

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

September 12, 1997

The Trustee Finance Committee and Trustee Policy Committee of the Whole meetings were held in the Board Room of the Administration Building beginning at 9:00 a.m. on Friday, September 12, 1997. Minutes of the meetings are on file in the Office of the Secretary of the Board of Trustees.

President McPherson called the meeting of the Board of Trustees to order at 10:15 a.m. in the Board Room.

Trustees present: Dolores M. Cook, Joel Ferguson, Dorothy Gonzales, Colleen McNamara, Donald W. Nugent, John D. Shingleton, Bob Traxler, and Robert E. Weiss.

University officers present: President McPherson, Provost Simon, Secretary Pogel, Vice President and General Counsel Noto, Vice Presidents Denbow, Greenleaf, Huggett, June, Webb, Webster, and Wilkinson, and Executive Director Williams. Faculty Liaison representatives present: Norman Abeles, David Grummon, and Daniel Kruger. Student Liaison representatives present: Sean O'Neil, Chad Smith, and Tim Tesmer.

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

1. On a motion by Mr. Traxler, supported by Mr. Weiss, **THE BOARD VOTED to approve** the proposed agenda.
2. On a motion by Ms. Cook, supported by Ms. Gonzales, **THE BOARD VOTED to approve** the minutes of the May 28, 1997, June 13, 1997, and July 10, 1997 Board meetings.
3. President's Report
 - A. President McPherson reported on the Blue Ribbon Commission of the Lansing Public Schools and the prominent involvement of Michigan State faculty, staff, and students. The University's commitment to K-12 education is reflected by the programs in progress, the expected expansion of others, and the number of participants.
 - B. President McPherson commented on the impressive accomplishments of University Development, colleges, and others during the past fiscal year in raising a total of \$71.6 million. The amount is up from \$58 million the previous year and \$50 million the year before. Trustees, faculty, staff, and administrators were complimented for their commitment to the University.
 - C. The President introduced new Faculty and Student Liaisons and recognized liaisons returning from last year. New Faculty Liaisons are Norman Abeles, Daniel Kruger, and Diana Rosenstein. Professors David Grummon and Pamela Pommerenke are returning members. New Student Liaisons are Ebony Green, Member-at-Large, and Sean O'Neil, Academic Assembly of ASMSU. Chad Smith, ASMSU Student Assembly, and Tim Tesmer, Council of Graduate Students, were recognized.
 - D. Governor Engler has declared Hispanic Heritage Month in the State of Michigan from September 15 through October 15, 1997. President McPherson said it is a time to acknowledge the many contributions of students, faculty, staff, and others who are interested in the hispanic heritage and hispanic community of the state.
 - E. Trustee Gonzales introduced Colonel Rosendo Castillo Reyes, an MSU graduate with a Bachelor of Arts and Masters of Social Work degrees. Colonel Reyes was recently promoted to Colonel in the United States Army Reserve and is the only Hispanic Colonel from Michigan currently serving in an Army Reserve unit.
 - F. President McPherson said he was pleased to announce that MSU Housing and Food Service had earned top honors in national competition of residence halls menus. He commented that we believe we have one of the outstanding university housing programs in the country, and it is significant to be recognized by peer institutions.

President's
Report

Lansing Public
Schools Blue
Ribbon Commission

University
Development
Accomplishments

Faculty and
Student Liaisons
Introduced

Hispanic Heritage
Month in State
of Michigan

Introduction of
Colonel Rosendo
Castillo Reyes

Housing and Food
Services
Recognition

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4. Guiding Principles Report

Guiding Principles
Report

Vice President Greenleaf reported on cross university initiatives for the new academic year. He commented briefly on the process and the content of the priorities for this year. This is the second year of providing a university-wide focus for a limited number of major initiatives that span the academic and support units. Each of the 12 initiatives from last year are on the list again in a somewhat altered form, plus three others. Each initiative comes under one of the six Guiding Principles.

