

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

June 16, 2006

Trustee Finance and Audit Committee and Trustee Policy Committee meetings were held in the Board Room of the Administration Building beginning at 9:30 a.m. on Friday, June 16, 2006. Minutes of the meetings are on file in the Office of the Secretary of the Board of Trustees.

President Simon called the meeting of the Board of Trustees to order at 9:40 a.m. in the Board Room.

Trustees present: Dolores Cook, Joel I. Ferguson, Melanie Foster, Dorothy V. Gonzales, Colleen M. McNamara, Donald W. Nugent, G. Scott Romney, and David L. Porteous.

University officers present: President Simon, Provost Wilcox, Vice President Poston, Secretary Barber, Vice President and General Counsel Noto, Vice Presidents Gray, Hudzik, and Webb, Executive Director Williams, and Senior Advisor and Director Granberry Russell. Faculty liaisons present: Ross Emmett, Linda Lou Smith, and Jon Sticklen. Student liaisons present: Emily Sorroche, Eric Hinojosa, and Roger Ludy.

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

1. On a motion by Trustee Gonzales, supported by Trustee Porteous, the **BOARD VOTED to approve** the agenda.
2. On a motion by Trustee Porteous, supported by Trustee Romney, the **BOARD VOTED to approve** the minutes of the Board meetings of April 13, 2006 and May 5, 2006.
3. President's Report
 - A. Summer on campus

President Simon said that summer enrollment targets will be near 20,000, which is a slight increase. The student credit hour numbers are close to the projections. A number of other activities on campus will bring a wide variety of young people to MSU.

B. Student Awards

President Simon congratulated Journalism Senior Melissa Domsic for obtaining \$20,000 in scholarships in the month of June.

C. MSU Distinguished Professor elected to National Academy of Education

President Simon commented that University Distinguished Professor William Schmidt was elected to the prestigious National Academy of Education for his pioneering work in educational research and policy development. Dr. Schmidt was one of three scholars in the world chosen for membership. This is an honor for both MSU and Dr. Schmidt.

D. 2006 Distinguished Woman in Higher Education Leadership awarded to Dr. Beth Alexander

President Simon said that the Michigan American Council on Education Network for Women in Higher Education honored Dr. Beth Alexander as a 2006 Distinguished Woman in Higher Education Leadership at the Network's conference and luncheon on June 13, 2006.

Dr. Alexander is an exemplary campus leader who is known for a unique blend of compassion, vision and perseverance as she brings resolution to very difficult problems. Her work with public health issues, including preparation for pandemics, has been extraordinary.

E. Saints' Rest Dig Honored with Governor's Historic Preservation Award

President Simon noted that it was interesting that an archaeological dig would fall into this category. This is a good example of educational programs around historic preservation. It is an honor to be one of the six recipients.

F. East Lansing Neighborhood Meetings

President Simon said that she attended three neighborhood meetings in East Lansing. The meetings have been a good way to open communication between MSU and the East Lansing communities.

Topics included strategic plans for the future, University and community relations including civility issues, and how the University can better prepare students for living off campus and in residential neighborhoods. Overall, the meetings have been positive and good ideas have been generated. She thanked the East Lansing residents for attending.

G. Detroit Regional Chamber 2006 Mackinac Policy Conference—
May 31-June 3, 2006

President Simon noted that Deborah Wince Smith, President of the Council on Competitiveness, was one of the speakers. In her comments Ms. Smith, a national spokesperson in economic competition, recognized the work of MSU and some of the unique contributions the University is making, including the Bio-economy.

H. Budget Guidelines 2006-07

President Simon said that she wanted to comment on budget discussions. A meeting will be scheduled in July, 2006 to review the budget guidelines for 2006-07.

At this point, there are recommendations from the Senate and the House regarding appropriations. There is no point of difference between the two for MSU Extension and the Michigan Agricultural Experiment Station. Both are at 2 percent. The House is at 3.6 percent and the Senate 2 percent for the operating budgets for the University. They are in the process of target setting because both bills were above the Governor's recommendation.

