

SVSU®

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**BOARD OF CONTROL**  
**MINUTES**

**May 11, 2013**



MINUTES  
BOARD OF CONTROL  
REGULAR FORMAL SESSION  
Board of Control Room, Third Floor Wickes Hall  
May 11, 2013  
8:30 a.m.

Present:      Abbs, D.  
                 Carmona, S.  
                 Ferguson, C.  
                 Gamez, D.  
                 Gilbertson, E.  
                 Martin, J.  
                 Velasquez, J.  
                 Wilson, L.  
                 Yantz, J.

Absent:

Others

Present:	Bachand, D.	Lane, R.
	Bangert, S.	Muladore, J.
	Bethune, A.	Pelkki, K.
	Boehm, J.	Press
	Brandimore, M.	Ramet, C.
	Coe, J.	Rousseau, J.
	Dwyer, J.	Sieggreen, S.
	Goodman, T.	Thorns, M.
	Huntley, D.	Wasserman, C.
	Kosaski, D.	Watson, M.
	Kowaleski, M.	Wheaton, M.
	Kumar, P.	Wojkiewicz, J.

SAGINAW VALLEY STATE UNIVERSITY  
BOARD OF CONTROL  
MAY 11, 2013  
REGULAR FORMAL SESSION  
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***I. CALL TO ORDER***

Chairman Abbs called the meeting to order at 8:33 a.m.

***II. PROCEDURAL ITEMS***

**A. Approval of Agenda and Additions to and Deletions from Agenda**

There were no additions to or deletions from the agenda.

The agenda was APPROVED as distributed.

**B. Approval of Minutes of February 11, 2013 Regular Formal Session**

**It was moved and supported that the minutes of the February 11, 2013 Regular Formal Session be approved.**

The minutes were unanimously APPROVED as written.

**C. Recognition of Official Representative of the Faculty Association**

- Professor Robert Lane, President of the Faculty Association, introduced Professor Shaun Bangert as the newly elected President of the Faculty Association effective August 26, 2013.

Professor Lane also acknowledged the service of Robert Braddock, Eric Petersen and Thomas Renna who will be retiring at the end of the academic year. Professor Lane stated, "These fine colleagues established a culture of success along with exemplary teaching over the years which have served the University well."

**D. Communications and Requests to Appear Before the Board**

- Marilyn Wheaton, Director of the Marshall M. Fredericks Sculpture Museum, announced that the museum has achieved accreditation from the American Alliance of Museums (AAM), the highest national recognition for a museum. She stated that accreditation is something the Museum Board and staff have been committed to for several years.

Ms. Wheaton also noted that accreditation signifies excellence to the museum community, to governments, funders, outside agencies, and to the museum-going public. Of the nation's estimated 17,400 museums, 1,005 are currently accredited. The Marshall M. Fredericks Sculpture Museum is one of only 25 museums accredited in Michigan.

- Kathleen Pelkki, Staff Member of the Month for March, was introduced to the Board. (See Appendix One: Pelkki.)

- Dr. Donald Bachand, Provost/Vice President for Academic Affairs, introduced Dr. Mary Harmon as the new Dean for the College of Education. Dr. Bachand noted that Dr. Harmon has done fine work for the past 21 years as a Professor of English at SVSU, which is in addition to her 23 years of public school experience.
- Dr. Carlos Ramet, Executive Assistant to the President/Executive Director of Public Affairs, announced that SVSU received the second annual Great Lakes Bay Regional Arts Award from the Saginaw Arts and Enrichment Commission. The award is presented annually to a person or organization whose vision is to encourage a thriving arts environment in the Great Lakes Bay Region. The awards ceremony was held on Thursday, May 2.

Dr. Ramet further noted that in addition to our institutional award, Rusty Meyers, who is an award-winning SVSU theatre major, was also nominated for the All-Area Arts award in the individual category as was our Rhea Miller Concert Series in the nonprofit category.

- President Gilbertson shared recent correspondence from Moody's Investors Service noting that an A1 rating was assigned to SVSU's \$18 million of General Revenue Bonds, Series 2013A. Moody's Investors Service also affirmed the A1 rating on the university's previously issued debt.

### ***III. ACTION ITEMS***

1. Resolution to Grant Undergraduate and Graduate Degrees

RES-2009      **It was moved and supported that the following resolution be adopted:**

**WHEREAS, Saginaw Valley State University is granted the authority to confer undergraduate and graduate degrees as outlined in Section 5 of Public and Local Acts of Michigan 1965; and**

**WHEREAS, Operating Policy 3.101 Article III of the Board reserves to the Board the authority to grant degrees.**

**NOW, THEREFORE, BE IT RESOLVED, That the Board of Control of Saginaw Valley State University approves the awarding of undergraduate and graduate degrees at the May 11, 2013 Commencement as certified by the faculty and Registrar.**

The motion was APPROVED unanimously.

2. Motion to Establish the Board of Control Meeting Schedule for 2013-2014

BM-1138      **It was moved and supported that the attached Board of Control schedule for 2013-2014 be adopted.** (See Appendix Two: Meeting Schedule)

The motion was APPROVED unanimously.

3. Report of the Nominating Committee and Resolution to Elect Officers of the Board of Control

**RES-2010      It was moved and supported that the following resolution be adopted:**

**WHEREAS, The Saginaw Valley State University Board of Control Bylaws stipulate that a Nominating Committee shall be appointed by the Board to recommend candidates for each office.**

**NOW, THEREFORE, BE IT RESOLVED, That the Nominating Committee of David Abbs, Leola Wilson and Jerome Yantz submit for election the following slate of officers of the Saginaw Valley State University Board of Control for 2013-2014.**

**Chair:            Jeffrey T. Martin  
Vice Chair:    Cathy W. Ferguson  
Secretary:     Jenée Velasquez  
Treasurer:    Scott Carmona**

The motion was APPROVED unanimously.

