

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

April 22, 2014

President Simon called the meeting of the Board of Trustees to order at 9:30 a.m. in the Board Room.

Trustees present: Brian Breslin, Dianne Byrum, Joel Ferguson, Mitch Lyons, Brian Mosallam, Faylene Owen, George Perles, and Diann Woodard.

University officers present: President Simon, Acting Provost and Executive Vice President Youatt, Executive Vice President Udpa, Vice President and Secretary Beekman, Vice President and General Counsel Noto, Vice Presidents Burnham, Dawkins, Gore, Groves, Haas, Hsu, Maybank, and Swain, and Senior Advisor and Director Granberry Russell. Faculty liaisons present: William Davidson II, William Donohue, Sue Carter, and Mary Noel. Student liaisons present: Stefan Fletcher and Kiran Samra.

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

1. On a motion by Trustee Ferguson, supported by Trustee Owen, the **BOARD VOTED to approve** the agenda.
2. On a motion by Trustee Woodard, supported by Trustee Breslin, the **BOARD VOTED to approve** the minutes of the January 31, 2014 Board of Trustees meeting.
3. Board of Trustees Award Presentations

Trustees Ferguson and Breslin presented the Board of Trustees Award to the following students:

1. Maytham Alzayer—Major: Engineering; 4.0 GPA
2. Travis Baes—Major: Human Biology; 4.0 GPA
3. Aaron Barto—Major: Human Biology; Member of the Honors College; 4.0 GPA
4. Erik Bates—Major: Mathematics, Advanced; Member of the Honors College; 4.0 GPA

5. Taylor Birman—Major: Social Work; Member of the Honors College; 4.0 GPA
6. Jennifer Bonamici—Major: Human Biology; 4.0 GPA
7. Karishman Chopra—Major: Human Biology; Member of the Honors College; 4.0 GPA
8. Nicholas Dziadosz—Major: English; Member of the Honors College; 4.0 GPA
9. Jennifer Ellis—Major: Psychology; Member of the Honors College; 4.0 GPA
10. Kayla Felger—Major: Chemistry; Second Degree Major: Human Biology; Member of the Honors College; 4.0 GPA
11. Maen Hammad—Major: Political Science-Prelaw; 4.0 GPA
12. Kenneth Hanson—Major: Linguistics; 4.0 GPA
13. Nathan Langolf—Major: Computer Science; Member of the Honors College; 4.0 GPA
14. Ariel Lessens—Major: Hospitality Business; Member of the Honors College; 4.0 GPA
15. Heidi Little—Major: Linguistics; Member of the Honors College; 4.0 GPA
16. Michaelyn Lux—Major: Chemistry; Member of the Honors College; 4.0 GPA
17. Jason Meldau—Major: Chemistry; Member of the Honors College; 4.0 GPA
18. Jodi Meyer—Major: Nutritional Sciences; Member of the Honors College; 4.0 GPA
19. Sarah Miller—Major: Education; Member of the Honors College; 4.0 GPA
20. Andrew Morton—Major: Biochemistry and Molecular Biology; Member of the Honors College; 4.0 GPA

21. Michelle Orlando—Major: Economics; Member of the Honors College; 4.0 GPA
22. Jone Ortiz—Major: Accounting; 4.0 GPA
23. Craig Pearson—Major: Biochemistry and Molecular Biology; Second Degree Major: Neuroscience; Member of the Honors College; 4.0 GPA
24. Hunter Piegols—Major: Zoology; Member of the Honors College; 4.0 GPA
25. Alexander Randall—Major: Finance; 4.0 GPA
26. Joshua Reside—Major: Human Biology; Member of the Honors College; 4.0 GPA
27. Michelle Rizor—Major: Psychology; Member of the Honors College; 4.0 GPA
28. Alexandra Rodebach—Major: Food Science; Member of the Honors College; 4.0 GPA
29. Devon Rossman—Major: Horticulture; Member of the Honors College; 4.0 GPA
30. Andrew Stone—Major: Political Science; Member of the Honors College; 4.0 GPA
31. Paul Van Gilder—Major: Finance; Member of the Honors College; 4.0 GPA
32. Kelly Warsinske—Human Biology; Member of the Honors College; 4.0 GPA

Acting Provost Youatt acknowledged the Board of Trustees Award recipients who were not able to attend:

33. Bradley Hull—Major: Accounting; Member of the Honors College; 4.0 GPA
34. Adam Liter—Major: Linguistics; Second Degree Major: Philosophy; Member of the Honors College; 4.0 GPA

35. Ranee Wiley—Major: Accounting; Member of the Honors College; 4.0 GPA

4. President's Report

President Simon provided the following report to the Board.

- A. Commencement

Philanthropist Azim Premji, chairman of the global information technology company Wipro Ltd., and Norman Augustine, retired CEO and chairman of the aeronautics company Lockheed Martin, will speak at the spring commencement exercises on May 2, 2014.

Premji will address undergraduates at the 1 p.m. convocation. He will receive an honorary doctorate of humane letters. Also at that ceremony, Shirley Weis, the first woman and non-physician to serve as chief administrative officer of the Mayo Clinic, will receive an honorary doctorate of science.

Later that day, Augustine will address advanced degree candidates. He will receive an honorary doctorate of science. In addition, Clifton Haley, former president of MSU College of Law and former CEO of Budget Rent-a-Car, will receive an honorary doctorate of laws.

- B. 100th Anniversary of Smith-Lever Act and MSU Extension

On May 8, 1914, President Woodrow Wilson signed legislation that extended the land-grant university concept beyond university campuses to reach into communities across the United States. That legislation created the Cooperative Extension System as a partnership among federal, state, and county governments. That legislation continues today as the key authorizing legislation for the work of MSU Extension.

