

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

October 21, 2005

Trustee Finance Committee and Trustee Policy Committee meetings were held in the Board Room of the Administration Building beginning at 9:30 a.m. on Friday, October 21, 2005. 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 10:20 a.m. in the Board Room.

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

Trustee absent: Melanie Foster

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. Faculty liaisons present: Brin Keller, Ross Emmett and Linda Lou Smith. Student liaisons present: Bradley Love, Robert Murphy, Andrew Schepers and Emily Sorroche.

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

1. On a motion by Mr. Nugent, supported by Mr. Romney, **THE BOARD VOTED to approve** the agenda.
2. President Simon deferred approval of the minutes of the meeting of September 16, 2005 to the December Board Meeting.
3. President's Comments

President Simon commented that the recent Sesquicentennial water carnival and the parade were both crowning occasions that highlighted the rich social spirit of MSU and the community in times past. She thanked Sue Carter, Sharon Radtke, Ted Minnick, the team from Physical Plant, and all of the student organizations that participated and worked so hard to make the water carnival a success.

President Simon recognized this year's Grand Alumni Awardees. She pointed out that recipients of the Honorary Alumni, Alumni Service, Philanthropist, and Distinguished Alumni awards were all deserving of the accolades for their hard work and service to MSU.

President Simon mentioned that the University set an ambitious goal to raise more than \$1 billion dollars by 2005 in the Capital Campaign, on our way to the overall goal of \$1.2 billion by 2007. It has now achieved and exceeded \$1 billion toward that goal and has done well ahead of schedule. She acknowledged that part of what makes meeting this \$1 billion mark so special is the enormous amount of giving by MSU faculty, staff and retirees—over \$54 million during this Campaign. MSU now joins Purdue and Berkeley as the only public universities to reach the milestone of raising \$1 billion dollars from private sources without the benefit of a traditional academic medical center. President Simon said the Development team led by Chuck Webb and Marti Heil has done an exceptional job.

President Simon informed the Board that 4,900 students participated in the Career Gallery; up 10 percent from last year. Career Gallery is a career fair sponsored by the Lear Corporation Career Services Center and Career Planning & Placement Services. Comments from industry representatives indicated that MSU's students were extremely professional and well prepared. President Simon thanked the entire team involved in the Career Gallery.

President Simon announced a new relationship with WJR radio. She emphasized that the venture will extend beyond sports and will include the on-air promotion of MSU's faculty and the teaching, research and service they perform, as well as promotion of the history and traditions of MSU. Dr. Simon noted that WJR's reach over a 200-mile radius during prime daytime hours makes it the largest and most powerful station in Michigan.

President Simon noted that some of the University's older, historic buildings are getting needed attention to preserve MSU's rich architectural history. Also, new buildings are being dedicated as a sign of the 21st century research future at MSU. As an example of the latter, she cited the Pegasus Critical Care Center; which will provide state-of-the-art training experiences for veterinarians and residents dedicated to the care and research of large animals with infectious diseases. This facility was made possible by the generous donation from the Matilda R. Wilson Fund. President Simon also acknowledged Randall and Mary Pittman's gift which made renovation of Marshall-Adams Hall possible. That building is now a modern-day facility which serves students and faculty. She added that the Oncology Facility in the College of Veterinary Medicine and the Automotive Research Lab are two new facilities that will be opening soon.

Information on the upcoming dedications and grand openings of these two facilities will be made available soon.

President Simon recognized the generous support of the MSU community for Hurricane Katrina relief projects. She commented that the recent disaster in Pakistan has been extremely frightening. The Office of International Students and Scholars has met with the leaders of the Pakistani Student Organization and has begun fund-raising efforts. As with any disaster, MSU looks for ways in which it can use its international expertise to help the region. President Simon thanked the University community for this continuing effort.

