

MINUTES OF THE MEETING
of the
MICHIGAN STATE UNIVERSITY
BOARD OF TRUSTEES
January 28, 1983

President Mackey called the meeting to order in Room 104 A & B, Kellogg Center, at 8:02 a.m., January 28.

Present: Trustees Bruff, Crim, Fletcher, Howe (arrived at 8:40 a.m.), Lick, Martin, Reed and Sawyer; President Mackey, Provost Winder, Vice Presidents Breslin, Cantlon, Dickinson, Schonbein, Stewart, Thompson and Turner; Associate Vice President and Secretary Wilkinson, General Counsel Carr, Assistant to the President Carlisle, Faculty Liaison Group and Student Liaison Group.

1. Approval of the Proposed Agenda

Trustee Bruff moved approval of the proposed agenda. Seconded by Trustee Fletcher. Approved by a vote of 7 to 0.

2. Approval of the December 2-3, 1982, Minutes

Trustee Bruff moved approval of the December 2-3, 1982, Minutes. Seconded by Trustee Lick. Approved by a vote of 7 to 0.

The Board recessed at 8:05 a.m. for a meeting of the Land and Physical Facilities Committee and the Audit Committee.

The Board reconvened at 10:45 a.m.

3. Annual Reports

Enrollment Report

Provost Winder presented the Enrollment Projection Report (copy on file in the Secretary's Office).

Affirmative Action Report

Dr. Ralph Bonner, Director of Human Relations, Dr. James Hamilton, Assistant Provost, and Ms. Barbara O'Kelly, Research Graduate Assistant, summarized the annual Affirmative Action Report and responded to Trustee questions concerning this report (copy on file in the Secretary's Office).

The Board recessed at 12:02 p.m.

The Board reconvened in the Board Room, Administration Building, at 1:37 p.m.

Trustees Howe and Martin arrived at 1:55 p.m.

President Mackey and the Trustees welcomed Bobby Crim as a member of the Board of Trustees.

4. Public Comments

No comments.

5. Biennial Organization of the Board

Trustee Bruff moved to defer this item until the next regular meeting of the Board of Trustees. Seconded by Trustee Reed. Approved by a vote of 6 to 0.

A. PERSONNEL CHANGES

Appointment

1. Atis K. Freimanis, Professor, Radiology, with tenure, at a salary of \$82,000 per year on an AN basis, effective March 1, 1983.

Motion made by Trustee Sawyer, seconded by Trustee Lick, to approve the above appointment. Approved by a vote of 5 to 1. Trustee Fletcher voted No.

B. GIFT, GRANT AND CONTRACT REPORT

Gifts and Grants totaled: \$18,466,343.

Approved by a vote of 6 to 0 on motion by Trustee Reed, seconded by Trustee Sawyer.

Annual Reports

Enrollment Report

Affirmative Action Report

Public Comments

Biennial Organization of the Board, deferred

Appointment

Gift, Grant, & Contract Report

C. OTHER ITEMS FOR ACTION

January 28, 1983

1. Advanced Management Program Fee

It is recommended that the Advanced Management Program fee be increased from \$4200 to \$4800 effective September 1983. This recommendation is based upon anticipated increases of tuition, books, meals, and room rentals plus \$100 to cover the cost of the four-day, in-residence orientation which is planned for the new class starting next fall.

RESOLVED that the above recommendation be approved.

Approved by a vote of 8 to 0 on motion by Trustee Sawyer, seconded by Trustee Bruff.

Advanced Management Program Fee

2. Delegation

Trustee GPA Awards

In 1921, the State Board of Agriculture established monetary Grade Point Average (GPA) Awards. Since that date, the Board of Trustees periodically has changed the amount of the awards. Presently, the awards are granted each term to the four top graduating seniors as follows: \$300, \$250, \$200, and \$150. It has also been the practice of the Board of Trustees to approve the recipients of these awards each term.

It is recommended that the Board delegate to the President, with authority to redelegate in accordance with a plan on file with the Board of Trustees, the authority to establish the amounts of the Trustee GPA Awards and to approve the recipients thereof, with a report to the Board for appropriate recognition at a regular Trustee meeting and commencement ceremony.

RESOLVED that the Board approve the above recommendation.

Approved by a vote of 8 to 0 on motion by Trustee Bruff, seconded by Trustee Lick.

Delegation - Trustee GPA Awards

3. Proposed Dates of Schedule for 1983 Meetings

- January 28
- March 3-4
- April 14-15
- May 26-27
- June 23-24
- July 28-29
- September 22-23
- October 27-28
- December 1-2

RESOLVED that the above schedule be approved.