4. Resolution to Thank Ted Goodman and the Elected Representatives for their Service as Student Association Members

**RES-2011      It was moved and supported that the following resolution be adopted:**

**WHEREAS, Student Association President Ted Goodman has been actively involved in the affairs of Saginaw Valley State University throughout his student years, demonstrating exceptional leadership qualities and abilities; and**

**WHEREAS, Ted Goodman and the elected representatives listed below served students and the University with dedication during the 2012-2013 academic year;**

**President:   Ted Goodman**

**Representatives:**

<b>Abigail Behmlander</b>	<b>Kayla Bell</b>	<b>Douglas Boehm, Jr.</b>
<b>Danielle Burelle</b>	<b>Daniel Chapman</b>	<b>Alexandrea Cottrell</b>
<b>Demonte Dandridge</b>	<b>Billie DeShone</b>	<b>Anthony Dils</b>
<b>Zachary Eick</b>	<b>Hisham El-Khatib</b>	<b>Megan Esson</b>
<b>Kory Feetham</b>	<b>Joshua Fleming</b>	<b>Casey Foley</b>
<b>Kaitlin Foran</b>	<b>Kaitlyn Foulk</b>	<b>Gregory Gardner</b>
<b>Deavante Grier</b>	<b>Eric Holland</b>	<b>Karly Irland</b>
<b>Dylan Kosaski</b>	<b>Tyler Kosaski</b>	<b>Megan Potts</b>
<b>Andrew Rexford</b>	<b>Joseph Rexford</b>	<b>Aubrey Routowicz</b>

**Kaitlyn Rye  
Joshua Wolford**

**Anna Sheufelt  
Taylor Young**

**Bethany Thrun**

**NOW, THEREFORE, BE IT RESOLVED, That the Board of Control of Saginaw Valley State University formally expresses its appreciation to Ted Goodman and the representatives for their dedicated service on behalf of the University and its student body.**

**BE IT FURTHER RESOLVED, That the Board conveys its best wishes to Ted Goodman and the representatives for continued academic and future professional success.**

Mr. Goodman thanked the Board for their continued support of the Student Association during the past year. He also introduced Mr. Dylan Kosaski, a biochemistry major from Stanwood, as next year's newly elected president of the Student Association.

The motion was APPROVED unanimously.

5. Resolution to Congratulate Dylan Kosaski and Representatives of the Student Association on their Election

RES-2012     **It was moved and supported that the following resolution be adopted:**

**WHEREAS, The Student Association represents the formal structure for student participation in the affairs of the University; and**

**WHEREAS, The individuals listed below were recently elected by vote of their fellow students to assume leadership positions in the Student Association for 2013-2014;**

**President: Dylan Kosaski**

**Representatives:**

**Abigail Behmlander  
Anthony Dils  
Kaitlin Foran  
Alexis Hart  
Jacob Mojica  
Joey Rexford  
Anna Sheufelt**

**Kayla Bell  
Zachary Eick  
Greg Gardner  
Karly Irland  
Daniel Pysh  
Aubrey Routowicz  
Taylor Young**

**Billie DeShone  
Kory Feetham  
Danielle Guldi  
Tyler Kosaski  
Andy Rexford  
Kaitlyn Rye**

**NOW, THEREFORE, BE IT RESOLVED, That the Board of Control of Saginaw Valley State University offers its congratulations and best wishes to the aforementioned leaders on their election to office;**

**BE IT FURTHER RESOLVED, That the Board conveys its pledge to work with these leaders toward the betterment of Saginaw Valley State University.**



The motion was APPROVED unanimously.

6. Resolution to Grant Honorary Degree

RES-2013      **It was moved and supported that the following resolution be adopted:**

**WHEREAS, Charles B. Curtiss' distinguished career as a financial investor, civic leader, and proponent of higher education in the Great Lakes Bay Region includes serving on SVSU's Board of Control for an unprecedented thirty-two years; and**

**WHEREAS, Charles B. Curtiss graduated with a Bachelor's of Science from Yale University and a Master's in Business Administration from the University of Michigan. He first embraced the cause of higher education as a graduate of Yale University who returned to his native Bay City and was named Tri-County Chair of the Higher Education Feasibility Committee, a citizens group which demonstrated that future regional economic growth was dependent on higher levels of educational attainment; and**

**WHEREAS, Mr. Curtiss was then selected in 1963 to serve on the original private college board of "Saginaw Valley College" and in 1965 was among six original board members appointed to the governing board after SVC became a state-assisted college; He was appointed or reappointed by governors of both parties to four successive eight-year terms; and**

**WHEREAS, "Charley" Curtiss brought his keen business acumen and managerial insights to Saginaw Valley State University's Board of Control, serving as its Chair from 1973 to 1982; and**

**WHEREAS, Mr. Curtiss is well known for his community service and philanthropic activities. While a Board member, he provided leadership on four capital fund-raising campaigns, including the initial \$4 million drive to purchase the land on which the campus is situated; he has given of his time to many community organizations such as the Bay Area Health Planning Council and the United Way. He has remained deeply committed to SVSU in the years subsequent to his service on its Board of Control and has served diligently and effectively as a member of the SVSU Foundation Board.**

**NOW, THEREFORE, BE IT RESOLVED, That the Board of Control of Saginaw Valley State University approve the granting of the Honorary Doctor of Laws degree to Mr. Charles B. Curtiss to be presented at the May 11, 2013 Commencement.**

The motion was APPROVED unanimously.

7. Resolution to Approve Appointment to the Marshall M. Fredericks Sculpture Museum Board (Avril Roundtree)

**RES-2014      It was moved and supported that the following resolution be adopted:**

**WHEREAS, The Marshall M. Fredericks Sculpture Museum Board is comprised of qualified individuals who have the responsibility of advising the President and the University Board of Control regarding major decisions of the Museum; and**

**WHEREAS, The Museum Board recommends that Avril Roundtree be appointed to fill a new term, which expires in May 2016.**

**NOW, THEREFORE, BE IT RESOLVED, That the appointed member serves on the Marshall M. Fredericks Sculpture Museum Board as stipulated in the organization's bylaws.**

The motion was APPROVED unanimously.

8. Resolution to Name the East Soccer Field "Robert C. Braddock Field"

**RES-2015      It was moved and supported that the following resolution be adopted:**

**WHEREAS, The Board of Control of Saginaw Valley State University retains as its express authority the naming of facilities and memorials; and**

**WHEREAS, Robert C. Braddock earned his bachelor's degree at Middlebury College and both a master's and doctor of philosophy degree in history at Northwestern University; and**

**WHEREAS, Professor Braddock joined the SVSU history department in 1970, serving with great distinction for forty-three years. He has been recognized for his exemplary teaching through receipt of the Franc A. Landee Award, SVSU's highest honor for teaching. Selected to deliver the annual Thomas and Hilda Rush Distinguished Lecture, his contributions have extended well beyond the classroom, earning him the Terry Ishihara Co-curricular Involvement Award; and**

**WHEREAS, Robert C. Braddock was a tireless champion of the soccer program at SVSU, coaching club soccer for fifteen years and advocating for its institution as a varsity sport. In 2012, the men's varsity soccer program came in second in the nation within its division, with its head coach and its captain named Coach of the Year and National Soccer Coaches Association of America Division II Player of the Year, respectively. These recent achievements represent the early vision and enduring legacy of Dr. Braddock.**

**NOW, THEREFORE, BE IT RESOLVED That the east soccer field be named Robert C. Braddock Field in recognition of his outstanding service to the institution and to the soccer program at SVSU.**

President Gilbertson noted that Professor Braddock was a passionate and persistent advocate for soccer at SVSU, coaching the SVSU club team for 15 years. President Gilbertson stated that it is an honor to have SVSU's soccer field named for this distinguished faculty member.

