

Minutes of the
NIU Board of Trustees
LEGISLATION, AUDIT, EXTERNAL AFFAIRS AND COMPLIANCE
COMMITTEE MEETING
November 8, 2012

CALL TO ORDER

The meeting was called to order by Chair Anthony Iosco at 11:55 a.m. in the Board of Trustees Room, 315 Altgeld Hall. Recording Secretary Sharon Banks-Wilkins conducted a roll call of Trustees. Members present were Trustees Robert Boey, Wheeler Coleman, Robert Marshall, Marc Strauss, Student Trustee Elliot Echols, BOT Chair Cherilyn Murer and Chair Iosco. Not present was Trustee John Butler. Also present were Committee Liaison Kathryn Buettner, President John Peters and Board General Counsel Jerry Blakemore. With a quorum present, the meeting proceeded.

VERIFICATION OF APPROPRIATE NOTICE OF PUBLIC MEETING

In accordance with the Illinois Open Meetings Act, as amended, timely notices of this committee meeting for the NIU Board of Trustees were timely posted and distributed.

MEETING AGENDA APPROVAL

Trustee Strauss made a motion to approve the agenda. The motion was seconded by Trustee Marshall. The motion was approved.

REVIEW AND APPROVAL OF MINUTES

It was moved by Trustee Strauss and seconded by Trustee Murer to approve the minutes of the August 30, 2012 meeting. The motion was approved.

CHAIR'S COMMENTS

Chair Iosco welcomed University Advisory Committee representatives Todd Latham, President of the Supportive Professional Staff Council, and Dr. Rosita Lopez, a member of the Faculty Senate.

As President of the SPS Council, Mr. Latham commented, I believe it is my obligation to make the administration and the Board of Trustees aware that I see a continued growth amongst employees who are becoming somewhat disgruntled, if not uncertain, of the administration and their level of trust. This is of much concern to me and the other members of my council.

Normally in this committee meeting, two days after a big election, we would spend some time discussing the impact of the election. Because of the myriad congressional and General Assembly seats that changed hands on Tuesday, the committee and full Board will receive a comprehensive, written analysis of the impact of these changes on higher education policy and, specifically, NIU, at the federal and state levels. Today, Lori Clark will provide us with a brief general report on the election at the beginning of her report on state and federal mandated reporting later in this meeting.

PUBLIC COMMENT

Chair Iosco asked Board General Counsel Jerry Blakemore if any members of the public had registered a written request to address the Board in accordance with state law and Board of Trustees *Bylaws*. Mr. Blakemore noted that he had received no requests to address this Board committee meeting.

UNIVERSITY REPORT

Agenda Item 7.a. – Board of Trustees Conflict of Interest and Compliance Policies

- (1) – Recent University Policy Updates
- (2) – Board of Trustees Conflict of Interest Policy Options
- (3) – Revolving Door Prohibitions Briefing

In the interest of time, the Chair asked Mr. Blakemore and Dr. Cunningham to defer their presentations regarding conflict of interest and compliance until a later date.

Agenda Item 7.b. – Internal Audit Annual Report

Each year, the NIU Department of Internal Audit produces an annual report on the previous year's activities and audits. Today, Danielle Schultz, Director of Internal Audit, will present a brief, general overview of the Internal Audit Department's activities for Fiscal Year 2012, Chair Iosco said. As a reminder, NIU's internal audits are confidential documents that are available to the President and Board members; thus, her ability to answer detailed questions about individual audits in a public meeting is limited.

Although I present a brief overview of our activities every year, Ms. Schultz began, it has been a while since I actually addressed the committee about why Internal Audit is important at NIU. She discussed the State statute that requires NIU have an internal audit function, and the standards under which the department operates.

The Fiscal Control and Internal Auditing Act of the State requires that State agencies maintain a full-time internal audit program, Ms. Schultz explained. This act also created the State Internal Audit Advisory Board, which is responsible for promulgating a set of professional standards and code of ethics based on standards and ethics of the Institute of Internal Auditors, the General Accounting Office and the Ethics of the Institute of Internal Auditors. Our Internal Audit Department continues to follow these standards provided by the Institute of Internal Auditors. One important standard requires that I report to the Board and confirm the independence of our department. Please be assured that we continue to be free of university operational duties, which allows us to preserve our independence. In an update on the department and FY12 activities, she reported that the department began FY12 with one vacancy and, as of November 16, 2012, became fully staffed.

