President Simon called the meeting of the Board of Trustees to order at 9:35 a.m. in the Board Room.

Trustees present: Joel Ferguson, Melanie Foster, Dorothy Gonzales, Colleen McNamara, Donald Nugent, Faylene Owen, George Perles and Scott Romney.

University officers present: President Simon, Provost Wilcox, Vice President Poston, Secretary Beekman, Vice President and General Counsel Noto, Vice Presidents Denbow, Gray, June, Webster, Interim Vice President Heil, Senior Advisor and Director Granberry Russell, and Interim Executive Director Cash. Faculty liaisons present: Harold Hughes and John Powell. Student liaisons present: Eric Hinojosa, Michael Leahy, Manish Madan, Jarrod Morrice, and Yanisleidy Reina.

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

1. On a motion by Trustee Romney, supported by Trustee Nugent, the BOARD VOTED to approve the agenda.

2. President’s Report
   
   A. Commencement

   President Simon stated that two internationally recognized leaders working to keep the world and its inhabitants healthy will be MSU’s Commencement speakers on Friday, May 2, 2008. Gro Harlem Brundtland, former Director General of the World Health Organization and former Prime Minister of Norway, will receive an honorary doctor of laws degree. She will speak at the 1 p.m. convocation for undergraduate candidates.

   President Simon said that botanist Peter Raven, President of the Missouri Botanical Garden, will address students, families, and guests during the 7 p.m. ceremony for advanced degree candidates. He will receive an honorary doctorate of science.
President Simon noted that Steven Koonin, chief scientist at BP, will be presented with an honorary doctorate of science for his longstanding role as an advocate for science and for his contributions to global energy needs and global environmental science.

President Simon said that Nelson Mandela, best known for leading the revolution to end apartheid and create a democratic country in South Africa, will receive an honorary doctorate of laws in recognition of his unwavering commitment to democracy, equality, and education.

B. Churchill Scholar

President Simon noted that Katherine Leitch was one of 13 students nationwide to be named a Churchill Scholar. She is a zoology major in the College of Natural Science and a member of the Honors College.

C. 2008 Udall Scholar

President Simon stated that Autumn Mitchell, a sophomore Linguistics major and member of the Honors College, has been selected as a 2008 Udall Scholar. She plans to acquire a master's degree in linguistics and aims to help indigenous tribes re-institute native language instruction in their tribal communities.

D. MSU Student Receives Goldwater Scholarship

President Simon said that Catherine Nezich is a 2008 Goldwater Scholar. She is a member of the Honors College majoring in biochemistry and molecular biology and biotechnology in the Lyman Briggs College. The scholarship is the premier undergraduate award of its type in math, science, and engineering.

E. AAU Sullivan Award

President Simon stated that MSU junior goaltender Jeff Lerg was named one of five finalists for the prestigious James E. Sullivan Award. The AAU Sullivan Award honors outstanding amateur athletes in the United States. The AAU Sullivan Award goes far beyond athletic accomplishments and honors those who have shown strong moral character. While Jeff did not win the award, we congratulate him on his stellar athletic and academic performance.
F. MSU Student Radio Station is Named College Station of the Year

President Simon said that the Michigan Association of Broadcasters and Broadcast Music Inc. have named MSU's WDBM, or IMPACT 89FM, as the college radio station of the year. This is the eighth time in the past nine years that the station has won this award. The competition consists of seven different categories and is judged by professional radio and television broadcasters in Michigan. Congratulations to all those involved.

G. Arts Marathon Weekend Proclamation Presentation

President Simon said that on April 19, 2008, Representative Mark Meadows will bestow a governor's proclamation to MSU recognizing the importance of the arts on campus and its effect on the community. This will be presented at the State Capitol in a brief ceremony.

H. End of Academic Year

President Simon mentioned that, as another academic year comes to a close, she wanted to thank the faculty, staff, and students for all their efforts. She gave special thanks to the Board members for their hard work and dedication.

I. Chuck Webb Resolution

Trustee Foster presented Dr. Chuck Webb with a resolution in honor of his service to MSU. (Appendix A)

Trustee Foster moved to approve the resolution, with support by Trustee Ferguson.

Dr. Webb said that his affiliation with MSU over the past 32 years has been a wonderful experience. He indicated that serving MSU has brought him great joy, but feels that his work at MSU is done. A point of great pride in his career is the fact that during all those years, there were no employee lay offs in his department, even through the most financially difficult times. This exemplifies the importance of people.

Dr. Webb thanked the Board for empowering him to serve MSU to the best of his ability. He thanked them for their involvement through the years at numerous MSU events. Dr. Webb thanked President Simon for all of her hard work.
President Simon said that the role of administrators is to leave their posts with the institution on a higher and firmer ground, and Dr. Webb has done that. A good legacy has been put in place by him and his team to enable MSU to move forward.

THE BOARD VOTED to approve the resolution.

3. GPA Award Presentations

Trustee Ferguson and Trustee Foster presented the Trustee GPA awards to the following students:

1. Marissa Baca, Clinton Twp., MI—Major: Physiology; Member of the Honors College; 4.0 GPA
2. Julianna Beall, Okemos, MI—Major: Supply Chain Management; Member of the Honors College; 4.0 GPA
3. Edwin Chen, Troy, MI—Major: Physiology and Chemistry; Member of the Honors College; 4.0 GPA
4. Kalli Decker, Lake Odessa, MI—Major: Family and Community Services; Member of the Honors College; 4.0 GPA
5. Catherine DeDene, Warren, MI—Major: Education; 4.0 GPA
6. Kacey Dittmer, Royal Oak, MI—Major: Communication; 4.0 GPA
7. Troy Eberhart, Clare, MI—Major: Finance; 4.0 GPA
8. Katheryn Fletcher, Tecumseh, MI—Major: Lyman Briggs School Human Biology; Member of the Honors College; 4.0 GPA
9. Tara Franey, Lexington, KY—Major: Biosystems Engineering; 4.0 GPA
10. Kurtis Geerlings, Zeeland, MI—Major: Lyman Briggs School Physics; Member of the Honors College; 4.0 GPA
11. Kristina Guina, Livonia, MI—Major: Education and Spanish; Member of the Honors College; 4.0 GPA
12. Sarah Haskin, Lake Odessa, MI—Major: Communication; Member of the Honors College; 4.0 GPA
13. Rupesh Kotecha, Midland, MI—Major: Physiology; Member of the Honors College; 4.0 GPA

14. Matt Mergener, Newberry, MI—Major: Public Administration and Public Policy with a second major in Communication; 4.0 GPA

