

Minutes of the
NIU Board of Trustees
LEGISLATION, AUDIT, EXTERNAL AFFAIRS AND COMPLIANCE
COMMITTEE MEETING
February 28, 2013

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, John Butler, Wheeler Coleman, Robert Marshall, Marc Strauss, Student Trustee Elliot Echols and Chair Iosco. Not present was BOT Chair Cherilyn Murer. Also present were President John Peters, Committee Liaison Kathryn Buettner and Board General Counsel Jerry Blakemore. With a quorum present, the meeting proceeded.

VERIFICATION OF APPROPRIATE NOTICE OF PUBLIC MEETING

Confirmation of Open Meetings Act notification compliance was given by Board General Counsel Jerry Blakemore.

MEETING AGENDA APPROVAL

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

REVIEW AND APPROVAL OF MINUTES

It was moved by Trustee Strauss and seconded by Trustee Boey to approve the minutes of the November 8, 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, of the Faculty Senate. Mr. Latham thanked the Board for increasing the benefits of temporary supportive professional staff during the previous meeting.

PUBLIC COMMENT

The Chair 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 the Board of Trustees *Bylaws*. Mr. Blakemore noted that no requests had been received to address this Board Committee meeting.

UNIVERSITY REPORT

Agenda Item 7.a. – NIU Athletic Compliance Presentation

Chair Iosco welcomed Jeff Compher, Director of Intercollegiate Athletics, and Christian Spears, Deputy Director of Intercollegiate Athletics. One of the greatest concerns of any modern university governing board is the myriad rules and regulations with which a public university, such as NIU, must comply, he said, and we need only to look at other university athletic departments in the news to understand the implications of compliance failures on the overall reputation of a university. Since this committee

adopted compliance as part of its mission early in 2012, I will be inviting various administrators throughout the university to address appropriate compliance issues within their sphere of influence at each committee meeting.

This morning, Jeff and Christian are here to share some of the key athletic compliance issues for universities and, specifically, how NIU is addressing these issues to ensure our athletics programs follow the numerous rules and regulations. Some of the Board members may not know that Christian is especially qualified to address athletic compliance issues. Not only is he a lawyer, but he was recently elected President of the National Association for Athletics Compliance and leads his peers in helping ensure collegiate athletic programs nationwide are following NCAA rules and regulations.

We appreciate the opportunity to be here today, Mr. Compher said. As Trustee Iosco already pointed out, Christian is our Deputy Athletics Director, but also has a big role as President of the National Association of Athletics Compliance. He has been at the forefront of some of the recent changes occurring in NCAA legislation, and he is also looking at some national compliance certification initiatives. But, more importantly, he has provided great leadership locally for our student services area, of which compliance is a part. In that area, he has taken great advantage of technology, made some great hires of people who have done a fantastic job of educating our coaches, keeping track of the various pieces of legislation being passed, and making sure that we have input to our conference in that regard. We are really proud of his leadership and what he brings. In addition, many of you may know his wife Julia, who is the director of the Student Engagement Office, they are a great team for our university, and I am proud to introduce Christian, who will give an overview of our Athletics Compliance Office.

In a quick overview, I want to make sure that you all understand operational integrity, Mr. Spears stated. We always must have operational integrity. We have a dedicated compliance and student services staff, known nationally, and we present nationally on a number of topics related to best practices on managing NIU's program with integrity. Mr. Spears briefly touched on various topics, including the utilization of technology for a dedicated compliance website, an NIURules e-mail account and an NIURules Twitter feed. He also talked about the Compliance Department's relationship with the Internal Audit department; the Compliance Guide Procedures manual; Student Athlete Academic Support Services; the Athletic Board; self-reported violations; waivers; the two metrics the NCAA uses to assess the academic success of a program, the NCAA Academic Progress Rate (APR), and the NCAA Graduation Success Rate (GSR); the new collegiate model on violation enforcement; and the campus Compliance Committee.

Trustee Strauss asked if the Board could obtain a summary of the rules that might be applicable to members of the Board of Trustees. He also asked Mr. Spears if he had any recommendations for particular areas or metrics that it would be prudent for the Board to be following. Mr. Spears said that an individual presentation could be given on each of the aspects just covered. Examples he gave were: Does your intercollegiate athletic program have an adequate policies/procedures manual? Do you have outside groups reviewing your intercollegiate athletic program annually? If the NCAA was ever to come investigate us, they would ask, are you aware of whether or not your institution has adequate policies and procedures as relates to managing their divisional program with integrity? Are you internally audited? Are you externally audited? Do you have a campus group that reviews it? Do you have a sizable athletic board that reviews the information? We have all of those things in place.

We have a number of compliance responsibilities, Trustee Strauss said, and it is a new function for us to consider explicitly in this committee. Part of what we will need to have is a checklist of the things we should ask people to report on to us so that we can have some assurance that people are doing what they need to do in those areas that are particularly sensitive.

In reply to a query from Trustee Marshall, Mr. Spears stated that there are no students on the Compliance committee due to information concerning the student athletes being reported in those meetings. In regard to fulfilling credit hour requirements during the academic year, Mr. Spears stated that they are required to do 24 hours in their first year of enrollment, and summer session can play a role. After their first year, they are required to complete 18 hours during the fall and spring semesters.

Chair Iosco asked if there were any conferences sponsored by either the NCAA or the National Association for Athletics Compliance that one or two Trustees could attend to be better educated on what to look for at their level. Mr. Spears stated that the National Association for Collegiate Directors of Athletics Convention and Conference would be appropriate for the Board of Trustees.

