

MINUTES
of the
Board of Control
Michigan Technological University
Houghton, Michigan

Meeting of
August 4, 2005

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MINUTES OF THE FORMAL SESSION OF THE BOARD OF CONTROL OF MICHIGAN TECHNOLOGICAL UNIVERSITY held pursuant to due call in Ballroom B of the Memorial Union Building on the campus of Michigan Technological University in the City of Houghton, Michigan at eight thirty o'clock on the morning of August 4, 2005.

The Board of Control of Michigan Technological University met in formal session at the University's campus at Michigan Technological University in the City of Houghton, State of Michigan, at 8:30 a.m., on the 4th day of August, 2005, in Ballroom B of the Memorial Union Building. The place, hour, and date duly established and duly published for the holding of such a meeting.

The meeting was called to order by the Chair, R. Kershner, and a quorum was declared present.

The following members of the Board of Control were present:

R. A. Kershner, Chair
D. J. Brule
K. I. Clark
R. A. Gronevelt
M. C. Henricksen
N. A. Rautiola
R. A. Reck
M. K. Richardson
G. D. Mroz, ex officio

The following members were absent:

None

Also present during part or all of the session were: Dale R. Tahtinen, Secretary of the Board and Vice President for Governmental Relations; Daniel D. Greenlee, Treasurer and Chief Financial Officer; John Calder, Michigan Tech Fund; Shea McGrew, Vice President of the Michigan Tech Fund; Ellen S. Horsch, Vice President for Administration; Les P. Cook, Vice President for Student Affairs; and various members of the faculty, administrative staff, student body, press and public.

Where item numbers are used, they refer to corresponding item numbers in the agenda, in the hands of the Board members.

I. CHANGE OF CHAIR

The Board of Control Bylaws require that the Chair elected at the last regular meeting of the fiscal year take the Chair at the first regular meeting of the next fiscal year.

Michael C. Henricksen, Chair for 2005-06, will succeed Rodger A. Kershner, Chair for 2004-05, and Kathryn I. Clark will become Vice Chair for the 2005-06 fiscal year.

II. APPROVAL OF AGENDA

Board Secretary, D. Tahtinen, recommended that the agenda be amended to add item V-A-1. Discussion Relative to Changing Committee Structure, move item X. Closed Session for Real Property Transactions to V-A-2., move item V-A-1. Academic Affairs Committee Report to V-A-3, and to replace page 2 of item V-C-5. Resignations, Retirements, and Off Payroll.

It was moved by R. Reck, supported by K. Clark, and passed by voice vote without dissent, that the agenda be approved as amended.

III. APPROVAL OF MINUTES

It was moved by K. Clark, supported by M. Richardson, and passed by voice vote without dissent, that the minutes of the formal session of June 24, 2005, be approved.

IV. OPENING REMARKS

A. Chair's Comments

Good Morning and welcome to Alumni Weekend. It is an honor and a privilege to serve as the Chair of the Board of Control. I would like to thank Mr. Kershner for shouldering the responsibilities as Chair for this past fiscal year.

First I want to congratulate several individuals for receiving federal funding for various research initiatives. These are just a few examples of the magnitude of the research that is being conducted by Michigan Tech. Our heartfelt congratulations to our faculty, staff and students who make this happen, because without their dedication and hard work we would not have the outstanding reputation we enjoy and continue to build.

- Under the leadership of Kurt Pregitzer (Forestry), MTU recently won a competition to host the Midwestern Regional Center of the National Institute for Climatic Change Research. It is estimated that Michigan Tech will receive about

\$11 million in federal research funding over the next five years as a result of this award. This is one of four regional centers that the United States Department of Energy, through its Office of Science, is sponsoring for research by academic scientists studying effects of climatic change on ecosystems and the atmosphere. This is the successor program to the National Institute for Global Environmental Change that Ruth Reck directed and brought to greater national prominence.

- Under the leadership of Chris Williams (Civil and Environmental Engineering), Michigan Tech has been designated as a national University Transportation Center as part of the Transportation Equity Act of the 21st Century, which is awaiting the President's signature. As part of that designation, Michigan Tech will receive \$2 million over the next four years. This national recognition opens the way for even greater federal funding as well as private sector funding for transportation related research.
- Ann Maclean (Forestry), Dave Shonnard (Chemical Engineering), Barry Solomon (Social Science), David Flaspohler (Forestry), Kathy Halvorsen (Social Science), Chris Webster (Forestry), John Sutherland (Mechanical Engineering), Dave Hokanson (Civil and Environmental Engineering), and Joan Chadde (Civil and Environmental Engineering) were awarded \$1.7 million from the National Science Foundation for their project "Renewable Energy from Forest Resources: An investigation into the viability of large-scale production of sustainable transportation fuels from lignocellulosic biomass".
- Scott Harding and Chung-Jui Tsa (Forestry) have received \$1.4 million from the Department of Energy for their project "A genomics investigation of partitioning into and among flavanoid-derived condensed tannins for carbon sequestration in Populus".

All of these grants are consistent with areas identified in our strategic plan within the emerging technology and research areas including biotechnology, natural resources and environment.

As I mentioned earlier, I am looking forward to an exciting and very productive year. One of the issues we have discussed is the proposed establishment of an Audit Committee. Some of the bylaw changes, if approved, would allow us to establish two standing committees of the Board, the Academic Affairs Committee and the Audit and Finance Committee, and that would more accurately reflect how we have been operating these past years. It would also keep the Board better informed and strengthen the overall decision making process.

With these changes in place I believe that the committee system will work in a more efficient and effective manner. I would like to review with the Board the number of committees we have in place and either combine or establish new committees to make them more of an integral part of our governing process. We all realize that committee work does take additional time and energy, however I am confident that if we develop a well balanced committee structure and strive to have shorter but more focused meetings using technology to reduce expenses we will be better informed Board of Control members. This will allow us to more carefully examine issues in greater depth allowing us to make better decisions on behalf of the University.