5. The following individuals addressed the Board of Trustees on issues germane to the agenda.

Public
Participation
Germane to Agenda

- A. James Muffett, a concerned parent, spoke in opposition to the recommended domestic partner initiative. He said it would be legitimizing what he believes is a behavioral choice and urged Board members to turn down the proposal.
- B. Kay Palinski, MSU alumna and former staff member, commented that the resolution is unfair since it does not extend benefits to people who live together but are not partners. She urged Trustees to table the resolution to allow for additional review of the many contradictions and questions that it raises.
- C. Edward Ingraham, faculty member, spoke in support of the resolution, but urged the Board to remove the same-sex requirement.
- D. John Huebler, alumnus and President of the Gay and Lesbian Faculty and Staff Association (GLFSA), expressed his appreciation to Board members, particularly Trustee Weiss, and the administration. He said the proposal is fair, places stringent requirements on the definition of partnership, and is a significant step toward recognizing all families in the community.
- E. Leo Sell, Chairperson of the MSU Administrative-Professional Association, stated he supports the addition of domestic partner benefits. He would, however, prefer using the term "spousal equivalency benefits" which would apply to all partner relationships, including unmarried domestic partners.

6. Personnel Actions

Personnel Actions

Provost Simon presented the academic appointments listed below. The athletic personnel actions were presented by Vice President Wilkinson.

A. Appointments

Appointments

- 1) Dillon, Laura K., AY-Associate Professor, Department of Computer Science, \$72,000, with Tenure, effective August 16, 1997.
- 2) Ayres, Virginia M., AY-Associate Professor, Department of Electrical Engineering, \$65,000, with Tenure, effective August 16, 1997.
- 3) Izzo, Thomas, AN-Head Men's Basketball Coach, Intercollegiate Athletics, \$130,000, Subject to Contract, effective July 1, 2001 to June 30, 2002.
- 4) Mason, Ronald H., AN-Head Hockey Coach, Intercollegiate Athletics, \$110,520, Subject to Contract, effective July 1, 2000 to June 30, 2001.

On a motion by Mr. Ferguson, supported by Ms. Gonzales, **THE BOARD VOTED to approve** the Appointments.

B. Information Reports

Information
Reports

Information Reports of Academic Personnel Actions of June 27, 1997 and July 25, 1997 were distributed with the Board Agenda and are included with the agenda materials in the Office of the Secretary of the Board of Trustees.

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Gift, Grant and
Contract Report

7. Gift, Grant and Contract Report

The Gift, Grant and Contract Report for the period of May 31, 1997 through August 27, 1997 was presented by Vice President Huggett. The report is a compilation of 478 Gifts, Grants and Contracts, 44 Consignment/Non-Cash Gifts, and no Consignment/Non-Cash Loans with a total value of \$37,383,001.33. The report is included with the Board Agenda in the Office of the Secretary of the Board of Trustees.

On a motion by Ms. Cook, supported by Mr. Ferguson, **THE BOARD VOTED to approve** the Gift, Grant and Contract Report.

Dr. Huggett noted that this report is more than \$11 million over the approximate same time period of last year.

Mr. Weiss and the President welcomed Vice President Huggett to the University.

Trustee Finance
Committee

8. The Trustee Finance Committee report and recommendations were presented by Committee Chairperson Nugent.

Bids and Contract
Awards

A. Bids and Contract Awards

T.B. Simon Power
Plant Addition

- 1) a contract in the amount of \$579,000 be awarded to Moore Trospen Construction Company of Holt, Michigan, and that a budget in the amount of \$705,000 be established for the project entitled: T.B. Simon Power Plant Addition.

Funds Functioning
as Endowments

B. Funds Functioning as Endowments

Food, Nutrition and
Chronic Disease
Fund

- 1) establishment of a fund functioning as endowment, the Food, Nutrition and Chronic Disease Fund.

Freeman-Darling
James Madison
Fellows Scholarship
Fund

- 2) establishment of a fund functioning as endowment, the Freeman-Darling James Madison Fellows Scholarship Fund.

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

Appoint Architect
for Eustace Hall
Renovation

C. Recommendation to appoint Architects Four, Inc., of Ann Arbor, Michigan, as the architect for the project entitled: Eustace Hall Renovation.