The motion was APPROVED unanimously.

9. Resolution to Approve the Reauthorization of Public School Academies

RES-2016     **It was moved and supported that the attached resolution be adopted.**  
(See Appendix Three: Public School Academies)

The motion was APPROVED unanimously.

10. Resolution to Grant Approval to Seek Accreditation for SVSU English Language Program

RES-2017     **It was moved and supported that the following resolution be adopted:**

**WHEREAS, Accreditation by the Commission on English Language Program Accreditation (CEA) may provide public recognition to the quality of the SVSU English Language Program; and**

**WHEREAS, The status afforded to the English Language Program through the CEA accreditation may facilitate and foster ongoing self-assessment and continuing education for program improvement.**

**NOW, THEREFORE, BE IT RESOLVED, That the Board of control of Saginaw Valley State University authorize the English Language Program under the Division of Enrollment Management to proceed with efforts to obtain CEA accreditation.**

Stephanie Sieggreen, Director of the Office of International Programs, and Julie Coe, Director of the English Language Program (ELP), reviewed the Commission on English Language Accreditation with the Board.

Ms. Coe noted that one of the current SVSU Strategic Plan initiatives directs Enrollment Management to "Achieve English Language Program accreditation by fall 2014." (1.C.4.)

Ms. Coe stated that the English Language Program has grown more than 100 percent since 2008. On average, more than 62 percent of new SVSU international students begin their university experience in the English Language Program. Upon completion, the students matriculate into the university. Ms. Coe noted that without this program, international enrollment would be dramatically different. The accreditation process will improve the program and ensure that the program has met best practices and the highest standards as recognized by colleagues in the profession. Ms. Coe further added that there is a national trend toward intensive language programs to obtain accreditation and more students that

are sponsored by their governments are being asked to look for programs that are accredited.

The motion was APPROVED unanimously.

11. Resolution to Approve Replacement of Ryder Center, West Complex, and Wickes Hall Roofs

RES-2018      **It was moved and supported that the following resolution be adopted:**

**WHEREAS, The Finance and Audit Committee has been updated on the condition of the Ryder Center, West Complex and Wickes Hall Roofs and the need to replace same; and,**

**WHEREAS, Sufficient financial resources are available from capital project accounts to fund the projects;**

**NOW, THEREFORE, BE IT RESOLVED, That the Board hereby authorizes the President or the Executive Vice President for Administration and Business Affairs to enter into contracts to complete the below referenced projects with budgets as indicated:**

1. Ryder Center	\$ 1,500,000
2. West Complex Roof	\$ 825,000
3. Wickes Hall	\$ 450,000

The motion was APPROVED unanimously.

12. Resolution to Approve Expansion of Parking Lot Capacity

RES-2019      **It was moved and supported that the following resolution be adopted:**

**WHEREAS, The Finance and Audit Committee has reviewed and discussed campus parking capacity issues; and,**

**WHEREAS, The Ryder Center Expansion project will reduce Parking Lot E capacity; and,**

**WHEREAS, Parking Lot C and Parking Lot F can be expanded to compensate for Parking Lot E capacity reductions; and,**

**WHEREAS, Sufficient financial resources are available from capital project accounts to fund the parking lot projects;**

**NOW, THEREFORE, BE IT RESOLVED, That the Board hereby authorizes the President or the Executive Vice President for Administration and Business Affairs to**

**enter into contracts to complete the below referenced projects with budgets as indicated:**

- |                                   |                  |
|-----------------------------------|------------------|
| <b>1. Parking Lot C Expansion</b> | <b>\$300,000</b> |
| <b>2. Parking Lot F Expansion</b> | <b>\$550,000</b> |

Trustee Carmona requested that the parking lot signage be made more apparent to the public as the lots on campus are being improved and expanded.

The motion was APPROVED unanimously.

13. Resolution to Approve Establishment of Intercollegiate Women's and Men's Swim Teams

RES-2020      **It was moved and supported that the following resolution be adopted:**

**WHEREAS, SVSU currently participates in NCAA Division II Intercollegiate Athletic programs, offering 16 varsity programs: softball, basketball, indoor track, outdoor track, soccer, volleyball, cross country and tennis for women; and baseball, basketball, indoor track, outdoor track, soccer, football, cross country and golf for men; and,**

**WHEREAS, SVSU competes in the Great Lakes Intercollegiate Athletic Conference (GLIAC) where eight members and a single affiliate sponsor swimming programs; and,**

**WHEREAS, The University believes it is important to offer expanded intercollegiate athletic opportunities to students;**

**NOW, THEREFORE, BE IT RESOLVED, That the Board hereby approves intercollegiate women's and men's swim team programs effective academic year 2013-14 with competition planned to begin in academic year 2014-15 for the women's team and 2015-16 for the men's teams.**

Mike Watson, Athletic Director, stated that the intercollegiate women's and men's swimming programs will provide a great benefit to the University by attracting prospective students.

Mr. Watson noted that: "The University and our department have carefully considered the addition of swimming to varsity status, and we feel the time is right to make this move. With the renovations that were made a few years ago to the Gerstacker Regional Aquatics Center, this move only made sense."

The women's program will begin NCAA Division II varsity competition in the 2014-15 academic year, and the men's program will be ready for NCAA Division II varsity competition in the 2015-16 academic year.

The motion was APPROVED unanimously.

14. Resolution to Amend the University's Investment Policy

RES-2021      **It was moved and supported that the attached resolution be adopted.**  
(See Appendix Four: Investment Policy)

The motion was APPROVED unanimously.

**IV. INFORMATION AND DISCUSSION ITEMS**

15. 50<sup>th</sup> Anniversary DVD Presentation

Dr. Carlos Ramet, Executive Assistant to the President/Executive Director of Public Affairs, shared a fifteen minute 50<sup>th</sup> anniversary DVD presentation, which was created to communicate SVSU's key message during its' 50<sup>th</sup> anniversary. Dr. Ramet noted that a distribution plan is in development. The DVD will be widely disseminated to the public through a variety of communication strategies.

16. 50<sup>th</sup> Anniversary Campaign Update

Andy Bethune, Executive Director SVSU Foundation, updated the Board on the 50<sup>th</sup> Anniversary Campaign. He shared with the Board a press release that was distributed to the media on May 10, which announced the launch of a \$25 million fundraising campaign to coincide with the 50<sup>th</sup> anniversary.