Our audit plan for FY12 contained 16 internal audits. One additional request was approved by President Peters, and we added an extra audit to our plan. However, one audit plan was cancelled, leaving us with a total of 17 audits during Fiscal Year 2012, 16 of which have been completed and the seventeenth is in its final stage. These 17 audits touched on several areas that included one operational audit, three compliance audits, two financial audits, eight fraud detection and prevention audits, and three information systems audits.

I meet with the members of the executive cabinet and other personnel across campus to discuss the concerns and issues facing the university each year. On an annual basis, each spring, I do a detailed risk analysis and develop an audit plan. The Fiscal Control and Internal Auditing Act requires that we prepare a two-year audit plan that should be presented to President Peters by the end of the fiscal year, June 30. In May, I provide President Peters with a draft of the two-year plan, and he shares it with the executive cabinet. President Peters provides final approval by the end of the fiscal year, as required by State statute. All special audit requests go through the President, and this year we received a special request after our plan was already in place. Oftentimes, because of special requests, we will have to adjust the audit plan for the remainder of the year, at which time I provide an update of the new plan to President Peters.

I am required by State statute to present my plans to President Peters, who then shares them with the Board, the Senior Cabinet and others as deemed necessary.

Historically, President Peters said, usually the Chair of this committee sees these reports. Remember this is a very independent process, and by our new State statute, Danielle has independent authority. So, she operates very independently, but cooperatively.

About four times a year, Danielle will bring to me the set of internal audits that have been completed to that point, and we will spend considerable time reviewing them. That review consists of the detailed analysis of what she found, any issues that were identified and what the response was of the unit under audit. Those reports are then made available to the Chair of this committee, and any other Trustee that requests them.

Every member of this Board could benefit having visibility to the scheduled audits that are planned for Fiscal Years 2013 and 2014, Trustee Coleman remarked. It would be nice to have a score card at the end of the audit year saying, here are the results of those audits and whether there was a red diamond finding or a blue diamond, or there were no issues whatsoever. As an institution, we need to make sure we have additional visibility to the audits that are being conducted. On a monthly basis, Ms. Schultz said, I send a report on our monthly activities to President Peters. Kathy then sends copies of that report to the committee which contains our a summary of what reports have been issued, what audits are currently in process, as well as other activities we are involved in from our department perspective.

We do both assurance and consulting engagements, Ms. Schultz stated. One of my staff or I will sit on committees involving a new system implementation and/or upgrade. We are part of those processes so that we can raise the concerns and put controls into place before something is implemented.

Agenda Item 7.c. – Fall 2012 Recruitment Update

I have asked Kathy Buettner to provide a short presentation this morning for the Trustees and committee on the university's fall marketing and recruitment initiatives, Chair Iosco said. You will see that NIU is attempting to maximize our messaging opportunities in student recruitment. I am encouraged that early data for next year's new freshman class is already yielding positive results on new student recruitment.

Our second fall open house is scheduled for tomorrow on campus, Ms. Buettner reported, and Kimberly Buster Williams sent me an e-mail this morning indicating that the expected attendance counts for tomorrow are off the charts. With a combined number of students and their parent or relative who is coming with them, we are expecting 4,600 people for the open house tomorrow. So the advertising is working.

We have been working very closely on marketing and advertising with Enrollment Management, Admissions and Student Affairs to augment what they do on the normal admissions and recruitment cycle process. Based on previous data we have collected over the last nine to twelve months, we have targeted markets containing sizable four-year institutions where we are aggressively involved as an institution. You may have seen the university advertisements, as well as our own Matt Streb, Chair of Political Science, on WTTW, Chicago Tonight, talking about election issues twice in the last two weeks.

Many of our students are involved in sports. At the high school level, many of our prospective students and parents are fans, if they are not involved. We are the title sponsor of Comcast SportsNet's "The Drive," which is a Friday night football recap segment. It goes right to the heart of the recruitment markets in the areas where we are recruiting, including the city and the suburbs. We have purchased institutional messaging on ESPN2, ESPNU, WPWR Channel 50 when we had recent games on television and you saw at least three or four different institutional spots. Television advertising in the network cycle in the Chicago market is too expensive. But we have been able to purchase on the Fox Network and the target markets involving Rockford, Springfield, Champaign, Bloomington, Joliet, Peoria and Madison. These campaigns have been running 10 days in length leading up to our open houses.