- C. MSU Education Programs Number One for 20 Straight Years

For the 20th consecutive year, U.S. News & World Report ranked MSU number one in both elementary and secondary education at the graduate level. The remarkable feat is just one example of MSU's growing stature in a wide array of graduate fields.

- D. MSU's Standing among Universities Improves in Annual Rankings

MSU is among a group of schools that ranked between 61 and 70 in the 2014 Times Higher Education World Reputation Rankings, a publication that aims to “provide the definitive list of the top 100 and most powerful global university brands.” MSU moved up from the 71-80 bracket into which it was placed in 2013.

E. National Association of College & University Food Services Award

MSU won the Silver Award in the category of ‘Procurement Practices’ in the National Association of College & University Food Services (NACUFS) 2014 Sustainability Awards contest. MSU student Steve Brickel, founder of the Sustainable Spartans, received a Silver medal in The Green Champion award from NACUFS.

F. Michigan Association of Broadcasters Names Top Radio, TV Stations for 2013

The Michigan Association of Broadcasters honored WKAR-TV as its 2013 Public Television Station of the Year during its annual Broadcast Excellence Awards. WKAR-TV and WKAR-FM combined to win nine Broadcast Excellence Awards in all.

G. American Advertising Awards

The Office of Communications and Brand Strategy won 2014 Mid-Michigan American Advertising Awards for the President’s Report, a piece on the Spartan Marching Band, and the William T. Langford spoken word piece. The Project 60/50 Campaign received a Local Merit Award as well.

H. MSU Plant Biologist Receives Prestigious Guggenheim Fellowship

Nathan Swenson, MSU assistant professor of plant biology, has received a fellowship from the John Simon Guggenheim Memorial Foundation. The prestigious award is given to mid-career professionals who have demonstrated exceptional capacity for productive scholarship or exceptional creative ability in the arts.

I. MSU Professor Earns NSF CAREER Grant

MSU’s Rick Wash is the recipient of a Faculty Early Career Development grant, one of the National Science Foundation’s most prestigious and competitive awards for junior researchers.

J. MSU's Payne Honored at Wooden Gala

Adreian Payne was honored at the John R. Wooden Award gala with the first Outreach Award because of his friendship with Lacey Holsworth, a cancer-stricken eight year-old girl.

K. Academic All-Big Ten Honors

The Big Ten Conference announced the Academic All-Big Ten honorees for 2013-14 winter sports. In all, 75 MSU student-athletes were honored across the Spartans' seven winter sports.

L. Clean Energy Challenge Awards

Black Pine Engineering, an MSU student-led company, is the winner of the \$100,000 Department of Energy Student Challenge Prize. Black Pine Engineering will go on to compete for an additional \$100,000 at the 2014 National Clean Energy Business Plan Competition.

M. National Debate Tournament

MSU was one of only six universities nationwide to qualify three teams for the National Debate Tournament. This was the first time that MSU had qualified three teams since 2008 and speaks well of the competitiveness of the students and the hard work of their coaches.

N. MSU Law Mock Trial Team

For the first time in MSU history, the MSU College of Law mock trial team has qualified to compete in the American Mock Trial Association (AMTA) Grand National Tournament. The mock trial team advanced to the national tournament after taking sixth place at the AMTA regional tournament.

O. MSU's Unmanned Systems Team

MSU's Unmanned Systems Team in the College of Engineering landed in the top 20 internationally in its first-ever SAE Aero Design East Competition.

P. 2014 Goldwater Scholars

Cynthia Jackson-Elmoore, Dean of the Honors College, introduced MSU's two Goldwater Scholars, John Suddard-Bangsund and David Zoltowski.

Q. Faculty Athletic Representative

Sue Carter has been appointed as the next Faculty Athletic Representative. She will replace Mike Kasavana, who has served in the role for 26 years.

R. Facilities and Infrastructure Report

The Facilities and Infrastructure Report is compiled annually to reflect the current state of MSU's facilities and infrastructure, as well as to highlight future planning. The report is available on the IPF website.

S. President's Report

Heather Swain, Vice President of Communication and Brand Strategy, discussed the 2014 President's Report. She noted that it is available at <http://report.president.msu.edu/insideout/>.

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

5. Personnel Actions

Acting Provost Youatt presented the following personnel actions:

Crocco, Margaret S., AN—Professor, Department of Teacher Education, \$214,000, with Tenure, effective May 16, 2014.

Eguia Egusquiza, Jon, AY—Associate Professor, Department of Economics, \$130,000, with Tenure, effective August 16, 2014.

Dantonio, Mark J., AN—Head Coach—Football, Intercollegiate Athletics, Subject to Contract, effective January 15, 2019 to January 14, 2020.

Hanson, Steven D, Interim Dean, International Studies and Programs; Chairperson and Professor, Department of Agriculture, Food and Resource Economics, for a change in title to Associate Provost and Dean, International Studies and Programs; Professor, Department of Agriculture, Food and Resource Economics, and for a change in salary to \$255,000, effective April 22, 2014.

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

THE BOARD VOTED to approve the recommendations.

President Simon presented the following personnel action.

Youatt, June, AN—Acting Provost and Executive Vice President for Academic Affairs, Office of the Provost; Professor, Department of Human Development and Family Studies, for a change in title to Provost and Executive Vice President for Academic Affairs and for a change in salary to \$370,000, effective April 22, 2014.

Trustee Ferguson **moved to approve** the recommendation, with support from Trustee Byrum.

THE BOARD VOTED to approve the recommendation.

6. Gifts, Grants, and Contracts

Vice President Hsu presented the Gifts, Grants, and Contracts Report for the period of January 14, 2014 through April 2, 2014. The report is a compilation of 633 Gifts, Grants and Contracts plus 116 Consignment/Non-Cash Gifts, with a total value of \$168,349,671.

Trustee Lyons **moved to approve** the recommendation, with support from Trustee Breslin.

THE BOARD VOTED to approve the recommendation.