The past and current Chair of the Academic Affairs Committee, Dr. Clark, is working with the President, Provost and others within the administration to provide goals and objectives for this coming year. She will be reporting on these later in the meeting. In the past three years the Academic Affairs Committee has been the step-child to the Audit and Finance Committee issues because of the attention needed in this area to keep the University financially afloat. We are fortunate to have a national reputation of a school which has a strong commitment to academic excellence to weather this storm. We did lose some good faculty and staff during these recent tenuous times. Now however, a strong academic program generating students who are recognized as coming from a program of academic excellence tied in with strong fiscal controls will bring us future financial stability.

The Audit and Finance Committee has many challenges ahead of it in keeping with the policy of maintaining a balance budget. They will also be looking at the existing methods of accounting, evaluating the assets of the University, as well as establishing new audit committee matrix under which the audit portion of the committee will function.

I recently had the opportunity to drive out west. One of the benefits (if you can call it a benefit) of going across Nebraska is that you have a lot of time to think, and as Board Chair I wondered what I as a Board of Control member would like to see us as a Board accomplish this next fiscal year. I asked my colleagues this very question and requested they give me the top three issues they would like to see action on. The text of the comments can best be summarized as follows:

1. First and foremost is the comprehensive review and up dating of the strategic plan that will take us to being a national school of choice.
2. Strengthening and expanding the committee system and continue to be totally transparent in our reporting process.
3. Improving public relations and communications with all of our constituents.
4. Establishing a Presidential review process.

In September Michigan Tech will be hosting the monthly meeting of the Department of Natural Resources Commission, which is responsible for overseeing all the natural resources in our great State. I would like to thank President Mroz and Provost Reed for hosting this event, which will include public meetings, campus tours and other activities showcasing Michigan Tech's research capabilities and outstanding educational achievements.

Finally, before turning it over to President Mroz, I would like to note that we all look forward to Les Cook's positive report on our fall student enrollment. I understand that the campus is doing an excellent job in this area as well.

B. President's Comments

I also want to thank Mr. Kershner for his service to Michigan Tech this past year. There are not that many Board Chairs that get a chance to break in a new president so to speak, and I appreciate all his help.

In a few short weeks we will begin a new academic year and I want to compliment the entire campus community, and the community at large, for taking an even greater interest in welcoming students to both Michigan Tech and the local community. This year's events both on campus and off-campus promise to be a great launch for the new students. While we do this, I would like everybody to keep in mind that this could be justifiable progress in becoming a national university of choice.

Often times we get the question what does being a national university of choice mean? For students this choice is that Michigan Tech has a record number of applicants this year. More applicants than we had in 10 years. We have projected increases in all of the colleges and schools. Some modest, but going in the right direction. We also have increases projected for the number of women, minorities, and international students on campus in the new class. This can largely be attributed to our academic programs such as the Honors Institute which is new and has attracted nearly 100 students, and the continued success of the enterprise programs.

It is a choice for faculty. A number of departments pursued aggressive hiring campaigns this year and the combination of support of deans, chairs, colleagues and facilities have brought us some new faculty that will be starting that are going to be really great.

Looking over the past year we can celebrate a number of accomplishments of faculty members, both long standing and new. Brad King received a Presidential Award, one of the highest awards you can get in the United States. Ghatu Subhash was named a Fellow in the American Society of Mechanical Engineering. Dave Karnosky is receiving a Lifetime Scientific Achievement Award from the International Union of Forest Research Organization. Chandrashekhar Joshi received a Career Award from the National Science Foundation. Seth Donahue received the American Society of Biomechanics Young Scientist Award. Blair Orr received a Return Peace Corp Volunteer Recognition Award. All of this adds up to what is starting to look like a national university of choice.

It is a choice for staff. With the new administrative appointments we made through this year and just recently in the director, dean and vice president levels, we will have the most diverse administrative team in Michigan Tech history. This is an example of what we want to set for the rest of the campus.

Michigan Tech is a choice for employers. We had a record number of employers (233) that came to campus to seek out Michigan Tech students. Many others work through the internet processes that have been set up to interview our students, or to recruit our students, yielding a 94% placement rate this past year.

The Youth Engineering and Science Expo is also about a university of choice. This Michigan Tech led effort last year had 26 companies involved. We have already doubled the number of companies involved for this year, which will be held on Ford Field. We have been getting not only support from the Dow Foundation, that kicked us off with \$100,000 gift, but we are also talking to companies that we never talked to before, so we are bringing new people to Michigan Tech all the time.

It is a choice for businesses and industry looking for top quality faculty, staff, and students to do research and development work. Chairman Henricksen talked about the National Transportation Center and the Climate Change Center in his opening remarks. When you look at who else is involved with these centers you will note that the University of Alaska, the University of Minnesota, the University of Wisconsin, Northwestern University have designated National Transportation Centers, and Penn State, Duke and Northern Arizona host National Institutes of Climate Change. This all leads to being a national university of choice.

In fact, federal research funding topped \$25 million this past year and total research spending hit over \$41 million. Michigan Tech remains a leader in the proportion of research funded by industry. People are coming to Michigan Tech because it is a national university of choice. Add to that the efforts of our own Smartzone with the cities of Houghton and Hancock, with a filled incubator in Houghton, two new firms in the Advanced Technology Development Center, and two new firms in Finlandia's Portage Building, and you begin to get a feeling that a pervasive multi-level approach is advancing Michigan Tech.

There has been no silver bullet to advance Michigan Tech, but a deliberate sustained effort on the part of many. This has attracted the attention of both our Senators who came to campus to see what Michigan Tech is all about. Typically when people come to the Michigan Tech campus for the first time they go away saying "I had no idea", and so our goal in the future is to get more people on campus. I must add that our Senators and Representatives were very supportive of us this year, and it was a pleasure to have them on our campus.

I want to thank all those who have chosen Michigan Tech as their life's work and who continue to do great things, both large and small, everyday to make Michigan Tech a national university of choice.

V. ACTION/DISCUSSION ITEMS

V-A-1. Committee Structure Discussion

V-A-1. Discussion Relative to Changing Committee Structure

It was moved by R. Gronevelt, and supported by K. Clark, that the Board of Control amends Section 1.12. Committees of the Board as presented herein and deletes Section 1.13. Management and Finance Committee.

The revised policy reads as follows:

Sec. 1.12. Committees of the Board

There shall be two standing committees of the Board, the Academic Affairs Committee and the Audit and Finance Committee.

