

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

July 17, 2006

Trustee Finance and Audit Committee and Trustee Policy Committee meetings were held in the Board Room of the Administration Building beginning at 2 p.m. on Monday, July 17, 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 2:07 p.m. in the Board Room.

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

University officers present: President Simon, Provost Wilcox, Vice President Poston, Secretary Barber, Vice President and General Counsel Noto, Vice Presidents Denbow, Gray, June, Webster and Acting Executive Director Beekman. Faculty liaisons present: Ross Emmett and Jon Sticklen. Student liaisons present: Eric Hinojosa, Brad Love and Roger Ludy.

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

1. On a motion by Trustee Porteous, supported by Trustee Romney, the **BOARD VOTED to approve** the agenda.
2. President Simon noted that the approval of the minutes of the June 16, 2006 Board meeting is to take place at the September 15, 2006 Board meeting.
3. President's Report
 - A. Study Abroad Programs

President Simon noted that terrorist activities and other acts of aggression around the world have occurred during the last couple of weeks. MSU extends condolences to students and families affected by these acts. A group of MSU students were scheduled to complete the study abroad program in Israel on July 28, 2006.

After carefully monitoring the situation, the decision was made to close the program and bring the students home.

B. College Swim Coaches Association

President Simon commented that the men's and women's swimming and diving teams have achieved the honor of being named College Swimming Coaches Association of America (CSCAA) Academic All-American Swim Teams for the winter and spring semesters.

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

Provost Kim Wilcox presented the following personnel actions:

Appointments

Powers-Schilling, Wendy J., AY-Professor, Departments of Animal Science; Biosystems and Agriculture Engineering, \$108,000, with Tenure, effective November 1, 2006.

Brynn, Chris H., AY-Associate Professor, Department of Accounting and Information Systems, \$168,000, with Tenure, effective August 16, 2006.

Hitchcock, Robert K., AN-Professor, Department of Anthropology, \$125,000, with Tenure, effective August 16, 2006.

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

Provost Wilcox stated that Dr. Powers received a Ph.D. in Animal Science from the University of Florida. She is presently an Associate Professor in Animal Science at Iowa State University, and will continue her research at MSU on the use of multi-species approaches to addressing environmental issues in animal agriculture.

Professor Brynn received a Ph.D. from Ohio State University. Dr. Brynn has had appointments at both Vanderbilt and Southern Methodist Universities and has received an outstanding teaching award in the MBA program at Southern Methodist.

Professor Hitchcock received a Ph.D. from the University of New Mexico and is presently a professor in the Department of Anthropology and Geography at the University of Nebraska in Lincoln. Dr. Hitchcock's

research interests include human ecology, developmental and applied anthropology, international human rights, indigenous peoples, hunters, gatherers, refugees, poverty, Sub-Saharan Africa, the Middle East and North America.

THE BOARD VOTED to approve the appointments.

Provost Wilcox continued with three decanal appointments:

Udpa, Satish, S., AN-Professor and Acting Dean, College of Engineering; Department of Electrical and Computer Engineering, for a change in title to Dean and for a change in salary rate to \$250,000, effective June 16, 2006.

Mundt, Mary H., AN-Professor and Dean, College of Nursing, \$215,000, with Tenure, effective September 15, 2006.

Brown, Christopher, AN-Professor and Dean, College of Veterinary Medicine; Department of Large Animal Clinical Sciences, \$200,000, with Tenure, effective September 1, 2006.

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

Provost Wilcox said that Professor Udpa received a Ph.D. from Colorado State. Dr. Udpa has taught at Colorado State, Iowa State and MSU. Professor Udpa's research involves non-destructive evaluation techniques, how to test materials without destroying them, and the development of non-invasive tools for clinical applications.