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

Recognition of
Donor Mr. Jeffrey
Cole

President McPherson said it was his pleasure to introduce donor Mr. Jeffrey Cole and to acknowledge his gift to the Honors College. As an Honors College student, Mr. Cole studied in the upstairs of Eustace Hall and has a special fondness for Michigan State. Of the \$3 million gift, \$1.4 million is being designated for work on the structure of the building and to make it handicapped accessible. Approximately \$1.6 million will be used as endowment for scholarships, with about \$500,000 in connection with study abroad.

Mr. Cole commented that he had been blessed and very lucky. He quoted former President Frank Kedzie and said he believes that private gifts can make a difference to this institution and can be the difference between "a marginality of resources at your disposal on one hand and the continued abundance of opportunity for our youth on the other." He said, the University does not owe him thanks; he and people like him, owe the University thanks. Mr. Cole closed by commenting, "along with others, I thank you with pride and humility for the opportunity to serve."

Transfer Boon
Township land to
Wexford County

D. It was recommended that 40 acres of land located in Boon Township, Wexford County, be transferred back to Wexford County.

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

The administration will attempt to reserve any mineral rights.

Acceptance of
1996-97 Financial
Report and Report
of Independent
Auditors

E. It was recommended to accept the 1996-97 financial report and report of independent auditors as the official financial report of the University.

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

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F. The committee received a report on the investment of \$3 million in Oaktree Capital Management Opportunities Fund II, L.P.

9. President McPherson presented the report of the Trustee Policy Committee of the Whole.

A. De Minimus Ownership

- 1) It was recommended to delegate to the President the authority to enter into an agreement with Bioplastics, Inc. (Dr. Ramani Narayan)
- 2) It was recommended to delegate to the President the authority to enter into an agreement with Lions Adhesives. (Dr. Ramani Narayan)
- 3) It was recommended to delegate to the President the authority to enter into an agreement with Bio Plastics and Polymers LLC. (Dr. Ramani Narayan)
- 4) It was recommended to delegate to the President the authority to enter into an agreement with Synthon Corporation. (Dr. Rawle I. Hollingsworth)

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

B. MSU Ordinance 6.00

It was recommended to amend MSU Ordinance 6.00, Penalties, to change the penalty to 90 days and/or \$100 fine.

6.00 Penalties

- 6.01 Misdemeanor
- 6.02 Civil infraction

- .01 Whosoever shall refuse or fail to conform to the provisions of these ordinances shall be deemed guilty of a misdemeanor, and upon conviction thereof may be fined and/or imprisoned in the county jail of the county wherein the offense was committed, for not more than **90 days and/or a 100 (one hundred) dollar fine.**
- .02 Whosoever shall refuse or fail to conform to ordinances the violation of which constitutes a civil infraction, as denoted by an asterisk (*) shall be subject to civil sanctions as provided by law.

On a motion by Mr. Weiss, supported by Ms. Gonzales, **THE BOARD VOTED to approve** the recommendation.

C. Domestic Partner Benefits

Whereas, the University Committee on Faculty Affairs and the Academic Council recommended that the University provide benefits for domestic partners, and

Whereas, the Board of Trustees considered domestic partner benefits in Fall 1995 and heard extensive public comment, and

Whereas, the Board of Trustees deferred further consideration for two years, and

Whereas, Trustee Weiss has now asked that the following resolution be proposed, be it resolved that:

- Michigan State University will add benefit eligibility for same-sex domestic partners of regular faculty and applicable staff who meet the following criteria. They:
 - 1) are same-sex and for this reason are unable to marry each other under Michigan law,

Trustee Finance
Committee cont.

Report on
Investment

Trustee Policy
Committee of the
Whole

De Minimus
Ownership

Bioplastics, Inc.