4. Public Participation on Items Germane to the Agenda

Cynthia Craig, President of the Red Cedar Community Association, addressed the Board regarding the proposed University Village development. She emphasized that the main concern for residents in that area was that the problems such as celebrations after games would spill over into their neighborhood. Other concerns are that the animal and plant life would be affected. Ms. Craig said she hoped the redevelopment of the site would respect and preserve the quality of life that the residents now enjoy. She also said the residents were not notified when discussions began to take place about the redevelopment. She has had several discussions with Chuck Gagliano, Assistant Vice President for Housing and Food Services. Ms. Craig stated that the residents are hoping to be closely involved with MSU as the plans develop. For additional information, Ms. Craig can be reached via telephone at 517 333-0129 or via e-mail at craig@msu.edu.

Anne Lewis, East Lansing resident, said three generations of her family live in the Red Cedar area. She has lived in the neighborhood for 28 years. Ms. Lewis stated that the neighborhood includes a lot of nontraditional families and disabled children. She asked that the University not construct a driveway that exits onto Marigold Street because this area is designated for green space and a recreation area. She also would like the University to allow current University Village residents to stay in their apartments until the public schools are out to avoid inconvenience to the families. Mr. Gagliano said that the University is working with the residents individually; some of them have indicated they would like to leave before the school year ends. Ms. Lewis thanked Mr. Gagliano and Vice President Denbow for their assistance.

5. Personnel Actions

Provost Wilcox presented the following personnel actions:

Appointments

1. Sinha, Animesh, AN - Associate Professor, Dean's Office, College of Human Medicine, Department of Surgery, \$230,000, with Tenure, effective October 1, 2005.
2. Pueppke, Steven G., AN – Professor, Michigan Agricultural Experiment Station; MSU Extension Director's Office Department of Plant Pathology; Office of Vice President for Research and Graduate Studies, \$205,000, with Tenure, effective January 1, 2006.

On a motion by Mr. Nugent supported by Ms. McNamara, **THE BOARD VOTED to approve** the recommendations.

Provost Wilcox informed the Board that Dr. Pueppke is currently a professor of crop sciences at the University of Illinois and associate dean for research and director of its Experiment Station. Dr. Pueppke would provide administrative leadership and vision for a full spectrum of research, particularly Michigan Agricultural Experiment Station (MAES) research directed toward mission and target areas centered on food and health, environmental stewardship, natural resource management, enhancing profitability in agriculture and natural resources, and a secure food system. He will become responsible for the management of state and federal appropriations, coordination of multidisciplinary University research initiatives across missions of MAES, and facilitating graduate student research and the support of those projects. In addition, Dr. Pueppke will provide an administrative link between the Experiment Station and both the Office of the Vice President for Research and Graduate Studies and MSU Extension. His appointment is jointly funded by the Experiment Station, MSU Extension, and will provide strong ties between the two.

Provost Wilcox said Dr. Sinha is currently assistant professor of dermatology at Cornell University and also attending physician at Cornell University Hospital, Rockefeller University Hospital, Coler-Goldwater Memorial Hospital and Interfaith Medical Center. Dr. Sinha would be appointed associate professor in charge of the new formed Nicholas V. Perricone Division of Dermatology at the College of Human Medicine. His expertise in the fields of basic immunology, molecular biology, genomics and clinical dermatology is well known. His research efforts will include establishment of a laboratory for dermatology research and recruitment of lab personnel. His outreach efforts include faculty recruitment, with at least two positions to be filled by clinicians. Two of Dr. Sinha's objectives are to create a dermatology residence program and to develop a more enhanced dermatology clinic.

Trustee McNamara asked when the Perricone gift that resulted in the naming of the Division of Dermatology was received. Vice President

Webb indicated that it was several years ago. President Simon noted that Dr. Perricone is a graduate of the College of Human Medicine.

6. Gifts, Grants and Contracts

Vice President Gray presented the Gift, Grant, and Contract Report for the period August 31, 2005 through October 12, 2005. The report is a compilation of 320 gifts, grants, and contracts and 26 consignment/non-cash loans, with a total value of \$38,062,289.56.

On a motion by Mr. Ferguson supported by Ms. Gonzales, **THE BOARD VOTED to approve** the Gifts, Grants and Contract Report.

Mr. Nugent asked how gifts and grants are doing in comparison to the previous fiscal year. Dr. Gray stated that it is difficult to make direct comparisons at any point in the year; however, MSU has received \$156,000,000 in research and academic support thus far this year. This is an overall 25% increase from last year. Dr. Gray added that grants are up 30%. Federal grants are up by 34% this year. He added that federal grant applications are up 25%.