Vice President Hsu introduced Professor David Closs, John H. McConnell Professor of Business Administration and Chairperson of the Department of Supply Chain Management. Professor Closs made a presentation to the Board on supply chain management. (Appendix A)

7. Finance Committee

Trustee Owen presented the Trustee Finance Committee Report and recommendations.

A. 2014-15 Housing and Dining Rate Recommendations

It was recommended that the Board of Trustees adopt the basic residence hall double room and board rate of \$9,154 for freshman, transfer, and returning students who select the silver unlimited meal plan for the 2014-15 academic year.

The Trustee Finance Committee also recommended that the Board of Trustees adopt Spartan Village rates of \$650 per month for a one-bedroom apartment and \$774 per month for a two-bedroom apartment, and adopt a University Village rate of \$705 per month/per person for a four-bedroom apartment, effective August 1, 2014.

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

THE BOARD VOTED to approve the recommendations.

B. Fund Functioning as an Endowment

It was recommended that the Board of Trustees establish a fund functioning as an endowment entitled Smith-Marshall Family Endowment for Writing in the College of Arts and Letters.

It was recommended that the Board of Trustees establish a fund functioning as an endowment entitled Monika Richter Fund for Hidden Lake Gardens.

It was recommended that the Board of Trustees establish a fund functioning as an endowment entitled Michigan FFA Scholarship.

It was recommended that the Board of Trustees establish a fund functioning as an endowment entitled Scholarship for Romance and Classical Languages in the College of Arts and Letters.

It was recommended that the Board of Trustees establish a fund functioning as an endowment entitled ASMSU Awards for Distinguished Leaders.

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

THE BOARD VOTED to approve the recommendations.

C. New Investment Manager—Kabouter Management, LLC

It was recommended that the Board of Trustees select Kabouter Management, LLC as an investment manager.

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

THE BOARD VOTED to approve the recommendation.

D. Authorization to Plan—Life Sciences—Renovations to A-Wing

It was recommended that the Board of Trustees authorize the Administration to plan for the project entitled Life Sciences—Renovations to A-Wing.

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

THE BOARD VOTED to approve the recommendation.

E. Authorization to Plan—Horticulture Gardens—Construct Welcome Center

It was recommended that the Board of Trustees authorize the Administration to plan for the project entitled Horticulture Gardens—Construct Welcome Center.

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

THE BOARD VOTED to approve the recommendation.

F. Authorization to Plan—Packaging Building—First Floor Renovations

It was recommended that the Board of Trustees authorize the Administration to plan for the project entitled Packaging Building—First Floor Renovations.

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

THE BOARD VOTED to approve the recommendation.

G. Project Approval—Authorization to Proceed—Parking—Lot 97 (Engineering Research) Expansion

It was recommended that the Board of Trustees authorize the Administration to proceed with the project entitled Parking—Lot 97 (Engineering Research) Expansion, and that it approve a budget of \$1,400,000.

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

THE BOARD VOTED to approve the recommendation.

H. Project Approval—Authorization to Proceed—Veterinary Teaching Hospital—Nursing Care Unit Renovation

It was recommended that the Board of Trustees authorize the Administration to proceed with the project entitled Veterinary Teaching Hospital—Nursing Care Unit Renovation, and that it approve a budget of \$2,100,000.

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

THE BOARD VOTED to approve the recommendation.

I. Project Approval—Authorization to Proceed (budget adjustment) Kresge Art Center—Courtyard Renovation

It was recommended that the Board of Trustees approve a budget of \$1,151,300 for a project entitled Kresge Art Center—Courtyard Renovation.

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

THE BOARD VOTED to approve the recommendation.

J. Bid and Contract Award—Bessey Hall—Renovate Third Floor

It was recommended that the Board of Trustees authorize the Administration to award a contract in the amount of \$517,400 to Laux Construction LLC for the project entitled Bessey Hall—Renovate Third Floor.

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

THE BOARD VOTED to approve the recommendation.

8. Policy Committee

Trustee Byrum presented the Trustee Policy Committee Report and recommendations.

A. Investment Authority/University Advancement

It was recommended to the Board of Trustees that the following action be taken:

Effective May 1, 2014, each of the President and the Vice President for Finance and Treasurer, individually, is authorized and empowered to invest the assets of Michigan State University; to purchase, sell, exchange, lend, or transfer all forms of securities and other investments, including rights or options to acquire the same, directly or through instructions to brokers or other agents; to execute and deliver any necessary documents in connection with such transactions; and to delegate such authority to others. The authority and power conferred by this action shall vest in any individual appointed as successor to the President or Vice President for Finance and Treasurer, in any successor position or positions to the Vice President for Finance and Treasurer and in any individuals appointed to these successor positions.

This action supersedes all prior Board actions relating to investment authority. (Appendix B)

Trustee Byrum **moved to approve** the recommendation, with support from Trustee Ferguson.

THE BOARD VOTED to approve the recommendation.

B. Naming Proposal: Forest Akers Trust Practice Complex and Ed & Wanda Eichler Family Teaching Tower and Gallery

It was recommended to the Board of Trustees that the marching band artificial turf practice field located in the area immediately northwest of the intersection of Shaw Lane and Chestnut Lane be named the Forest Akers Trust Practice Complex and that the adjacent tower and seating areas be named the Ed & Wanda Eichler Family Teaching Tower and Gallery.

Trustee Byrum **moved to approve** the recommendation, with support from Trustee Ferguson.

THE BOARD VOTED to approve the recommendation.

Trustee Breslin abstained from the vote because he serves as a trustee of the Forest Akers Trust.

C. Revision to Alcohol Ordinance

Alcoholic Beverages Ordinance Amendment

It was recommended to the Board of Trustees that it modify Board Ordinance 21.00 regarding Alcoholic Beverages. (Appendix C)

Trustee Byrum **moved to approve** the recommendation, with support from Trustee Ferguson.

