

Minutes of the
NIU Board of Trustees
COMPLIANCE, AUDIT, RISK MANAGEMENT AND LEGAL AFFAIRS
COMMITTEE MEETING
August 28, 2014

CALL TO ORDER AND ROLL CALL

The meeting was called to order by Chair Robert Boey in the Board of Trustees Room, 315 Altgeld Hall. Recording Secretary Cheryl Ross conducted a roll call of Trustees. Members present were Trustees Robert Marshall, Cherilyn Murer, Marc Strauss, Anthony Iosco, Student Trustee Paul Julion, Committee Chair Robert Boey, and BOT Chair John Butler. Trustee Wheeler Coleman was absent. Also present were Committee Liaison Nancy Suttentfield, President Douglas Baker and 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.

SWEARING IN OF STUDENT TRUSTEE PAUL JULION

BOT Chair John Butler performed the official swearing in ceremony for Student Trustee Paul Julion.

MEETING AGENDA APPROVAL

Chair Boey asked for a motion to approve the agenda. A motion was made and seconded. The motion was approved.

REVIEW AND APPROVAL OF MINUTES

It was moved by Trustee Strauss and seconded by Trustee Butler to approve the minutes of May 29, 2014 meeting. The motion was approved.

CHAIR'S COMMENTS/ANNOUNCEMENTS

Chair Boey welcomed Paul Julion as Student Trustee. He then recognized University Advisory Committee representatives, Dr. Greg Waas and Deborah Haliczar. When asked for comments, Dr. Waas welcomed everyone back for the beginning of a new academic year and Deborah Haliczar expressed appreciation to the Board and administration for a continued commitment to shared governance at Northern Illinois University.

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 two timely requests had been received to address this Board Committee meeting and one late one. Three speakers were accepted and given the floor.

Chair Boey recognized Misty Haji-Sheikh first. Ms. Haji-Sheikh addressed the 50 year plan presented in the recent NIU Northern Now magazine. She is speaking as a resident of the John and Harrison Street neighborhood and is concerned about the indications that many of the homes in this area are to be removed for redevelopment. She spoke on behalf of her neighbors and indicated that they would all like to discuss the plans for development as partners but do not want to lose the historic aspects of their neighborhood.

Chair Boey then recognized Mr. David Carrier. Mr. Carrier addressed the illegality of driving the motorized electric NIU busses on the sidewalks. He pointed out that there are state statutes regarding this issue but also illustrated that there is a public safety issue even on the non-public sidewalks as pedestrians often do not pay proper attention to their surroundings and this could cause a serious liability to Northern should a pedestrian be struck by one of the electric busses. Mr. Carrier asked the Board to re-examine this concern.

Chair Boey then recognized Mr. Michael Haji-Sheikh. Mr. Haji-Sheikh asked the Board to look into a concern about Castle Bank and the public/private partnerships at the college town partners. He also asked the Board to look into how money is being spent on campus. Chair Boey thanked all the speakers and asked if there were any questions or comments by either the Trustees or Dr. Baker. Dr. Baker did want to address the speakers' issues directly.

Dr. Baker indicated that the university did undertake a design shred last winter to look at the campus and spent a week doing a brainstorming activity and this shows you a picture that came out of those five days of work. It's kind of a centerfold I think of the Alumni Magazine, the Foundation Magazine that just came out. I just got my copy yesterday as a matter of fact. Really good ideas in there. Not all of them are great though. Not all of them are going to be done. We did a five day design shred as Misty noted to begin conversation about what campus should look like going forward. There hasn't been a campus master plan done for decades at this university and the feedback we have from students from the Bold Futures workshops and other meetings around campus is they'd like to improve the look and feel for campus. And we've already done some things, some of the small ideas that came out of that were doable in one year. You might notice the banners on campus, the way finding banners on campus, the posters on the library, etc. I think it's really dressing campus up. We've expanded the sidewalks for bicycles on Lucinda, etc. I think some of those initial things have been done that are going to be very helpful for our students. But this was offered as a place to start a conversation. A five day piece of work. That's not a master plan. That's a couple year effort to get a master plan for a campus. And as we did it the consultants that were here and meeting with people in the community as well as students got feedback