In the last few Board meetings the University has reviewed the basic budgetary planning parameters for financial aid, where the commitment is to continue to have financial aid increase at a higher rate than the rate of tuition. Discussions have taken place regarding high utility costs; and the need to deal with infrastructure, including the built environment and technology; particularly the need for financial and human resources computer systems to be upgraded. Faculty salaries across our peer institutions will be in the 3.5-4.5 percent range. MSU will try to keep its commitment to remain competitive in faculty salaries.

All of those factors are a part of the overall budget planning. Again, nothing has changed in terms of basic parameters. Hopefully, an appropriations recommendation will be finalized, and the administration and the Board can move through the rest of the budget.

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

Provost Kim Wilcox presented the following personnel actions:

Appointments

Hess, Carol A., AY-Professor, School of Music, \$71,500, with Tenure, effective August 16, 2006.

Sedatole, Kevin, L., AY-Professor, School of Music, \$118,000, with Tenure, effective August 16, 2006.

Johnson III, Harold A., AY-Professor, Department of Counseling, Educational Psychology and Special Education, \$120,000, with Tenure, effective August 16, 2006.

Leong, Frederick, T.L., AY-Professor, Department of Psychology, \$130,000, with Tenure, effective August 16, 2006.

DeCamp, Charles E., AN-Professor and Chairperson, Department of Small Animal Clinical Sciences, for a change in title to Acting Dean, College of Veterinary Medicine and for a change in salary rate to \$200,994, effective July 1, 2006.

Trustee Porteous moved **to approve** the recommendations, with support from Trustee Nugent.

Provost Wilcox stated that Professor Hess has a Ph.D. in Musicology and is an Associate Professor at Bowling Green University. Her interests include Spanish music, music of the Americas, music and politics, and historiography. She is a 2004 and 2005 recipient of the Dean's Award for Dedication to Students in the College of Musical Art at Bowling Green University.

Professor Sedatole has a DMS from the University of Texas at Austin in Instrumental Conducting. He was an Associate Director of Band at the Stephen F. Austin State University from 1991-1996 and the Director of the Michigan Marching Band and Associate Director of Bands at the University of Michigan from 1996-1999. He is currently the Director of Bands at Baylor University.

Professor Johnson has an EDD in Special Education and Deafness from the University of Cincinnati. He has been on the faculty of Kent State

University from 1980 to the present time, and currently serves as the Director of Kent State's Deaf Education Program.

Professor Leong has a degree from the University of Maryland. He has served on the faculty at Southern Illinois and Ohio State University and is presently a Professor in the Department of Psychology at the University of Tennessee. His teaching interests include personality and psychopathology, cross cultural psychology, career development, and organizational psychology.

Dr. DeCamp is a Professor in Small Animal Clinical Sciences and is currently the Chairperson. The University is in the final stages of a search for a new Dean of Veterinary Medicine. Dean Lonnie King will end his deanship at the end of June, 2006. Professor DeCamp has agreed to serve as Acting Dean until the appointment of the next Dean.

In addition, Cheri Johnson, a faculty member in Small Animal Clinical Sciences, has agreed to serve as Acting Chairperson. Both Professor DeCamp's and Professor Johnson's willingness to step in and assist in leadership during this time of transition should be recognized.

Provost Wilcox noted that attached to the personnel materials is a list of those people who are being recommended for promotion and tenure this year. Special recognition should be given to the effort that has gone on across campus in moving these names to this point. The Board is aware of how important promotion and tenure decisions are to the University. It has been nearly a 12 month process involving initial faculty discussions, development of materials on the part of individual candidates, and review at the departmental level, the college level, and finally the University level. Vice President Gray and Associate Vice Provost Banks have been working with Deans at the University level to make sure that the University has the faculty that will continue to make a difference for MSU long into the future.

Provost Wilcox stated that the Board made an investment last summer in academic programming. The hope is to increase the number of tenure stream faculty by about 50 people this fall as a result of that effort.

Trustee Cook asked if the number of faculty receiving tenure would increase as those with tenure retire.

Associate Provost Banks responded that those on the promotion-tenure list are there as a result of recruitment from four or five years ago. They have worked their way through probationary appointments and are now being promoted and receiving tenure. The quality of faculty appointments has improved over time. The University has seen a modest increase in

the last year in the number of faculty and as Provost Wilcox mentioned, the other faculty will come on board next fall. A considerable number of new positions have been added. More will be added at twice the normal rate of tenure system faculty positions.

