

**BOARD OF TRUSTEES  
RUTGERS, THE STATE UNIVERSITY OF NEW JERSEY  
October 26, 2006**

A regular meeting of the Board of Trustees of Rutgers, The State University of New Jersey was held on Thursday, October 26, 2006, at 3:00 p.m., in the Board Room of Winants Hall, New Brunswick Campus. Ms. Gizinski, Chair of the Board, presided.

Present and constituting a quorum were Aisenbrey, Bender, Buchanan, Burzichelli, Cohen, Copeland, Crocker, DePetris, Derrick, Eichert, Fenton, Frisch, Gizinski, Harvey, Hendricks, Hurley, Isaacs, Kennedy, Martinez-Campbell, McKoy, Monroe, Nachtigal, Pollison-Beck, Rabinowitz, Rears, Sambolin, Schulman, Stabile, Stanaitis, Stevenson, Stewart, Suydam, Van Leer, and Williams.

Also present was MacMillan, a member of the Board of Governors.

Absent were Bogdonoff, Chester, Chyb, Dressler, Druskin, Freeman, Gamper, Hering, Hershhorn, Howard, Laudicina, MacKay, Moran, Mortensen, O'Hara, Rawson, Renyi, Rivers, Russo, Ryan, Schmidt, Wade, and Zoffinger.

Also present was Scott, faculty representative to the Board of Trustees; and Atmeh and Fowler, student representatives to the Board of Trustees.

Also absent was Vodak, faculty representative to the Board of Trustees.

Emeriti present were Bildner, Bragg, Dilatush, Fox, Jennings, Leib, Levao, Paranicas, Reitman, Taub, Tuosto, and Wells.

Attending for the University administration were Alger, Apfel, Cahill, Fehrenbach, Furmanski, Herring, Manning, McCormick, and Winterbauer.

**ANNOUNCEMENT PURSUANT TO CHAPTER 231, PUBLIC LAW 1975  
(OPEN PUBLIC MEETINGS ACT)**

Ms. Gizinski called upon Secretary Fehrenbach, who announced that "pursuant to Public Law 1975, Chapter 231 (Open Public Meetings Act), public notice of this meeting was filed on June 22, 2006 with the Office of the Secretary of State of New Jersey and three newspapers, the Cherry Hill *Courier-Post*, the New Brunswick *Home News Tribune*, and the Newark *Star-Ledger*. Public notice of the meeting was posted in the following University libraries: the Alexander Library, New Brunswick; the Dana Library, Newark; and the Robeson Library, Camden. In addition, notice of this meeting has been posted on the Rutgers Web site, under Governing Boards."

**APPROVAL OF MINUTES**

Ms. Gizinski drew the Board's attention to the previously distributed minutes of the June 15, 2006 annual meeting of the Board and asked if there were any additions or corrections.

***There being none, on motion, and duly seconded, the Board unanimously approved the minutes as distributed by the Secretary.***

## **INDUCTION OF MEMBERS OF THE BOARD OF TRUSTEES**

Ms. Gizinski asked the following members to approach the standing microphone to be inducted into the Board of Trustees: Mr. Gregory Bender, Ms. Margaret Derrick, Dr. Dennis Fenton, Mr. Sidney Rabinowitz, Daniel Schulman, Sandy Stewart, and Abram Suydam. Ms. Gizinski then asked Mr. Jonathan Alger, Vice President and General Counsel and member of the Bar of the State of New Jersey, to administer the Oath of Allegiance and Office. Mr. Alger administered the oath for each of the new members and Ms. Gizinski congratulated the new members of the Board. Following the induction, Ms. Gizinski asked each of the newly inducted Trustees to introduce themselves to the Board and provide a brief personal background.

Ms. Gizinski continued by welcoming this year's returning Faculty Representatives to the Board of Trustees: Professor Kathleen Scott, Department of Cell Biology and Neuroscience and Professor Mark Vodak, (who was not in attendance at today's meeting), and new the Student Representatives: Sharo Atmeh, Rutgers College, and Ryan Fowler, Graduate School –New Brunswick. Ms. Gizinski also welcomed Mrs. Joan Bildner back to the Board as a newly appointed Trustee Emerita.

## **MATTERS PRESENTED BY THE PRESIDENT**

President McCormick began his remarks by welcoming the newly inducted members of the Board of Trustees and stated that he looks forward to working with them over the next several years. The president also extended a welcome to Mrs. Bildner as a newly appointed Trustee Emerita. He noted the recent celebration of the 10 year anniversary of the Allen and Joan Bildner Center for the Study of Jewish Life and the generosity that the Bildner family continues to show towards Rutgers.