that there would be some areas surrounding the community and surrounding the university where improvements could be made. For example, a better looking downtown to the campus, and so they suggested that we think about the John Street area because there is something that could be done there. The University doesn't own that land and doesn't intend to own that land. If somebody's going to redevelop it, that's going to be a developer not the university. So the idea there fits with the city's master

plan that was adopted last year and it is to redevelop dilapidated housing in that area right on the edge of campus. Now we would support that effort, but we don't have a financial investment in it. Relative to the electric busses, this was something else that students have had a desire that the campus is very spread out and we can't pick up Grant and move into the center of campus or the Rec Center and move it into the center of campus, but the idea is can we try some of these small electric trains to move people back and forth more quickly to make campus feel smaller and more accessible. So we have purchased one of those and it's on campus and we're going to pilot test it. We have looked at the legalities of it and we have an opinion from the general council that that is in fact legal. Of course in the pilot study we're cautious on safety issues and make sure that we are being safe and it is functional and we'll see if it works well, if it's well received. So that's where we are on those two things.

UNIVERSITY RECOMMENDATIONS/REPORTS

Agenda Item 8.a. – Title IX

Chair Boey then moved to university reports, indicating that there were two main subjects for this meeting. The first was Title IX and Chair Boey recognized Karen Baker, Associate Vice President for Administration and HR Compliance and Nikkita Carrington the Assistant Director for Training and Development who will be presenting a update on Title IX compliance issues and requirements. Karen Baker is Associate Vice President for Administration and HR Compliance, her current set of responsibilities include description and oversight for the Center for Affirmative Action and university resources, employee and labor relations, Title IX coordinator, ADA coordination and risk management functions. As the Title IX Coordinator, Karen is responsible for coordination of the university cabinet to comply with Title IX by intervening an affective program that addresses, resolves, and prevents the recurrence of incidents of sexual misconduct on our campus. Karen has been an employee of Northern Illinois University since 1988 and in Human Resource Services since 2001. She's also an NIU alumni earning her Bachelor of Arts in Economics, Masters of Science in Adult Continuing Education and Law Degree from NIU. All are from NIU. Karen is responsible for training new and current employees on the non-discrimination and sexual harassment and Title IX policy. She also is responsible for identifying and developing [inaudible] and student training. Nikkita has been an employee at Northern Illinois University since 2011 and in Human Resource Services since 2012. She is also an NIU alum earning her Bachelor of Arts in Communication and a Master of Arts in Training and Development from Roosevelt University. He then turned the discussion over to them.

Karen Baker addressed the Board with her disclaimer notice that this is not legal advice, but rather an educational adventure. But what is Title IX and I think we all know what that is, the education amendments of 1972 which prohibits sex discrimination in any of our institutions, educational programs or activities, if federal financial assistance is perceived by the institution. So Northern Illinois University must understand and mandate and enforce that we will not discriminate against anyone based on their sex or gender in our educational programs. Sex discrimination typically occurs when a decision, academic decision, employment decision is made on the basis of sex or gender. But Title IX has historically been or commonly been attached to athletics where we looked at the title at the last thirty plus years of making sure athletics was equitable. In 2001, however, the Office of Civil Rights decided that we weren't taking it seriously with respect to sex discrimination and due to some cases decided to remind us that sexual harassment is also a form of sex discrimination. Again in 2011, the dear colleague letter came out from the Office of Civil Rights to gently remind us again and recognize that sexual violence is a form of sexual harassment and therefore a form of sex discrimination as well. Again in 2013 the Violence Against Women's Act (VAWA) amended and expanded the definition of sexual violence to include dating and