15. John Pray; Charlotte, MI—Major: Music Performance; Member of the Honors College; 4.0 GPA

16. Lyndsay Stiff, Riverview, MI—Major: Russian and East Asia Languages and Cultures; 4.0 GPA

17. Paul Suchyta, Pontiac, MI—Major: Computer Engineering; Member of the Honors College; 4.0 GPA

18. Mary Turcotte, Wixom, MI—Major: Music Performance; Member of the Honors College; 4.0 GPA

19. Bryan Wagenknecht, Haslett, MI—Major: Mechanical Engineering; Member of the Honors College; 4.0 GPA

20. Joanne West, Saginaw, MI—Major: Education; Member of the Honors College; 4.0 GPA

21. Nicholas West, Rockford, MI—Major: French; 4.0 GPA

22. Allison Zolad, Farmington Hills, MI—Major: Education; Member of the Honors College; 4.0 GPA

4. There was no Public Participation on Issues Germaine to the Agenda.

5. Personnel Actions

Provost Wilcox presented the following appointments:

Hartman, Douglas K., AY—Professor, Department of Teacher Education; Counseling, Educational Psychology and Special Education, $123,000, with Tenure, effective August 16, 2008.

Huang, Xuefei, AY—Associate Professor, Department of Chemistry, $95,000, with Tenure, effective August 16, 2008.

Trustee McNamara moved to approve the recommendations, with support by Trustee Foster.
Provost Wilcox said that Professor Hartman has a Ph.D. in Literacy and Language from the University of Illinois Urbana-Champaign. He has been on the faculty at the University of Connecticut since 2004. There he served as Research Fellow in the Center for Health, Intervention, and Prevention. Professor Hartman also served as co-director and research scientist in the New Literacies Research Laboratory and received the Albert J. Kingston Award for distinguished service to the field of reading and literacy in 2006.

Provost Wilcox stated that Professor Huang received a Ph.D. from Columbia University. He has been at the University of Toledo since 2002 as both an Assistant and Associate Professor in the Department of Chemistry. Professor Huang’s research interests lie in the interface between chemistry and biology, with a specific focus on carbohydrates. He received a National Science Foundation CAREER award in 2006.

THE BOARD VOTED to approve the appointments.

President Simon presented the following personnel action:

Heil, Marsha K.S., AN—Associate Vice President and Director, University Development, for a change in title to Interim Vice President, University Development and change in salary rate to $240,000, effective April 1, 2008.

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

President Simon indicated that it was her pleasure to recommend that Ms. Heil serve as Interim Vice President for University Development. Ms. Heil has been an integral part of Team MSU and will provide extraordinary leadership during the transition.

THE BOARD VOTED to approve the recommendation.

6. Gifts, Grants, and Contracts

Vice President Gray presented the Gifts, Grants, and Contracts Report for the period of February 12, 2008 through April 3, 2008. The total value for this period is $73,548,928.54.

Trustee Nugent moved to approve the report, supported by Trustee Gonzales.

THE BOARD VOTED to approve the Gifts, Grants, and Contracts Report.
Vice President Gray introduced Dr. Jack Baldwin, Associate Chairperson of Astronomy in the Department of Physics and Astronomy, for the research presentation. Dr. Baldwin discussed the SOAR telescope. (Appendix B)

7. Finance Committee

Trustee Nugent presented the Trustee Finance Committee Report and recommendations.

A. 2008-09 Housing Rate Recommendations

It was recommended that the Board of Trustees adopt the basic residence halls room and board rate of $7,026 for freshman, transfer and returning students selecting the silver unlimited meal plan, and $6,695 for returning students selecting the prime 15 basic meal plan effective fall semester 2008.

It was also recommended that the Board of Trustees adopt University Apartment rates of $665 per month for a one bedroom apartment, $735 per month for a two bedroom apartment, and $630 per month for a one bedroom apartment in University Village, effective August 1, 2008.

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

Mr. Vennie Gore, Assistant Vice President of Housing and Food Services, said that MSU’s rates are the lowest in the Big Ten and that students have been extremely satisfied with the meal plans.

President Simon noted that not only does MSU offer low costs, but the value is very high, particularly for the meal plans. When factoring in the number of meals included and the quality of the services provided, MSU offers a very good value.

THE BOARD VOTED to approve the recommendation.

B. Funds Functioning as Endowments

It was recommended that the Board of Trustees establish a fund functioning as an endowment entitled the Helen and Verne Beilfuss Memorial Student Research Fund.
It was recommended that the Board of Trustees establish a fund functioning as an endowment entitled the Knight Center Challenge Endowed Fund.

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

THE BOARD VOTED to approve the recommendations.

C. New Investment Managers

It was recommended that the Board of Trustees select Wellington Management Company, LLP as an investment manager.

It was recommended that the Board of Trustees select State Street Corporation as an investment manager.

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

THE BOARD VOTED to approve the recommendations.

D. Campus Master Plan—Amendment to Zoning Ordinance

It was recommended to the Board of Trustees that it amend paragraph 6.014 of the Michigan State University Zoning Ordinance to allow buildings to cover up to 42 percent of the ground area contained within the block bounded by Shaw Lane to the north, Farm Lane to the west, Wilson Road to the south, and Bogue Street to the east.

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

THE BOARD VOTED to approve the recommendation.

E. Authorization to Plan—Chemistry—Alterations to Rooms 407, 408, and 412

It was recommended to the Board of Trustees that it authorize the administration to plan for the project entitled Chemistry—Alterations to Rooms 407, 408, and 412.

Trustee Nugent moved to approve the recommendation, with support from Trustee Foster.
THE BOARD VOTED to approve the recommendation.

F.  Project Approval—Authorization to Proceed—Wharton Center for the Performing Arts—Alterations and Expansion

It was recommended to the Board of Trustees that it authorize the administration to proceed with the project entitled Wharton Center for the Performing Arts—Alterations and Expansion and to approve a budget of $18,500,000.

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

Mr. Mike Brand, Director of the Wharton Center, said that the planning process assessed the future needs of the facility. The plan addresses the need for increased production areas, including a new freight elevator, educational and staff areas, and patron amenities.

THE BOARD VOTED to approve the recommendation.

G.  Project Approval—Authorization to Proceed—Cyclotron—Low Energy Experimental Research and Office Additions

It was recommended to the Board of Trustees that it authorize the administration to proceed with the project entitled Cyclotron—Low Energy Experimental Research and Office Additions and to approve a budget of $16,000,000.

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

Vice President Poston said this recommendation includes the expansion of high bay space that already exists and construction of offices for faculty and staff use.