President McCormick continued his remarks by commenting on the budgetary challenges the University faces and the impact the \$80 million shortfall is making this year. Despite the massive cuts in state funding, President McCormick stated that he is confident that Governor Corzine has a clear understanding of the value that higher education, in particular Rutgers University, brings to the state. The aftermath of the budget cuts have resulted in the loss of staff, deferral of 64 faculty searches, the elimination of over 400 course sections, and the phasing out of six of Olympic sport programs. He reiterated the remarks of Mr. Gamper, Chairman of the Board of Governors, that cuts were implemented across the board and no department or program was exempt.

President McCormick informed the Board of the formation of the Ad Hoc Committee on State Relations being chaired by Mr. Ron Giaconia and whose membership includes Ms. Gizinski and Mr. Robert Hering. He noted that the goal of this committee is to identify ways to improve every aspect of our state relations, including communicating with the executive and legislative branches of state government. President McCormick stated further that he has appointed Mr. Jeffrey Apfel, Executive Vice President for Administration and Chief Financial Officer to chair the Committee on Efficiency and Entrepreneurship in a Research University. The purpose of the committee is to take a comprehensive look at the way the University conducts business and diminish our expenditures while continuing to provide quality services and programs. In addition the committee will address our need to find new opportunities to increase and expand funding from every revenue stream that we depend on, whether it be private, federal or state.

President McCormick noted the billion dollar campaign being launched under the direction of Ms. Carol Herring, President of the Rutgers Foundation and Vice President of Development and Alumni Relations as another method in which the University is striving to secure the future of its financial state. In addition, the president remarked, Mr. Gene O'Hara will serve as the chairman of a newly formed task

force seeking study how to serve our alumni as efficiently and effectively as possible with the intent that the alumni will in turn support the University in these fiscally challenging times.

In other matters, President McCormick spoke briefly of the continuing issues involving the fate of the University of Medicine and Dentistry of New Jersey (UMDNJ). He commented that these issues return to the table matters relating to the potential merger of UMDNJ and the New Jersey Institute of Technology (NJIT). Senator Raymond Lesniak and Assemblyman Wilfredo Caraballo are co-chairing a state legislative task force to address this topic and the president noted that he will be giving testimony to the task force when they convene on November 9, 2006. President McCormick informed the Board of other groups of state officials including the Commission on Government Efficiency and Reform's Task Force on Higher Education, chaired by Dr. Richard C. Leone, who are also reviewing the many facets of this issue. The president emphasized the University's willingness to participate in these discussions while maintaining the autonomy of our system of governance and a position which insures the overall solution will provide adequate support for Rutgers.

President McCormick concluded his remarks by providing an overview of the continuing implementation of the transformation of undergraduate education on the New Brunswick/Piscataway campuses. He advised the Board of the 15 sub-committees headed by Professor Michael Beals and under the leadership of Vice President for Undergraduate Education Barry Qualls that are addressing everything from the admissions processes to the state of the student centers. The president spoke specifically of the revamping of the admission process which has been successfully activated for fall 2007. President McCormick also noted that the faculty of the new School of Arts and Sciences has adopted, on an interim two year basis, the newly established curriculum requirements. He reiterated his appreciation to the Board for their early leadership in endorsing the recommendations of the Task Force on Undergraduate Education and pledged to keep them apprised of the progress.

#### **MATTERS PRESENTED BY THE CHAIR**

Ms. Gizinski drew the Board's attention to the previously distributed minutes of the October 4, 2006 meeting of the Executive Committee of the Board of Trustees. She encouraged the members to read these minutes as they contain essential elements of what is to be discussed at the meeting of the Board of Trustees.

#### **COMMITTEE ON AUDIT**

Mr. Jeffrey Apfel, Senior Vice President for Administration and Chief Financial Officer, drew the Board's attention to the minutes of the July 10, 2006 meeting of the Audit Committee. He then reported that Mr. Merrill from our external auditor firm, KPMG, reviewed the approach to be taken on the examination of the University's 2006 financial statements. He further reported that Mr. Merrill described for the Committee emerging critical accounting matters that may impact financial reporting by higher education institutions. Mr. Apfel concluded his report by noting that Mr. Sikora, Director of Internal Audit, provided an update on the hot line that was launched on May 4, 2006 which allows users to report financial concerns they may have in relation to the University. He noted that nothing reported to date has been deemed significant in relation to the University's financial results.