Immediately after the annual election of officers, the Chair Elect shall appoint members to the standing committees and may establish or appoint members to additional committees. Additional committees may also be created or appointed by the Board at its discretion.

Mr. Kershner proposed, supported by Dr. Reck, amending the recommendation to delete the last paragraph of the proposed language.

Discussion took place regarding the existing language which reads as follows:

Sec. 1.12. Committees of the Board

There shall be one standing committee of the Board, the Management and Finance Committee.

Members of the committee shall be the Chair of the board, the Vice Chair and the previous Chair. In addition to the members of the committee, the President of the University shall be an ex-officio member of the standing committee.

Additional committees may be authorized or appointed by the Board at its discretion.

After the annual election of officers, the Chair shall reconstitute the standing committee and may reconstitute additional committees, and the Board may order the reconstitution of committees at any time.

Dr. Clark pointed out that the proposed language is more of a clarification by changing the word reconstitute to appoint, and having the timing of that happen right after the election of the Chair so that coming into the August meeting the new committees can be functional rather than waiting an additional Board meeting. The other change is to actually make official the two committees that the Board has been using as standing committees.

Mr. Rautiola was concerned that the Chair may be taking something away from the Board members by being able to appoint Board members to committees.

Chairman Henricksen noted that during the last nine years, the creation of committees has been done both ways. Previous Chairs have asked Board members to serve and be committee chairs without Board approval, in addition to the Board creating committees.

Mr. Kershner indicated that he is concerned with the Board investing any particular authority in the Chair, and that authority should be invested in the Board as a whole to make these appointments. He objects to any particular authority being invested in one of

the eight members to the detriment of the other seven members, and feels that this could lead to potential abuse in the hands of the wrong person. Mr. Kershner stated that under the constitution and statutes of Michigan, we eight Board members own this university between us, and if any one of us is willing to have our authority, our vote, or our voice diminished even a little bit we should be very careful about doing that.

Mr. Rautiola agreed, and strongly believes that every Board member has a voice, a vote, and the right to be heard. He objects to any one Board member having more than one vote, and feels that the proposed changes tend to remove that right.

Dr. Clark disagreed as the current bylaws state that the Chair has this authority. She further stated that the Open Meetings Act does not allow the Board as a whole to get together on a regular basis and talk without having it become a public meeting. As a result, the committee structure allows for more in-depth discussion of various issues. It is extremely difficult for all eight Board members to be involved in every aspect of the University, and by having the committee structure it provides the flexibility for smaller groups to tackle certain issues and then report back to the Board, thus allowing the Board the ability to deal with more issues in less time. Dr. Clark reminded the Board that the committees can only make recommendations. Each Board member then has the right to vote on those recommendations, and if a Board member is not comfortable with the committee's recommendation they have the opportunity to ask questions and vote as to whether or not they want to accept the committee's recommendation. In addition, by allowing the Chair Elect to appoint Board members to committees it moves the process along and the committees can be up and running by the August Board meeting.

Mr. Kershner feels that the Board could act at the June meeting to establish committees for the next fiscal year.

Chairman Henricksen stated that after the June Board meeting he spoke with each Board member regarding their interests and to which committee they would like to be assigned, with the exception of Mr. Rautiola as due to schedules they weren't able to connect.

Mr. Rautiola recalled an example where he believed that there was a unilateral movement regarding the presidential search and that the process was steamrolled and decisions were made by one or two members of the Board. Dr. Clark and Mr. Gronevelt objected to Mr. Rautiola's claim of steamrolling. Mr. Gronevelt pointed out that the Board made the decision not to proceed with the search. He concurred that the responsibilities and authority that Mr. Rautiola and Mr. Kershner are referring to are very important. However, each Board member has the same authority and no decision is made without each Board member exercising their responsibility to be part of that decision. However, the Board does appoint a Chair and with the Chair role is responsibility. In order for the Chair to carry out their responsibilities the committees are important.

Dr. Reck commented that at one time she felt very strongly that there should not be any standing committees, and that you don't put anything in the bylaws that is not absolutely necessary. It is her choice to have no standing committees, but committees as needed and to the extent that they are good and functioning they continue. From time to time those committees could be changed, or the focus could change, but they wouldn't need to be

included in the bylaws. There is an old adage divide and conquer, and if you can get certain members of the Board to go along with your way of thinking it then gives you an advantage over the whole Board because you have that group standing behind you. At one time the Board was quite fractured as a result of committees and it really worked to our detriment. Dr. Reck would eliminate the reference to committees in the bylaws and leave the committees functioning just the way they are.

Mr. Rautiola expressed his concern that an important issue such as this was brought to the Board at the last minute, and hopes that it doesn't happen again.

Mr. Kershner further commented that the existing language contemplated only one standing committee and the bylaws specified who the members of the committee were going to be, and by reconstituting he presumes this language would call the committee to session when they were needed, but the members were not within the discretion of the Chair.

Chairman Henricksen agreed. The Management and Finance Committee members were specified as the Chair, the Vice Chair, and the previous chair. What is being offered in establishing two standing committees was to do away with the Management and Finance Committee and establish the Audit and Finance Committee and the Academic Affairs Committee as the standing committees.

Chairman Henricksen called the question on Mr. Kershner's amendment which deleted the second paragraph. Those that voted in favor were R. Kershner, R. Reck, and N. Rautiola. Those that opposed were K. Clark, D. Brule, R. Gronevelt, and M. Richardson. The amendment was defeated.

Mr. Kershner offered a second amendment, supported by R. Reck, which eliminated any reference to committees in the bylaws. Discussion took place on whether or not the committees should be written into the bylaws as standing committees or left as ad hoc committees. Several Board members felt that the committees were extremely important to the Board and should be viewed as standing committees. Others felt that although they are important they don't need to be defined in the bylaws and should continue to function as ad hoc committees. Mr. Kershner stated that four members of the Board cannot cause something to happen, they can only stop something from happening, and that it takes five members to disband a committee and only the Chair to put it together, and this is an important difference. Mr. Brule feels that having two standing committees is a good idea, and he has no objection to the Chair, no matter who it would be, contacting him and asking him to serve on a committee, and he can agree or not. Mr. Kershner believes that there is a long way between saying that you don't object to letting the Chair do that and voting in the majority that says the minority must accept the Chair doing that. Those that voted in favor were R. Kershner, R. Reck, and N. Rautiola. Those that opposed were M. Richardson, K. Clark, D. Brule, and R. Gronevelt. The amendment was defeated.