domestic violence as well as stalking for [clearing] purposes and those were adopted by a Title IX coverage as a form of sex discrimination. So what we refer to those things are forms of sex misconduct. We refer to that in our policy as a form of sex discrimination that is prohibited by Title IX. Sexual harassment, as you know, is unwelcome, sexual verbal, physical conduct that interferes with an academic environment, sexual violence are essentially tied to your consent, provisions and use of force; domestic violence, physical abuse, harassment for those who are in a relationship, a household, a family relationship while dating, is similar to that in the dating relationship. Stalking is conduct with the purpose of threatening or creating fear, and gender based harassment is non-verbal or verbal acts based upon gender or gender stereotyping. And this is our list at this time and as they continue to expand or release those lists we are working with that specifically in our policies. Why is it timely that I speak to you today? May 1, 2014 the Office of Civil Rights released a list of 55 colleges and universities that are under investigation for possible Title IX violations. Again on May 31st they updated that to 5 more schools, June 30th they updated that 4, July 2nd with 3 more, July 23rd with 4, and I believe they've updated it again. So seventy plus schools are currently under investigation by the Office of Civil Rights barring Title IX violations. In Illinois Knox College and the University of Chicago are under investigation I believe. Northwestern is facing their own Title IX controversy, not specifically related to an open investigation. And within the University of Massachusetts [inaudible] were listed. If you know this, Northern Illinois University is not on the list and we're working hard to make sure that we are not or if we do become part of an investigation that we are ready and that we can be seen as a quality program. Title IX cases at NIU are approximately 85 cases where we investigated or adjudicated through the system in 2014. Judy Myers is very helpful in providing us with information. The bulk of these cases involve dating and domestic violence. A small portion, not a small portion, but 7 to 8 of these cases were actually sexual assault. The sanctions that resulted from this included expulsion of students or 6 or 9 suspensions. During our current year, fiscal 2015, we are investigating possibly 5 cases at this point currently. Under Title IX there are specific requirements that NIU must do. We need to respond to complaints of sexual harassment or sexual violence. We do need a designated Title IX coordinator which I serve as, publish our notice of non-discrimination, we do that in our policies and procedures. We also publish and adopt grievance procedures on how to handle Title IX investigations. Training of employees is currently being under way defining how sexual harassment is noticed to the university; defining the responsible employee and training them on their rights and their responsibilities; and identifying clear procedures for how to handle confidential requests when we are faced with those types of complaints. I'm just going to speak about a few of these points and Nikkita is going to focus on as well. But responding to complaints of sexual harassment, the three most important things I think is important to understand is that the person has a right to file a Title IX complaint. They can do that at the university by contacting the Title IX coordinator, they can do that by filing an incident report through our Maxmum on-line reporting system. The Office of Affirmative Action will conduct a Title IX investigation within a 60 day time frame that has been dictated by the Office of Civil Rights. We will also give interim measures to make sure the safety protocols are being protected and a final report of findings will be developed and forwarded to the Office of Student Conduct for review and sanction consideration. The investigation and the prompt preliminary inquiry is the purpose is to determine if the conduct occurred. If we do determine the conduct occurred or in the interim as we take these interim steps, we will then look at steps to eliminate the harassment and prevent the recurrence. And those things are required under the law as well. Addressing the effects of the behavior that it may have on the victim survivor, we do that through a coordination of our efforts of the victim advocacy on our campus and confidential counseling resources on our campus to make sure that we ensure that the effect of the behavior is also addressed. Number two, you can file a police report and we encourage that as well. They can do that by contacting the NIU police. A sworn officer will take