President Simon noted that typically the grant and contract report cycle is September and November. Due however to a change in the Board calendar this year, Dr. Gray is issuing an October report. This makes the comparisons a little bit harder. She mentioned that awards are made in cycles, and she is optimistic that MSU will have award announcements in the next couple of days.

Vice President Gray introduced Professor Joan Rose, holder of the Homer Nowlin Chair for Water Research. Dr. Rose received her Ph.D. at the University of Arizona and was recruited after 14 years at the University of South Florida. Dr. Rose is an international expert in water microbiology, water quality, and public health safety and has published more than 200 articles in peer review journals. She is currently the Co-director of the Center for Water Sciences, and the Great Lakes and Human Health Center of the National Oceanic & Atmospheric Administration (NOAA). She is also Co-director of the Department of Homeland Security Center for Advanced Microbial Risk Assessment. Dr. Gray recognized Dr. Bill Taylor, Chair of the Department of Fisheries and Wildlife, as one of the key recruiters of Dr. Rose.

Dr. Rose's update focused on the water environment, contamination associated with pollution, and their potential health effects. The mission of the Center for Water Sciences (CWS) at MSU is to advance scientific research and knowledge for understanding, protecting, and restoring water resources and their sustainable use by humans and ecosystems

around the Great Lakes and the world. The interdisciplinary scientific teams of MSU faculty and students investigate and provide solutions to current, emerging, and future environmental problems that face our local, national and global water systems. (See Appendix A)

Vice President Denbow commented that Dr. Gray has mentioned many times that the dissemination of information is essential to MSU's mission. Dr. Rose has become a national figure publicly, and has shared her expertise via radio and TV interviews here and abroad.

President Simon affirmed that Dr. Rose was the faculty resource person on the recent Tokyo trip. She appreciates Dr. Rose's citizenship for the University and her high profile science.

7. Finance and Audit Committee

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

A. Design Build Contractor

Mr. Nugent said the Finance and Audit Committee recommends that the Christman Company, with the Neumann Smith & Associates as design consultants, be appointed as Design-Build Contractor for the project entitled: University Village New Undergraduate Apartments.

On a motion by Mr. Nugent, supported by Mr. Ferguson **THE BOARD VOTED to appoint** the Christman Company, with Neumann Smith & Associates as design consultants, for the University Village New Undergraduate Apartments.

B. Bids and Contract Awards

It was recommended that the Board of Trustees approve the following contracts:

- 1) That \$1,170,000 be awarded to Irish Construction Company, Inc., and that a budget in the amount of \$1,500,000 be established for the project entitled: Veterinary Medical Complex – Addition No. 3 building “F” Create 2nd Floor.

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

- 2) That \$335,400 be awarded to Moore Trospen Construction Company and that a budget in the amount of \$545,000 be

established for the project entitled: Chemistry – Alterations to Room 511.

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

3) That \$282,700 be awarded to Irish construction Company, Inc. and that a budget in the amount of \$392,000 be established for the project entitled: Oyer Speech and Hearing – Replace Air Conditioning with Chiller.

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

4) That \$1,184,000 be awarded to Biogas Direct LLC for the project entitled: Green Meadow Farms – Anaerobic Digesters.

5) That \$533,209 be awarded to the Wedeven Brothers Construction Company and that a budget in the amount of \$685,000 be established for the project entitled: South Campus Composting Facility – Manure Storage Building.

6) That the budget for the project entitled Beef Cattle Research Center – Roof Extension be increased from \$400,000 to \$450,000.

On a motion by Trustee Nugent, supported by Trustee Romney, **THE BOARD VOTED to approve** these three recommendations.

C. Acceptance of Goldner Property

It was recommended to the Board of Trustees that it accept a bequeathed gift of approximately five acres of land including a house located at 7200 Telegraph Road, Bloomfield Hills, Bloomfield Township, Oakland County, Michigan.

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

D. Fund Functioning as an Endowment

It was recommended to the Board of Trustees that it establish a fund functioning as an endowment entitled: Marquis L. Otis Fund in the School of Music.