It is the moved by R. Gronevelt, and supported by K. Clark, and passed by voice vote with dissent (R. Kershner, N. Rautiola, R. Reck), that the Board of Control amends Section 1.12. Committees of the Board as presented herein and deletes Section 1.13. Management and Finance Committee.

The revised policy reads as follows:

Sec. 1.12. Committees of the Board

There shall be two standing committees of the Board, the Academic Affairs Committee and the Audit and Finance Committee.

Immediately after the annual election of officers, the Chair Elect shall appoint members to the standing committees and may establish or appoint members to additional committees. Additional committees may also be created or appointed by the Board at its discretion.

This policy supersedes Board of Control policy 1.1. Bylaws of the Board of Control dated April 29, 2005.

Mr. Kershner objected to the fact that this item was not brought forward to the Board before the Board meeting, and just appeared on the table this morning. Mr. Rautiola agreed.

Chairman Henricksen reviewed the list of committee assignments. Academic Affairs is comprised of K. Clark, M. Richardson, and R. Gronevelt. The Audit & Finance Committee is comprised of R. Kershner, M. Henricksen, R. Reck, and D. Brule. Chairman Henricksen was not able to get a hold of Mr. Rautiola, however Mr. Rautiola will give his feedback to the Chair regarding his committee preference.

It was moved by R. Kershner, supported by R. Reck, and passed by voice vote without dissent that the selection of the committee chairs will be left up to the committees.

Chairman Henricksen recommended the establishment of a Presidential Review Committee to develop a process, which would include timeframes and criteria, for reviewing the president.

It was moved by K. Clark, supported by R. Gronevelt, and passed by voice vote without dissent, that the Board of Control establishes a Presidential Review Committee. The committee will be comprised of M. Richardson (Chair), D. Brule, R. Gronevelt, and R. Reck.

V-A-2. Closed Session for Real Property Transactions

It was moved by D. Brule, supported by R. Gronevelt, and passed by voice vote without dissent, that the Board of Control proceed into closed session for real estate transactions. (A closed session for such a purpose is provided for in Section 8 (d) of P.A. 267 of 1976). (A roll call vote is required).

Roll Call Vote:

| | |
|------------------|-----------------|
| Richardson – Yes | Rautiola - Yes |
| Henricksen – Yes | Gronevelt - Yes |
| Reck – Yes | Kershner - Yes |
| Brule – Yes | Clark - Yes |

The motion passed.

The Board of Control reconvened in open session with a quorum present.

Policy 13.11. Policy Regarding Capital Additions

It was moved by R. Gronevelt, supported by M. Richardson, and passed by voice vote without dissent, that the Board of Control amends policy 13.11. Policy Regarding Capital Additions as presented herein:

13.11. Policy Regarding Capital Additions

The Board of Control will approve all capital additions in excess of \$500,000. Capital additions from \$25,000 to \$100,000 shall be approved by the Treasurer, and capital additions from \$100,000 to \$500,000 shall be approved by the President of the University.

This policy supersedes Board of Control policy 13.11. Policy Regarding Capital Additions dated March 14, 2003.

V-A-3. Academic Affairs Committee Report

Dr. Kathryn Clark provided the Board with the following report on the activities of the Academic Affairs Committee.

There were two items on the agenda for the Academic Affairs Committee meeting that took place yesterday. First was a discussion of substantial changes in the MTU scholarship program, and the second was a presentation of the Dashboard, which is a web tool to be used for the coordination of the MTU community in the recruitment of students to Michigan Tech.

The Academic Affairs Committee sees the changes in the scholarship program as an integral part of the strategic goal of moving Michigan Tech into the top 50 schools in America, and indeed to number one. The Academic Affairs Committee recommends approval of the proposed changes to the scholarship program.

The presentation of the Dashboard was exciting, and the utilization by the administration, faculty and staff to help with recruiting and the coordination of the recruitment of students at this university is not something done by any single entity nor are individual

entities trying to do different things. Everybody gets on the same page, and everybody has the same information. It can be watched over and looked at by the controlling factors being primarily Les Cook who has done an incredible job in getting the community together to be part of this project. This tool is very well set-up, and we believe that it will have the desired effect of bringing continued strong students to Michigan Tech and putting us into this very level of national recognition that we desire.

Furthermore, the Academic Affairs Committee this year will continue to look at issues that are necessary to be part of a review of the current strategic plan and the tools necessary to accomplish this strategic plan. All of this work is intended to culminate in recommendations on the strategic direction of Michigan Tech which will take place at the retreat in February.

Mr. Brule added that the Dashboard display that was put on by Dr. Cook was extremely interesting and he commended Dr. Cook and his group for their efforts. He also noted that there are revisions planned for the Tech web site and what the Committee viewed was very nice.

V-B-1. Finance and Audit Committee Report

Mr. Henricksen reported on the following activities of the Finance and Audit Committee.

The Finance and Audit Committee had two meetings within the last month. One on Monday, July 25 via conference call and one held this morning at 7:00 a.m. All members were present for both meetings.

Finance and Audit Committee charter work was discussed and using materials from Pricewaterhouse Coopers, AICPA we had good discussions and input from our members on the formation of a workable charter for the committee. We feel that we are on the right track and have some final language that we have tentatively approved that will be coming up for the new Finance and Audit Committee to work with to get started.

Proposed changes to scholarship programs and policies were discussed. We reviewed and discussed the recommendations presented to us by the Tuition and Financial Aid Advisory Team. We agreed that the financial aid process cannot be practiced in isolation and it must be a campus wide effort involving recruiting, marketing, and the admissions process. We endorse the recommendations by the Advisory Team and want to thank the members of this group for their hard work and diligence. We endorse these changes and feel that we now have some firm direction with the financial aid plan that is aligned with our strategic plan and will result in more revenue, more diverse students, and more prestige for the university and its program.

Financial review of fiscal year 2005 was presented. Time did not allow us to go through it in detail. Dan Greenlee will briefly present some of this information later in the meeting. The year is lining up pretty much with our estimates for the year end.