You talked about violations that are reported to the NCAA, Chair Iosco said, I would like to see those violations also reported to the Board of Trustees starting immediately, whether it is a football player that was involved in a battery or a football player that was involved in alleged rape or whatever it is, I would like to know about it immediately. Mr. Compher pointed out that those were not considered NCAA violations. Chair Iosco replied that he did not want to get caught up in acronyms, I just want to make sure we know who has been accused of anything from burglary to theft to rape to whatever.

Agenda Item 7.b. – Board of Trustees Travel and Expense Reimbursement Policy

The next item was discussed during our August 2012 Workshop, the Chair said. Board members have had this policy in draft form since August, and it is before us this morning for discussion and endorsement. Illinois state statute clearly authorizes public university board members to be reimbursed for board meeting expenses.

As we have heard this morning, the importance of providing continuing education opportunities for Trustees in areas of compliance, university governance, higher education budgeting and national trends cannot be understated. While a reasonable interpretation of State statutes includes Board member reimbursement expenditures for this type of Board activity, the Board does not currently have, nor has it had in the past, a policy that specifies clearly for Board members and the university community, what constitutes reimbursable expenses for Board members, the types of activities that are considered “reimbursable” and the process which Board members follow to pursue such reimbursement.

I believe that in order for Board members to avoid even the potential for possible misperception, this committee should vote to endorse this policy so that the full Board can consider its approval at the March 21, 2013 Board meeting.

Public accountability and transparency are important core values of this Board and the university. Therefore, I believe the policy before us today for discussion and endorsement addresses issues necessary to ensure Board members receive appropriate continuing education and can travel on occasion to Washington, DC and/or Springfield on university Trustee business with confidence that there exists a clear and established procedure for reimbursement of appropriate expenses.

As the policy states, all Board members are required to follow Illinois state and higher education travel regulations and will be reimbursed in accordance with the same policies that apply to full-time NIU employees traveling on university business. Chair Iosco then asked for a motion to approve the Board of Trustees Travel and Expense Reimbursement Policy. Trustee Marshall so moved, seconded by Student Trustee Echols.

During discussion on the motion, Trustee Strauss stated that Board members service on the Board also has a public service component to it, and those of us who are in a more fortunate economic position have often donated not only our time, but also our resources without seeking reimbursement for this purpose. I am not certain of the extent to which reimbursement has been sought by Board of Trustees members to date and, before considering this policy more formally, I would like to see reimbursement sought by Trustees over the last several years to determine the areas in which it might be appropriate to consider providing more explicit guidance. I also believe that the transparency of this is important and something that the Board should be concerned about. I would favor an inclusion in this policy of a requirement for annual reporting of all the reimbursement sought by members of the Board of Trustees in a more public manner.

I concur with what Trustee Strauss has stated, Trustee Boey commented, I too feel it is important to have an annual report. In my years on the Board, it has not been a consistent practice of being compensated for expenses, only because there have been very few requests to do that. This is going to be something new for the Board that we all will have to read carefully to know the dos and the don'ts in this policy. An annual statement of total expenses is something that should be reported.

Trustee Butler asked whether, with two Trustees saying they would like further information, it would be appropriate to table this item until the next meeting.

Trustee Strauss made a motion to table this matter until the next regularly scheduled meeting of the Legislation, Audit, External Affairs and Compliance Committee and, at that time, have prepared for committee consideration, a report for the last four years showing reimbursement requests made by the Board of Trustees, and the proposed Board of Trustees Travel and Expense Reimbursement Policy be amended to include a requirement for an annual reporting of the items and expenses for which reimbursement was sought in the preceding year by members of the Board of Trustees. Trustee Butler seconded the motion. The motion was approved.

Agenda Item 7.c. – First Reading – Update of BOT *Bylaws* and Functions of the Executive Committee

Agenda Item 7.b was specifically placed on the agenda as an authorization of the Board to do policy, General Counsel Blakemore stated. Endorsement of this item was based on endorsement of that previous item. Given the previous action, the only option we have is to withdraw this item.

Agenda Item 7.d. – Fiscal Year 2012 Financial Audit

Each year, NIU and other Illinois public universities undergo an external financial and compliance audit managed by the Office of the State Auditor General. The Auditor General has completed the financial portion of the Fiscal Year 2012 university audit. Chair Iosco asked Keith Jackson, NIU Controller, to present the one finding from the financial audit. I would like the record to reflect that the Board members received a copy of the financial portion of the audit in February when the Auditor General's Office formally released it. It is anticipated that the compliance section of the Fiscal Year 2012 audit will be released later this spring.

The FY12 Financial Audit was completed in January and released in early February, Controller Jackson reported. We had one financial statement finding which was titled Financial Reporting Process. The State recommended that we need to improve on the process to make sure we do not have footnote disclosure issues or missing information in the financial statements. We agreed with the Auditor General in the recommendation and immediately implemented a tracking methodology to ensure that those specific findings would not occur again. This finding has a title similar to a prior year finding, however, I want to assure the Board that this is not a repeat finding.

**Agenda Item 7.e. – 98th General Assembly Report – Substantive and Budget
Agenda Item 7.f. – Possible Impact of Sequestration on Northern Illinois University**

Lori Clark's state and federal reports to the committee have been submitted in written form for Board review. Please forward any questions on these reports to Lori and Kathy Buettner. Copies of Lori's reports are available to members of the university community as well.

NEXT MEETING DATE

The Chair announced that the next meeting of the Legislation, Audit, External Affairs and Compliance Committee was scheduled for Thursday, May 23, 2013 at 11:00 a.m.

ADJOURNMENT

There being no other matters, Chair Iosco asked for a motion to adjourn. Trustee Strauss so moved, seconded by Trustee Boey. The meeting was adjourned at 12:40 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.