Provost Wilcox reminded the Board that the National Science Foundation awarded a new and continuing $50 million grant to the Cyclotron in 2007. The proposed construction provides an opportunity to continue to keep the Cyclotron a world-class facility.

THE BOARD VOTED to approve the recommendation.

H.  Project Approval—Authorization to Proceed—WKAR—New Tower and Broadcast Antennas
It was recommended to the Board of Trustees that it authorize the administration to proceed with the project entitled WKAR—New Tower and Broadcast Antennas and to approve a budget of $1,650,000.

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

Trustee McNamara asked if MSU was eligible to receive Federal funding for this project that is available for the broadcast change to high definition.

Mr. David Gift, Vice Provost of Libraries, Computing, and Technology, said that MSU will utilize two grants: $1 million for tower replacement and $150,000 for broadcast antenna replacement. Both are federal grants, but they are from different agencies.

THE BOARD VOTED to approve the recommendation.

I. Bid and Contract Awards

It was recommended to the Board of Trustees that a contract in the amount of $599,900 be awarded to Laux Construction, LLC for the project entitled Engineering Building—Parking and Loading Dock Improvements.

It was recommended to the Board of Trustees that a contract in the amount of $462,100 be awarded to Kares Construction Company for the project entitled Old College Field—Renovations Phase II—Athletic Fields.

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

THE BOARD VOTED to approve the recommendations.

President Simon gave the Board a 2008-09 Budget Development Update. She noted that, as in the past, materials will be made available to the MSU community. (Appendix C) She noted that Michigan has been in the bottom 10 states for state appropriations for higher education for a very long time. That pattern will likely continue. Some issues that continue to be of concern include faculty compensation, health care, tuition costs, and student loans. MSU will stay committed to controlling costs and providing a quality education to its students.
8. Policy Committee

Trustee McNamara presented the Trustee Policy Committee Report and recommendations.

A. Adoption of Revised Mission Statement

It was recommended to the Board of Trustees that it approve revisions to the Michigan State University mission statement. (Appendix D)

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

THE BOARD VOTED to approve the recommendation.

B. Approval of Contract Terms

It was recommended to the Board of Trustees that it approve the execution of a material transfer agreement with Proteos, Inc., consistent with the Material Transfer Agreement Term Sheet presented to the Board. (Appendix E)

It was recommended to the Board of Trustees that it approve the execution of an extension to an option agreement with TCH Pharmaceuticals, Inc., consistent with earlier public notice given at a Board meeting on April 13, 2006 and an Option Extension Term Sheet presented to the Board. (Appendix F)

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

THE BOARD VOTED to approve the recommendations.

9. Audit Committee

Trustee Perles indicated that the audit for fiscal year 2007-08 had been reviewed with representatives from MSU’s external audit firm, Plante & Moran, PLLC. Discussions included a review of the audit scope, upcoming audit issues, required disclosures, and the audit timeline.

Trustee Perles noted that the Audit Committee reviewed NCAA compliance with representatives of the Department of Intercollegiate Athletics.
Trustee Nugent moved to approve the report of the Audit Committee, with support from Trustee McNamara.

10. Trustee Comments

Trustee Foster thanked Jarrod Morrice, Eric Hinojosa, Mike Leahy, and Yanisleidy Reina for their participation on the Student Liaison Committee to the Board. She noted that she had the opportunity to attend the Student Athletic Academic Awards Gala. The event recognized over 200 student-athletes for their high academic achievement. It was a truly wonderful event.

Trustee Foster congratulated Coach Izzo and Coach Comley for leading their teams to post-season play. She also congratulated Coach Merchant for leading the Women’s Basketball team to the final game of the NIT Tournament.

Trustee Nugent thanked Trustee Foster for her work in planning the successful alumni events in Colorado. He congratulated Dr. Webb on being selected President of Spring Arbor University and wished him well.

Trustee Owen welcomed Dr. Harold Hughes to the Faculty Liaison Committee.

Trustee Ferguson stated that it was incredible that 22 students received the Trustee GPA Award. There are some wonderfully talented and gifted students at MSU. Trustee Ferguson noted that it was great to have so many students attend the Board meeting. The meetings provide an opportunity for students to learn about MSU operations, including how the institution makes the most of every dollar.

11. Public Participation on Other Issues

A. Graduate Employees Union Negotiations

Mr. Mark Gaffney, President of the Michigan AFL-CIO, said that the Graduate Employees Union is an impressive group of workers. They are also an impressive group of teachers and an integral part of MSU. Mr. Gaffney said that graduate employees provide services that are just as valuable as the contributions of faculty members. Therefore, the budget should not be balanced at the expense of the graduate employees.

Mr. Gaffney stated that benefits should be the same for all employees across campus. He noted that workers need to feel appreciated and treated fairly in order for them to be productive and
do quality work. He asked the Board to support a contract settlement that is fair and equitable for all involved. He encouraged the Board to monitor negotiations over the coming days and asked that the administration recognize that these employees are some of the lowest paid on campus, but also some of the most valuable.

B. Graduate Employees Union Negotiations

Ms. Sandra Schmidt, President of the GEU, asked that the graduate employees be provided with working conditions that enable them to do their jobs well and attract the best graduate students. She explained that graduate employees teach one-third of the classes at MSU and are dedicated to teaching. Many hours are spent preparing for classes, grading papers, and meeting with students. Ms. Schmidt stated that graduate employees are hired to bring valuable experiences, knowledge, and perspectives to the classrooms at MSU.

Ms. Schmidt urged the Board to listen to the concerns of graduate students and make recommendations to the administration. She noted that the graduate employees are anxious to get back to the real educational work of MSU.

C. Graduate Employees Union Negotiations

Ms. Kristen Bott, Vice President of the GEU, said the most important contract issue is wages. She stated that current compensation is not sufficient to cover the cost of living in East Lansing. Ms. Bott indicated that the majority of recipients of MSU Food Bank services are graduate employees and that most live below poverty. She stated that MSU is at the bottom of the Big Ten for graduate employee salaries. Ms. Bott urged the Board to support a fair wage for graduate employees.