Professor Mundt received a Ph.D. from Marquette University in 1984, and spent many years at the University of Wisconsin-Milwaukee, where she served as the Chair of the Health Maintenance Department and Interim Dean for two years. Dr. Mundt is presently the Dean of Nursing at the University of Louisville, and has been in that position since 1997. Dr. Mundt also serves as the Director of the Center for Cancer Nursing Education and Research, and has an expertise in public health nursing and nursing education.

Professor Brown received a Ph.D. from the University of Bristol in 1997, and taught at Washington State University and MSU from 1979-1994. While at MSU, Dr. Brown served as the head of the Equine Medicine and Surgery Center for five years, and as the Acting Head of the Radiology section for one year. Dr. Brown was selected by MSU as an American Council on Education Fellow and spent a year in the Chancellor's Office at the University of Kentucky.

THE BOARD VOTED to approve the appointments.

Provost Wilcox continued with two administrative appointments:

Youatt, June, AN-Professor; Department of Family and Child Ecology; Associate Provost, Undergraduate Education; Dean, Undergraduate Studies; Acting Dean, College of Human Ecology, for a change of title to Senior Associate Provost, Office of the Provost, and for a change in salary rate to \$180,000, effective July 1, 2006.

Estry, Douglas, AN-Professor and Associate Dean, College of Natural Science; Biomedical Laboratory Diagnostics Program; Department of Pathobiology & Diagnostic Investigation, for a change in title to Acting Associate Provost for Undergraduate Education and Acting Dean, Undergraduate Studies, and for a change in salary rate to \$144,000, effective July 1, 2006.

Trustee Cook moved **to approve** the appointments, with support from Trustee Gonzales.

Provost Wilcox said that Dr. Youatt received a Ph.D. from MSU in Curriculum Instruction. Dr. Youatt has served as an instructor, assistant, associate and full professor in the Department of Family and Child Ecology. Dr. Youatt has been Associate Provost for Undergraduate Education for three years and Dean of Undergraduate Studies for two years, and has served as Acting Dean of Human Ecology during the last year.

Professor Estry received a Ph.D. from MSU in Pathology and has been with MSU since 1985. Dr. Estry served as Acting Director and Director of the Medical Technology Program, and for the last five years as Associate Dean for Academic and Student Affairs in the College of Natural Science.

THE BOARD VOTED to approve the appointments.

6. Finance and Audit Committee

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

A. Budget Guidelines for 2006-07

It was recommended that the Board of Trustees adopt the Guidelines for the development of the 2006-07 Budgets, attached as Appendix A.

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

President Simon reviewed the key elements of the Guidelines including projected state appropriations, tuition and fee revenue and key expenditure categories; compensation, utilities, infrastructure, technology, the Quality Fund and financial aid. The proposed Board action also directs the administration to develop and implement the General Fund, Michigan Agriculture Experiment Station, Michigan State University Extension, and Intercollegiate Athletics budgets in accordance with the guidelines.

Trustee Nugent thanked the Governor and the Legislature for increasing revenue coming to the University this year rather than holding it the same or decreasing it. While there will be a tuition increase, it will be the smallest increase in the past few years.

President Simon commented that this has been an important year for higher education in the State, as well as for MSU, because it represents a turnaround in State funding. This year the average funding received by the three research universities with medicine and the average received by the other 12 universities was the same. This is a real credit to Vice President Webster and his team.

Trustee Porteous asked President Simon to explain the initiative that the University has taken related to controlling health care costs.

Dave Byelich, Assistant Vice President and Director of Planning and Budgets, explained that the increase in health care costs this year is approximately 2.5 percent. Co-payments, for drugs as well as for medical services, have significantly increased. Additionally, for the faculty component of the program has increased premium sharing to 14 percent. As health care costs have gone up, the rate of change in the support staff's salaries has been moderated. These are the major items that have allowed the University to achieve a low 2.5 percent increase this year.

President Simon said that this reflects a commitment to a concept of total compensation for the faculty and for academic and other support staff. The target has been for faculty to be in the middle of the Big Ten in terms of total compensation. In order to achieve that and make sure that MSU is competitive in its salaries, an aggressive look at health care was required.