the statement and also provide information regarding victim advocacy services. A criminal investigation will ensue under their purview to determine whether or not criminal activity has occurred. That is different from our Title IX investigation that will also be conducted at the same time as we are under an obligation whether or not there is criminal investigation to conduct a Title IX investigation. And as the victim survivor has the right to file a case or not, we also encourage everyone under our policy that even if you don't want to file a case or file a complaint, that you get confidential counseling or seek assistance through our various resources. These resources are available throughout the campus, we have a list of them in our current policy and we have updated that list to be more expansive. They have a right to seek this information and they'll get information from the services on their right to file. They'll get information regarding counseling or academic support and even assistance in completing any type of complaint they might wish to submit. As the Title IX Coordinator, my responsibilities are these; to coordinate the efforts to comply with Title IX through our policies and procedures and serve as the contact person for the Office of Civil Rights or any inquiries that may be made, and act as the point person for the complaints and so I need to be aware of what complaints are being submitted or handled; and create policies and Title IX policies and procedures for consideration of implementation. Also any type of avenues or things that we think of to prevent and remediate the gender or sex discrimination is also part of my responsibilities. But I'm not doing it alone. I have the NIU Title IX team. Sarah Cliffe will be speaking with you a little bit later and is considered the Deputy Title IX Coordinator within our office and Anne Birberick is representing academic affairs, Deb Boughton for intercollegiate athletics, Jean Myer for the office of student community standards and student affairs as well as Sarah we have one assistant director for Title IX investigations. People that are not listed here that we also work closely with are Shana Ware of the Victim Advocacy Services and also the NIU police is also serving on that team as well. We're required to publish a notice of non-discrimination that's pretty basic. It's contained in our policy. We will be widely distributing that. We have revised our policy and told upon completion and approval, our notices of non-discrimination will go out as well. The notice will also give contact information for how to find me and we will widely distribute that throughout the year. Grievance procedures are designed to make sure that the student receives a fair impartial investigation that we would do it adequately, that we do it quickly; that we have timeframes in major stages of our investigations noticed in our updated policy, that parties will receive a notice of the outcome of the investigation and be assured that we'll take proper steps to prevent the recurrence of such. Our education is very important and part of our mandate as well.

Nikkita Carrington then took the floor as the person responsible for training on Title IX. I really want to touch on the importance of training, education and awareness. I think that's the key thing to prevent these types of violations from occurring on our campus. So all NIU employees do have an obligation as a responsible employee to report any Title IX violations to the Title IX coordinator or any of the other avenues that Karen mentioned. Also as a responsible employee I will talk more about who those individuals are, what constitutes a responsible employee as well. And then the Office of Civil Rights does say that anyone that's likely to witness harassment or anyone that is likely to witness sex or gender based discrimination is a responsible employee and they do list out some individuals that may be a responsible employee, but as I said that I will get into those individuals in just a second. So as part of our Title IX education awareness, I have conducted several training sessions for responsible employees, which does include our students. We have community advisors, teaching assistants that are responsible employees and each training has been modified to fit the needs of the audience. We understand students can take things in certain ways and sometimes we have to provide faculty and staff with information in other ways. But in the training I make sure that we include all the aspects that you see listed up here. So we really give them the understanding of why they need to know about Title IX. I talk about the definition of Title IX. I even go into the information as far as notice. So when we have notice of sex