Mr. Bethune stated that the comprehensive campaign "Talent. Opportunity. Promise. The Campaign for SVSU" supports the university's overall strategic plan. Mr. Bethune noted that an employee campaign began last September. To date, 51 percent of current SVSU faculty, staff, and retirees have pledged their support. Such contributions already total nearly \$900,000.

17. Discussion of SVSU Online Learning Initiatives

Dr. Donald Bachand, Provost/Vice President for Academic Affairs, and Dr. Poonam Kumar, Professor of Educational Technology and Development, discussed the progress of online/hybrid education at SVSU.

Dr. Bachand noted that the current SVSU Strategic Plan initiatives include directing Academic Affairs to "develop a comprehensive campus plan with faculty and staff involvement for online and hybrid instruction including: engaging a consultant to assist in the development of a campus plan for online/hybrid instruction." (1.A.2.)

Dr. Bachand noted that SVSU hired *Eduventures*, a national consulting firm, to assess the technical infrastructure and faculty support for online/hybrid instruction. The following recommendations were made by the consultant:

- (1) Hire a Director of Online/Hybrid Learning Course Development and Instructional Design
  - Incorporate best practices (*Quality Matters*)
  - Provide faculty instructional design support after initial training
- (2) Faculty Training and Support
  - Continue to offer current training
  - Provide ongoing training opportunities and mentorship support after initial training
- (3) Student Support
  - Provide student orientation to online/hybrid learning
  - Provide support services for student success in online/hybrid learning
- (4) Information Technology Support
  - Provide adequate staff and infrastructure
- (5) Evaluation and Assessment
  - Develop quality assurance standards for quality in online/hybrid courses

Dr. Bachand concluded that the plan is to: 1) continue exploring the appropriateness of online/hybrid courses for a variety of disciplines; 2) continue offering on-going opportunities for faculty training; and 3) continue exploring potential Spring/Summer offerings.

***V. OTHER ITEMS FOR CONSIDERATION OR ACTION***

18. Motion to Move to Informal Session to Discuss Personnel Evaluation

BM-1139      **It was moved and supported that the Board move to Informal Session to discuss personnel evaluation**

The motion was APPROVED unanimously.

The Board moved to Informal Session at 10:15 a.m. and reconvened in Regular Formal Session at 11:15 a.m. with Board members Abbs, Carmona, Ferguson, Gamez, Martin, Velasquez, Wilson and Yantz in attendance. Also present was Mary Kowaleski.

***VI. REMARKS BY THE PRESIDENT***

No formal remarks were made.

***VII. ADJOURNMENT***

19. Motion to Adjourn

BM-1140      **It was moved and supported that the meeting be adjourned.**

The motion was APPROVED unanimously.

The meeting was adjourned at 11:20 a.m.

Respectfully submitted:

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David Abbs  
Chairman

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Leola Wilson  
Secretary



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Mary Kowaleski  
Recording Secretary  
Secretary to the Board of Control



## STAFF MEMBER OF THE MONTH

## Kathy Pelkki

Biology Laboratory Coordinator • March 2013

With more than 1,500 students in and out of SVSU's biology labs every week, you have to wonder: Who's the architect behind it all?

Meet Kathy Pelkki, biology lab coordinator. She oversees the troop of students who prep the laboratories—procuring microscopes, mixing solutions—and tear them down for the next.

But that's just one piece of the job. "One of the things I like about this department," Pelkki said, "is that they let me work to my full potential." For instance, Pelkki—who completed her master's in biology at the University of Michigan—realized a few years ago that the lab manuals given to non-biology majors had a problem.

"Early on, a lot of these were watered-down versions of the lab manuals for majors," she said. "They just weren't very fun. I wanted something fresh that was written from the get-go for non-science people."

So with the department's blessing, Pelkki tried writing her own manual. And today, the book's been adopted by the whole department.

"There's so much opportunity here," she said. "And that's what makes it fun."

What's even more fun, she admitted, is watching students grow. "It's also the biggest heartbreak," she said. "You get to know the students, and they're always going to leave. But it's more of a joy to

see that freshman maturing into someone who's really going to go out on their own."

With an attitude like that, it's no surprise that Pelkki has another role: teaching. In fact, for her classroom work, she has won the Mary E. Anderson Adjunct Faculty Award.

"I very much love teaching," she said. "When you're in a lab or lecture and you can generate excitement about a subject you love, you think, 'Wow, this is incredible.'"

Pelkki first joined SVSU in March 1985 as a lab technician and research assistant. "I didn't see myself as the Ph.D. running the lab; I always knew I wanted to be the worker bee.

"Once I got here and learned that this job is so diverse in the work and the opportunities, and that the people I'd work with are so wonderful, I knew I'd be here a long time. And I'm glad to be here."

Since then, Pelkki has kept learning, seeking crisp ways to show students the beauty in biology.

In one course, for instance, she just gave an assignment she found in an academic journal: you give students a biology topic and ask them to create a project from their own focus of study. A music major came to her and said he'd like to write a song.

"But there's a problem," he said. "I really like hard rock."

Without hesitation, she responded, laughing, "That's not a problem at all."



**MOTION TO ESTABLISH  
SAGINAW VALLEY STATE UNIVERSITY  
BOARD OF CONTROL MEETING SCHEDULE FOR 2013-2014**

<b>DAY</b>	<b>DATE</b>	<b>TYPE OF MEETING</b>	<b>TIME</b>
Monday	August 19, 2013	Regular Formal Session	1:30 p.m.
Monday	August 19, 2013	Commencement	7:30 p.m.
Monday	September 16, 2013	Standing Committees	1:30 p.m.
Monday	October 14, 2013	Regular Formal Session	1:30 p.m.
Friday	December 13, 2013	Regular Formal Session	1:30 p.m.
Friday	December 13, 2013	Commencement	7:30 p.m.
Monday	February 10, 2014	Regular Formal Session	1:30 p.m.
Saturday	May 10, 2014	Regular Formal Session	9:00 a.m.
Saturday	May 10, 2014	Commencement	1:30 p.m.
Monday	June 16, 2014	Retreat	9:00 a.m.
Monday	June 16, 2014	Regular Formal Session	1:30 p.m.