President Simon suggested that David Byelich, Assistant Vice President and Director of Planning and Budgets, confirm the numbers, assuming that the positions authorized through the Quality Fund and will be filled for Fall, 2006. This also assumes normal attrition actions with respect to the workforce complement. The expectation is that the University will be able to move the student/faculty ratio from 18:1 to 17:1.

Mr. Byelich responded that when faculty for the total number of positions authorized through the Quality Fund are reviewed and are all hired, the student/faculty ratio will then move from 18 to 17. This is an important objective for the University, but all the positions will not be filled as of this fall. Ninety-three positions are expected to be authorized through the Quality Fund; at least 63 are expected to be here and on board.

Trustee Porteous asked how many of those will be teaching primarily at the undergraduate level.

Provost Wilcox explained that about half the positions were targeted toward enhancing the undergraduate student experience. At the same time, all faculty are expected to work at cutting edge in their fields, and that implies that they will all be involved in graduate education.

President Simon added that, conversely, people targeted primarily because of a research need, are also expected to teach at the undergraduate level.

Provost Wilcox commented that President Simon has accepted his recommendation that Dr. June Youatt, Associate Provost and Dean of Undergraduate Studies, become Senior Associate Provost of the University. Dr. Youatt has agreed to serve. The request for approval of her appointment will come to the Board at a future meeting. The governance systems, student and faculty, should be thanked for helping with the internal process that not only identified a number of very strong candidates, but did an excellent job of reviewing them and making a recommendation, for this appointment.

THE BOARD VOTED to approve the appointments.

6. Gifts, Grants, and Contracts

Vice President Gray presented the Gifts, Grants, and Contracts Report for the period of March 29, 2006 through May 26, 2006. The total value for this period is \$65,416,501.28.

Trustee Nugent moved **to approve** the report, supported by Trustee McNamara.

THE BOARD VOTED to approve the Gifts, Grants, and Contracts Report.

Vice President Gray thanked the board for the opportunity to give an update on the status of research at MSU. The University, in order to enhance scholarship and research, is working on the development of several cross-university themes. One such theme is health and biomedical research. The goal is to help increase NIH funding at the University to a level of \$100 million. NIH funding in Fiscal Year 2006 reached \$56 million, an increase of 40 percent over the past year. This is incredible given the fact that NIH funding availability has been decreasing.

Vice President Gray said that the University has formed the Office of Bio-Based Technologies. This office will pull together scientists from several colleges, to develop a vision for biobased research at MSU. The University will also be designing a "risk" program to take advantage of faculty strength in this area.

Vice President Gray commented that the mentoring of graduate students and post-docs is a very good way of enhancing research. It is important to re-engage faculty who are struggling with securing federal competitive grants. Faculty are encouraged to move in new directions to enhance their skills.

Vice President Gray said that providing core analytical facilities is very important to the growth of the research enterprise at MSU. The Research Technology Support Facilities Center has at least \$180 million of federal funds, annually. One new idea suggested by the faculty is the creation of a Clinical Research Office to facilitate clinical research and clinical trials at the hospitals within MSU's own system. With the present complexity of grantsmanship, it is very important that the University provide faculty, particularly younger and new faculty, the proper tools to be successful.

Vice President Gray said that the Office of Regulatory Affairs was created to replace the Office of Research Ethics and Standards. One major initiative under that program was the upgrading of the Human Subject Protection Program. In March 2006, the University received full accreditation from AAHRPP. MSU is one of only a small number of universities in the country to be accredited. This is a very significant milestone.

Vice President Gray continued to say that the goal of his office is to be research friendly and research responsible; however, the University will never allow anyone to compromise research compliance. Furthermore, it is a goal of the University, through training programs, to promote responsible conduct of research. There is a major investment in these efforts and they will pay dividends.

President Simon said that part of the land grant to world grant approach is being sure that MSU has the infrastructure necessary to assure the public trust. The University wants to expand its research portfolio including relationships internationally and relationships with corporate America. These become very important in the post 9-11 climate.