Our committee had available the financial statements for the year which includes the following key points:

- the general will end the year with a positive bottom line of \$1.9 million
- the current funds will end the year with a positive bottom line of approximately \$3 million
- tuition and fees are ahead of last year and ahead of budget by about \$900,000
- research revenue was up 6% or \$1.7 million
- auxiliary revenue was up \$1.4 million
- utilities expenses are under budget

With all these positives let me summarize by saying that we are on the right track, and that the future of Michigan Tech looks very bright.

V-B-2-a. 10.4. Presidential Scholars Program

It was moved by K. Clark, supported by R. Gronevelt, and passed by voice vote without dissent, that the Board of Control adopts policy 10.4. Presidential Scholars Program as presented herein.

10.4. Presidential Scholars Program

Value: variable (\$1,000 minimum to amount equivalent to regular full-time tuition).

Eligibility:

- Applicants must be residents of Michigan and first time entering non-transfer students.

Awarded, based on academic achievement, for a four-year period (eight semesters) for those students pursuing a bachelor's degree, and for a two-year period (four semesters), for those students pursuing an associate degree.

Recipients may request extensions of scholarships, but in no case would four year awards be extended beyond ten semesters. The ten semesters would apply to those students required to attend a summer semester or who demonstrate extenuating circumstances.

Renewable for second, third, and fourth year students who maintain a cumulative grade point average of 2.50 as of the end of spring semester, acceptable social behavior and continuous full-time undergraduate enrollment.

Requests for reinstatement of scholarships from students that have withdrawn may be granted depending upon the circumstances of the withdrawal and providing the student had an acceptable grade point average upon leaving.

V-B-2-b. 10.3.1. Michigan Students

It was moved by K. Clark, supported by D. Brule, and passed by voice vote without dissent, that the Board of Control amends policy 10.3.1. Michigan Students as presented herein.

The amended policy shall read as follows:

10.3.1. Michigan Students

1. Michigan Technological University Scholar Award

Value: amount equivalent to commonly accepted educational expenses (i.e. regular full-time tuition charges, room, board, plus a maximum of \$600 each year for required course related books, and supplies, etc.).

Number available: 3 for each incoming freshman class.

Applicants must be residents of the State of Michigan.

Awarded, based on a demonstrated high potential for academic success at Michigan Technological University, for a four year period (8 semesters).

Renewable for second, third, and fourth year students who maintain a cumulative grade point average of 3.25 as of the end of spring semester, acceptable social behavior, and continuous full-time undergraduate enrollment.

No replacements are made for students who withdraw.

Scholarship Committee considers requests for extensions of scholarships, but in no case would they be extended beyond 9 semesters. The 9 semesters would apply to those students required to attend a summer semester or who demonstrate extenuating circumstances.

2. Board of Control Scholarships

Value: variable (\$1,000 minimum to amount equivalent to regular full-time tuition charges).

Number available: equivalent to 120 regular full-time tuition awards for each incoming freshman class.

Applicants must be residents of Michigan and members of the current year's graduating classes of Michigan high schools, except for those dependents of parents who are required to travel extensively or who remain out-of-state or abroad, such as those temporarily transferred by an employer and those in the ministry or military service, may be considered residents if they maintain Michigan as their place of permanent residency.

Awarded, based on academic achievement, for a four-year period (8 semesters) for those students working on a bachelor's degree, and for a two-year period (4 semesters), for those students working on an associate degree.

Scholarship Committee considers requests for extensions of scholarships, but in no case would 4 year awards be extended beyond 10 semesters. The 10 semesters would apply to those students required to attend a summer semester or who demonstrate extenuating circumstances.

Renewable for second, third, and fourth year students who maintain a cumulative grade point average of 2.50 as of the end of spring semester, acceptable social behavior and continuous full-time undergraduate enrollment.

Scholarship Committee considers requests for reinstatement of scholarships from students returning after a withdrawal, depending upon the circumstances of the withdrawal, provided the student had an acceptable grade point average on leaving.

Any student enrolling at Michigan Technological University, for the first time, after Summer 2006 is ineligible to receive the Board of Control Scholarship. Current or previously enrolled Michigan Tech students who qualified for the Board of Control Scholarship prior to Fall 2006, will be covered under Board of Control Policy 10.3.1. Current or previously enrolled Michigan Tech students who did not qualify for the Board of Control Scholarship under Board of Control Policy 10.3.1. will not be eligible for the Michigan Technological University Presidential Scholars Program. Furthermore, the Board of Control Scholarship will be terminated at the end of Spring Semester 2011.

3. Michigan Community College Scholarships

Value: variable (\$1,000 minimum to amount equivalent to regular full-time tuition charges).

Two of these annually will be named David H. Morgan Memorial Community College Scholarships.

Applicants must be residents of Michigan, who are attending or have attended Michigan Community Colleges.

Awarded, based on academic achievement, for a maximum of six (6) semesters of undergraduate study.

Scholarship Committee considers requests for extensions of scholarships, but in no case would they be extended beyond eight (8) semesters. The eight (8) semesters would apply to those students required to attend a summer semester or who demonstrate extenuating circumstances.

Renewable for students who maintain a cumulative grade point average of 2.50 as of the end of each spring semester, acceptable social behavior, and continuous full-time undergraduate enrollment.

Scholarship Committee considers requests for reinstatement of scholarships from students returning after a withdrawal, depending upon the circumstances of the withdrawal, provided the student had an acceptable grade point average on leaving.

4. Michigan Alumni Legacy Award (MALA)

Value: \$1,000 (\$250 per academic year for 4 years or \$125 per semester for 8 semesters).

Eligibility: New undergraduate students who are Michigan resident children or grandchildren of Michigan Tech alumni.

Exclusion: Students enrolled prior to summer 2000 are ineligible for the Michigan Alumni Legacy Award.

Effective: Beginning summer semester 2004.

This policy supersedes Board of Control policy 10.3.1. Michigan Students dated October 7, 2003.

V-B-2-c. 10.5. National Scholars Program

It was moved by R. Reck, supported by K. Clark, and passed by voice vote without dissent, that the Board of Control adopts policy 10.4. Presidential Scholars Program as presented herein.

10.5. National Scholars Program

Value: variable (\$6,000 minimum to amount equivalent to regular full-time non-resident tuition).