D. Graduate Employees Union Negotiations

Mr. Art Covert, President-elect of the GEU, said that the graduate employees are asking for health care coverage for one dependent. He noted that all other union employees on campus enjoy full coverage for their entire family, while graduate employees do not. The cost of dependent care coverage is very high. Mr. Covert stated that as MSU strives to become a world grant institution, it would be a significant gesture to offer dependent health care coverage to its graduate employees. He asked the Board to support graduate employees by supporting improved health care options.
E. Graduate Employees Union Negotiations

Ms. Deb Bittner, President of the Clerical Technical Union of MSU, read a resolution in support of the GEU. (Appendix G)

F. Royal Hanneford Circus Performance at Breslin Center

Mr. Drew Winter, member of the Students Promoting Animal Rights at MSU (SPAR), asked that MSU no longer host animal circuses on campus. An increased awareness of the plight of animals in circuses has caused what was once thought of as good family fun to be viewed as animal cruelty. Mr. Winter said that as one of the top universities in the world, MSU should be at the forefront of social progress. MSU can be a beacon for compassion and be on the cutting edge of social progress. Mr. Winter indicated that SPAR looked forward to working with MSU on these issues in the future.

G. Royal Hanneford Circus Performance at Breslin Center

Mr. Mitch Goldsmith, member of SPAR, said that the Royal Hanneford Circus has continually failed to meet minimal government standards for the care of its animals. He stated that the U.S. Department of Agriculture cited the Circus 26 times between 1993 and 2005 for violations of the Animal Welfare Act. Violations include failure to provide adequate veterinary care, medication, and treatment for animals. Mr. Goldsmith noted that additional violations, such as failure to provide enrichment and adequate space, were also cited. He stated that as understanding and knowledge surrounding issues of animal cruelty increase, it is important for MSU to cease involvement with such industries.

H. Royal Hanneford Circus Performance at Breslin Center

Ms. Beth Rhodes, member of SPAR, stated that MSU should not be associated with an act of entertainment that has even a hint of abusive activity connected with it. She noted that no other entertainment acts can be found at MSU where performers arrive in cages and are kept outside in tents and in chains when not performing. Ms. Rhodes indicated that other performers do not spend hours confined in cages and are not forced into doing tricks that are unnatural for their species by methods of fear, hunger, and intimidation. She stated that circuses have been condemned by the Humane Society of the U.S. and the American Society for the Prevention for Cruelty to Animals, both of which are animal welfare organizations, not animal rights organizations. Ms. Rhodes noted
that as the poor treatment of circus animals is exposed, MSU has a responsibility to stop these abuses by not hosting circuses on campus.

Welcome Week Activities

Ms. Satpreet Kahlong, chairperson of the Freshman Class Council, said that the elimination of Fall Welcome Week activities would not benefit students. She noted that freshman students in particular would be affected. The days leading to the start of classes are a critical adjustment period for incoming students as it provides a time to become acquainted with campus. Ms. Kahlong stated that students need this time to locate classes, identify travel routes on campus, and purchase books. She explained that the college experience includes social growth for students. In the residence halls, Welcome Week activities familiarize students with each other and offer a safe environment for socializing.

Ms. Kahlong said she understood the complaints of some East Lansing residents regarding the behavior of students during Welcome Week. She does not agree, however, that shortening the amount of time allowed to move in will solve that problem. She asked that the Board uphold the tradition of Welcome Week for MSU students.

J. Amending University Anti-Discrimination Policy

Mr. Ben Morlock, chairman of the MSU College Republicans, urged the Board to amend the MSU Anti-Discrimination Policy. He noted that the MSU College Republicans had been charged with violating MSU's current Anti-Discrimination Policy. Mr. Morlock asserted that students at a public university must be able to express their viewpoints without interference from the administration.

12. Request to Adjourn

On a motion by Trustee Ferguson, supported by Trustee Foster, THE BOARD VOTED to adjourn at 11:45 a.m.

Respectfully submitted,

William R. Beekman
Secretary of the Board of Trustees
MICHIGAN STATE UNIVERSITY
BOARD OF TRUSTEES RESOLUTION
HONORING CHARLES WEBB
April 18, 2008

The Board of Trustees of Michigan State University extends to Charles H. Webb its deep gratitude, support and very best wishes as he embarks on a new phase of an already distinguished career.

As Dr. Webb leaves his position as vice president for university development to become the president of Spring Arbor University, he takes with him the personal and professional admiration of the board and, of course, the entire university which he has loved and supported for so many years.

Since 1995, Dr. Webb's exceptional skills of leadership and motivation have been put to the test as he has served as vice president for university development. It was during his tenure that MSU's fundraising program became one of the strongest among the nation's public research universities, and extended its philanthropic reach globally as Chuck attained status as "World Wide Webb."

MSU has earned national honors for overall fund-raising improvement, and on his watch MSU saw its first ranking ever in corporate giving among the top fundraising programs in the country.

Most significantly, it was during his tenure that MSU's fundraising efforts reached record-setting proportions. Specifically, he oversaw MSU's recent historic Capital Campaign, raising more than $1.4 billion to advance knowledge and transform lives.

Dr. Webb has had a most distinguished academic career. Before assuming the vice presidency, he served as executive director of the MSU Alumni Association, assistant vice chancellor for development and alumni relations for the State University of New York's 64-campus system, as well as director of planned giving for the institution that he will now so ably serve — Spring Arbor University.

The Board of Trustees would also like to extend its gratitude and best wishes to MSU alumna Philippa Webb, who has served this university with grace and distinction. Since 1993 she has served MSU's nationally renowned College of Education, helping to prepare the teachers of tomorrow.

So as Charles H. Webb and Philippa Webb return to the university where they met and at which they both earned undergraduate degrees, the Board of Trustees, on behalf of Michigan State University, extends its heartfelt gratitude to both of them, wishing them the best life has to offer.

______________________________
Joel Ferguson, Chairman

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Dorothy Gonzales

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Colleen McNamara

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George Perles

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Melanie Foster, Vice Chairperson

______________________________
Donald Nugent

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G. Scott Romney

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Faylene Owen
The SOAR Telescope
MSU’s Laboratory for Astronomy

The SOAR Telescope
Remote Observing from MSU

The SOAR Telescope
An International Partnership

- MSU
- North Carolina
- Brazil
- U.S. National Optical Astronomy Observatory
Recent science example:

SOAR image

Newborn star clusters

Galaxy diving through cluster

by Ming Sun, Megan Donahue & Mark Voit

x-rays

Chandra Space Telescope
Galaxy sports vast comet-like tail
Feature extends for more than 200,000 light-years

Orphan Stars Found in Long Galaxy Tail
ScienceDaily (Sep. 24, 2007) -- Astronomers have found evidence that stars have been forming in a long tail of gas that extends well outside its parent galaxy. This discovery suggests that such "orphan" stars may be much more prevalent than previously thought.

New Stars in a Galaxy's Wake
Like a piece of debris that makes flowers bloom, a bare galaxy is shedding gas that is forming stars as it plumes toward the center of a massive galaxy cluster.