Vice President Gray said that this year, the University saw an increase in total awards to about \$375 million. He believes the University is moving in the right direction. Questions are, are we moving fast enough in the right direction and how do we accelerate that process?

Vice President Gray commented that advancing scholarship in the arts and humanities is important to the growth of the University. Furthermore, research and scholarly activity must be linked to quality graduate education and undergraduate experiences. Training faculty in terms of research integrity, mentoring of graduate students, and responsible conduct of research is very important for the research reputation of the University.

Vice President Gray said that one of the goals for the University is to make a strong contribution to the State's economic recovery: This will enhance the University's state, national and international reputation and certainly develop dynamic research programs that will serve MSU not only now, but long into the future.

President Simon said that she wanted to underscore the importance of undergraduate research experience. If the University is to produce the innovators for the future, classroom activity is very important. The University has to begin to look at entrepreneurship and innovation and how that finds its way into the undergraduate experience. Undergraduate research activities on campus, outreach activities, and engaging the community are the kinds of hands-on-activities that are so important for students to have the same kind of value long-term as the Study Abroad programs.

Provost Wilcox said that students come to MSU to receive a world-class education. If they go to another university where the faculty teach from a textbook, they are getting information that is three or four years old. At

MSU the information is two years old because MSU faculty wrote the textbooks. If students work with the faculty who are actually doing the work, they are getting information before it gets into the textbook. The goal is to get as many students as possible working with faculty creating the textbook.

Trustee Cook mentioned that she had been told by Associate Provost for Undergraduate Education Youatt that a new website is going to be established to match undergraduate students with faculty members specifically on research projects. This is a great opportunity for undergraduates at this institution.

Provost Wilcox commented that faculty are generally excited to have students express an interest in participating. Students do not always know how to make that connection.

7. Finance and Audit Committee

Trustee Nugent presented the Trustee Finance and Audit Committee report and recommendations.

A. Fund Functioning as an Endowment — Enfred Gustafson Fund

It was recommended that the Board of Trustees establish a fund functioning as an endowment entitled the Enfred Gustafson Fund.

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

THE BOARD VOTED to approve the recommendation.

B. Fund Functioning as an Endowment — Arthur N. Athanason Scholarship for Creative Writing in the Department of English

It was recommended that the Board of Trustees establish a fund functioning as an endowment entitled the Arthur N. Athanason Scholarship for Creative Writing in the Department of English.

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

THE BOARD VOTED to approve the recommendation.

C. Fund Functioning as an Endowment — Bea and Roy Mott Fund for the MSU Student Food Bank

It was recommended that the Board of Trustees establish a fund functioning as an endowment entitled the Bea and Roy Mott for the MSU Student Food Bank.

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

Provost Wilcox explained that the Bea and Roy Mott Fund is in honor of Bea and Roy Mott. Bea Mott was the Executive Assistant to five MSU presidents, beginning with President Hannah. Bea started the food bank with her own money when she realized that some students needed assistance in buying food and groceries. The food bank is a registered student organization, one of the few organizations in the country in which students collect money and food to help fellow students. It is a priority of the faculty/staff retirees Capital Campaign and represents the very best values of the University.

THE BOARD VOTED to approve the recommendation.

D. Penta Investment Advisors, Ltd.

It was recommended that the Board of Trustees approve the selection of Penta Investment Advisors, Ltd. as an absolute return manager.

Trustee Nugent moved **to approve** the recommendation, supported by Trustee Porteous.

THE BOARD VOTED to approve the recommendation.

E. RCF Management, L.L.C.

It was recommended that the Board of Trustees approve the selection of RCF Management, L.L.C. as an inflation hedge manager.

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

President Simon noted that it is the role of the Trustee Finance and Audit Committee, through its quarterly investment meetings, to interview and discuss investment managers with Cambridge Associates, the University's financial consultant.

THE BOARD VOTED to approve the recommendation.