We have expanded our outdoor advertising and chosen to augment the target markets we have selected, so we have outdoor advertising up currently and have had for the last couple of months. In Chicago and Chicagoland, we have six traditional boards and three digital boards where we have been able to provide countdowns that change daily toward each open house. As of tonight, we flipped the digital boards to be messaging the Toledo game, and that flips again to the open house tomorrow. The reason we have been pushing the open house is past experience indicates that if we can get people out to actually visit the university at an open house, we have a very good chance of recruiting them to enroll for the following fall.

We also bought a package on radio called the INET package. Those of you who listen to WBBM, or any news station, this means buying the first spot out. We have also entered into a partnership with the Foundation to sponsor Bears Radio Teacher of the Week promotion throughout the fall.

Pandora Radio, for those of you who are familiar with social media, is growing very quickly. It provides the ability to download content by subject matter and create personalized stations with the kind of music you want to hear, be it rock and roll, country, Christian, etc. Advertising is every fifth or sixth song. We tried a Pandora buy this fall simply because the election saturated the regular radio airwaves, and we have been very pleased with the results. We have had 24,000 clicks on our advertisement that shows up on the screen of your mobile device when listening to Pandora. We have a click through rate of 1.68; anything above 1.0 is really terrific by social media standards. As a result of this, we have had 17,000 page visits to our special open house web page over a ten-day period. We are doing the same flight now for the next open house. Normally we have roughly 2,000 at an open house on a good day, and we are up to 4,600 scheduled for tomorrow.

Our Media Services photographers have taken 19,537 photos over the year and put them up on our Facebook page in albums for the students and stakeholders to tag. Almost 14,000 people have tagged their pictures, which then shows up on their own Facebook pages. We are very positive and proud of the fact that we have actually reached 1.8 million Facebook viewers, and that is a conservative estimate based on our "Tag Yourself, Tag Your Friends" initiative alone.

We have run Facebook ads and are at almost 31,000 people who now regularly follow anything we post on our Facebook page for the institution. We also have a Twitter following that is growing rapidly.

The Soldier Field banners were on display throughout the whole museum campus in Chicago and at Soldier Field leading up to our game. They are back on campus now and, we have been careful to take them down in bad weather over the winter and then put them back up for maximum longevity.

There is a bridge between the library and Swen Parson that has been closed off and was an eyesore. It is not used and is too expensive to remove. So, we actually decided to try to foster some of the engagement and excitement happening at the university. At Homecoming, our creative people designed and supervised installation of huge decals of various students engaged in activities around the campus to cover the windows. The alums and people who come to visit during open houses will see this from both sides.

Last year, when I tallied the data for the end of the fiscal year, Ms. Buettner said, we had spent approximately \$800,000, including all of our printed direct mail and recruitment that we are working on with Admissions.

In answer to a query from Trustee Strauss on what is being done with regard to community college transfer students and nontraditional students, Ms. Buettner said that it is a little trickier to find those people. We are stepping up our advertising in the community college newspapers and such. We have a strategic planning discussion scheduled in two weeks with Admissions to guide us in rolling out a more aggressive marketing program for the community college transfers, because that is a group it is difficult to readily identify.

In reply to a query from Trustee Butler, Ms. Buettner said that Chicago and Chicagoland include all of the collar counties, Aurora and Elgin, Naperville, etc. We also do many cable buys in those areas and have spots on Spanish radio right now.

In regard to the upcoming open house, Student Trustee Echols asked if there would be any survey or follow up on how was their experience, what can we change, what did you like or not like. Ms. Buettner replied that Student Affairs has those visiting fill out a survey that asks all of those things. They also, to the extent they can, find out what kind of marketing the visitors are responding to.

Trustee Coleman asked if Ms. Buettner could explain what tagging means for the nontechnical people who were present. This "Tag Yourself, Tag Your Friends" program started at NIU. Originally, it was developed as a creative idea by our NIU students in the College of Business. We approached them

about a year and a half ago and asked them to spend a semester helping us figure out how to do a better job recruiting students, the kinds of things they respond to, and they came up with this idea. Our staff took it and completely developed it. We have been asked to present at national conferences now involving social media, recruitment and web communications and have sent people all over the country to talk about this. Other colleges are attempting this program now, as well. As you know, those of you who follow social media, Facebook is word of mouth type of advertising.