Twinkle, Twinkle, Lonely Stars
By Phil Berardelli
ScienceWOW Daily News
21 September 2007

A long time ago, in a galaxy far, far away, a star was born. The discovery of this intergalactic stellar hatchery helps settle a long-standing debate by showing that not all wandering stars are orphans from galaxies. At least some are born in the middle of nowhere.

The current theory of star formation is that stars are born close to the evolution of galaxies. Although the first stars were obviously pre-galactic.
The Illusion of the SuperCoach

Gregg Easterbrook

Spacial to Page 2
(Archive | Contact)

We've reached that point in the year when coach mania sets in. At many NFL teams, colleges and even high schools, fans and boosters are demanding: Fire the coach, he's to blame. At other NFL teams, colleges and even high schools, fans and boosters are exclaiming: hire the astonishing SuperCoach, he will bring instant success. The reality is, although there are a few really good football coaches and a few really bad ones, the majority are approximately equal. Most use the same drills and same plays, make the same mistakes, give the same pregame halftime tirades. They Churchill quotations! Buccaneers, Cardinals and

A Cosmic Thought: There appear to be 50 billion to 60 billion galaxies, containing on average about 100 billion stars each. Not even Tuesday Morning Quarterback has the room to multiply those numbers out and estimate the totality of stars in the cosmos. But whenever instruments improve, the universe is found to be larger and more astonishingly vast compared with the galaxies themselves. Our Milky Way is about 100,000 light-years in diameter, and the next large galaxy is about 1.5 million light-years beyond the Milky Way rim, making the volume of void around the Milky Way far larger than our galaxy itself.

The intergalactic void appears to constitute the lion's share of the universe, and it has been assumed to be curved nothingness, no more than vacuum at just slightly above absolute zero. Standard theory says that only within galaxies could there be sufficient matter and gravity for stars and planets to coalesce. If it turns out stars commonly form in the immense intergalactic regions as well as within galaxies, then the universe might be far, far more populous -- in terms of stars and perhaps planets -- than even the 60 billion times 100 billion calculation suggests.

Could the universe be even larger and even grander than 60 billion...
What has SOAR done for MSU?

+ a strong PhD program.

Start of SOAR faculty “renewal”
2008-09 Budget Development Update

April 2008
2008-09 Budget

Preserve and build upon MSU’s status as a great value for Michigan

Top 100 universities in the world

Accessible across socio-economic backgrounds to qualified Michigan students

Engaged in building the Michigan economy and ensuring American competitiveness for the 21st century
A decade of state appropriations in the bottom ten nationally

Preserving the value of an MSU education

88% of undergraduates from Michigan

Continued focus on efficient operations
A decade of state appropriations in the bottom ten states nationally
Five years of state appropriations in the bottom ten states nationally

Increases in State Higher Education Spending, 2002-2007

Michigan's higher education investment over the last five years has been the lowest in the nation, and well under the national average of 15.1 percent over that period. Some of the nation's fastest growing states are those leading the nation in higher education appropriations.

Source: Grapevine Web site, Michigan figures updated for May budget cuts.
A decade of state appropriations in the bottom ten states nationally

Context
Preserving value of MSU education

- MSU tuition policy over the last fourteen years results in over $39M in savings to students when rate increases are compared to other Michigan public institutions and over $61M when compared to other Big Ten institutions.

- Rated as a best-value by Kiplinger’s

- MSU resident cost-of-attendance is 7th among Michigan public institutions.

- MSU non-resident cost-of-attendance is 7th in the Big Ten.

- If non-resident enrollment were to mimic the Big Ten, additional non-resident tuition support would exceed $74M per year.
Accessible across socio-economic backgrounds to qualified Michigan students

- Preserving income distribution of families, adding to Pell-eligible categories
- Over the past ten years, MSU one of only two schools within Big Ten that maintained general proportion (19%) of high-need (Pell eligible) students
**Context**

- Continued focus on efficient operations

  Energy conservation programs save an estimated $13M annually

- One of the lowest total energy requirements among research universities in northern climates

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<th>Physical Plant Expenditures</th>
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<tr>
<td>Custodial</td>
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<td>$0.96</td>
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<td>Maintenance</td>
<td>$0.79</td>
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<td>$0.92</td>
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<td>Utilities</td>
<td>$1.43</td>
<td>$1.21</td>
<td>$1.75</td>
<td>$3.74</td>
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<tr>
<td><strong>Total Cost per Square Foot</strong></td>
<td>$3.33</td>
<td>$3.75</td>
<td>$4.76</td>
<td>$8.65</td>
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</tr>
</tbody>
</table>
Continued focus on efficient operations

- Health care increases below the national average in five of the last seven years
- Total student-to-employee ratio of 3.3, more efficient than the Big Ten average by approximately 32%
- MSU operates with the least amount of tuition/fees and appropriations per student in the Big Ten

<table>
<thead>
<tr>
<th>T/F &amp; Approp Per Student</th>
</tr>
</thead>
<tbody>
<tr>
<td>U of M</td>
</tr>
<tr>
<td>Minnesota</td>
</tr>
<tr>
<td>Ohio State</td>
</tr>
<tr>
<td>Iowa</td>
</tr>
<tr>
<td>Purdue</td>
</tr>
<tr>
<td>Wisconsin</td>
</tr>
<tr>
<td>Indiana</td>
</tr>
<tr>
<td>Illinois</td>
</tr>
<tr>
<td>MSU</td>
</tr>
</tbody>
</table>

Institutional reporting methods vary. Above is based on the best available information.

<table>
<thead>
<tr>
<th>2005-06</th>
<th>Total Employees</th>
<th>Total Students</th>
<th>Student/Emp</th>
</tr>
</thead>
<tbody>
<tr>
<td>Institution</td>
<td>Number</td>
<td>Number</td>
<td>Ratio</td>
</tr>
<tr>
<td>University of Michigan-Ann Arbor</td>
<td>21,849</td>
<td>39,533</td>
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</tr>
<tr>
<td>University of Wisconsin-Madison</td>
<td>20,345</td>
<td>40,455</td>
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</tr>
<tr>
<td>University of Iowa</td>
<td>12,673</td>
<td>28,442</td>
<td>2.2</td>
</tr>
<tr>
<td>University of Minnesota-Twin Cities</td>
<td>22,169</td>
<td>50,954</td>
<td>2.3</td>
</tr>
<tr>
<td>University of Illinois at Urbana-Champaign</td>
<td>16,807</td>
<td>40,687</td>
<td>2.4</td>
</tr>
<tr>
<td>Purdue University-Main Campus</td>
<td>15,103</td>
<td>40,108</td>
<td>2.7</td>
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<tr>
<td>Ohio State University-Main Campus</td>
<td>19,118</td>
<td>50,995</td>
<td>2.7</td>
</tr>
<tr>
<td>Michigan State University*</td>
<td>13,442</td>
<td>44,836</td>
<td>3.3</td>
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<tr>
<td>Indiana University-Bloomington</td>
<td>10,993</td>
<td>37,821</td>
<td>3.4</td>
</tr>
<tr>
<td>Mean of All Universities</td>
<td>16,944</td>
<td>41,537</td>
<td>2.5</td>
</tr>
</tbody>
</table>