Approved by a vote of 8 to 0 on motion by Trustee Fletcher, seconded by Trustee Howe.

Proposed Dates of Schedule for 1983 Meetings

D. REPORTS TO THE BOARD

1. Board Committee Reports

a. Land and Physical Facilities Committee

Trustee Lick reported that the Land and Physical Facilities Committee recommends that the Board of Trustees approve the following actions:

- 1. Sale of approximately 12 acres of land on Collins Road. Following University policies, this property will be made known to all interested parties.

Approved by a vote of 6 to 2 on motion by Trustee Lick, seconded by Trustee Bruff. Trustee Fletcher and Reed voted No.

Board Committee Reports
Land and Physical Facilities Committee

continued - - -

Board
Committee
Reports, cont.

1. Board Committee Reports, cont.

a. Land and Physical Facilities Committee, cont.

Land and
Physical
Facilities
Committee, cont.

2. Sale of the 94-acre Jenison Property in Clinton County. The property will be offered for sale in four parcels: a 58-acre parcel at \$500 per acre and three 12-acre parcels at \$1500 per acre.
3. Extension of the option on the Jones Property in Avon Township, Oakland County, to Mr. Carl Sams for six months for \$2500. The current option expires at the end of January 1983.
4. Exchange approximately 1/4 acre of land at the Kellogg Forest in Kalamazoo County with Mr. Arthur Terryn to straighten out a fence line.
5. Accept the offer by Mr. Milton Embs for the purchase of 7.2 acres of land on Pine Tree Road for \$19,800 on a three-year contract, \$4000 down, balance payable at \$200 per month, including interest at 11%, with entire balance due three years from date of contract.

Motion was made by Trustee Lick to approve actions 2. thru 5., seconded by Trustee Bruff. Approved by a vote of 8 to 0.

b. Audit Committee

President Mackey indicated there were no matters to report.

Audit
Committee

2. President's Report

President's
Report

a. Budgetary Matters

Budgetary
Matters

President Mackey called on Vice President Thompson to report on budgetary matters. Vice President Thompson reported that the appropriation deferral action of January 10 has a rather broad range of potential consequences for the University. The minimum loss is the interest income on the appropriation payments for the two-month period, which is approximately \$270,000. Vice President Thompson recommended that the following budget adjustment be made to the 1982-83 general fund budget to offset the loss in interest revenue:

Debt Service Savings due to Wharton Center Bond Rate	\$185,000
Alterations and Improvements	20,000
Utilities	<u>65,000</u>
T o t a l	\$270,000

Trustee Bruff moved the approval of the above budget adjustment. Seconded by Trustee Sawyer. Approved by a vote of 8 to 0.

Vice President Thompson reviewed with the Board of Trustees the 1983-84 budget planning document (copy on file in the Secretary's Office).

b. Resolution on Personal Income Tax Increase

President Mackey commented on Governor Blanchard's recommended economic program and its impact upon prospective University budgets. He requested comments also on this subject from the Trustees.

Trustee Crim commented on the three parts of the Governor's package, i.e., the Executive Order, the proposed tax increase, and the resulting budget. He also commented on the effective date of the recommended tax adjustment and the need for timeliness in considering the Governor's proposal.

Trustee Fletcher said that he applauded the President's support of the Governor's program and also wished to express his support for the program. He introduced the following resolution in support of the Governor's recommended personal income tax increase.

Resolution on
Personal
Income Tax
Increase

D. REPORTS TO THE BOARD, cont.

January 28, 1983

2. President's Report, cont.

President's Report, cont.

b. Resolution on Personal Income Tax Increase, cont.

Resolution on Personal Income Tax Increase, cont.

RESOLUTION TO SUPPORT
GOVERNOR BLANCHARD'S RECOMMENDED TAX INCREASE

WHEREAS, Governor James J. Blanchard has shown commendable political courage in stepping up to the economic problems facing the State of Michigan by advocating an increase in the personal income tax rate of 1.75 percentage points; and

WHEREAS, there is no other logical long-range answer to the financial dilemma which confronts the state government and especially higher education; and

WHEREAS, the Michigan Legislature is now considering the Governor's recommendation to increase the personal income tax rate;

NOW, THEREFORE, BE IT RESOLVED that the Board of Trustees of Michigan State University urge the adoption by the Legislature of the Governor's recommended personal income tax increase.