Eligibility:

- Undergraduate non-Michigan residents of the United States or its territories or Canada.
- Transfer students who meet these criteria and have a minimum of a 3.0 cumulative grade point average (4.0 scale) and have completed at least two semesters, at another college or university-level institution.

Awarded, based on academic achievement, for a four-year period (eight semesters) for those students pursuing a bachelor's degree, and for a two-year period (four semesters), for those students pursuing an associate degree. Duration for transfer students will be based on academic standing at time of admission.

Recipients may request extensions of scholarships, but in no case would four year awards be extended beyond ten semesters. The ten semesters would apply to those students required to attend a summer semester or who demonstrate extenuating circumstances.

Renewable for second, third, and fourth year students who maintain a cumulative grade point average of 2.50 as of the end of spring semester, acceptable social behavior and continuous full-time undergraduate enrollment.

Requests for reinstatement of scholarships from students that have withdrawn may be granted depending upon the circumstances of the withdrawal and providing the student had an acceptable grade point average upon leaving.

V-B-3-d. 9.19. Academic Excellence Award (AEA)

It was moved by K. Clark, supported by R. Reck, and passed by voice vote without dissent, that the Board of Control amends policy 10.3.1. Michigan Students as presented herein.

The amended policy shall read as follows:

9.19. Academic Excellence Award (AEA)

Value: Full Value: Equal to the difference between nonresident and resident tuition.

Partial Value: \$4,000 per academic year (\$2,000 per semester). Student must be enrolled at least half time to receive partial value.

Eligibility: Undergraduate non-Michigan residents of the United States or its territories or Canada who (a) rank in the top 25% of their high school class or achieve a cumulative high school grade point average of 3.50 or higher (4.0 scale), or (b) who transfer from a post-secondary institution with a minimum 3.0 cumulative grade point average (4.0 scale) and who have been enrolled full-time for at least two semesters, or (c) who do not qualify for the AEA under provisions (a) or (b) but attain a minimum 3.0 cumulative grade point average (4.0 scale) after attending Michigan Tech full-time for two semesters. Applicants, who do not rank in the top 25% of their high school class or achieve a cumulative high school grade point average of 3.50 or higher, but achieve a 3.00 or higher, will receive the partial value of this award.

Exclusion: Students enrolled at Michigan Tech prior to Summer 2000 are ineligible for the AEA. Students enrolled at Michigan Tech prior to Summer 2004 are ineligible for the partial value of the AEA. Any student enrolling at Michigan Technological University, for the first time, after Summer 2006 is ineligible to receive the Academic Excellence Award. Current or previously enrolled Michigan Tech students who qualified for the Academic Excellence Award prior to Fall 2006, will be covered under Board of Control Policy 9.19. Current or previously enrolled Michigan Tech students who did not qualify for the Academic Excellence Award under Board of Control Policy 9.19. will not be

eligible for the Michigan Technological University National Scholars Program. Furthermore, the Academic Excellence Award Program will be terminated at the end of Spring Semester 2011.

The policy supersedes Board of Control policy 9.19. Academic Excellence Award dated May 9, 2003.

V-B-3. Gifts

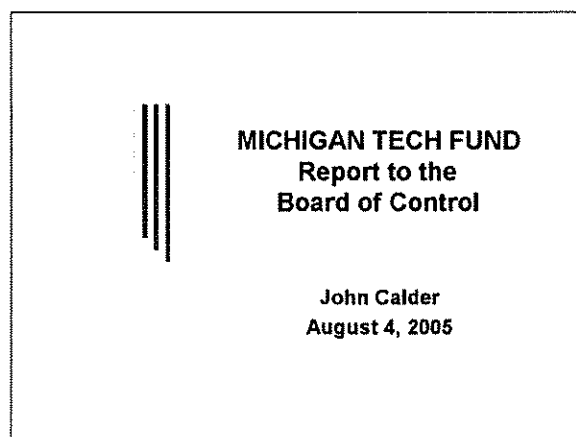
It was moved by R. Kershner, supported by R. Gronevelt, and passed by voice vote without dissent, that the Board of Control acknowledges the gifts to Michigan Technological University.

MICHIGAN TECH FUND Gift Activity Cash Report July 1, 2004 through June 30, 2005 Compared to Prior Year

| Gift Type | FY05 YTD Total | FY04 YTD Total | \$ Change from Previous Fiscal Year | % Change from Previous Fiscal Year |
|---|-------------------|-------------------|---|--|
| Cash (current year) | 7,062,058 | 6,532,278 | 529,779 | 8.1% |
| Bequests (current year) | 936,071 | 1,016,992 | -80,921 | -8.0% |
| Current Year Subtotal | 7,998,129 | 7,549,270 | 448,858 | 5.9% |
| Cash (receipts from prior year pledges) | 4,402,885 | 2,587,503 | 1,815,382 | 70.2% |
| Bequests (from previously recorded gifts) | 2,398 | 111,977 | -109,579 | -97.9% |
| Receipts from Previous Year Subtotal | 4,405,283 | 2,699,480 | 1,705,803 | 63.2% |
| Total | 12,403,412 | 10,248,751 | 2,154,661 | 21.0% |

V-C-1. Michigan Tech Fund Report

Mr. John Calder of the Michigan Tech Fund presented the following report.