Source: IPEDS 2005-06 Survey
Simplify tuition and fee structures.
2008-09 Appropriations

- Governor’s recommendation at 3.0% for higher education

Senate bill proposes 3.0% across board

Issues to monitor:

State cash flow

- 2008-09 revenues potentially less than projected due to national and regional economic down turns
Tuition & Fees

Simplify tuition structure

- Collapse energy and matriculation fee into per-credit-hour structure for 2008-09
- Improves transparency of rate structures for students
- Current tuition and fee structure comprises unit costs and flat fee charges that result in additional cost burden for students taking fewer credits

<table>
<thead>
<tr>
<th># SCH</th>
<th>Current</th>
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<th>Proposed</th>
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<tr>
<td></td>
<td>Per SCH</td>
<td>Fees</td>
<td>Total Cost</td>
<td>Per Credit</td>
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<tr>
<td>1</td>
<td>$307</td>
<td>$437</td>
<td>$744</td>
<td>$744</td>
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<tr>
<td>3</td>
<td>$307</td>
<td>$437</td>
<td>$1,358</td>
<td>$453</td>
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<tr>
<td>6</td>
<td>$307</td>
<td>$620</td>
<td>$2,462</td>
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<td>9</td>
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<td>$620</td>
<td>$3,383</td>
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<tr>
<td>12</td>
<td>$307</td>
<td>$620</td>
<td>$4,304</td>
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<tr>
<td>15</td>
<td>$307</td>
<td>$620</td>
<td>$5,225</td>
<td>$348</td>
</tr>
<tr>
<td>18</td>
<td>$307</td>
<td>$620</td>
<td>$6,146</td>
<td>$341</td>
</tr>
</tbody>
</table>

*Fees comprised of energy and matriculation fee

- Proposal to be phased in over three years
Financial Aid

• Approximately 70% of undergraduates receive some form of assistance. For freshmen, over 90% receive assistance when state of Michigan scholarship is included.

• More than $525 million in student assistance provided 2006-07
  • Comprised of merit-based, need-based, work study, loans, graduate assistant compensation and on-campus hourly student employment.

• Compared with $463 million in tuition and fees revenue.
Issues to Monitor

Federal Family Education Loan Program (FFELP) MSU providing low interest loans to students and parents- Loans are provided at 6.8% (current rates). After three years of on-time payments, interest rate reduced to 0% for the remainder of loan
- Program offers no loan origination fees, saving roughly 2.5% of the total principal borrowed
- Reduces total interest paid on a $10K loan by more than half, from $3,800 to $1,800

State has traditionally purchased loans provided by MSU and commercial lenders to provide benefits above to loan recipients

Current liquidity issues at the state level related to issues in the asset-backed securities market cast doubt on the state’s continuing ability to purchase these loans

- Threatens to impact benefits to students and annual income generated from this program that is applied to general fund financial aid
- Most observers believe that the FFELP program will be modified or discontinued over one, three, or five years

Budget proposal includes $1.0M to begin three-year plan to stabilize financial aid in the event of changes in FFELP program
FFELP Through MSU (Grad Stafford Only)

Student selects MSU

MSU sells loans to state

State issues bonds to finance loan purchase

State provides benefits to student

- Favorable benefits to students
  - No initiation fee
  - Three year on-time payments allow for interest free repayment of final seven years
- State suspended participation in program
- Individual banks may continue
- Federal policy makers discussing changes/elimination of FFELP

Note: federal law limits school as lender to Graduate Stafford loan only
FFELP Through Banks with State Sale

- Student selects bank
- Banks sell loans to State
- State issues bonds to finance loan purchase
- State provides benefits to student
- Student repays state

• Favorable benefits to students
  • No initiation fee
  • Three year on-time payments allow for interest free repayment of final seven years
• State suspended participation in program
• Individual banks may continue
• Federal policy makers discussing changes/elimination of FFELP
FFELP Through Banks w/o State Sale

Choice of Bank

- Continued availability
- Repayment costs greater than state supported program
- Repayment costs slightly less than Direct Federal lending

Student repays lender
Direct Federal Lending

School determines participation

Student repays government

• Limited financial incentives to students
• Perceived to be the most stable program over long-term
Health Care

• Preliminary increase estimated 6.3% for 2008-09

• Instituted faculty premium sharing in 2002. Current premium sharing requires all faculty to contribute 14% of their premiums

• Total compensation approach utilized in collective bargaining process. Salary increases tied to health care utilization. Seek to constrain total compensation increase to 3% annually. Approach preserves access and affordability to quality health care programs for all employees

  Recent alterations to emergency room, urgent care and other office co-pays

  Eliminated spousal inclusion for post-retirement health care during 2004-05

• Upcoming accounting requirements change for health care during post-retirement period, review in progress
## Big Ten Health Plan Comparison Data

<table>
<thead>
<tr>
<th>University</th>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
<th>MSU</th>
<th>F</th>
<th>G</th>
<th>H</th>
<th>I</th>
<th>J</th>
<th>K</th>
<th>Average</th>
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<tbody>
<tr>
<td>Plan Type</td>
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<td>PPO</td>
<td>HMO</td>
<td>PPO</td>
<td>HMO</td>
<td>PPO</td>
<td>HMO2</td>
<td>HMO</td>
<td>HMO2</td>
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<tr>
<td>Premium Share - Single</td>
<td>9%</td>
<td>3%</td>
<td>18%</td>
<td>3%</td>
<td>14%</td>
<td>10%</td>
<td>Varies³</td>
<td>15%</td>
<td>20%</td>
<td>20%</td>
<td>5%</td>
<td>12%</td>
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<tr>
<td>Premium Share - 2 person</td>
<td>17%</td>
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<td>21%</td>
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<td>14%</td>
<td>10%</td>
<td>Varies³</td>
<td>15%</td>
<td>26%</td>
<td>20%</td>
<td>5%</td>
<td>15%</td>
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<tr>
<td>Premium Share - Family</td>
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<td>16%</td>
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<td>13%</td>
<td>14%</td>
<td>15%</td>
<td>Varies³</td>
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<td>26%</td>
<td>20%</td>
<td>5%</td>
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<td>$0</td>
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<td>30-day Generic</td>
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<td>$15</td>
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<td>$30</td>
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<td>$60</td>
<td>$35</td>
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<td>N/A</td>
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<td>Retiree</td>
<td>Shared</td>
<td>Shared</td>
<td>Univ.</td>
<td>Retiree</td>
<td>Retiree</td>
<td>State Plan ³</td>
<td>Shared</td>
<td>Retiree</td>
<td>Shared</td>
<td></td>
</tr>
</tbody>
</table>