Trustee Fletcher moved approval of the above resolution. Seconded by Trustee Bruff. Approved by a vote of 8 to 0.

c. Trinity Report and Enrolled House Bill No. 4553

Trinity Report and Enrolled House Bill No. 4553

President Mackey commented on the Trinity Investment Report dated January 18, 1983. He stated that this was one of the three new investment management firms approved by the Board of Trustees and that its report indicated a total return of 16.9% in the MSU portfolio under its management. He stated that the Investment Committee will be reviewing the results of all managers in an upcoming meeting.

President Mackey also called attention to Enrolled House Bill No. 4553 which was passed into law late in the 1982 legislative session. He stated this law has possible impact upon the University's affirmative action program. Further, it may affect University investments because of provisions relating to firms operating in South Africa and the Soviet Union. He stated that the date set relative to firms operating in the Soviet Union is February 1, 1983. He further stated that he has asked the Office of Legal Affairs to give advice on this matter and has asked other staff persons to review the implementation of this section. To our knowledge there is no list of firms doing business in the Soviet Union. He stated that the Board of Trustees will also have to review the South African section of this bill in light of the Board of Trustees' current policy. The effective date of this section is April 1, 1984. He emphasized that we will continue to review this legislation and its effect upon the University's affirmative action program.

d. Philadelphia Stars Lawsuit Settlement

Philadelphia Stars Lawsuit Settlement

As requested by members of the Board of Trustees, President Mackey gave a brief summary on the settlement with the Philadelphia Stars on the lawsuit relating to the hiring of Head Football Coach George Perles. He stated that he had sent to the members of the Board of Trustees an outline of the events leading up to this settlement and that he has spoken to the Academic Council on this matter with his remarks being reported in the MSU News-Bulletin.

Trustee Martin commented that although he was pleased with the selection of Coach Perles, he has concerns about the procedures used in the hiring process and the procedures used in arriving at the settlement with the Philadelphia Stars.

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President's
Report, cont.

Philadelphia
Stars Lawsuit
Settlement,
cont.

2. President's Report, cont.d. Philadelphia Stars Lawsuit Settlement, cont.

Trustee Crim stated that we have hired a good coach who will put together a good program but that the procedures followed in the selection process, in his opinion, are not normal procedures in contracting with a new coach. Trustee Crim indicated that he is also concerned about the suppression of the settlement with the Philadelphia Stars. He stated he has not received a reasonable explanation as to why this suppression was necessary.

Trustee Fletcher stated that, in his opinion, there was grave error on the part of the staff in the process in contracting with Coach Perles. He also expressed concern as to why the settlement with the Philadelphia Stars has to be kept secret. He questioned the authority of the administration to reach a settlement with the Philadelphia Stars and questioned whether this authority exceeded the intent of the Board of Trustees bylaws and policies.

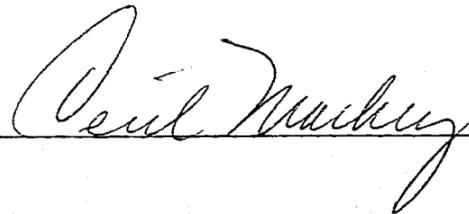
President Mackey responded to the several questions raised by the Board of Trustees and the concerns expressed as to contracting procedure and the authority of the administration to settle lawsuits. He stated that under Board of Trustees policy it has been interpreted by his administration as well as past administrations that the administration had the authority to reach such settlements of legal matters, and that there had been several instances over the past decade resulting in settlements.

Trustee Bruff also questioned the procedures used in reaching a settlement and, following discussion, moved the following motion.

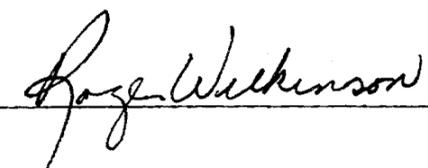
Trustee Bruff moved that the Board direct the President to continue to review the Philadelphia Stars lawsuit settlement and report further to the Board with respect to this matter, and that the Board direct its legal counsel to seek an agreement with the Philadelphia Stars and the United States District Court for the Eastern District of Pennsylvania to remove the confidentiality order and to develop a policy with respect to important settlements of lawsuits for consideration by the Board. Seconded by Trustee Crim. Approved by a vote of 8 to 0.

As requested by members of the Board of Trustees, General Counsel Carr commented on the confidentiality order and the method used in reaching the settlement.

Adjourned at 3:42 p.m.



President



Secretary