based discrimination or Title IX violation what your responsibility is. We also talk about consent. That's a big topic to really get a clear definition because a lot of people have misconceptions of what consent means. So that is a great topic that we talk about and then I go into resources. So what's available to you if you were to experience harassment or if someone was to come to you and say that they have experienced harassment, what is your responsibility? So the training of employees, as of today I've trained several divisions and departments and employees on the Title IX policy. They are listed up here. We started off at the Division of Finance and gave them the important information, and I am continuing on with the training process and going to departments and reaching out to really get this information out to all faculty and staff so that they're equipped to handle any situation that may arise. So notice of sexual harassment or violence. This is an important factor that the OCR wants us to point out. There's two ways that individuals can receive notice of sex based misconduct or discrimination or harassment. The first one that I'm going to talk about is actual notice. So the individual actually goes and files a grievance, or they go and report the information to a responsible employee or the Title IX coordinator. The individual can also go to the NIU police and complain. Or the individual may have witnessed the harassment. They also may see the information on social media, flyers, postings, that puts the individual and the university on actual notice. Constructive notice, that means that the pervasiveness of the harassment was so severe that we should have known about it. Maybe there is someone in the department that has been harassing employees and no has said or did anything about it. They say oh that's just Nikkita, she's just doing that, don't pay her any mind and they know about it but no one is doing anything; that's constructive notice. Or it could be that the individual knew about it so the responsible employee was notified. We were put on notice and they did nothing about it. That puts the institution on constructive notice. So let's talk about who the responsible employee is. It's important under the Title IX regulations to identify the responsible employee. The responsible employee is someone that has authority to take actions to address the harassment. It is also someone that has the duty to report harassment or any other type of misconduct. So we're all mandated reporters by DCFS. We have to report when we see child abuse. That constitutes us as a responsible employee. And my last point to point out is someone that the student believes would have that responsibility. That can be any of us. We all work for the university. People see us walking around campus and the student can see the "ask me" button that we all have and they can say hey you can solve my problem, you're a responsible employee. So they can reasonably believe that that person is a responsible employee and can solve their issue. When we look at Title IX and file the complaints, there are individuals that are reluctant to bring forth allegations or maybe they're reluctant to even participate in the investigation. They don't want to provide their name. If that happens, we do have to take reasonable steps to try to keep their name anonymous and confidential but we cannot promise or guarantee that especially if it jeopardizes the safety of the individual or the community as a whole. It is also important to realize that there is a committee. Karen did talk about the Title IX team, a committee of individuals that is Karen, the Title IX investigator; someone from Victims Advocacy Services, and NIU police. They meet to determine if that individual can remain anonymous or their name held confidential. Under Title IX it is important that we really stress to individuals the importance of retaliation and how here at NIU we have a zero tolerance policy. We want people to feel safe and know that when they bring forth an allegation that they cannot be retaliated against. So an individual is also protected if maybe they oppose unlawful activities that someone tries to put upon them because they submitted an allegation or if the individual filed a complaint, if they assist someone who filed a complaint because sometimes people have individuals that are their helper and they provide information for them and maybe they helped them with filing the complaint. Or if the individual protests or maybe they are a witness as part of that investigation. The key is, if the department discourages an employee or a student from filing a complaint, that can be a form of retaliation and so that's important to realize as well.

Karen Baker then took the floor again to discuss next steps. In closing, there are a few things even though we have made a lot of changes in our Title IX program there's some things that we have identified as a group that we need to continue doing just to make sure that we have the best program that we can have. During the 2015 fiscal year we will complete our Title IX training for all employees. We will continue to work through the campus until we have everyone trained. We like the in-house, in-person training first, and we will move to an on-line solution for next year for on-going annual training. We'll continue our professional development in the areas of Title IX, advanced training for our investigator, we will also continue with our training and education of sexual assault, sexual prevention; and we're also going to work with Jeanie on student affairs and understanding students and work through that. Develop dialog on diverse community that our Office of Civil Rights has suggested that we have at the table those who are culturally competent in some various areas; persons with disabilities, international students and the various things that may face them as they deal with the effects of sexual assault, and also gender identity and gender expression we need to work with that to make sure that those folks are at the table, and there's ideas and some of our guidance's on how to do that. So we're developing a dialog that with community has to speak to have more conversation about our policies and procedures and getting input. We'll explore the creation of student focus groups. I'd like to explain that Title IX or what we're talking about is response mechanism, it's the complaint structure, but the presidential task force on VAWA is the committee right now that at this point all elements of sexual assault, sexual prevention, sexual awareness, so we will wait until the recommendations come out to determine if there's a need for additional student focus groups related to Title IX as training, surveys, and things come out of that committee. We'll develop on-line training as I suggested. We do have some solutions that we want to look at now to begin to pilot to see how that training can be accomplished and we'll develop recommendations for one policy and all forms of discrimination. Our current non-discrimination policy complaint procedures is about 53 pages long. The Title IX policy is 22 pages long. So trying to get one policy to be able to be a bit more clear is something that we desire. As I take my seat, I'd to thank you for the opportunity to talk to you today about Title IX. In my humble opinion, I think that people will forget what you say to them or what you say about them, but they typically never forget how you make them feel. And so when the dust settles and we get our policies implemented and our investigations complete and our sanctioning done, it's the hope of this committee and this community that by working together we can begin to convince a generation to take on behavior conduct that doesn't make feeling bad a result of sexual harassment.

