wilcox presented the following personnel actions:

McClendon, John H., AN—Professor, A&L Interdepartmental Programs; Department of Philosophy, \$145,000, with Tenure, effective August 1, 2007.

Gupta, Sanjay, AN—Russell E. Palmer Professor, Department of Chemistry, \$95,000, with Tenure, effective August 16, 2007.

Spence, Dana M., AY—Associate Professor, Department of Chemistry, \$95,000, with Tenure, effective August 16, 2007.

Wang, Yang, AY—Professor, Department of Mathematics, \$160,000, with Tenure, effective September 15, 2007.

Cholewicki, Jacek, AY—Professor, Walter F. Patenge Chair of Osteopathic Medicine, \$125,000, with Tenure, effective July 1, 2007.

Wampler, Karen S., AN—Professor, Department of Family and Child Ecology, \$172,500, with Tenure, effective August 16, 2007.

Wampler, Richard S., AY—Professor, Department of Family and Child Ecology, \$99,000, with Tenure, effective August 16, 2007.

Martinez, Ruben O., AN—Professor, Julian Samora Research Institute; Department of Sociology, \$170,000, with Tenure, effective September 1, 2007.

Comley, Richard B., AN—Head Coach—Hockey, Intercollegiate Athletics, Subject to Contract, effective July 1, 2010 to June 30, 2011.

Izzo, Thomas, AN—Head Coach—Basketball, Intercollegiate Athletics, Subject to Contract, effective July 1, 2013 to June 30, 2014.

Trustee Ferguson **moved to approve** the recommendations, with support from Trustee Owen.

Provost Wilcox said Professor McClendon has a Ph.D. from the University of Kansas and has been Chair, Assistant, and Associate Professor of American and Cultural Studies and African American Studies at Bates College since 1999. His expertise is in the areas of African American philosophy and the aesthetics of jazz.

Provost Wilcox stated that Professor Gupta has a Ph.D. in accounting from Michigan State University and has been working at Arizona State University for the past 17 years.

Provost Wilcox said that Professor Spence has a Ph.D. in analytical chemistry from Michigan State University and has been working at Wayne State University since 2004.

Provost Wilcox noted that Professor Wang has a Ph.D. from Harvard University and has been at the National Science Foundation for the past two years.

Provost Wilcox said Professor Cholewicki received a Ph.D. from the University of Waterloo in 1994 and has been a faculty member at Yale University since 1993. Professor Cholewicki has several research interests including the role of intra-abdominal pressure and the function of abdominal belts in heavy lifting.

Provost Wilcox stated that Professor Karen Wampler received a Ph.D. from Purdue University in 1979 and has been at Texas Tech University since 1989.

Provost Wilcox said that Professor Richard Wampler has a Ph.D. from the University of Pennsylvania and has been a faculty member at Kansas State University, Indiana University, Purdue University at Fort Wayne, and the North Georgia Mental Health Center.

Provost Wilcox stated that Professor Martinez has a Ph.D. in sociology from the University of California Riverside. He has been on the faculty at the University of Colorado at Colorado Springs and was Chair as well as Vice Chancellor for Academic Affairs and Multicultural Affairs at that institution. Dr. Martinez has been an Associate Provost at Colorado State University at Pueblo and, most recently, a faculty member of the University of Texas at San Antonio.

THE BOARD VOTED to approve the recommendations.

Provost Wilcox presented the following personnel actions:

Esquith, Stephen L., AN—Professor and Chairperson, Department of Philosophy, for a change in title to Acting Dean, Residential College in Arts and Humanities, and for a change in salary to \$151,090, effective July 1, 2007 to June 30, 2008.

Jackson-Elmore, Cynthia, AY—Associate Professor, School of Social Work, to add title Dean, Honors College and for a change from an academic year appointment basis to an annual year appointment basis with a change in salary to \$140,000, effective August 1, 2007.

Trustee Ferguson **moved to approve** the recommendations, with support from Trustee Owen.

Provost Wilcox recommended the continued appointment of Stephen Esquith as Acting Dean of the Residential College in Arts and Humanities. The process for appointing deans relies heavily on faculty. Now that faculty have been appointed, the intent is to begin discussions about a permanent appointment for dean.

Provost Wilcox said that Cynthia Jackson-Elmore is currently an Associate Professor of Social Work at MSU. She has a Ph.D. in public administration from the University of Southern California. Professor Jackson-Elmore has been on the faculty at MSU since 1994 in political science, urban affairs, and social work.

THE BOARD VOTED to approve the recommendations.