F. Investment Education/Advice for Participants in Retirement Plans

It was recommended that the Board of Trustees approve the resolution that the Vice President for Finance and Operations (“VPFO”) be authorized to develop (a) enhanced programs of investment education for participants (“Participants”) in the University’s retirement plans under Sections 401(a), 403(b), and 457(b) of the United States Internal Revenue Code (“Plans”); and (b) opportunities for Participants to contract, at cost-effective rates, for independent and unbiased advice regarding the investment of their Plan account balances. It was further recommended that the VPFO, with the assistance of Human Resources, submit periodic reports to the Board regarding the Plans and the investment education program and investment advisory opportunities authorized by this Resolution.

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

Trustee Romney said that he would like to suspend this resolution until the next Board meeting.

Trustee Romney moved **to suspend** (postpone action on) the resolution, with support from Trustee McNamara.

THE BOARD VOTED to postpone action.

G. Resolution to Amend the University Capital Outlay List

It was recommended that the Board of Trustees approve the resolution updating the University’s Capital Outlay list to reflect current University needs and state funding priorities.

Trustee Nugent moved **to approve** the resolution, with support from Trustee Porteous.

Vice President Poston said that due to discussions in the legislature it was thought to be helpful to update this now instead of in October, when it is normally discussed.

Trustee Nugent asked if the new capital outlay list included the Erickson Hall addition, the main building addition to Engineering, the Research Complex addition to Engineering and the Plant Biology addition to Plant Science.

Vice President Poston responded that it did.

THE BOARD VOTED to approve the recommendation.

H. Sale of Goldner Property

It was recommended to the Board of Trustees that the University enter into an agreement to sell Dr. Sarveswararao Talla the approximately 5.0 acre Goldner Property for \$1,500,000.00, with such other terms and conditions as may be acceptable to the Vice President for Finance and Operations and Treasurer.

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

THE BOARD VOTED to approve the recommendation.

I. Authorization to Plan – Wharton Center for the Performing Arts

It was recommended that the Board of Trustees authorize the administration to plan for the project entitled Wharton Center for the Performing Arts – Alterations and Expansion.

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

President Simon said that under the new Board process, this resolution is simply an authorization to begin planning. It is important to make approval of construction projects more of a public process.

Mr. Mike Brand, Director of Wharton Center, said that Wharton Center is interested in consolidating staff, enhancing educational facilities, growing production spaces and enhancing the VIP donor lounge area. The cost estimate based on the square footage requirements is \$9.2 million.

President Simon said that she wanted to acknowledge Mr. Brand's work in cultural entrepreneurship around the State. He has had many discussions regarding ways in which the performing arts programs at Michigan State can be part of the overall outreach effort to bring culture to communities, as well as to enhance social opportunities in Mid-Michigan.

THE BOARD VOTED to approve the recommendation.

J. Authorization to Plan – Old College Field Master Plan

It was recommended to the Board of Trustees that it authorize the administration to plan for the project entitled Old College Field Master Plan.

Vice President Poston commented that this project has been in the planning stage for considerable time. Under the old system, this project would not have been brought to the Trustees until an architect was being hired. That created a problem in terms of fundraising activities. This project will be built from donated funds, so funds for this project were actively being sought while the Board may not have been aware of it.

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

Greg Ianni, Senior Associate Athletic Director, said that the Old College Field project would address a number of deficiencies, including the grand-stands, restrooms, press facilities and ADA issues. Currently, men's and women's soccer and men's baseball and women's softball use the Field. Fund raising for the project has been going on for a year.

THE BOARD VOTED to approve the recommendation.

K. Authorization to Plan – Duffy Daugherty Addition/Renovation and Weight Room Expansion

It was recommended that the Board of Trustees authorize the administration to plan for the project entitled Duffy Daugherty Addition/Renovation and Weight Room Expansion.

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

Associate Athletic Director Ianni commented that this project would entail the expansion of the current weight room. Mr. Ianni said head football coach John L. Smith feels that this may be the most important aspect of the project because it affects the student-athlete and the program's ability to attract quality young people.

THE BOARD VOTED to approve the recommendation.

L. Authorization to Plan – Jenison Field House – Indoor Pool Maintenance

It was recommended that the Board of Trustees authorize the administration to plan for the project entitled Jenison Field House – Indoor Pool Maintenance.

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

THE BOARD VOTED to approve the recommendation.