Lions Adhesives

Bio Plastics and
Polymers LLC

Synthon
Corporation

MSU Ordinance
6.00 - Penalties

Domestic Partner
Benefits

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- 2) are in a long-term committed relationship, have been in the relationship for at least 6 months, and intend to remain together indefinitely,
 - 3) are not married to others and neither has another domestic partner,
 - 4) are at least 18 years of age and have the capacity to enter into a contract,
 - 5) are not related to one another closely enough to bar marriage in Michigan,
 - 6) share a residence and have done so for more than 6 months,
 - 7) are jointly responsible to each other for the necessities of life,
 - 8) provide a signed "partnership agreement" that obligates each of the parties to provide support for one another, and provides for substantially equal division, upon termination of the relationship, of earnings during the relationship and any property acquired with those earnings.
- Domestic partners' children will be eligible for health and dental benefits if they:
 - 1) are qualified and claimed as an IRS-defined dependent by the domestic partner, and
 - 2) are members of the employee's household or a full-time student, and
 - 3) are unmarried and under the age of 19 (up to age 25 if an IRS-defined dependent).
 - Employees enrolling domestic partners will be asked to complete a Domestic Partnership Declaration and provide a signed "partnership agreement." They will have to keep a "partnership agreement" meeting the criteria described above in effect to be eligible for domestic partner benefits.
 - The following benefits will be provided to domestic partners and their dependents as for a regular employee's spouse and other dependents:
 - 1) family and medical leave
 - 2) COBRA continuation
 - 3) course fee courtesy
 - 4) ID cards
 - 5) access to library, recreational, and athletic facilities
 - 6) university apartments
 - 7) parental, sick, and bereavement leaves
 - 8) child care services
 - 9) health insurance*
 - 10) dental insurance*
 - 11) post-retirement benefits*
 - 12) employee-paid life and accidental death and dismemberment insurance*

(*These benefits will be provided on the same basis as for other employees if they can be renegotiated with carriers to obtain equivalent coverage without a premium surcharge.)
 - The University will provide a premium contribution for domestic partner benefits comparable to that provided for a regular employee's spouse and dependents (subject to taxation as required by federal, state, and other applicable law).
 - MSU bargaining units will be contacted to determine their interest in negotiating domestic partner benefits for support staff.
 - Domestic partner benefits will be implemented as quickly as possible for faculty and applicable staff after eligibility is communicated and a special enrollment period is held.

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Trustee Policy
Committee of the
Whole continuedDomestic Partner
Benefits
continued

- The actions authorized by this resolution shall not alter or amend the University's Anti-Discrimination Policy nor shall they be deemed or construed to supplement or limit the protections of any individual thereunder. The Anti-Discrimination Policy shall not be interpreted to provide rights for heterosexual domestic partners.
- Domestic partner benefits are subject to future plan changes that may be negotiated/agreed with employee groups.

Trustee Weiss moved adoption of the resolution as recommended by the Trustee Policy Committee to authorize domestic partner benefits under certain criteria. Trustee Gonzales supported the resolution.

Mr. Weiss said he supported the recommendation as a human rights issue "to make people matter." He said he understood that others have different opinions and respects those views, but believes the issue has been thoroughly addressed and studied. Mr. Weiss thanked the staff and everyone involved in studying the issue.

Mr. Nugent commented that Board members are elected by the people of Michigan to represent them and their wishes. Since neither the Federal government through IRS rulings nor State government recognizes same-sex partner marriages, he has difficulty with the proposed resolution. Mr. Nugent said the Board made a commitment to reconsider the motion in two years and the **recommendation should be tabled** until the next action meeting to allow for more input. Mr. Shingleton supported Mr. Nugent's view.

Recommendation
to table

On the motion by Mr. Nugent to postpone the discussion until the next Board action meeting, supported by Mr. Shingleton, **A ROLL CALL VOTE** was conducted by Secretary Pogel. The vote was 3 to 5. Trustees Cook, Nugent, and Shingleton voted to postpone the decision. Trustees Ferguson, Gonzales, McNamara, Traxler, and Weiss voted to consider the recommendation at this meeting. The motion to table was defeated.

Motion to table
defeated

President McPherson announced that there would be further discussion.

Trustee Traxler inquired about implementation of the benefit and who would be eligible. He was informed by Dr. Keith Groty that regular employees of the University will be eligible. There was some limited discussion about graduate assistants as opposed to other students. Implementation can move forward for faculty and academic staff and those who are not recognized through a bargaining agent. For employees that are involved with collective bargaining, the benefit would be presented at the bargaining table.

Trustee Shingleton emphasized his opposition to the proposed resolution because of the importance of traditional family values; however, he commended Mr. Weiss and his colleagues for their work.