**RESOLUTION TO APPROVE THE REAUTHORIZATION OF  
PUBLIC SCHOOL ACADEMIES**

WHEREAS, the University has issued contracts confirming the status of each of the following as public school academies in the State of Michigan:

Detroit Community Schools;  
Grattan Academy;  
HEART Academy;  
Northwest Academy; and  
Saginaw Preparatory Academy (the "Renewal Academies");

WHEREAS, the University and each of the Renewal Academies wish to extend the terms of each of the respective Contracts; and

NOW, THEREFORE, BE IT RESOLVED, that subject to the requirements of this Resolution, the term of the Contract between the University and Grattan Academy and Saginaw Preparatory Academy whereby the University authorized the academies to operate as a public school academy shall be extended through June 30, 2015; and

BE IT FURTHER RESOLVED, that subject to the requirements of this Resolution, the terms of the Contracts between the University and HEART Academy, Detroit Community Schools (under Corrective Action Plan), and Northwest Academy whereby the University authorized the academies to operate as a public school academy shall each be extended through June 30, 2014; and

BE IT FURTHER RESOLVED, that the President and/or the Director of School/University Partnerships, acting together or separately, are authorized and directed to execute such documents as may be necessary or desirable to accomplish these purposes.

Adopted by SVSU Board of Control.

## **Charter School Reauthorizations April 2013**

SVSU Board of Control.

As I shared with the BOC Personnel Committee at its February 11, 2013, meeting, we have five academies up for reauthorization for school year 2013-2014. I indicated to you in February that the only one of those five that was seriously problematic at this time was Detroit Community Schools. Since then, we have reconstituted the DCS Board of Directors and have a new board president and three new board members. This is proving to be a very positive change with focus once more back on student achievement, as it should be. That factor, coupled with several others, leads us to recommend that Detroit Community Schools be reauthorized for an additional year under a Corrective Action Plan. Because this is a change from the direction we discussed in February, I wanted to point it out to you in advance of your May 11 meeting.

Also, the attached reauthorization tables are different from what you have seen in the past. They reflect the criteria now specified in our newly-developed *School University Partnership Improvement Plan* and are included here so that you can begin to familiarize yourself with them in advance of the next academic school year when we propose that they will take full effect. You will note that some "Results" cells show "2013-2014", indicating that these data will not be collected until next school year.

Joe Rousseau

**Detroit Community Schools**

<b>Table I: Criteria: two must be met</b>	<b>Results</b>
Outperform host/comparable district on MEAP [begin 2013-2014]	2013-2014
Make AYP and EdYES grade of C or better	Elementary/Middle yes, C grade HS no, grade D alert.
Demonstrate NWEA-MAP/ Scantron and/or MEAP, MME growth	Scantron scores improvement. Slight gains in math, reading at most grade levels despite raised cut scores and high levels of staff mobility.
In top 75% of MDE top-to-bottom list	No- in bottom quartile.

  

<b>Table II: Other Required Criteria</b>	<b>Results</b>
In compliance with SVSU requirements, on time submissions	No- numerous staffing and board transitions.
Evidence of sound governance decisions	Yes, after board reconstitution in February.
Evidence of fiscal responsibility and solvency/balanced budget	Financial records currently under review. Staff transitions. Acceptable audit for 2011-2012.
Quality Performance Review findings positive [begin 2013-2014]	2013-2014
Evidence of alignment: contractual educational goals, SIP	Currently working with MDE monitor. Alignment to be reviewed in 2013-2014.

**Comments:**

1. K-12, 938 students
2. Lesson plans now posted on classroom doors.
3. E2020 credit recovery program: subject area teachers providing tutoring.
4. ACT prep sessions after school.
5. Scantron results showing improvement.
6. Extended Day Enrichment Program in math and English Language Arts.
7. Focus on teacher evaluations using videos.
8. Dual enrollments with Wayne County Community College.
9. Expanded breakfast program.
10. Clothing giveaway program: donations by Macy's, local churches
11. Brightmoor Alliance (local nonprofits) offering woodworking, robotics, bike maintenance and repair, basic electronics/circuitry, market vegetable garden

**Recommendation:** 1 year reauthorization under corrective action plan

**Grattan Academy**

<b>Table I: Criteria: two must be met</b>	<b>Results</b>
Outperform host/comparable district on MEAP [begin 2013-2014]	2013-2014.
Make AYP and EdYES grade of C or better	AYP no- IIS didn't meet (see comment #8 below.) Grade C.
Demonstrate NWEA-MAP/ Scantron and/or MEAP, MME growth	MEAP: strong improvement in math and reading despite raised cut scores.
In top 75% of MDE top-to-bottom list	Not ranked- less than 30 students tested.

<b>Table II: Other Required Criteria</b>	<b>Results</b>
In compliance with SVSU requirements, on time submissions	Yes
Evidence of sound governance decisions	Yes
Evidence of fiscal responsibility and solvency/balanced budget	Yes
Quality Performance Review findings positive [begin 2013-2014]	2013-2014
Evidence of alignment: contractual educational goals, SIP	Alignment to be reviewed in 2013-2014.

**Comments:**

1. K-12, 294 students
2. Staff retention 100%; student retention 95%.
3. Very positive parent satisfaction survey.
4. Increasing enrollment.
5. Offer dual enrollment courses.
6. Improved financial stability
7. Family atmosphere
8. Former strong elementary principal returned this year.
9. High school didn't make AYP due to clerical error in exiting graduated students from state pupil accounting system. Error now corrected with assistance from Ionia ISD

Recommendation: 2 year reauthorization.

**HEART Academy**

<b>Table I: Criteria: two must be met</b>	<b>Results</b>
Outperform host/comparable district on MEAP [begin 2013-2014]	2013-2014
Make AYP and EdYES grade of C or better	AYP yes; no report card grade, less than 30 students tested.
Demonstrate NWEA-MAP/ Scantron and/or MEAP, MME growth	Improvement in MME reading only (see comment #2 below).
In top 75% of MDE top-to-bottom list	Not ranked-low enrollments. High ranking by Excellent Schools Detroit.

  

<b>Table II: Other Required Criteria</b>	<b>Results</b>
In compliance with SVSU requirements, on time submissions	Yes
Evidence of sound governance decisions	Yes- capable board.
Evidence of fiscal responsibility and solvency/balanced budget	Currently under deficit elimination plan; lower enrollment than projected.
Quality Performance Review findings positive [begin 2013-2014]	2013-2014.
Evidence of alignment: contractual educational goals, SIP	Alignment to be reviewed in 2013-2014.

## Comments:

1. Grades 9-12, 171 students
2. Staff Retention Rate improving: 91% in 2011-2012.
3. Michigan Merit Exam: Reading Advanced/Proficient from 17% in 2009-2010 to 27% in 2011-2012. Math low, not improving.
4. Parent Satisfaction Survey: 90%+ satisfied/very satisfied.
5. High School Program: challenge with academic deficiencies of entering students at all grade levels, 9<sup>th</sup>-12<sup>th</sup>.
6. Student-led parent/teacher conferences.
7. Management Company actively involved with school and board; excellent communication with SVSU.
8. For past three years, 100% of graduates accepted into post-secondary programs.
9. Ranked high by Excellent Schools Detroit in 2011-2012; ranked 12<sup>th</sup> best high school in metro Detroit.
10. Successful use of Youth Skills Enrichment Series: conflict resolution, study habits, post-secondary success.
11. Articulation Agreement with Davenport University.
12. Annual participation in HOSA competition.