Results of FY 2005

- Raised \$12.65 million
- Good improvement on cash received
- Many highlights including \$1M from David House/House Family Foundation



Goals Summary Chart

| | Goals 06 | FY 05 |
|-----------------------------|----------|----------|
| Restricted Individual Gifts | | |
| Major | \$8.50M | \$ 3.57M |
| Non-Major | \$.98M | \$ 1.43M |
| Annual Fund | \$1.47M | \$ 1.41M |
| Corporate and Foundation | \$3.55M | \$ 2.25M |
| Planned Giving | \$3.00M | \$ 3.00M |
| Gifts-In-Kind | \$.50M | \$.99M |
| Total FY 2005 Goal | \$18.00M | \$12.65M |



Campaign Ramp-Up Timetable



Campaign Ramp-up Timetable 2005

- Decision on MTF Investment April 16, 2005
- Hire executive search firm May 1, 2005
- Conduct planning study (test strategic direction & attitudes) June–August 2005
- BWF delivers study results November 3, 2005
- Hire 4-5 new Major Gifts Officers October 2005
- Initiate intensive "discovery" process November 2005
- Screen database with vendor December 2005



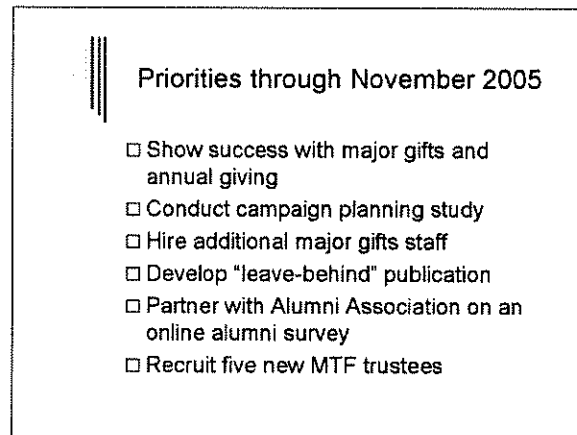
Campaign Ramp-up Timetable 2006

- Build prospect lists Ongoing
- Initiate campaign priorities process Feb 2006
- Draft campaign case statement Late spring 2006
- Continue hiring plan implementation Summer 2006
- Conduct campaign feasibility study (with final priorities) Summer-Fall 2006
- Feasibility study report Fall 2006
- Develop campaign marketing/communication plan December 2006



Campaign Ramp-up Timetable 2007

- Determine campaign goal January 2007
- Recruit campaign volunteer leaders January 2007
- Finalize campaign gift counting policies March 2007
- Complete hiring plan Summer 2007
- Begin silent phase July 1, 2007
- Solicit campaign leadership and board members July '07-June '08
- Solicit lead gifts from top prospects July '07-Dec '08



V-C-2. Appointment to the Michigan Tech Fund Board of Trustees

It was moved by R. Kershner, supported by N. Rautiola, and passed by voice vote without dissent, that Mr. David Brule and Dr. Ruth Reck be appointed to the Michigan Tech Fund Board of Trustees.

V-C-3. Michigan Technological University/Michigan Tech Fund Agreement

Chairman Henricksen informed the Board that there is some discussion on the changes in the articles of incorporation by the Michigan Tech Fund and we are having counsel review these changes. Our legal counsel has raised some questions that the Board needs clarified which might affect our relationship with the Tech Fund, and therefore it is being recommended that the Board grant a 30 day extension of the agreement.

Mr. Calder noted that the Tech Fund has retained a new attorney, in addition to the attorney they have used for years, and the new attorney is reviewing the documents and doesn't like some of the language. It's not a substance change as much as a language change. Mr. Calder stated that the Tech Fund Board will be voting on this agreement at their November meeting.

Dr. Reck would like to be sure that the Board of Control receives the information ahead of time for review.

It was moved by D. Brule, supported by M. Richardson, and passed by voice vote without dissent, that the Board of Control extends the existing agreement by 30 days between Michigan Technological University and the Michigan Tech Fund, and also, that the Board go on record as having reviewed and approved the operations of the Michigan Tech Fund to continue as a recipient of donations eligible for the State of Michigan income tax credit.

V-C-4. Tentative 2006 Meeting Dates

At the October meeting of the Board of Control dates are generally set for next year's meetings. In order for members to check their calendars, the tentative dates are hereby presented. If there is a problem with any of these dates, members are asked to please notify the Board Secretary.

| | |
|------------------------------|---------------------------------------|
| Wednesday, February 22, 2006 | (Retreat – Evening Session) |
| Thursday, February 23, 2006 | (Retreat – All Day) |
| Friday, February 24, 2006 | |
| Friday, April 28, 2006 | (Commencement – Saturday, April 29) |
| Friday, June 23, 2006 | |
| Thursday, August 3, 2006 | (Alumni Reunion) |
| Thursday, September 28, 2006 | (Homecoming Weekend) |
| Friday, December 8, 2006 | (Commencement – Saturday, December 9) |

There was some discussion as to what day of the week works best for Board members, and if the retreat should be held in conjunction with a Board meeting or independently. Chairman Henricksen will survey the Board before the next meeting to gather feedback regarding the proposed 2006 meeting dates.

V-C-5. Resignations, Retirements and Off Payroll

It was moved by M. Richardson, supported by K. Clark, and passed by voice vote without dissent, that the Board of Control accepts the resignations and confirms the off payroll determinations.

**BOARD OF CONTROL OFF-PAYROLL REPORT
(May 22, 2005 — July 2, 2005)**

| |
|----------------|
| Faculty |
|----------------|

| <u>RETIREMENT</u> | <u>Department</u> | <u>Title</u> | <u>Hire Date</u> | <u>Term Date</u> |
|-------------------|-----------------------|---------------------|------------------|------------------|
| Blanning, Richard | Fine Arts | Associate Professor | 08/31/76 | 06/30/05 |
| Francis, William | Mathematical Sciences | Associate Professor | 09/21/70 | 06/29/05 |

| <u>RESIGNATION</u> | <u>Department</u> | <u>Title</u> | <u>Hire Date</u> | <u>Term Date</u> |
|--------------------|-------------------------|---------------------|------------------|------------------|
| King, John | Forest Resc & Envir Sci | Assistant Professor | 08/18/02 | 07/02/05 |
| Pilling, John | Materials Sci and Eng | Associate Professor | 01/12/87 | 06/30/05 |

| |
|------------------|
| Employees |
|------------------|

| <u>NON-EXEMPT</u> | <u>Department</u> | <u>Title</u> | <u>Hire Date</u> | <u>Term Date</u> |
|-------------------|---------------------------|--------------------|------------------|------------------|
| Karttunen, Lisa | Student Records & Reg | Office Assistant 5 | 01/08/01 | 07/01/05 |
| Nutini, Robert | Residence Hall Facilities | Trades Helper | 10/02/72 | 06/04/05 |