THE BOARD VOTED to approve the recommendation.

D. Approval of Contract Terms

It was recommended that the Board of Trustees approve an agreement with *Suburban Ice, LLC*, consistent with earlier public notice given at a Board meeting and with the "Facility Rental Agreement Term Sheet" presented to the Board. (Appendix D)

It was recommended that the Board of Trustees approve an agreement with *Ingenex, LLC*, consistent with earlier public notice given at a Board meeting and with the "Agreement Term Sheet" presented to the Board. (Appendix E)

Trustee Byrum **moved to approve** the recommendations, with support from Trustee Breslin.

THE BOARD VOTED to approve the recommendations.

E. Notice of Intent to Negotiate Contracts

Pursuant to State Law, Trustee Byrum gave public notice of the University's intent to negotiate contracts with *Datashark Corporation*, a Delaware corporation based in East Lansing.

Dr. Xiaobo Tan, an Associate Professor in the Department of Electrical and Computer Engineering, and his family own or have

options to buy an ownership interest of more than one percent of the company.

Pursuant to State Law, Trustee Byrum gave public notice of the University's intent to negotiate a contract with *SkyQ Inc.*, a Delaware corporation based in East Lansing.

Dr. Gary Ferenchick, a Professor of Internal Medicine in the Department of Medicine, and his family own or have options to buy an ownership of more than one percent of the company.

Pursuant to State Law, Trustee Byrum gave public notice of the University's intent to negotiate contracts with *Spartan Dawg, LLC*, a limited liability company based in Lansing.

Mr. Timothy Bograkos, a Director of Major Market Engagement in the Alumni Association, and his family own or have options to buy an ownership interest of more than one percent of the company. Mr. Bograkos is also a member of *Spartan Dawg, LLC*.

Pursuant to State Law, Trustee Byrum gave public notice of the University's intent to negotiate a contract with Dr. Laura Apol regarding a publication by the MSU Press. Dr. Apol is an associate professor in the Department of Teacher Education, College of Education.

Pursuant to State Law, Trustee Byrum gave public notice of the University's intent to negotiate a contract with Dr. Rita Kiki Edozie regarding a publication by the MSU Press. Dr. Edozie is a faculty member in James Madison College and the Director of the African American and African Studies in the College of Arts and Letters.

Pursuant to State Law, Trustee Byrum gave public notice of the University's intent to negotiate a contract with Dr. Robert B. Richardson regarding a publication by the MSU Press. Dr. Richardson is a faculty member in the Department of Community Sustainability, College of Agriculture and Natural Resources.

Pursuant to State Law, Trustee Byrum gave public notice of the University's intent to negotiate a contract with Professor Anita C. Skeen regarding a publication by the MSU Press. Professor Skeen is a faculty member in the Residential College in the Arts & Humanities.

9. Audit Committee

Trustee Breslin presented the Trustee Audit Committee Report.

Trustee Breslin said that the Audit Committee met with Plante and Moran and received a report on the scope of the annual audit. In addition, the Committee met with the Director of Internal Audit, Tom Luccock, with regard to expansion of the financial misconduct hotline.

10. Diversity Report

Senior Advisor and Director Granberry Russell presented the Diversity and Inclusion at MSU Annual Progress Report for 2012-13.

The full report can be viewed at:
<http://www.inclusion.msu.edu/>

11. Trustee Comments

Trustee Ferguson thanked President Simon for her leadership and noted that MSU continues to do more with less.

Trustee Woodard congratulated the Board of Trustees Scholarship Award recipients and Provost Youatt on her appointment.

Trustee Lyons thanked the Administration for its hard work on behalf of MSU and welcomed Provost Youatt to her new position.

Trustee Owen asked Dr. Sue Carter, Faculty Liaison, to provide an overview of the discussion that occurred at the faculty liaison breakfast meeting.

Dr. Carter said that the group had a discussion regarding the issues raised during at-large visits to college faculty advisory councils, specifically faculty compensation.

Trustee Byrum congratulated Provost Youatt on her appointment. Trustee Byrum also congratulated the Board of Trustees Scholarship Award recipients.

Trustee Mosallam congratulated the Board of Trustees Scholarship Award recipients and Provost Youatt on her appointment.

Trustee Perles congratulated Provost Youatt on her appointment. Trustee Perles also congratulated Coach Dantonio on the Rose Bowl victory.

Trustee Breslin acknowledged the Tower Guard students for their service to their fellow MSU students.

12. Public Participation on Issues Not Germane to the Agenda.

A. Fixed-term Faculty at MSU

Dr. Penny Gardner, President of the Union of Non-Tenure Track Faculty (UNTF), said that she represents 540 faculty members on fixed-term contracts at MSU. Dr. Gardner said that the current UNTF contract with MSU expires in three weeks. Dr. Gardner said that the MSU Administration has rejected UNTF proposals on academic freedom, job security, salary, and health care for long-term employees. Dr. Gardner asked that MSU take the bargaining process seriously and treat its temporary faculty with dignity.

Dr. Brian Holcomb, MSU fixed-term faculty member, said that MSU ranks in the sixth percentile nationwide for instructors, a category of employees that have little to no job security and are majority female. Dr. Holcomb noted that MSU ranks last in instructor pay within the Big Ten. Dr. Holcomb said that this is one ranking that needs to be changed if MSU is to be taken seriously by its peer institutions.

Dr. Megan Inbody, MSU fixed-term faculty member, said that UNTF members are hired on one semester, one year, and three year appointments. Dr. Inbody said that longer contracts allow faculty members to concentrate on pedagogy and student development. Dr. Inbody stressed the importance of reappointment notices and her disappointment that the MSU Administration has proposed to eliminate the notices.