Recommendation: 1 year reauthorization

**Northwest Academy**

<b>Table I: Criteria: two must be met</b>	<b>Results</b>
Outperform host/comparable district on MEAP [begin 2013-2014]	2013-2014.
Make AYP and EdYES grade of C or better	AYP yes, no report card grade; less than 30.
Demonstrate NWEA-MAP/ Scantron and/or MEAP, MMF growth	Mixed results: low enrollments at each grade level mean 1 or 2 students impact scores. Scores are based on less than 10 students tested at a grade level.
In top 75% of MDE top-to-bottom list	Not ranked- low enrollments.

<b>Table II: Other Required Criteria</b>	<b>Results</b>
In compliance with SVSU requirements, on time submissions	Yes.
Evidence of sound governance decisions	Yes.
Evidence of fiscal responsibility and solvency/balanced budget	Yes
Quality Performance Review findings positive [begin 2013-2014]	2013-2014.
Evidence of alignment: contractual educational goals, SIP	Alignment to be reviewed in 2013-2014

**Comments:**

1. K-12: 112 students
2. High staff retention rate: 100% for last three years.
3. High student retention rate: 100% in 2009-2011 and 2010-2011; 95% in 2011-2012
4. Some enrollment decline.
5. Positive Parent Satisfaction Survey.
6. Strong music program.

Recommendation: 1 year reauthorization.



**Saginaw Preparatory Academy**

<b>Table I: Criteria: two must be met</b>	<b>Results</b>
Outperform host/comparable district on MEAP [begin 2013-2014]	2013-2014.
Make AYP and EdYES grade of C or better	AYP yes, report card grade C. Have met AYP for past 5 years.
Demonstrate NWEA-MAP/ Scantron and/or MEAP, MME growth	Significant drops in test scores at most grade levels, likely result of higher MDE cut scores and significant influx of new students.
In top 75% of MDE top-to-bottom list	Yes
<b>Table II: Other Required Criteria</b>	<b>Results</b>
In compliance with SVSU requirements, on time submissions	Yes. Highly responsive management company.
Evidence of sound governance decisions	Yes; management company works effectively with board.
Evidence of fiscal responsibility and solvency/balanced budget	Yes. Consistently have fund balance.
Quality Performance Review findings positive [begin 2013-2014]	2013-2014.
Evidence of alignment: contractual educational goals, SIP	Alignment to be reviewed in 2013-2014.

## Comments:

1. PreK-8, 423 students
2. Staff and student retention good
3. Accredited by AdvancED Michigan North Central Association.
4. Many community partnerships: YMCA, Underground Railroad, VFW, Castle Museum, Saginaw Public Libraries, Mid-Michigan Waste Authority.
5. Increasing enrollment and high re-enrollment
6. Sound fund balance.
7. Very positive Parent Satisfaction Survey.

Recommendation: 2 year reauthorization.

## **RESOLUTION TO AMEND THE UNIVERSITY INVESTMENT POLICY**

WHEREAS, The current University policy which governs the investment of pooled cash approved by the Board of Control on October 11, 2010; and,

WHEREAS, The current policy provides guidelines for the University to realize higher investment returns in accordance with acceptable risk levels; and,

WHEREAS, The Investment Committee has re-evaluated the policy as it pertains to fixed income investment options and recommends certain changes to reduce exposure to interest rate changes;

NOW, THEREFORE, BE IT RESOLVED, That the Board hereby approves the attached Investment Policy as revised.

**Saginaw Valley State University**

**University Pooled Cash**

**Statement of Investment Policy**

**September 2010**

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## Purpose

The purpose of the Investment Policy Statement ("Policy") is to establish oversight and objectives for investing Saginaw Valley State University's ("University") pooled cash investments. The Policy will also discuss standards and benchmarks that will be utilized by the University to evaluate these investments. In addition, the Policy describes the responsibilities of all involved parties. The Policy is intended to be sufficiently specific to be meaningful, yet flexible enough to be practical.

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## Investment Objectives

The objective of this Policy is to manage and invest the University Pooled Cash to sufficiently cover short-term needs of the University and to attain a greater return on those assets not needed in the short term. The primary intention is to provide sufficient liquidity for the needs of the University. Alternatively, by permitting a moderate amount of investments such as intermediate term fixed income, equities, and alternative investment strategies, the University also aims to produce modestly higher returns than a cash only portfolio would yield over longer periods of time. Three pools (Short-term, Intermediate, Long-Term) of assets have been established with each having its own guidelines and performance standards.

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## Duties and Responsibilities

The cash management and investment activities for University Pooled Cash shall be the responsibility of the University Board of Control ("Board"). The Board has delegated oversight responsibility to the SVSU Foundation's Finance and Investment Committee ("Investment Committee"). The Vice President for Administration & Business Affairs ("VPABA") should report meaningful decisions made by the Investment Committee to the Board. The Board is responsible for setting the Policy of the University Pooled Cash while the Investment Committee is responsible for making investment decisions and oversight within the parameters of the Policy. The Investment Committee shall delegate the day-to-day oversight of these investments to the VPABA of the University. The VPABA may choose to retain an independent advisor to advise on these assets and to exercise more comprehensive oversight and reporting on the investments. The following will describe further responsibilities of all involved parties. The following groups are considered fiduciaries of the University Pooled Cash. As fiduciaries, these groups should adhere to their defined responsibilities and prudently act in the best interest of the University Pooled Cash.

### Board

The Board has responsibility for ensuring that the Policy is prudent and aims to preserve principal while achieving reasonable investment returns. The Board has authority to set investment objectives, set asset allocation parameters, and delegate investment oversight. This includes, but is not limited to, selection of acceptable asset classes, allowable ranges of holdings by asset class and individual investment classes as a percent of total assets, the definition of acceptable securities within each asset class, and investment performance expectations.

The investment policies and restrictions presented in this Statement serve as a framework to achieve the investment objectives at a level of risk deemed acceptable. These policies and restrictions are designed to minimize interference with efforts to attain overall objectives and to minimize the potential of excluding any appropriate investment opportunities.

#### **Investment Committee**

The Investment Committee is responsible for oversight of the University Pooled Cash. The Investment Committee should review policy compliance, asset allocation, performance, investment managers, and all other pertinent information on a quarterly basis. In addition the Investment Committee is responsible for hiring and terminating investment managers. The Investment Committee will rely on the Vice President of Administration & Business Affairs for information on cash needs and relative information regarding the University Pooled Cash.