Trustee Porteous commented that the model that MSU utilizes is one that works very effectively because it involves engagement with all of the parties on how to control costs and stretch revenue as far as possible. It is this initiative, whether with collective bargaining or other units, that allows MSU to keep the tuition increase at the current level.

Trustee Romney noted that it is helpful that MSU is increasing financial aid significantly. He asked what percentage of students will receive some form of financial aid.

Rick Shipman, Director of Financial Aid, said that approximately 72 percent of students attending MSU will receive some form of financial aid.

Trustee Romney asked if students in the lowest income levels will face tuition increases from over what they paid last year.

Assistant Vice President and Director Byelich said that for the Spartan Advantage participants, the aid package will equal the direct cost of education. Student costs will not go up, and MSU will substitute a grant for over \$2,000 of loans.

President Simon noted that three things are important in this budget. First, financial aid is increasing more than tuition. Second, MSU will continue to add financial aid for those students just above PELL and for PELL eligible students. The third, and major component, is the announcement of the Spartan Advantage. This is for students who are admissible to MSU and whose families are at or below the poverty level. It will provide an opportunity for those students to attend MSU with no loans.

President Simon went on to say that in order for the State to be strong, a world-class education needs to be available to students across the broad spectrum of socio-economic classes. The actions that the Board has taken in the past have reinforced that value. The budget presented for 2006-07, in particular the Spartan Advantage, signals that MSU is a place for the most talented students, no matter what their income level might be.

THE BOARD VOTED to approve the recommendation.

- B. Fund Functioning as an Endowment – Connected Mathematics Project 2

It was recommended that the Board of Trustees establish a fund functioning as an endowment entitled Connected Mathematics Project 2.

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

THE BOARD VOTED to approve the recommendation.

7. Policy Committee

Trustee McNamara presented the Trustee Policy Committee report and recommendations.

A. Courtesies to Former Trustees

It was recommended that the Board of Trustees that Board Policy 01-01-08—Courtesies to Former Trustees be rescinded, effective January 1, 2007; and be it further recommended that a new Board Policy 01-01-08—Trustees Emeriti, attached as Appendix B, be adopted, effective January 1, 2007, to replace the rescinded policy.

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

Trustee McNamara asked Trustee Porteous to comment on the recommendation.

Trustee Porteous said that Trustees Emeriti provide good benefits for MSU after their term on the Board has ended. MSU works hard to help ensure that Emeriti stay connected to the University.

THE BOARD VOTED to approve the recommendation.

8. Trustees' Comments

Trustee Porteous said that the budget was not something that came together in a week or month, but was something that was worked on throughout the year. The Finance Committee should be complimented for its work as its members examine the financial picture of the University monthly. The willingness and ability to bring people together to see how MSU can achieve excellence is a great testament and compliment to President Simon and Team MSU. Congratulations to President Simon, Team MSU, and the Board for working exceedingly hard over the past year to produce a very good, solid budget.

Trustee Cook thanked the faculty for the role that they have played in keeping health care costs down. She said that the Spartan Advantage is an incredible idea. An opportunity to become an educated person in Michigan is being presented to many students through this plan. It is initiatives like this that can make an enormous difference in the direction of people's lives.

Trustee Nugent reminded everyone of the opening of the Michigan Agricultural Equipment Exposition (Ag Expo) on July 18, 2006.

Trustee Gonzales mentioned that approximately 200 College Achievement Migrant Program (CAMP) students were on campus for activities on Saturday, July 15, 2006. The group was impressive and she looks forward to working with them this coming year.

9. There was no Public Participation on Other Issues.
10. Request to Adjourn

On a motion by Trustee Romney, supported by Trustee Nugent, **THE BOARD VOTED to adjourn** at 3:05 p.m.

Respectfully submitted,

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