**Source:** 2006 AAUDE Benefits Survey

³ Based on most comparable available plan design compared to MSU lowest cost plan

² Indiana, Ohio State and Purdue offer a catastrophic plan at reduced premium sharing

³ Northwestern offers a tiered premium sharing arrangement based on salary levels

⁴ Inpatient deductible $150; outpatient $250

⁵ Eligibility for retiree health care coverage and contribution levels vary widely
Facility Salaries

2007-08 Faculty Salary Averages

Narrowed the gap between MSU and the Big Ten mid-point by 0.7% in 2007-08, now approximates 5.1%
2007-08 Faculty Compensation Averages

- Northwestern: $160,444
- Michigan: $134,077
- Minnesota: $127,331
- Penn State Univ: $122,550
- Michigan State Univ: $121,754
- Illinois: $120,956
- Ohio State Univ: $119,938
- U Iowa: $118,941
- Wisconsin: $118,143
- Purdue: $117,483
- Indiana U: $115,599
## Faculty Salaries

### Salary & Compensation Big Ten Ranking

**Big Ten Institutions Peer Group - Salary**

<table>
<thead>
<tr>
<th></th>
<th>96-97</th>
<th>97-98</th>
<th>98-99</th>
<th>99-00</th>
<th>00-01</th>
<th>01-02</th>
<th>02-03</th>
<th>03-04</th>
<th>04-05</th>
<th>05-06</th>
<th>06-07</th>
<th>07-08</th>
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<tbody>
<tr>
<td>Professor</td>
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<td>10</td>
<td>11</td>
<td>11</td>
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<td>8</td>
</tr>
<tr>
<td>Associate Prof</td>
<td>7</td>
<td>8</td>
<td>7</td>
<td>8</td>
<td>6</td>
<td>6</td>
<td>6</td>
<td>5</td>
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<td>6</td>
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<tr>
<td>Assistant Prof</td>
<td>9</td>
<td>9</td>
<td>9</td>
<td>10</td>
<td>10</td>
<td>11</td>
<td>11</td>
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<tr>
<td>All Ranks Avg</td>
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<td>10</td>
<td>8</td>
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<td>8</td>
<td>9</td>
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</table>

**Big Ten Institutions Peer Group - Compensation**

<table>
<thead>
<tr>
<th></th>
<th>96-97</th>
<th>97-98</th>
<th>98-99</th>
<th>99-00</th>
<th>00-01</th>
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<th>04-05</th>
<th>05-06</th>
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<th>07-08</th>
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<tbody>
<tr>
<td>Professor</td>
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<td>11</td>
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<td>4</td>
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<tr>
<td>Associate Prof</td>
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<tr>
<td>All Ranks Avg</td>
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<td>4</td>
<td>5</td>
<td>4</td>
<td>5</td>
<td>5</td>
</tr>
</tbody>
</table>
**UCFA Recommendations:** Recommended at 5.0% comprised of; 4.0% increase to match the average anticipated increase in the Big Ten for 2008-09 and 1% to narrow the existing gap between current MSU salaries and the Big Ten median.
Graduate Assistant Compensation

Big Ten
Teaching Assistant Compensation*

*Net Compensation (Stipend/Waiver/Health Insurance – Tuition/Fees) for single state resident half-time assistant taking 9 credits per semester for a two-semester academic year. Best available data -- 2007 AAUDE.
*Net Compensation (Stipend/Waiver/Health Insurance – Tuition/Fees) for single state resident half-time assistant taking 9 credits per semester for a two-semester academic year. Best available data — 2007 AAUDE.
2008-09 Budget Planning Charts
Utilities & New Space

1% Value - $0.35M

- Preliminary estimate for 2008-09: 4.0%
- New space requirement: Approximately $0.2M
- Physical plant related expenditures for utilities, custodial and engineering support rank among the lowest in the Big Ten.
- Emerging regulatory issues could impact utility costs in future years
1% Value - $0.6M

- Preliminary estimate for 2008-09: Approximately 6.3%
- MSU below the national average for cost increases five of the last seven years
- Premium sharing instituted for faculty in 2002, now requiring a 14% share
- Total compensation metric used for collective bargaining process; salary increases tied to health care utilization
Other Fringes

1% Value- $0.8M
- Preliminary estimate for 2008-09: 3.0%
- Includes retirement, FICA, dental
- Preliminary estimate for 2008-09: Approximately 3.0%
1% Value- $2.5M (ranked faculty), $0.36M (other academic)

- Preliminary estimate for 2008-09: 3.0% for merit pool, 0.5% for college markets, 1.0% for central markets
- Academic Specialists Advisory Committee recommendation linked to faculty proposal
- Graduate Council recommendation linked to faculty proposal
Collective Bargaining Compensation

1% Value- $1.5M

- Preliminary estimate for 2008-09: blended salary increase of 2.25%, approaches 3% when health care is added
- Total compensation approach that ties salary increments to health care utilization rate
- Projected salary increment will be given across fiscal years, per contractual raise dates
1% Value- $0.8M
- Initial estimate for 2008-09: 2.0%
Reductions and Reallocations

1% Value-$4.65M

- Total reductions for 08-09 under review
- Total reductions for five years exceed $70M
- Annual 1% Program Efficiency and Re allocation Fund shown in dark blue segment
**Appropriations**

1% Value-$2.9M

- Preliminary estimate for 2008-09: 3.0%
- AES/CES proposed at 3.0%
- Concerns: state cash flow requirements; impact of national economic slow down
Over previous 10-year period, MSU's tuition restraint policies resulted in $59M in foregone revenue annually.