#### **JOINT COMMITTEE ON INVESTMENTS**

Mr. Apfel drew the Board's attention to the minutes of the August 9, 2006 and October 19, 2006 meetings of the Joint Committee on Investments. He reported that the Committee had decided to invest \$8 million in Park Street Natural Resources III to complete the allocation to commodities and inflation hedges bringing the University's total investment in Park Street Natural Resources to \$13 million.

The Committee was informed of the commitments made by the Board of Trustees to withdraw \$15 million and the Board of Governors to withdraw \$6 million from the investment pool which will be used by the Rutgers Foundation in support of the upcoming capital campaign. He reported further that the Committee went into executive session to evaluate the services of Cambridge Associates and a decision was made to use a Request for Information and possibly a Request for Proposal for such services.

Mr. Apfel continued by reporting that the Committee met again on October 19, 2006, via teleconference, to consider the adoption of a policy to divest holdings in companies doing business in Sudan. He noted that a resolution was to be presented to the Board today for their approval on this issue. Ms. Gizinski informed the Board that prior to today's meeting she and Mr. Duncan MacMillan, a member of the Committee, performed an extensive review of the resolution being presented today. As a result of their discussion, Ms. Gizinski recommended amendments be made to the resolution that will align it more closely with a similar policy set by the state. The amendment, she noted, will state that implementation of this measure will be delegated by the Committee and the divestitures will be done in keeping with the so-called "targeted" approach.

Following a brief discussion by members of the Board it was agreed to approve the following resolution to include the amendments recommended by Ms. Gizinski:

**WHEREAS**, despite significant pressure from the United States and the world community, the human rights situation in Sudan has continued to deteriorate; and

**WHEREAS**, the Joint Committee on Investments has reviewed the human rights situation in Sudan and the escalating political and economic instability in that country and has determined that it would be in the best interests of the University to fully divest itself of investments in companies with operations in Sudan;

**NOW, THEREFORE, BE IT RESOLVED:**

- 1) That the Board of Trustees, through a recommendation issued by the Joint Committee on Investments and subject to the concurrence of the Board of Governors, authorizes the University's divestiture of holdings in companies with operations in Sudan. Implementation of this measure is delegated to the Investment Committee, with the understanding that divestiture shall generally be in keeping with the so-called "targeted" divestiture approach undertaken by the State of New Jersey.
- 2) That nothing in this resolution shall be deemed to direct the sales of holdings at an imprudent time; however, such sales shall take place as soon as prudently possible; and

**BE IT FINALLY RESOLVED** that the Board of Trustees, upon concurrence with the Board of Governors, joins the Joint Committee on Investments in reasserting its belief in the fundamental importance of political neutrality.

*Upon motion, and duly seconded, the Board unanimously approved the resolution.*

Mr. Apfel concluded his report by stating that at the request of Mr. Robert Hering, the Committee went into executive session to consider a possible conflict relating to Mr. Hering's membership on a sub-committee of the Investments Committee. The sub-committee was organized to

obtain requests for information from investment consultants. The Committee agreed to a subsequent discussion on that topic at the next meeting.

Update on College Avenue Campus Design Competition Mr. Apfel continued by providing an update on the College Avenue Campus Design Competition currently on display at the Jane Voorhees Zimmerli Art Museum. He informed the Board that the selection jury is scheduled to meet the week of October 30, 2006 and commented on the approach that they will take in judging the submissions. Mr. Apfel also noted that the competition has been well received by the students as expressed in an October 25, 2006 *Targum* article. He expressed his belief that the competition will continue to promote healthy dialogue throughout the community.

Update on the Gateway Project Mr. Apfel stated that the Gateway Project is still being developed and the possibility remains that Rutgers will occupy four floors of space in this facility. He noted that an issue of eminent domain, in which the University is not involved, continues involving the city of New Brunswick, the New Brunswick Development Corporation (Devco), and various other parties such as New Jersey Books. Mr. Apfel pointed out that we have not yet entered into discussions with Devco regarding potential occupation.

Acquisition of Property for the Rutgers Business School Mr. Apfel informed the Board that the University has closed on the purchase of the condominium unit located at One Washington Park in Newark. This space was purchased for the purposes of housing and consolidating Rutgers' Business School.