M. Authorization to Plan – Veterinary Medical Center
Small Animal Clinic Entrance Modifications

It was recommended to the Board of Trustees that it authorize the administration to plan for modifications that result in a material change to the campus footprint for the project entitled Veterinary Medical Center—Small Animal Clinic Entrance Modifications.

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

THE BOARD VOTED to approve the recommendation.

N. Authorization to Plan – Clinical Center – Parking Lot 100
Expansion

It was recommended that the Board of Trustees authorize the administration to plan for the modifications that result in a material change to the campus footprint for the project entitled Clinical Center – Parking Lot 100 Expansion.

Trustee Nugent move **to approve** the recommendation, with support from Trustee Romney.

Vice President Poston commented that this project is needed because there are more people in that area of campus. When the parking facility was planned, it was envisioned that it would be expanded as demand grew.

THE BOARD VOTED to approve the recommendation.

O. Project Approval – Authorization to Proceed – Chemistry –
Alterations to Various Rooms and Laboratories

It was recommended that the Board of Trustees authorize the administration to proceed with the project entitled Chemistry – Alterations to Various Rooms and Laboratories.

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

THE BOARD VOTED to approve the recommendation.

- P. Project Approval – Authorization to Proceed – Natural Science - New Electrical Substation

It was recommended that the Board of Trustees authorize the administration to proceed with the project entitled Natural Science—New Electrical Substation.

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

THE BOARD VOTED to approve the recommendation.

- Q. Project Approval – Authorization to Proceed – Communication Arts- Replace Elevators

It was recommended that the Board of Trustees authorize the administration to proceed with the project entitled Communication Arts – Replace Elevators.

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

THE BOARD VOTED to approve the recommendation.

- R. Project Approval – Authorization to Proceed – Kellogg Hotel and Conference Center – Replace Elevators

It was recommended that the Board of Trustees authorize the administration to proceed with the project entitled Kellogg Hotel and Conference Center – Replace Elevators.

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

THE BOARD VOTED to approve the recommendation.

S. Project Approval – Authorization to Proceed – Engineering Research – Jolly Road – Concrete Laboratory Addition

It was recommended that the Board of Trustees authorize the administration to proceed with the project that results in a material change to the campus footprints entitled Engineering Research – Jolly Road – Concrete Laboratory Addition.

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

THE BOARD VOTED to approve the recommendation.

T. Bid and Contract Award

It was recommended that the Board of Trustees approve a contract in the amount of \$769,000 to be awarded to Northern Boiler Mechanical Contractors and that a budget in the amount of \$1,100,000 be established for the project entitled Bessey Hall— Replace Chiller No. 1 and Cooling Tower.

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

THE BOARD VOTED to approve the recommendation.

U. Bid and Contract Award

It was recommended that the Board of Trustees approve a contract in the amount of \$6,530,000 to be awarded to John E. Green Company and that a budget in the amount of \$8,660,000 be established for the project entitled: Fee Hall, International Center, and Regional Chilled Water Plant – Replace Chillers and Cooling Towers.

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

THE BOARD VOTED to approve the recommendation.

8. Policy Committee

Trustee McNamara presented the Trustee Policy Committee Report and recommendations.

A. Capital Projects Debt Policy

It was recommended that the Board of Trustees adopt the attached Capital Projects Debt Policy.

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

Vice President Poston said that the rating agencies have been requesting that the Board of Trustees adopt a debt policy. This is a trend across the country.

Glen Klein, Director of Finance and Investment Management, explained that the Board of Trustees would approve some guidelines for administration to work within. The administration would report back to the Board on an annual basis based not only on what the debt structure is and outstanding debt, but also as to debt capacity. Adoption of a debt policy is really a best practice. In the Big Ten, eight other institutions have similar policies and/or guidelines.

THE BOARD VOTED to approve the recommendation.

B. Notice of Intent to Negotiate a Contract

Pursuant to State law, the Chair of the Policy Committee gave public notice to the full Board of the University's intention to negotiate agreements regarding technology licensing, research, and related matters with *XG-Nano, Inc.*, a Michigan corporation based in East Lansing.