Queried by Trustee Marshall on how follow up is accomplished for those potential students who come to the open house, Ms. Buettner stated that Students Affairs has the forms they submitted at the open house. They all submit an online form as well, and there is an automatic follow-up protocol that comes out of Admissions with more material about NIU as a result of their visit at the open house.

I want to commend Kathy and her staff for the billboards and especially Channel 11, Chair Iosco said. When I was president of the Alumni Association, I was a big proponent of a partnership with Channel 11.

Agenda Item 7.d. – Preliminary Report on Federal and State Mandated Reports

During our summer workshop in Naperville, Chair Iosco remarked, the Board discussed the myriad regulatory and compliance/reporting mandates the university is required to follow. The Board requested that a list be developed of all reports the university is required to compile so that we could review the list and discuss this information further. Lori Clark, Director of our State and Federal Relations, has taken the lead on compiling this information and has a preliminary report for the committee this morning.

I would be remiss if I did not point out the two individuals who did much of the work on this, Ms. Clark said. Ashton Spegal, who is an intern in my office, and Matt Cabrera, who works in University Relations, were instrumental in helping me with this project. It is an ongoing project, and what you have in front of you this morning is an initial list of some of those reports we have been able to identify to date that we supply to either the State or federal government or agencies. For ease of reference, we have tried to categorize those that might deal with operational or administrative issues, academic issues, and student related issues.

As chair Iosco mentioned, I will be developing and issuing an in-depth analysis of what happened in the election last Tuesday. In that written report, I will go into the various issues we can expect going forward both in Congress as well as in the General Assembly. Any pension related questions should be referred to Steve Cunningham, our resident expert on that. In the Tuesday election, Constitutional Amendment No. 49 that appeared on the ballot, would have required that both chambers of the General Assembly or the governing body for State agencies, for local governments, for public universities to require a three-fifths (3/5) majority for any type of pension increase. It did not pass.

We will have a new General Assembly in January. For the first time in recent memory, there will be a veto-proof majority in both the House and the Senate in the Illinois General Assembly. There is also going to be a huge number of new faces in both the House and the Senate. The Speaker of the House will have a 71:47 majority, giving him a gain of seven seats, compared to his current 64:54. Nineteen incumbents did not run for reelection. Four House Republican incumbents lost their elections. Thirty-six of the 64 Democrats and 29 of the 54 Republicans ran unopposed. In DeKalb, NIU will continue to be represented by Bob Pritchard, who ran unopposed. In the Senate, they had a net gain of five Democratic seats, giving them four over having a veto-proof majority. Twelve incumbents did not run, seven Republicans and five Democrats. In DeKalb, we will now be represented by Senator Dave Syverson as a result of redistricting.

In both the House and the Senate, there will be changes in the Higher Education Committees. In the Senate, there will be a major reconstitution of higher education due to incumbents not running, losing the election or retirement. The Senate Higher Education Committee was chaired by Senator Ed Maloney, probably one of higher education's biggest proponents, who retired. The good news is that former Representative Dan Biss, who has been very friendly and supportive of higher education, won his election to the Senate. Representative Barrickman also went to the Senate and formerly sat on the Higher Education Committee. We are also working with Representative Chad Hays in the House.

In Congress, there were other major changes in the Illinois delegation. The House will still be controlled by the Republicans and the Senate by the Democrats. There is a very long list of immediate to-do activities that the President and the Congress are going to have to deal with, and those include the fiscal cliff, sequestration and all the other issues we have previously reported. In Congress, we will now be represented by Congressman Adam Kinzinger. He is a second term member of Congress, who will be representing us for the first time. Our current congressman, Randy Hultgren is more associated now with the DuPage County area. We will be welcoming our new elected officials and bringing them to campus to share the activities we are engaged in here.

NEXT MEETING DATE

Chair losco announced that the next meeting of the Legislation, Audit, External Affairs and Compliance Committee would be determined when the Board approves its 2013 meeting calendar at its December 6 meeting.

ADJOURNMENT

There being no other matters, Chair losco asked for a motion to adjourn. Trustee Strauss so moved, seconded by Trustee Marshall. The meeting was adjourned at 12:47 p.m.

Respectfully submitted,

Sharon M. Banks-Wilkins
Recording Secretary

In compliance with Illinois Open Meetings Act 5 ILCS 120/1, et seq, a verbatim record of all Northern Illinois University Board of Trustees meetings is maintained by the Board Recording Secretary and is available for review upon request. The minutes contained herein represent a true and accurate summary of the Board proceedings.