**MATTERS PRESENTED BY THE EXECUTIVE VICE PRESIDENT**  
**FOR ACADEMIC AFFAIRS**

Dr. Philip Furmanski informed the Board of the accreditation process recently completed at the School of Engineering. The evaluation, Dr. Furmanski stated, resulted in the University being lauded for its excellent and outstanding programming along with its ability to maintain the quality and integrity of the academic programs despite the budget cuts that we have been facing. Dr. Furmanski did note that the committee expressed concerns about the long term impact of the budget cuts. He pointed out that the university continues, in spite of the deep budgetary cuts, to invest in our signature programs which engender academic excellence. Counted among the disciplines that enable us to achieve true world class stature are transportation, proteomics and structural biology, and international and global programming. Dr. Furmanski also pointed out additional academic areas the University will be building upon including advance materials and devices, nutritional education, and the investment of the agricultural base in New Jersey.

Dr. Furmanski continued by discussing the milestone reached by recent passage by the State Senate Committee to fund the stem cell institute of New Jersey. He pointed out that the proposal calls for allocating \$150 million to build the institute as well as joint management of the institute by UMDNJ and Rutgers University. Dr. Furmanski commented that this proposal creates a great opportunity for the institute to be one of the best in the nation. Satellite facilities will be located in Camden where a collaboration will exist between UMDNJ, Rutgers, Camden-Cooper Hospital and the Coriell Institute. Additionally, \$50 million will be allocated for a Newark location specializing in the pharmaceutical aspects of stem cell research.

Dr. Furmanski concluded his remarks by drawing the Board's attention to the investiture taking place on Monday, October 30, 2006. He stated that Dr. Wise Young will be invested as the first recipient of the Richard H. Shindell Chair in Neuroscience in the Division of Life Sciences.

**MATTERS PRESENTED BY THE VICE PRESIDENT  
FOR UNIVERSITY RELATIONS**

Update on Lipman Hearne Project Ms. Kim Manning presented the Board with an overview of the Rutgers Comprehensive Communications Program which evolved from the Constituency Research Project (Project). Ms. Manning noted that although the Project revealed the fact that Rutgers University has a familiar but vague and undifferentiated image in New Jersey, it also indicated that Rutgers is in the forefront of the public's thoughts on higher education and considered to be of high quality with a good reputation. She informed the Board of the four steps taken to develop an overall communications campaign consisting of: (1) reviewing current publications and logos used by the University (2) the cost and time involved in developing a communications campaign (3) determining the key messages that will distinguish our strengths and positioning among our peer institutions, and (4) selecting a vendor to assist in developing this campaign.

The hiring of the communications consulting firm of Lipman Hearne, Ms. Manning stated, has brought us to the point of focusing on the visual identity system of the University. Lipman Hearne's proposal includes visual identity guidelines, creative concepts for delivering our message, a one year plan, and a five year strategy. Ms. Manning then presented an overview of the design being proposed as the new visual identity system that would apply to all campuses, schools and colleges, and academic units of Rutgers University.

**MATTERS PRESENTED BY THE PRESIDENT OF THE RUTGERS UNIVERSITY  
FOUNDATION AND VICE PRESIDENT FOR DEVELOPMENT AND ALUMNI RELATIONS**

Update on the Status of the Capital Campaign Ms. Carol Herring informed the Board that the \$15 million from the Board of Trustees Reserve fund arrived in the foundation's account this past Wednesday. Ms. Herring then provided a brief overview of the fundraising efforts over the past year including a 12% increase in the amount of money raised by the foundation. She also informed the Board of the restructuring taking place which has involved hiring additional staff and a strategy in donor relations in which former donors are being actively pursued. Ms. Herring pointed out the creation of a new professorship in Camden made possible by the largest gift ever received by Rutgers-Camden. Additional changes consist of a restructuring of the Board of Overseers which will now conduct three board meetings annually. Ms. Herring concluded her remarks by reviewing the timeframe of the capital campaign.

**TRUSTEES ADVISORY COMMITTEES**

Ms. Gizinski noted that four Trustees Advisory Committee meetings were held prior to today's Board meeting and asked each of the Committee chairs to provide a brief overview of the meeting's activities. Reports were presented by Mr. Clinton Crocker for the Graduate School of Applied and Professional Psychology, Mr. Abe Suydam for Rutgers College, Mr. Anthony DePetris, as Chair Pro Tempore for the School of Engineering, and Mrs. Dorothy Stanaitis for University Libraries.

**OLD BUSINESS**

There was no old business.

**NEW BUSINESS**

There was no new business.

**ADJOURNMENT**

The meeting was adjourned at 5:01 p.m.

A handwritten signature in black ink that reads "Kate Cahill". The signature is written in a cursive style with a large initial 'K' and a long, sweeping underline.

Kate Cahill  
Assistant Secretary of the University