David Hecker, President of the American Federation of Teachers Michigan, said that for MSU to maintain and enhance its standing as one of the world's great universities, and for MSU to continue to provide its students the very best instruction, it is imperative to retain and attract the best and brightest to the faculty. Mr. Hecker said that the MSU Administration must address the issue of compensation and do so in a meaningful way. Mr. Hecker also stated that faculty should continue to receive reappointment notices.

B. Recent Grievance Resolution

Sylvia Marques, MSU student, said that the Graduate Employees Union (GEU) and MSU were able to settle a grievance concerning the systematic underpayment of teaching assistants. Ms. Marques said that the GEU members care deeply about the work that they do. She noted that contingent faculty give their all to Team MSU. Ms. Marques asked for respect for all contingent faculty at MSU.

C. Michigan SB 768 and MSU's Response

Amber True, MSU Graduate Assistant, said that the competition in which MSU needs to engage is the competition over commitment to social justice. This commitment requires making MSU affordable to students of all backgrounds. Ms. True said that MSU should freeze tuition and encouraged everyone to influence the State of Michigan to increase funding for higher education.

13. Request to Adjourn

On a motion by Trustee Ferguson, supported by Trustee Owen, **THE BOARD VOTED to adjourn** at 11:45 a.m.

Respectfully submitted,



William R. Beekman
Secretary of the Board of Trustees

**RESEARCH
PRESENTATION
TO THE MSU BOARD OF TRUSTEES**

***** APRIL 22, 2014 *****

***** DAVID CLOSS *****

***** BROAD COLLEGE OF BUSINESS *****

Facilitated by the Office of the Vice President for
Research and Graduate Studies



DAVID J. CLOSS

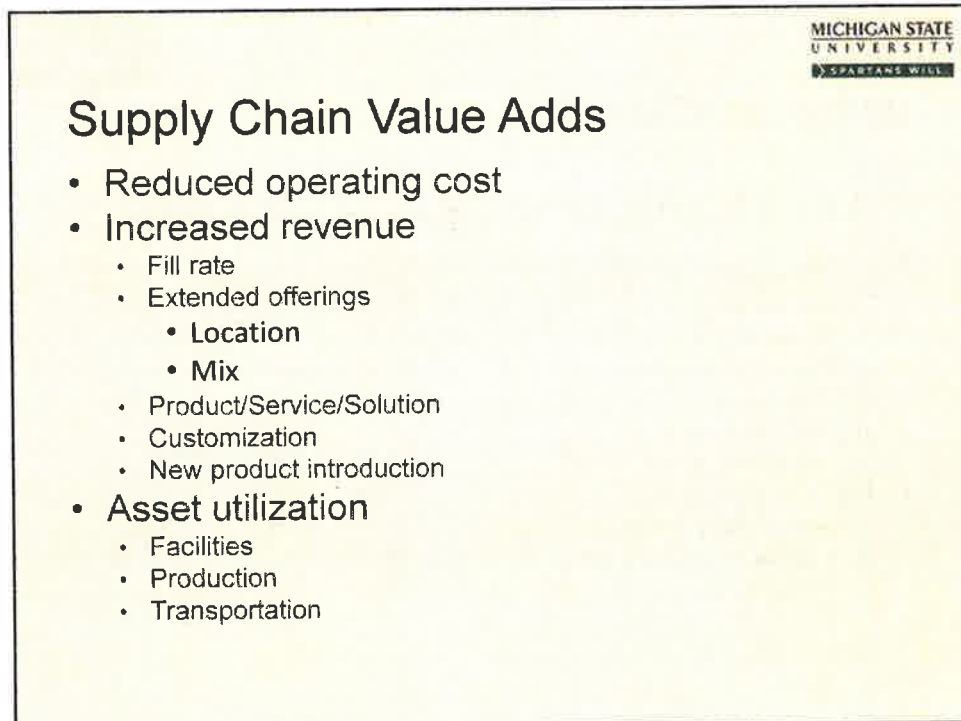
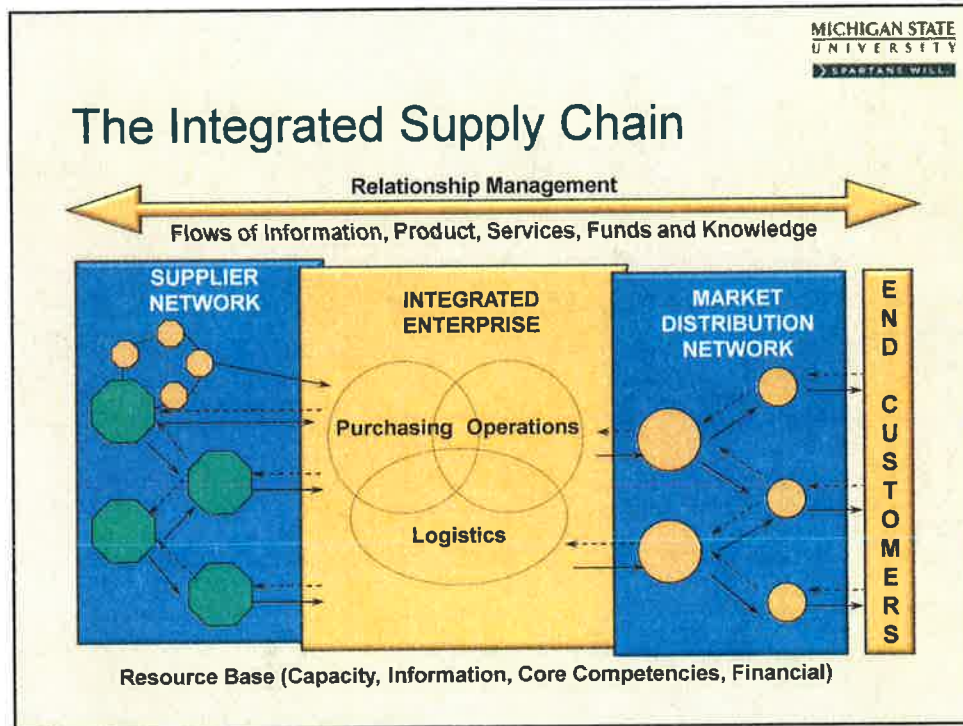
Dr. David J. Closs is the John H. McConnell Chaired Professor of Business Administration and Chairperson of the Department of Supply Chain Management at Michigan State University. Dr. Closs received his BS, MBA, and PhD from MSU. Dr. Closs actively participates in logistics executive development seminars and has presented sessions in North America, South America, Asia, Australia and Eastern Europe. Dr. Closs's recent research includes supply chain design and strategy, the role of supply chain in economic development, food safety, sustainability, and creating competitive advantage through supply chain management. Dr. Closs has authored and co-authored numerous articles and textbooks that have been published in over ten languages. Dr. Closs is an active member in the Council of Supply Chain Management Professionals and The Supply Chain Council. He is on the Board of Directors of the Supply Chain Council. He was Editor of the *Journal of Business Logistics* and is Executive Editor of *Logistics Quarterly*. Dr. Closs received the Distinguished Faculty Award from MSU in 2013.