President McPherson acknowledged the assistance of Ms. Denise Anderton and General Counsel Noto who did much of the drafting in the form desired by Trustee Weiss and then presented at the meeting.

A ROLL CALL VOTE to consider the recommendation was conducted by Secretary Pogel. The vote was 5 to 3. Trustees Ferguson, Gonzales, McNamara, Traxler, and Weiss approved the recommendation. Trustees Cook, Nugent, and Shingleton voted No. The resolution was approved.

Recommendation
approved

- D. An update on Welcome Week, enrollment, and information on other matters related to the opening of the Fall 1997 semester was presented to the Trustee Policy Committee of the Whole.

Report to Committee
on opening of
Fall Semester

10. Chairperson's Report and Trustee Comments

Chairperson's
Report and Trustee
Comments

A. Chairperson Cook commented as follows:

- 1) Chairperson Cook reported it is the annual responsibility of the Board of Trustees to review the President.

President's
Compensation

As Chairperson, she reported it was a privilege to advise that President McPherson's total compensation would be increased by 4%, effective October 1, 1997. The President's cash salary will remain at \$185,400 and this adjustment will be treated as deferred compensation. She also noted that President McPherson did not want his adjustment to exceed this year's approved guidelines for faculty salaries.

Chairperson's Report
continued

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President's
Compensation cont.

Ms. Cook commented further that it is the Board's collective view that we have an outstanding President and Board members are very pleased with his performance. The President's involvement internally and externally is impressive she said. Ms. Cook thanked President McPherson for his dedication to the institution and the presidency.

Trustee Cook said she is proud of the MSU "team" of faculty, staff, students, and administrators. She added special praise for Vice President Wilkinson and Provost Simon.

Trustee Comments

B. Trustee Traxler commented on the stadium signs that were recently installed on campus. He said the University needs to approach commercialization very seriously and with greater caution.

C. Trustee Nugent commented that he had heard a recent report of the cherry industry where Michigan State researchers from human nutrition, food scientists, meat scientists, specialists, and others had shared information for this particular project. Mr. Nugent said the results were impressive and made him proud of the collaborative efforts taking place at the University.

D. Trustee Weiss thanked the President and Board members for their time, effort, and responsiveness to recent discussions of the domestic partner issue.

Mr. Weiss asked for the University to consider holding regional alumni celebrations throughout the state. The events could involve representatives of the University community--the President, Governmental Relations staff, administrators, researchers and scholars, athletic personnel--to promote and showcase the University.

E. Trustee Shingleton said he supported Chairperson Cook's remarks about the President and University staff. He also agreed with Trustee Traxler that commercialization at the University should be in good taste.

Public Participation
Not Germane to
Agenda

11. The following individuals addressed the Board of Trustees on an issue not germane to the agenda.

A. Terry Whiteman, student, addressed the Board of Trustees about his experiences as a student in the College of Human Medicine.

B. Colleen Drake, MSU staff member and representative of the CT Health and Safety Committee, commented on the difficulty of parking on the campus, and especially during the construction that took place this past summer.

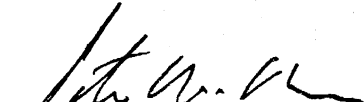
C. Susan E. Shea, alumna, spoke of the recent disruption that occurred in her East Lansing neighborhood. She stated that alcohol and an over-concentration of rental houses in East Lansing were contributing factors. She recommended that the University should build appropriate student housing on campus.

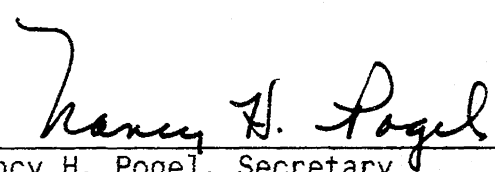
Request for
Executive Session
- None

12. President McPherson reported there had not been a request for the Board to meet in Executive Session.

On a motion by Mr. Ferguson, supported by Ms. Cook, the Board voted to adjourn at 12:20 p.m.

13. Trustees joined student liaisons and other students for lunch in various residence halls.


Peter McPherson, President


Nancy H. Pogel, Secretary