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

- E. 2006-07 State Appropriation Request & Capital Outlay
(See Appendix B)

It was recommended that the Board of Trustees adopt the 2006-2007 State Appropriation Request, including needs for the University General Fund, the Michigan Agricultural Experiment Station, and Michigan State University Extension.

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

- F. Adjustment to the 2005-06 General Fund Budget (See Appendix C)

It was recommended that the Board of Trustees adopt a budget adjustment increasing appropriation revenue by \$1,599,600 in accordance with the final appropriation as approved by the Legislature and signed by the Governor. The action commensurately increases budgeted revenues and expenditures and establishes the 2005-06 Amended Budget at \$770,666.300.

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

- G. It was recommended that the Board of Trustees accept the audited financial statements for the fiscal year ended June 30, 2005 from KPMG.

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

8. Policy Committee

Trustee McNamara presented the Trustee Policy Committee report and recommendations.

- A. New Residential College

Trustee McNamara called for discussion of the new residential college.

Dr. Wilcox informed the Committee that the Academic Council of the University voted unanimously to endorse the creation of a new residential college. The Academic Council includes both student and faculty representation. A letter of endorsement from Pat McConeghy, Acting Dean of the College of Arts and Letters, was distributed. (See Appendix D) Dr. Wilcox said he had invited

several people for conceptual discussion of the college and to speak about the proposed facility.

Dr. Youatt spoke about the connection between liberal education and application, where students who are interested in the arts and humanities don't just learn about it, but actually do arts and humanities. Those who have worked on this project would say that their goal is to produce students who can be global citizens and not only appreciate the tradition and culture of others in the world, but who are actually prepared to contribute to the cultural assets of this society.

Some of the unique features of this college are that it will be an extraordinary place where students can be engaged, where they can look at the arts and humanities from an international perspective, and where there will be civic engagement so that they are giving back to the communities and societies which they are studying. It will be the kind of place that is intended to attract the same sorts of engaged students that we find in the Lyman Briggs School and in James Madison College, students who value the living and learning community.

Dr. Scot Yoder from the Philosophy Department said the key contribution here is linking arts and humanities with the land-grant mission.

David Bailey, Associate Professor in the Honors College commented that those who have read Keith Whitters' history of the Michigan Agricultural College (MAC) know that it wasn't the faculty and it wasn't the administration that wanted the liberal arts at MAC, it was the students. The students insisted that the liberal arts be part of the curriculum. He said the faculty hopes that this new residential college becomes part of the University in a very rich and robust way.

MSU student Kyle Martin said it was a pleasure to be involved in this process. He agreed with Dr. Bailey that students have been pushing for the liberal arts. He stated that the students really care about enhancing knowledge at MSU. He stated that the way that we learn is changing; he believes the new residential college is going to address some of those different changing ways that students learn and do so in an international context. He thinks the new college will appeal to students in Michigan and to students throughout the country, and internationally.

Student Liaison Andrew Schepers emphasized that the new residential college will provide an opportunity to be fully immersed in the curriculum and to learn in and outside of the classroom.

Assistant Vice President Chuck Gagliano said that this has been an exciting project that has provided not only a facility and a new academic program, but also a new food service delivery system. One of the challenges is that a part of campus where the new college would be located has a certain architectural style that Housing and Food Services does not want to disrupt. He said Housing and Food Services had to figure out the way to provide sufficient space and the right kind of space for all the various programs that will go on if the new college is approved. The University has been known as the leader for residential college and academic programs throughout the nation.

President Simon stated that the new college is an opportunity to create something special and it happened to come together at the time of the sesquicentennial.

Trustee Porteous said that he thinks one of the things that has people so optimistic and excited about the new college has been the leadership of Briggs and Madison and how successful they have been. MSU must continue to invest in and enhance both at Briggs and Madison so that they are able to stay top-notch.

On a motion by Trustee McNamara, supported by Trustee Porteous, **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 *Draths Industries, LLC*, a Michigan limited liability company based in Okemos. Dr. John Frost, a Professor in the Department of Chemistry, and his immediate family own or have an option to buy an ownership interest of more than 5% of the company.