MICHIGAN STATE UNIVERSITY
SPARTANS WILL.

What is SCM?

- Designing, planning, executing, or measuring activities related to:
 - Sourcing
 - Procurement
 - Manufacturing
 - Transportation
 - Inventory management
 - Warehousing
 - Customer service
 - Returns and repairs
- Applications
 - Products/Services/Solutions
 - Commercial or private sector
 - Public sector
 - Government
 - Recovery
 - Talent



MICHIGAN STATE UNIVERSITY
SPARTANS WILL

Nationally Recognized





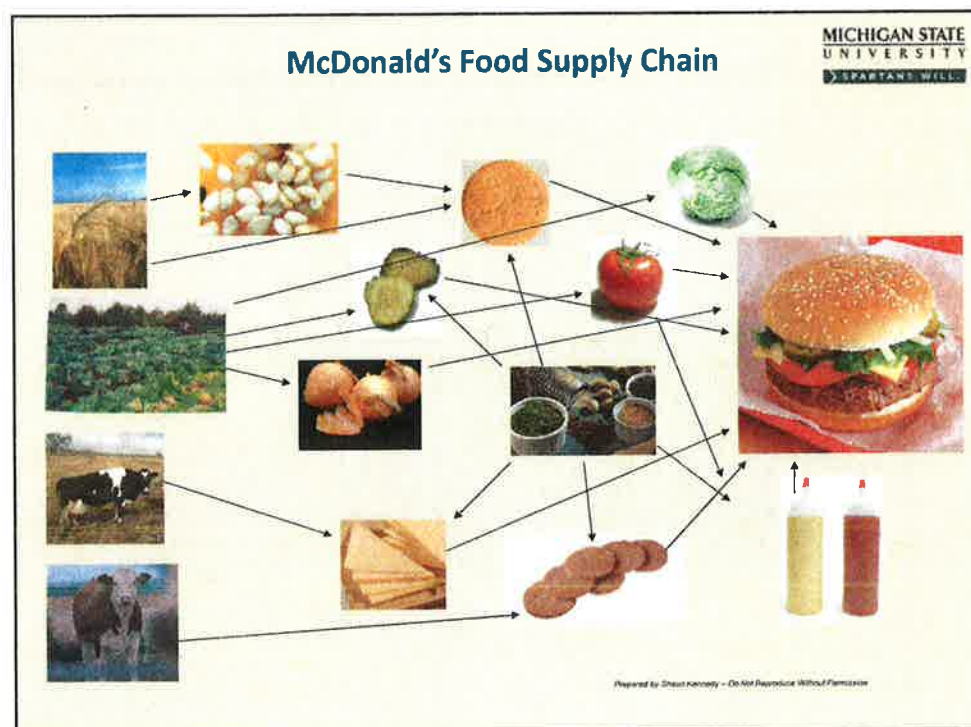


Supply Chain/Logistics Programs


- #1 Massachusetts Institute of Tech. (Sloan)
- #2 Michigan State University (Broad)
- #3 Arizona State University (Carey)
- #4 Carnegie Mellon University (Tepper)
- #5 Stanford

Supply Chain/Logistics Programs


- #1 Michigan State University (Broad)
- #2 Massachusetts Institute of Tech. (Sloan)
- #3 Arizona State University (Carey)
- #4 Ohio State University (Fisher)
- #5 Penn State University (Smeal)




Food System Complexity One Burger Contains:




baking soda
wheat gluten
calcium propionate
enzymes




Milk
Water
milkfat
cream







USDA inspected beef




Cucumbers
water
Vinegar
Salt
calcium chloride
Alum
natural flavorings
polysorbate 80
turmeric




lettuce




dehydrated onions




Grill Seasoning
Salt
Pepper
cottonseed oil
soybean oil



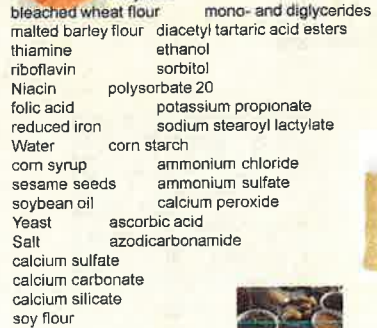
Special Sauce
Soybean oil
distilled vinegar
egg yolks
sugar
onion powder
spice
spice extractives
xanthan gum
prop glycol alginate
potassium sorbate
garlic powder
caramel color
Turmeric
EDTA