1% Value- 5.04M tuition, 0.6M financial aid

Average annual increase in institutional financial aid resources exceeds tuition increases

- Over past five years, tuition increases averaged 8.0%, financial aid increases averaged 13.0%
**Tuition & Fees**

- MSU 6th in the Big Ten for resident tuition
- MSU 8th in the Big Ten for resident total cost of attendance

**Part I. Dependent Resident FS07 Freshmen Data**

<table>
<thead>
<tr>
<th>School Name</th>
<th>Tuition/Fees</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>Northwestern</td>
<td>$35,064</td>
<td>1</td>
</tr>
<tr>
<td>Penn State</td>
<td>$12,844</td>
<td>2</td>
</tr>
<tr>
<td>Illinois</td>
<td>$11,244</td>
<td>3</td>
</tr>
<tr>
<td>Michigan</td>
<td>$10,448</td>
<td>4</td>
</tr>
<tr>
<td>Minnesota</td>
<td>$10,084</td>
<td>5</td>
</tr>
<tr>
<td>Michigan State</td>
<td>$9,625</td>
<td>6</td>
</tr>
<tr>
<td>Ohio State</td>
<td>$8,901</td>
<td>7</td>
</tr>
<tr>
<td>Indiana</td>
<td>$7,836</td>
<td>8</td>
</tr>
<tr>
<td>Wisconsin</td>
<td>$7,190</td>
<td>9</td>
</tr>
<tr>
<td>Purdue</td>
<td>$7,154</td>
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</tr>
<tr>
<td>Iowa</td>
<td>$6,293</td>
<td>11</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>School Name</th>
<th>Total Cost</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
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<td>$49,379</td>
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<tr>
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**Part II. Dependent Non-Resident FS07 Freshmen Data**

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### Tuition & Fees

- **MSU 3rd** for resident tuition and **7th** for resident cost of attendance among Michigan publics and **2nd** for tuition and cost of attendance for non-resident.

#### Part I. Dependent Resident FS07 Freshmen Data

<table>
<thead>
<tr>
<th>School Name</th>
<th>Tuition/Fees</th>
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#### Part II. Dependent Non-Resident FS07 Freshmen Data

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Tuition & Appropriation Matrix

Preliminary 2008-09 Budget Preparation

FACULTY SALARIES -- 3.5%
FACULTY MARKETS -- 1.0%
S&S -- 2.0%
UTILITIES -- 4.0%
OTHERS PER CONTRACT
HEALTH CARE -- 6.3%
FINANCIAL AID INCREASED AT TUITION RATE PLUS 1/2%

To balance need combination of appropriation and tuition & fees totaling: $38M - $42M

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1% Appropriations = $2.90M  1% Tuition = $5.03M  1% Reduction = $4.0M  1% Financial Aid = $0.6M  1% Increases = $0.72M
1% Faculty Salaries = $3.0M  1% Other Salaries = $1.8M  1% S&S = $0.79M  1% Utilities = $0.35M  1% Health = $0.63M  Other Benefits = $0.83M
## Preliminary Planning

### PLANNING INCREMENTS AT ONE PERCENT: 2008-09

#### REVENUES

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#### EXPENDITURES

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<td><strong>REDUCIBLE BASE</strong></td>
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Michigan State University, a member of the Association of American Universities and one of the top 100 research universities in the world, was founded in 1855. We are an inclusive, academic community known for our traditionally strong academic disciplines and professional programs, and our liberal arts foundation. Our cross- and interdisciplinary enterprises connect the sciences, humanities, and professions in practical, sustainable, and innovative ways to address society's rapidly changing needs.

As a public, research-intensive, land-grant university funded in part by the state of Michigan, our mission is to advance knowledge and transform lives by:

- providing outstanding undergraduate, graduate, and professional education to promising, qualified students in order to prepare them to contribute fully to society as globally engaged citizen leaders
- conducting research of the highest caliber that seeks to answer questions and create solutions in order to expand human understanding and make a positive difference, both locally and globally
- advancing outreach, engagement, and economic development activities that are innovative, research-driven, and lead to a better quality of life for individuals and communities, at home and around the world

MSU Mission Statement

REVISED 3-31-08
MATERIAL TRANSFER AGREEMENT TERM SHEET

Party: Proteos, Inc.

Material Transfer:

The University will transfer certain biological materials to Proteos, Inc. for evaluation and testing purposes to determine its interest in commercial use or applications of the biological materials.

Term: Six months

Payment Terms:

None

Use of University Facilities/Services/Personnel:

No University facilities, services, or personnel will be utilized by Proteos, Inc. under the terms of the Material Transfer Agreement.

Organization Type:

Incorporated Michigan-based small business

Personnel Interest:

Dr. Michael Garavito, a Professor in the Department of Biochemistry and Molecular Biology, owns, or has an option to buy, an equity interest of more than 1% of the company. Dr. Garavito is also on the board of directors of Proteos, Inc.
OPTION EXTENSION TERM SHEET

Party: TCH Pharmaceuticals, Inc.

Option: Extension of exclusive option to license technology
(See attached Option Term Sheet; approved May 5, 2006).

Term: Extension of option through December 31, 2009

Payment: $7,500

Use of University Facilities/Services/Personnel:

No University facilities, services, or personnel will be utilized by TCH Pharmaceuticals, Inc. under the terms of the Option Agreement.

Organization Type:

Incorporated Michigan-based small business.

Personnel Interest:

Dr. Jetze Tepe, an Associate Professor in the Department of Chemistry, owns or has an option to buy, an equity interest of more than 1% of the company. Dr. Tepe is also an officer of TCH Pharmaceuticals, Inc.
On April 17, 2008, the CTU Executive Board passed the following resolution in support of the Graduate Employees Union in its efforts to secure a contract with Michigan State University:

WHEREAS, the success of MSU and its employees depends upon an atmosphere of mutual respect and problem solving in the MSU community; and

WHEREAS, collective bargaining is the way employees have of insuring their voice in the workplace; and

WHEREAS, the CTU recognizes the contributions of the members of GEU as employees of the University; and

WHEREAS, CTU is committed to building solidarity between the labor unions that represent MSU employees; and

WHEREAS, all MSU employees, including those in GEU, deserve to be fairly compensated for their contributions to their employer; and

WHEREAS, bargaining began in October 2007, and if approached with an urgency by the University equal to that of the GEU members, would have resulted in a fair and completed contract long ago.

THEREFORE BE IT RESOLVED that the Clerical-Technical Union of Michigan State University calls on the University to bargain in good faith with the representatives of GEU; and

BE IT FURTHER RESOLVED, that CTU supports the actions of the unions at MSU to oppose all MSU labor practices that are unjust, exploitive and divide the MSU community; and

BE IT FURTHER RESOLVED, that CTU will encourage its members to support the GEU in demanding to be treated fairly.

In solidarity,

[Signature]
Deb Rittner, President

CC: Executive Board, Union Representative, CTU Staff