| <u>EXEMPT</u> | <u>Department</u> | <u>Title</u> | <u>Hire Date</u> | <u>Term Date</u> |
|----------------|-----------------------------|--|------------------|------------------|
| Boggs, James | Civil & Env Eng | Manager, PDCM | 08/25/03 | 06/10/05 |
| Carlson, David | Geo & Mining Eng & Sci | Sr Research | 01/05/87 | 06/30/05 |
| Close, Nancy | Accounting Services | Engineer/Sci II | 11/08/99 | 05/27/05 |
| Wenc, Robert | Daniell Heights/MTU Apts | Coordinator Collections Manager MTU Apartments | 12/04/78 | 06/18/05 |

| <u>EXEMPT-Part Time</u> | <u>Department</u> | <u>Title</u> | <u>Hire Date</u> | <u>Term Date</u> |
|-------------------------|-------------------|------------------------------|------------------|------------------|
| Vairo, Shannon | Advancement | Director of Telemarketing | 11/01/96 | 06/30/05 |

| <u>NON-EXEMPT-Part Time</u> | <u>Department</u> | <u>Title</u> | <u>Hire Date</u> | <u>Term Date</u> |
|-----------------------------|---------------------------|--------------|------------------|------------------|
| Markham, Timothy | Residence Hall Facilities | Custodian | 11/12/01 | 06/02/05 |

V-C-6. 9.15. Allocation to the Memorial Union Building

It was moved by R. Gronevelt, supported by M. Richardson, and passed by voice vote without dissent, that the Board of Control amends policy 9.15. Allocation to the Memorial Union Building as presented herein.

The amended policy shall read as follows:

9.15. Allocation to Memorial Union Building

The Administration is authorized, upon the retirement of trust #3214, to allocate from the General Fund up to \$15.00 per student per semester for the operation and maintenance of the Memorial Union Building.

This policy supersedes Board of Control policy 9.15. Allocation to Memorial Union Building dated August 3, 2000.

V-C-7. Michigan Council for the Arts

It was moved by D. Brule, supported by R. Reck, and passed by voice vote without dissent, that the Board of Control authorizes the Rozsa Center for the Performing Arts proposal for submission to the Michigan Council for the Arts and Cultural Affairs.

VI. REPORTS

A. Student Affairs – Dr. Les Cook

A copy of Dr. Cook's presentation was included in the agenda book. Dr. Cook thanked the Board for their continued support, and for the passage of the revisions to the scholarship program.

Mr. Brule complimented Dr. Cook and his group for doing a very credible job of developing the interest in Michigan Tech and working with the students and programs. We have seen magnificent changes over the last couple of years, and it is no doubt in some measure due to the leadership that is here in the university today and the efforts of Dr. Cook and his staff.

B. Financial Report – Mr. Dan Greenlee

A copy of Mr. Greenlee's report was included in the agenda book.

Mr. Brule comment that the financial picture is gotten quite a bit better over the last couple of years and again the Administration deserves a pat on the back for keeping their nose to the grindstone and making this happen.

C. University Senate – Dr. Terry Monson

Dr. Monson thanked the Board and President Mroz for their support during the problems that arose with the Senate constitution. In addition, he introduced the incoming officers of the University Senate; Dr. Martha Sloan, President, Ms. Rebecca Christianson, Vice President and Dr. Janice Glime, Secretary.

D. Undergraduate Student Government Report – Mr. Phil Ribeiro

The USG did not report at this time.

E. Graduate Student Council Report – Mr. Dan Adler

The GSC did not report at this time.

VII. INFORMATIONAL ITEMS

- A. Analysis of Investments
- B. Auxiliary Enterprises Operations
- C. Board of Control Follow-up Items
- D. Update on Wadsworth Hall Renovation Project

Discussion took place regarding the first item on the Board of Control follow-up list. Dr. Tahtinen explained that this is a hold over from the last administration. In summary the policy states that the president can not give pay raises to his direct reports without Board approval. That happens automatically now if there are any pay increases, and it is up to the Board as to whether or not they would like this policy to continue.

Chairman Henricksen stated that the Audit and Finance Committee should review the president's salary and his performance which would parallel with the Presidential Review Committee recommendations.

Chairman Henricksen brought forward the issue of compensation for Dr. Dave Reed, as he has been performing so well for us in wearing many hats. This item was discussed informally in the Audit and Finance Committee. President Mroz would like to recommend an increase in salary for Dr. Reed for the additional work that he has taken on since he took over the duties as provost.

It was moved by K. Clark, supported by R. Reck, and passed by voice vote without dissent, that the Board of Control authorizes the President to extend a \$25,000 increase in remuneration for Dr. Dave Reed, who has been serving as both Provost and Vice President for Research since January 2005. This rate would continue until a permanent provost is in place, and would be in the form of a stipend.

Mr. Kershner questioned why this item was coming up now, and pointed out that it should have been an agenda item.

VIII. OTHER BUSINESS

Mr. Kershner asked if the Board of Control minutes could be put on the web site after they are approved. After some discussion it was suggested that minutes from 1990 through present be put on the web.

IX. PUBLIC COMMENTS

Mr. Octave DuTemple, a 1948 graduate who has spent his life in the atomic energy business and farm real estate, provided the following comments:

- The Board members should consider wearing name tags as this would help to identify them when they are interacting with faculty, staff, alumni, friends, etc.

- Encouraged the Board members to meet with the alumni while they are on campus to get their views and input.
- Suggested that the closed session be moved to either the beginning of the meeting or the end of the meeting so that people are not waiting in the hall for extended periods of time.
- There were times when I thought that you didn't know much about running a non-profit organization. I have changed my mind a little bit and am now saying that they are pretty darn good even though at times we all make changes, but you seem to be able to turn this operation around.
- Many of you know that I have been very much impressed with the Seaman Mineral Museum. I have visited major international museums and I believe that the people who have seen these museums would rate the one we have at Michigan Tech as equal to number one, certainly number two, and we are headed the right way. It is a wonderful museum and it represents the State of Michigan. If there is one thing you could do, and maybe you already do this, is to put a little political pressure on the State. They designate this as the mineral museum of Michigan, but I don't think that they have ever contributed to the museum. Your help would do that.
- Get the grandchildren to come to Michigan Tech.

X. ADJOURNMENT

It was moved by R. Kershner, supported by R. Reck, and passed by voice vote without dissent, that the meeting be adjourned.

Secretary of the Board of Control

Chair, Board of Control