President Simon presented the following personnel action:

Hollis, Mark J., AN—Senior Associate Director, Intercollegiate Athletics, for a change in title to Athletic Director Designate, Intercollegiate Athletics, effective September 12, 2007 to December 31, 2007; for a change in title to Director of Intercollegiate Athletics, Executive Management, Subject to Contract, with effective dates of January 1, 2008 to December 31, 2013.

Trustee Foster **moved to approve** the recommendation, with support from Trustee Owen.

President Simon said that MSU has had the benefit of Ron Mason's leadership as Director of Intercollegiate Athletics over the past four years. The position requires a special blend of business skills and integrity.

There is an expectation for the department to be self-sustaining, if not profitable. In addition, it is extremely important that the department have not only a culture of compliance, but be an exemplar as it relates to the values of MSU.

President Simon complimented the Trustees on their engagement and understanding of the role of intercollegiate athletics at MSU. She thanked Trustees Foster, McNamara, and Perles for their contributions as the Board subcommittee that advised her on this matter.

Trustee Foster said that President Simon had asked the Chairperson of the Board to form a subcommittee to advise her in connection with the selection of an athletic director. The committee spoke with various constituents and established a list of desirable criteria. It became clear that Mark Hollis met all of the established criteria for the next athletic director.

Trustee Ferguson said that Mark Hollis will be an excellent athletic director for MSU and that the best years are to come. Sometimes the best candidate is already at the institution. Mark Hollis not only understands the MSU culture, he wants to be here.

Trustee Owen said she has been very impressed by Mark Hollis and believes MSU is lucky to have him as its next athletic director.

Trustee Nugent said that some people may think the established criteria were drawn up to fit Mark Hollis. That is not the case. The criteria were drawn up as what the Board wanted in an athletic director; Mark Hollis fit the criteria and will do an excellent job.

Trustee Gonzales said she believed Mark Hollis to be a great choice for athletic director.

Trustee Perles said that he expects to have fun, win games, and have a clean program with Mark Hollis as athletic director. He feels very confident that good things are ahead for MSU.

Trustee McNamara said that Mark Hollis has had a wonderful opportunity to work with some great people at the university. One of his great strengths is his ability to dream big. He has shown the ability not only to dream big, but get those big things done. MSU is lucky to have him.

James Potchen, Faculty Liaison, said that the Executive Committee of the Academic Council had an extensive presentation on the relationship of academia to athletics. The entire committee was very impressed to learn how well it works at MSU. Many people on the committee have known

Mark Hollis for a long time and believe that he is the perfect person to continue bridging academics and athletics.

Eric Hinojosa, Student Liaison, said his first meeting with Mark Hollis involved fund raising for Hurricane Katrina victims. Mark listened to the ideas presented and then amplified on those to help raise money. This is indicative of how Mark Hollis works. He listens to students and has always gone above and beyond what was expected.

THE BOARD VOTED to approve the recommendation.

Mr. Hollis thanked Chairman Ferguson, Vice Chairperson Foster, President Simon, and Provost Wilcox. He said it was a great moment and that he loved MSU. Ron Mason has done so much for MSU; continuity will be key during this transition. Mr. Hollis said he looked forward to serving as athletic director and thanked everyone for their support.

6. Gifts, Grants and Contracts

It was recommended that the Board of Trustees approve the Gift, Grant and Contract Report for the period of June 2, 2007 through August 30, 2007. The report is a compilation of 659 Gifts, Grants and Contracts, 34 Consignments/Non-Cash Gifts, and 1 Consignment/Non-Cash loan, with a total value of \$117,624,826.14.

Trustee Nugent **moved to approve** the recommendation, with support from Trustee McNamara.

THE BOARD VOTED to approve the recommendation.

7. Finance Committee Report

Trustee Nugent presented the Finance Committee Report and recommendations.

A. Financing of MSU Programs of Higher Education in Dubai, United Arab Emirates

It was recommended that the Board of Trustees authorize obtaining financing from TECOM Investments FZ-LLC, to be used for the start-up, operational and facilities costs of MSU programs of higher education in Dubai, United Arab Emirates, upon terms and conditions set forth in an agreement approved by an Authorized Officer (as defined in this Resolution), but not to exceed three million dollars (\$3,000,000) principal amount ("Financing"); and that the President, the Vice President for Finance and Operations and

Treasurer, and the Director of Investments and Financial Management (each an “Authorized Officer”), or any one of them individually, is authorized to negotiate, execute and deliver on behalf of the Board of Trustees an agreement and any other instrument or document, and to take any other actions, as the Authorized Officer deems appropriate or expedient in connection with the Financing.

Trustee Nugent **moved to approve** the recommendation, with support from Trustee Foster.

President Simon said that this is a signal of support for the project to MSU from TECOM and the important officials in Dubai. They are so confident the project will be successful that they are willing to provide MSU with a loan that will not have to be repaid if the project has to be terminated due to a catastrophic event.