pickles
water
HF corn syrup



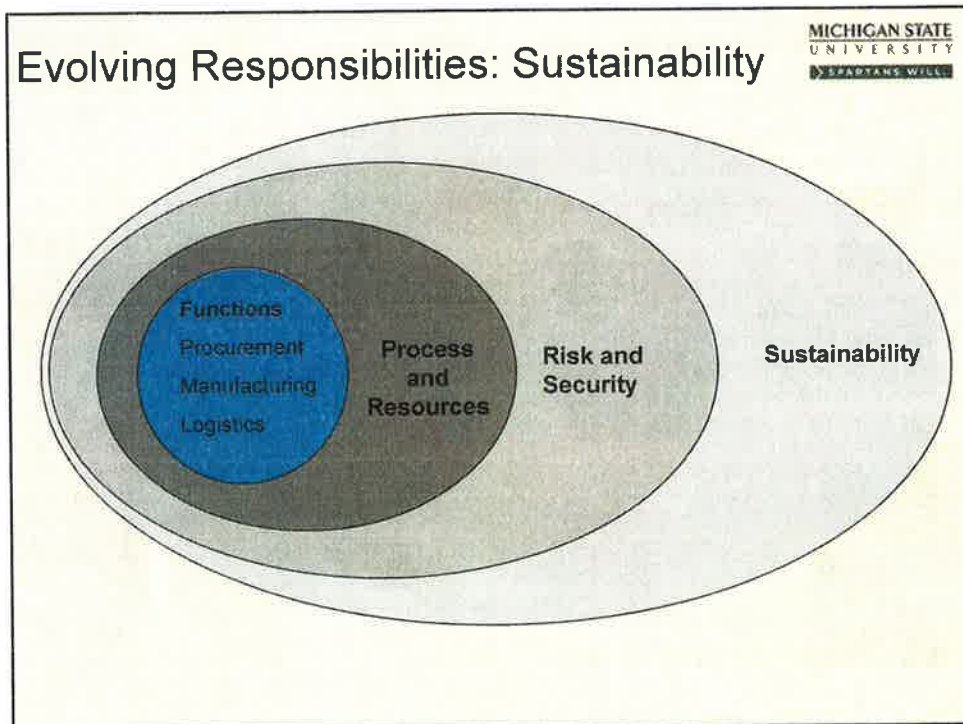
mustard flour
salt
sodium benzoate
mustard bran
hydrolyzed proteins
paprika
calcium disodium



bleached wheat flour
malted barley flour
thiamine
riboflavin
Niacin
folic acid
reduced iron
Water
corn syrup
sesame seeds
soybean oil
Yeast
Salt
calcium sulfate
calcium carbonate
calcium silicate
soy flour

mono- and diglycerides
diacetyl tartaric acid esters
ethanol
sorbitol
polysorbate 20
potassium propionate
sodium stearoyl lactylate
corn starch
ammonium chloride
ammonium sulfate
calcium peroxide
ascorbic acid
azodicarbonamide

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Supply Chain Design Criteria

- 1990
 - Demand
 - Production
 - Material
 - Transportation
- 2015
 - Demand
 - Sustainability
 - Energy
 - Labor
 - Political
 - Water
 - Debtors
 - Regulatory
 - Compliance
 - Supplier relationships
 - Commodity availability
 - Cross-sale requirements
 - Taxation (TASC)
 - Transportation
 - Production
 - Material

Concluding Comments

- **SCM decisions**
 - Manufacturing locations
 - Production technology
 - Sources of raw material and components
 - Distribution center locations
 - New product design, production, introduction
 - Transport modes
- **Firm strategy**
 - Supply chains are taken for granted until they fail.
 - Firms are increasingly using SCM as a strategic advantage.
 - Supply chain value proposition:
 - Regions are using SCM initiatives as a means to attract jobs.

MICHIGAN STATE
U N I V E R S I T Y

April 10, 2014

MEMORANDUM

To: Trustee Policy Committee

From: Mark P. Haas *Mark P. Haas*
Vice President for Finance and Treasurer

Subject: Investment Authority/University Advancement

RECOMMENDATION:

BE IT RESOLVED that the Trustee Policy Committee recommends to the Board of Trustees that the following action be taken:

Effective May 1, 2014, each of the President and the Vice President for Finance and Treasurer, individually, is authorized and empowered to invest the assets of Michigan State University; to purchase, sell, exchange, lend, or transfer all forms of securities and other investments, including rights or options to acquire the same, directly or through instructions to brokers or other agents; to execute and deliver any necessary documents in connection with such transactions; and to delegate such authority to others. The authority and power conferred by this action shall vest in any individual appointed as successor to the President or Vice President for Finance and Treasurer, in any successor position or positions to the Vice President for Finance and Treasurer and in any individuals appointed to these successor positions.

This action supersedes all prior Board actions relating to investment authority.

BACKGROUND:

This Resolution modifies the Investment Authority Resolution adopted by the Board on December 14, 2012 in one respect. In the past, authority has been delegated to individuals in the Office of Investments and Financial Management in connection with these types of transactions. The President also intends to delegate signing authority to the Vice President for University Advancement, but the Vice President for University Advancement will receive authority only with respect to securities and other investments received as gifts and for the purpose of processing such securities and investments. Delegating such authority to the Vice President for University Advancement will increase the efficacy of donor interaction by streamlining the processing of gifts-in-kind.

cc: Trustee Finance Committee, L. Simon, J. Youatt, S. Udpa, B. Beekman, B. Noto, G. Klein, N. Carter, B. Groves



OFFICE OF THE
VICE PRESIDENT FOR
FINANCE

Mark P. Haas
Vice President for Finance
and Treasurer

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MICHIGAN STATE UNIVERSITY

April 14, 2014

MEMORANDUM

TO: Board of Trustees

FROM: June Pierce Youatt, Acting Provost 

SUBJECT: Alcoholic Beverages Ordinance Amendment

RECOMMENDATION

BE IT RESOLVED that the Trustee Policy Committee recommends that the Board of Trustees modify Board Ordinance 21.00 regarding Alcoholic Beverages, as shown on Attachment A.