On a motion by Trustee McNamara, supported by Trustee Gonzales, **THE BOARD VOTED to approve** the recommendations.

C. Approval of Contract Terms and Conflict of Interest Management

- 1) It was recommended that the Board of Trustees approve the administration's recommendation for execution of a license agreement with *SM-Chem, LLC*, consistent with earlier public notice given at a Board meeting and with the applicable "License Term Sheet" presented for inclusion in its minutes. (Appendix E)
- 2) It was recommended that the Board of Trustees approve the administration's recommendation for execution of (i) an amendment and assignment to *Gema Diagnostics, Inc.*, of a license agreement with *Gema LLC*, and (ii) a related testing contract with *Gema Diagnostics, Inc.*, consistent with earlier public notice given at a Board meeting and with the "License Assignment & Amendment Term Sheet" and the "Testing Contract Term Sheet" presented to the Board for inclusion in its minutes. (Appendix F)

On a motion by Trustee McNamara, supported by Trustee Gonzales, **THE BOARD VOTED to approve** the recommendations.

9. Sesquicentennial Report

Trustee Cook announced that October 8, 2005 was a landmark date with the dedication of the new Sparty statue. She recommended the Board view *The Great Experiment* documentary which was featured on WKAR. Trustee Cook said she called Ms. Deanne Hamilton, Director of WKAR, to request a copy of the documentary for her library. Trustee Cook said the documentary is about the land-grant experiment and the emergence of Michigan State University as the leading land-grant institution in this country. It was produced by Dr. Sue Carter and the people at WKAR. She would like copies of the documentary sent to all the members of the Board of Trustees. Trustee Cook noted that Roger Wilkinson, former Vice President for Finance and Operations, had a significant role in the documentary. Mr. Wilkinson spoke about Dr. Hannah's years at MSU, the things that were going on after the war, and the history that Mr. Wilkinson lived through.

Trustee Cook reminded everyone that this weekend is Homecoming weekend and several celebrations are planned. She encouraged everyone to attend the bonfire at Ag Expo field which is an old tradition at Michigan State.

Trustee Cook stated that the billion dollar achievement for the Capital Campaign is an extraordinary accomplishment for this land-grant university and for any land-grant university. She reminded the Board of

the party tonight at which the University will celebrate the hard work of its staff, of the Board of Trustees as the leadership of the University, and all of the donors who have so graciously supported the future of this institution. It is going to be another wonderful weekend of celebrating the Sesquicentennial!

10. Chairman's Report

At Trustee Porteous' request, there was a brief report on University relief efforts in response to Hurricane Katrina. Allyn Shaw, Education Program Coordinator, Faculty and Organizational Development, outlined a report on behalf of Dr. Barbara Steidle, who was unable to be present. (See Appendix G)

President Simon observed that Paulette Granberry Russell's role with the Red Cross seems to be getting bigger and bigger. She said that Ms. Russell has been spending very important time representing both the community and the University. President Simon thanked her for her work.

11. Trustees' Comments

Trustee Romney stated that comments made earlier at the Finance and Audit Committee Meeting and the report on the Sesquicentennial were excellent. He said the water report was outstanding and MSU's leadership in that field is incredible. Trustee Romney indicated that the allocation of more funds to financial aid, although small, is extremely symbolic of the commitment of the University and the Trustees to provide financial aid for those who need it. Trustee Romney had an occasion to speak to a young man with major disabilities who is attending this University next year. The young man's father told Trustee Romney that MSU has more disabled students than most other universities in the country. Trustee Romney said he appreciates what everyone is doing to provide such excellence at this University.

Trustee Nugent said congratulations are in order for all those on the Capital Campaign Committee for the hard work that they have done in exceeding the billion dollar mark.

Trustee Gonzales commented that it was good to see so many Spartans and all the great things they are doing last night at Alumni Association Awards Ceremony. She said the alumni are really giving back to the University.

12. There was no Public Participation on Issues Not Germane to the Agenda.

13. An Executive Session was not requested.

14. On a motion by Trustee Porteous, supported by Trustee Ferguson, **THE BOARD VOTED to adjourn** at 12:07 p.m.

Respectfully submitted,

Alison E. Barber
Secretary of the Board of Trustees