C. Approval of Contract Terms and Conflict of Interest Management Procedures

1. It was recommended that the Board of Trustees approve the administration's recommendation for execution of a license and option agreement with *SM-Chem, LLC* consistent with earlier public notice given at the Board meeting on June 17, 2005, and with the "Revised License and Option Term Sheet." See Appendix A.
2. It was recommended that the Board of Trustees approve the administration's recommendation for execution of a research contract with *TCH Pharmaceuticals, Inc.*, consistent with earlier public notice given at the Board meeting on April 13, 2006, and with the "Research Contract Term Sheet." See Appendix B.

3. It was recommended that the Board of Trustees approve the administration's recommendation for execution of a license agreement with *Diversified Natural Products, Inc.*, consistent with earlier public notice given at the Board meeting on April 16, 2004, and with the applicable "License Term Sheet." See Appendix C.
4. It was recommended that the Board of Trustees approve the administration's recommendation for execution of a testing agreement with *Mid Michigan Research, LLC.*, consistent with earlier public notice given at the Board meeting on February 12, 2003, with the "Testing Agreement Term Sheet." See Appendix D.

Trustee McNamara moved **to approve** the recommendations, supported by Trustee Cook.

THE BOARD VOTED to approve the recommendations.

9. Trustees' Comments

Trustee Cook mentioned that 50 students will attend MSU as part of the Kalamazoo Promise Program. It is thrilling to know that these young people have chosen to come to Michigan State. This will make an enormous difference in their community.

President Simon commented that a newspaper report indicated that the Kalamazoo based institutions, both Kalamazoo Community College and Western Michigan University, were first and MSU was second in the number of students coming from Kalamazoo.

Trustee Romney said that the research program at MSU is one of the drivers of the University's success and excellence. Congratulations on a great report and a great year.

10. Public Participation on Other Issues — Anti-Gender Discrimination Policy

MSU Students David Mitchell, Erik Green, Brent Devaney, and Claudia Gonzales addressed the Board of Trustees regarding Anti-Gender Discrimination Policy on campus.

Mr. Mitchell explained that the group was part of a campaign on campus to add gender identity and expression to the Anti-Discrimination Policy of the University. In 2003-04, he asserted, gender identity was added to the Anti-Harassment Policy but not to the Anti-Discrimination Policy. Mr.

Mitchell said that many in the gender queer and transgender community can still be discriminated against. Specifically, a person could be fired, fail a class, or be discriminated against by the police or housing services due to gender.

Mr. Mitchell said that every major student organization on campus has endorsed adding gender identity and expression to the Anti-Discrimination Policy. Currently, 67 universities in the country have already done so, including five in the Big Ten.

Mr. Green said that he wanted to address the restroom issue. Restrooms are one of the few places where gender differences are emphasized and where this gender dichotomy of male and female is enforced. Mr. Green noted that in particular, transgender students, staff or faculty at MSU must make a choice. If they choose the gender assigned to them at birth they may feel uncomfortable, fearful or face violence if they are perceived as being the wrong gender. Likewise, if they use the restroom of the gender that they identify with, they could also face violence, harassment, arrests or fines.

Mr. Green said that on Wednesday, April 19, 2006, a “bathroom crawl” took place on campus. This was an educational initiative to help raise awareness of gender identity and restrooms. During the event, two students were ticketed and fined for being visually deemed by the police as the wrong gender when exiting the restroom. Mr. Green asserts that this was allowable because gender identity is not in the Anti-Discrimination Policy. If policy changes were adopted, a possible solution to the restroom issue could be gender-free restrooms in many public spaces on campus.

Mr. Devaney said that currently, housing services deals with transgender students on a case by case basis. The Anti-Discrimination Policy would ensure that students are treated fairly. Mr. Devaney suggested a gender-free or gender-blind floor.

Ms. Gonzales mentioned that many individuals who identify as transgender are at MSU as students, faculty, staff and alumni. All of these people contribute positively to campus life. Transgender students will continue to have a presence on campus and will continue to fight for inclusion.

11. Request to Adjourn

On a motion by Trustee Ferguson, supported by Trustee Cook, **THE BOARD VOTED to adjourn** at 11:53 a.m.

Respectfully submitted,

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