BACKGROUND

The Board of Trustees first adopted an ordinance regulating the possession and consumption of alcoholic beverages on land governed by the Board on September 15, 1964. Since its initial enactment, the ordinance has been amended six times, most recently on September 16, 2005. The current ordinance is included as Attachment B. The Ordinance is supplemented by a Board-approved document titled "Guidelines for Exceptions to Ordinance 21.03," Attachment C.



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Changes to State law and regulations have resulted in a burgeoning industry for the production of beer, wine, and spirits in Michigan. This, in turn, has generated opportunities for the University, through the College of Agriculture and Natural Resources (CANR), to conduct research and implement academic programs to aid and train the entrepreneurs and farmers entering this industry. Examples of CANR initiatives in this area include the Department of Food Science and Nutrition's MSU Artisan Distilled Research Facility and its Beverage Science and Technology specialization, whose curriculum involves production of beer, wine, and spirits. CANR's Department of Horticulture is seeking approval from the federal government for an experimental winery permit for Spartan Cellars. The initial purpose of Spartan Cellars is to participate in a multi-state project to develop new grape varieties. This would be an addition to the Department of Horticulture's existing curriculum involving viticulture, particularly of wines unique to Michigan; the properties of wine; and their use in the hospitality industry.

Coursework involving the production of alcoholic beverages often includes sampling such beverages, which is limited to students who are of legal drinking age. In courses that include sampling alcoholic beverages, enrolled students who are not of legal drinking age receive an alternate assignment.

Additionally, the increasing number of events that bring donors and other guests to campus and the increasing number of venues in which they are hosted have added to the

complexity of the process through which the University permits alcohol to be served at on-campus events and monitors the service and consumption of alcohol at those events.

As the utilization of alcohol on campus for limited purposes consistent with the University's mission evolves, it has become increasingly challenging to work within the Ordinance and the Board-approved Guidelines, because any variation or exception from Ordinance 21.02 or from the Guidelines would require Board action.

This action would authorize the Secretary of the Board of Trustees to amend the Guidelines to permit exceptions to Ordinances 21.02 and 21.03, not just to Ordinance 21.03. It would also shift responsibility for the Guidelines under which these exceptions will be granted to the Secretary, instead of the Board. This will expedite the amendment of the Guidelines in the future.

cc: Trustee Finance Committee
Lou Anna K. Simon
Robert A. Noto
Satish Udpa
Bill Beekman

21.00 ALCOHOLIC BEVERAGES

21.01 Use of possession permitted

21.02* Use or possession prohibited

21.03 Open containers prohibited

.01 The use or possession of alcoholic beverages, including beer and wine, subject to state law, is permissible in housing facilities (rooms, suites and apartments) assigned by Michigan State University.

.02 The consumption and possession of alcoholic beverages is prohibited (a) in classrooms, lecture halls, laboratories, the libraries, and the chapel and (b) during all intercollegiate athletic contests and during entertainment programs that are open to the general public, in the concourses and outdoor seating areas at Spartan Stadium, the arena and concourses at Breslin Student Events Center, and in all other athletic facilities.

.03 The possession of open or uncapped containers of alcoholic beverages and the consumption of alcoholic beverages is prohibited in all public areas of lands governed by the Michigan State University Board of Trustees and in all public areas of campus buildings, except with respect to locations, events or occasions for which the Secretary of the Board of Trustees has approved, in writing, an exception to this prohibition.

.04 Exceptions to this ~~ordinance prohibition~~ will be made pursuant to guidelines approved by the ~~Secretary of the~~ Board of Trustees.

Enacted: September 15, 1964

Amended: April 17, 1970

December 10, 1994

April 14, 1995

November 14, 2003

February 10, 2005

September 16, 2005

April 22, 2014

FACILITY RENTAL AGREEMENT TERM SHEET

Party: Suburban Ice, LLC

Contract: Rental of Suburban Ice, LLC's ice rink facility in connection with MSU's administration of its Youth Hockey School.

Payment Terms: \$125 per hour; various dates during summer, 2014.

The Munn Ice Arena, where MSU typically holds its Youth Hockey School, will be unavailable during the relevant time period due to repairs and improvements. The MSU Athletics Department evaluated the market and concluded that Suburban Ice, LLC's proposed rental rate is at or below the current market rates for such facility rentals and is the sole local source of a facility rental appropriate for the administration of the MSU Youth Hockey School in the summer of 2014.

Services Provided: By MSU to Suburban Ice, LLC: None under contemplated agreement.

By Suburban Ice, LLC to MSU: None under contemplated agreement.

Use of University Facilities/Personnel:

None

Organization Type: Limited liability company based in East Lansing.

Personnel Interest: Mr. Tom Anastos, the head coach of the MSU men's ice hockey team, and his family own or have options to buy an ownership interest of more than 1% of the company.

AGREEMENT TERM SHEET

Party: Ingenex, LLC

Term: From the effective date of the agreement to the completion of the web design project.

Contract: Website design services agreement for a website of the MSU School of Packaging.

Payment Terms: \$14,000 to Ingenex, LLC; \$150 per hour for additional services requested by MSU that exceed the scope of the project.

MSU Purchasing evaluated the market for these services and concluded that Ingenex, LLC is the sole source of web design services capable of providing the services requested by MSU.

Services Provided: By MSU to Ingenex, LLC: none under contemplated agreement.

By Ingenex, LLC to MSU: website development and design.

Use of University Facilities/Personnel:

None

Organization Type: Limited liability company based in Ann Arbor

Personnel Interest: Dr. Derek Mehraban, an instructor in the Department of Advertising and Public Relations, and his family own or have options to buy an ownership interest of more than 1% of the company. Dr. Mehraban is also a member and CEO of Ingenex, LLC.