THE BOARD VOTED to approve the recommendation.

B. New Investment Managers

It was recommended that the Board of Trustees select EnCap Investments L.P. as an inflation hedge manager.

It was recommended that the Board of Trustees select Rho Capital Partners, Inc. as a non-marketable alternative asset investment manager.

It was recommended that the Board of Trustees select Bain Capital Partners, L.L.C. as a non-marketable alternative asset investment manager.

It was recommended that the Board of Trustees select VA partners, L.L.C. as a U.S. equity manager.

Trustee Nugent **moved to approve** the recommendations, as a group, with support from Trustee Owen.

THE BOARD VOTED to approve the recommendations.

C. Authorization to Plan—East Circle Drive Reconstruction

It was recommended to the Board of Trustees that it authorize the administration to plan for the project entitled East Circle Drive Reconstruction.

Trustee Nugent **moved to approve** the recommendation, with support from Trustee Gonzales.

Bob Nestle, University Engineer, said that this project is part of the continuing program to upgrade the road and utility systems on campus. A communication duct line will be installed to separate fiber optic cables along with installation of a small amount of steam line work for Berkey Hall. The road will be re-constructed to include bike lanes to emphasize safety for pedestrians, bicyclists, and vehicles.

THE BOARD VOTED to approve the recommendation.

D. Project Approvals—Authorizations to Proceed

It was recommended to the Board of Trustees that it authorize the administration to proceed with the project entitled Holden Hall—Elevator Replacement and to approve a budget of \$1,000,000.

It was recommended to the Board of Trustees that it authorize the administration to proceed with the project entitled Erickson Hall—Exterior Restoration and to approve a budget of \$2,100,000.

It was recommended to the Board of Trustees that it authorize the administration to proceed with the project entitled Crescent Road/Middlevale Road Reconstruction—Phase IV and to approve a budget of \$2,300,000.

Trustee Nugent **moved to approve** the recommendations, as a group, with support from Trustee Owen.

Bob Nestle, University Engineer, said the purpose of the Erickson Hall project was to replace the curtain wall system including aluminum grid work and glass windows and doors. Many thermal panes have lost their seals and fog up as a result. A new curtain wall system will be installed to provide better thermal efficiency and resist heat transfer through the glass.

THE BOARD VOTED to approve the recommendations.

8. Policy Committee Report

Trustee McNamara presented the Policy Committee Report and recommendations.

A. University By-laws Changes

It was recommended that the Board of Trustees approve the revisions to the By-Laws for Academic Governance primarily related to governance rights for full-time, fixed term faculty as approved by Academic Council.

Trustee McNamara **moved to approve** the recommendation, with support from Trustee Foster.

Provost Wilcox said the proposal provides fixed term faculty the rights and privileges in the Academic Governance system. At most, this would add five members (four faculty and one student representative) to the Academic Council. At the present time, fixed term faculty have no voice in Academic Governance.

THE BOARD VOTED to approve the recommendation.

- B. Approval of Contract Terms and Conflict of Interest Management Procedures: *XG Sciences, Inc.*

It was recommended that the Board of Trustees approve the execution of a license agreement with *XG Sciences, Inc.*, consistent with earlier public notice given at a Board meeting and with the Lease Term Sheet presented to the Board for inclusion in its minutes. (Appendix A)

Trustee McNamara **moved to approve** the recommendation, with support from Trustee Gonzales.

THE BOARD VOTED to approve the recommendation.

9. Boldness by Design: Student Engagement

Provost Wilcox presented the Boldness by Design report on transforming the student experience through MSU learning communities. (Appendix B).

10. Trustee Comments

Trustee Owen said she had a wonderful meeting with the new Faculty Liaison Committee members regarding working with legislators. She looks forward to the continued exchange of ideas with the group.

Trustee Nugent said the Board was honored with the naming of Trustee Perles to the MSU Sports Hall of Fame. He also noted that the Institute of Food Technologists held its annual food show and had about 100,000 people attend. Students from various colleges developed new products

and presented how they would market them. The MSU Food Science team came in first place and is deserving of recognition.

Trustee Perles said that MSU is in great position with solid football, basketball, and hockey coaches and a new Director of Intercollegiate Athletics.

Trustee Gonzales said that she echoed the sentiments of the Board.

Trustee Foster stated that the Student Liaison Committee shared ideas on working in tandem with the university in communications to the Legislature.

11. There was no Public Participation on Other Issues.

12. Request to Adjourn

On a motion by Trustee Owen, supported by Trustee Foster, **THE BOARD VOTED to adjourn** at 10:55 a.m.

Respectfully submitted,

Alison E. Barber, Ph.D.
Secretary of the Board of Trustees