Moreover, in accordance with the State of Michigan's adoption of the Uniform Prudent Management of Institutional Funds Act (UPMIFA), the Investment Committee will take the following into consideration when making investment decisions but not limited to:

- Duration and preservation of the funds
- Need of the funds to make distributions and preserve capital
- Expected total return from income and appreciation
- The role that each investment plays within the overall portfolio
- General economic conditions
- The possible effect of inflation or deflation
- Other resources of the organization
- Assets of special relationship or special value to the organization
- Expected tax consequences

#### **Vice President for Administration & Business Affairs (VPABA)**

The VPABA is responsible for the day-to-day management of cash needs of the University. The VPABA should provide future cash flow information to the Investment Committee and investment consultant to support investment decisions. The VPABA should also provide any information to the Investment Committee that is relevant to making investment decisions. The VPABA will report to the University Board of Control's Finance and Audit Committee high level reports on the Foundation Finance and Investment Committee's investment performance and substantive decisions.

#### **Investment Consultant**

The investment consultant is responsible for providing information and analysis to assist the Investment Committee and VPABA with the following:

- Reviewing asset allocation and investment strategy to determine if the current strategy meets the needs of the University and is maximizing the long-term total return of the assets;

- Recommending strategic and tactical changes to asset allocation from time to time, both between and during regularly scheduled review meetings, following the investment process of the firm;
- Reviewing all separately managed accounts to ensure that each investment manager is adhering to the issued policy guidelines;
- Communicating with all investment managers on a quarterly basis to determine portfolio composition and ascertain information concerning organizational change. (Each portfolio will be reviewed for style drift through portfolio holdings and returns-based style analysis. Additionally, each portfolio to be reviewed for prohibited investments).
- Providing a quarterly performance evaluation report and assessment of the assets;
- Reviewing asset allocation on a quarterly basis to determine if the current levels are consistent with the asset allocation policy stated in this document;
- Providing information for the investment manager selection process;
- monitoring the performance of each investment manager retained by the Foundation to determine how the investment product is performing relative to the established benchmarks over a specific quarter and rolling 3- and 5 year periods, and
- Monitoring the performance of the total portfolio to determine if the collective investment strategy is outperforming the established benchmarks over rolling 3- and 5 year time periods.

#### **Investment Managers**

Each investment manager has discretion to purchase, sell, or hold the specific securities that will be used to meet the University's investment objectives. Each investment manager will be held responsible and accountable to achieve the objectives herein stated. While it is not believed that the limitations will hamper any investment manager, the investment manager should request modifications that it deems appropriate.

#### **Custodian**

The custodian will physically maintain possession of securities owned by the University, collect dividend and interest payments, redeem maturing securities, and affect receipt and delivery following purchases and sales. The custodian shall also perform regular accounting of all assets owned, purchased, or sold, as well as movement of assets into and out of the University accounts. The custodian is also responsible for providing monthly statements to the University and investment consultant. Access to online balances and statements should be made available.

#### **Additional Providers**

Additional specialists such as attorneys, auditors, and others may be employed by the University to assist in meeting its responsibilities and obligations to administer the University Pooled Cash. All expenses for such experts must be customary and reasonable, and will be borne by the University as deemed appropriate and necessary.

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## Investment Pool Guidelines

The University Pooled Cash should provide for both short and longer-term needs. Short-term obligations of the University are the primary concern. It is also understood that there may be assets in excess of what would satisfy short-term cash needs that could be exposed to reasonable amounts of risk to support the longer term missions of the University. Asset will be separated into three investment pools, short-term, intermediate-term, and long-term. These investment pools directly relate to the investment time horizon of those assets. There should be more short-term investments than the forecasted need to err on the side of caution for unforeseen obligations. This Policy will detail specific guidelines and objectives of each investment pool.

The ranges between the three investment pools have been established in order to maintain ample liquidity while allowing for a portion to be invested in longer-term investments. As a result, these pooled cash assets will be positioned to appreciate over time. Due to the dynamic nature of these three pools, performance will be separately monitored.

It is the responsibility of the VPABA to periodically, but not less than annually, determine the appropriate allocation between the three investment pools. Allocation decisions between investment pools will be made in accordance with an assessment of the University's short- and intermediate-term cash and liquidity needs.

Allowable ranges between pools:

Short-Term Pool	0% - 100%
Intermediate Pool	0% - 70%
Long-Term Pool	0% - 30%

### Short-Term Pool:

*Objective:* The objective of the short-term pool is to preserve capital and cover the short-term operating needs of the University. This pool also looks to maximize income without taking on any undue risk. Preservation of capital overrides any contemplation of appreciation of principal. All cash and equivalent investments should be made with concern for quality and liquidity.

*Investment Time Horizon:* The investment time horizon for these investments is less than one year.

*Guidelines:*

- All investments must be convertible into cash at anytime without any significant loss of principal.
- Any instrument issued by, guaranteed by, or insured by the U.S. Government, agencies, or other full faith instruments of investment grade are permitted.
- Commercial paper issued by domestic corporations which is rated both "P-1" and "A-1" by Moody's and Standard & Poor's, respectively, may be included.
- Also permitted are certificates of deposit, bankers acceptances, or other such irrevocable primary obligations from a list of approved banks.
- Commingled and short-term cash reserve mutual funds may be used if they comply with this document.



- All cash and equivalent investments should be made with concern for quality and liquidity. High return is desirable, but the highest possible investment return should be sacrificed where quality is considered questionable.
- Diversification must be maintained and, with the exception of securities guaranteed by the U.S. Government, the securities of single issuer should not exceed 10% of the market value of the manager's portfolio responsibility.

#### **Intermediate Pool:**

*Objective:* The objectives for the intermediate-term pool are to preserve capital and earn a greater return than the short-term pool. This investment pool should deliver reasonable liquidity should additional funds be required by the University above what had been allocated to the short-term pool.

*Investment Time Horizon:* The investment time horizon for these investments is one to five years.

#### *Guidelines:*

- Fixed-income investments may include U.S. and Non-U.S. issues of Government and Agency obligations, marketable corporate bonds, mortgage or asset-backed bonds, and preferred stocks with sinking funds as deemed prudent by the investment managers.
- Fixed-income portfolio maturity, as measured by portfolio duration, should be in the range of 80% to 120% of the applicable benchmark.
- Fixed-income investments shall be made primarily in those rated "BAA" (investment grade) or better by Moody's and BBB (investment grade) or better by Standard & Poor's with emphasis toward "A" or better issues. However, up to 20% of the fixed income investments can be made in below investment grade debt (high yield).
- Fixed income investments may include U.S. and Non-U.S. issues, including high yield, global fixed income and emerging market debt instruments.
- Diversification must be maintained and, with the exception of securities guaranteed by the U.S. Government, the securities of single issuer should not exceed 10% of the market value of the manager's portfolio responsibility.
- ~~• No more than 10% of the fixed income investments, at market, shall be invested in securities of any one issuer, except Government and Agency obligations, without the approval of the Finance Committee.~~
- No equity exposure is permitted within the intermediate term pool.
- The Investment Committee may also implement a laddered bond portfolio that is diversified by holdings and maturities that emphasizes higher quality. The intent of this structure would be to alleviate duration risk as the bonds would be held to maturity and then reinvested. If the Investment Committee implements this structure, the duration guideline would not apply.

#### **Long-Term Pool:**

*Objective:* The objective of the long-term investment pool is to provide long-term growth to funds that are not needed for expenditure over the next five years. It is the intention of the University to diversify this long-term pool between fixed income, equity, and alternative investments. This long-term pool is intended to enhance the overall performance of the University Pooled Cash.

*Investment Time Horizon.* The investment time horizon for these investments is greater than 5 years.

*Asset Allocation Guidelines:*

<u>Asset Class</u>	<u>Allowable Range</u>
Cash	0% - 10%
Fixed Income	20% - 40%
Domestic Equity	30% - 50%
International Equity	15% - 25%
Alternatives	0% - 20%

*Guidelines:*

- Investment in fixed income may include up to 20% of below investment grade bonds. This primarily applies to high yield and global fixed income strategies.
- Investing on foreign exchanges or through ADR shares are permitted within international equities.
- Alternative investments are intended to provide diversification, risk reduction, as well as enhance the performance of the asset pool.
- Alternative investment strategies may also include any one or more of the following investments in hedge funds or fund-of-funds that invest in public market investments in market neutral, long/short, risk arbitrage, convertible arbitrage hedge funds, commodities, currency or a combination of some or all strategies. In addition, alternatives investment strategies may include tactical asset allocation and real estate strategies.
- Investments in direct private equity are prohibited from the portfolio. Private equity exposure within a hedge fund-of-fund structure should be evaluated by the Investment Committee for appropriateness.
- Commingled and mutual funds may be used if they comply with this document.
- Stocks included in the portfolio should emphasize companies with total market capitalizations normally exceeding \$100 million. Investments may include a prudent participation in smaller and newer companies of outstanding investment attraction.
- Cash equivalents may be included in the equity portfolios at each manager's discretion.
- Assets under each manager's direction may include the use of equity commingled funds.
- In a separately managed equity account, an individual common stock commitment at the time of purchase will not represent more than 7% of the market value of the manager's portfolio responsibility, nor shall an industry or sector group exceed more than 30%.
- Security trading is to emphasize best execution, i.e., the highest proceeds and lowest costs, net of all transaction expenses.

Performance will be evaluated every quarter but an emphasis will be given towards three- and five-year rolling periods.

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## Performance Benchmarks

*Short-Term Pool:*

Merrill Lynch 91-day T-Bill Index

*Intermediate Term Pool*

Barclays Capital Intermediate Government/Corporate Bond Index

*Long Term Pool*

The benchmark is a blended benchmark based on the asset allocation for the Long Term Pool:

- 40% Russell 3000 Index
- 20% MSCI EAFE Index
- 30% Barclays Capital Aggregate Bond Index
- 10% (IBD – Alternatives)

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## Diversification

The total portfolio will be constructed and maintained to provide prudent diversification with regard managers, styles, regions, sectors, and number of holdings.

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## Statement of Investment Policy Review

To assure the continued relevance of the guidelines, objectives, financial status and capital markets expectations as established in this Statement of Spending and Investment Policy, the Board plans to review this statement annually, or as deemed necessary.

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## Marketability of Assets

The Board requires that University Pooled Cash be primarily invested in liquid securities, defined as securities that can be transacted quickly and efficiently for the University with minimal impact on market price.

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## Voting of Proxies

The Custodian shall vote the proxies for separately managed accounts on behalf of the University. When mutual funds are used, the fund company will vote proxies.

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## Execution of Security Trades

When separate accounts are used, the Investment Committee expects the purchase and sale of securities to be made in a manner designed to receive the combination of best price and execution.

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## Removal of an Investment Manager

Taking into account many factors, along with advice from the investment consultant, the Investment Committee has the authority to remove an investment manager. Following are the general guidelines which may give reason to remove an investment manager:

- Failure to comply with this Statement
- Failure to meet any of the investment return benchmarks, as established by the investment consultant and Investment Committee.
- Failure to comply with investment restrictions as defined for the manager by the Investment Committee
- Significant qualitative changes to the investment management organization.

Each investment manager shall be reviewed at a minimum annually regarding performance, personnel, strategy, research capabilities, organizational and business matters, and other qualitative factors that may impact its ability to achieve the desired investment results.

If the investment manager has consistently failed to adhere to one or more of the above conditions, it is reasonable to presume a lack of adherence going forward. Failure to remedy the circumstances of unsatisfactory performance by the investment manager, within a reasonable time, shall be grounds for removal.

Any recommendation to remove an investment manager will be treated on an individual basis, and will not be made solely based on quantitative data. In addition to those above, other factors may include professional or client turnover, or material change to investment processes. Considerable judgment must be exercised in the removal decision process.

A manager shall be removed using one of the following approaches:

- Remove and replace with an alternative manager.
- Freeze the assets managed by the manager and direct new assets to a replacement manager.
- Phase out the manager over a specific time period.
- Continue with the manager but add a complementary manager.
- Remove the manager and do not provide a replacement manager.

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## Terms and Definitions

For purposes of this Statement, the following definitions apply:

1. "University Pooled Cash" refers to cash and non-Foundation investment assets used for operational and long-term needs of the University.
2. "Fiduciary" shall mean any individual or group of individuals that exercise discretionary authority or control over foundation management or any authority or control over management, disposition or administration of the University Pooled Cash.
3. "Investment Manager" shall mean any individual, or group of individuals, employed to manage the investment of all or part of the University Pooled Cash. An investment manager shall be responsible for determining investment strategy, implementing selection of investments and the timing of purchases and sales of investments within the policy guidelines set forth in this Statement and as otherwise provided by the Board.
4. "Investment Consultant" shall mean any individual or organization employed to provide advisory services, including advice on investment objectives and/or asset allocation, manager search, and performance monitoring.
5. "Securities" shall refer to the marketable investment securities that are defined as acceptable in this Statement.
6. "Investment Horizon" shall be the time period over which the investment objectives, as set forth in this Statement, are expected to be met.

Revised 10/11/10 - B