Chair Boey thanked both speakers and asked for questions from the Trustees. There were a few to address.

Trustee Murer: I have more of a comment than a question. I want to thank Chair for bringing this extraordinary topic to the attention of the board today. You spoke a great deal today about the protections of Title IX. You made me think more of the opportunities of Title IX. And Title IX changed the lives of many young girls who were not even born in 1972 and I think what really Title IX has done is it has addressed the culture of what is custom in usage and what is perception and what one can do. And I think a dramatic reflection of Title IX is Willie Mays standing on the pitcher's mound in the world series of little league and just dreaming. And I think that that's the message, the message he brought today is critical to understand what the repercussions are of Title IX, but my thoughts really, really were more to how do we embrace the positive dynamics of Title IX and how do we really make sure that everyone, especially young women all of the protected classes that make up the majority when you add them up, rather than the minority, that everything is possible for everyone and that it is based on one's own capabilities that should be the basis upon which judgment is placed. So I am very moved by the

conversation about Title IX. It's been a very important part of my life, not because it allowed me opportunities that, especially in athletics, but it allowed our daughters and our sisters and our brothers the opportunity to do things that people thought we should not do. So thank you.

Chair Boey: Trustee Strauss.

Trustee Strauss: Am I correct that trustees would be considered responsible for employees under Title IX?

Karen Baker: Yes.

Trustee Strauss: Is there a training requirement that would apply to trustees beyond receiving this presentation today?

Karen Baker: We believe, we tried to put enough information in the presentation today to give a great overview that the Board of Trustees has received Title IX instruction and education. We can develop something that can be done that's more comprehensive. Our Title IX training is about an hour and 15 minutes long, however we do look at certain groups to that in a different way. So it's just our faculty getting to them in the time that they have and paring that down. I would like to say as we go out that we can utilize the fact that we have had this conversation with our board of trustees that it is very important to them and that they are in support of all that we're doing and have great understanding of the compliance steps that we're doing right now, and that will go a long way with the training of the rest of the campus.

Trustee Strauss: Yeah, so I would like to reinforce that to the extent that there is appropriate training for the Board of Trustees. I hope you'll make that available. It's not required you can make your own determinations to whether to participate or not. And then my second question is we're engaged in a search now Chief Diversity Officer or a title something similar to that. Assuming that that search is successful, how will the Title IX operations integrate with that new position?

Karen Baker: Once that position, I'm on the committee that's looking at that job description right now, and that will coordinate very nicely with our efforts to make sure that the academic diversity program incorporates the Title IX. One thing about the Title IX is it's just something that can be localized in one office and so as we reach out to all the various strategic partners it will also have a component there that will work with Dr. Freeman on how to coordinate that effort.

Trustee Strauss: Thank you.

Karen Baker: You're welcome.

Agenda Item 8.b. – RISK MANAGEMENT

Chair Boey asked for any further questions. There were none so he thanked the two speakers and then introduced the next agenda item, which was risk management. He introduced Sara Cliffe, the Director for Risk Management and Internal Investigations and Emily Hochstatter. Sara Cliffe serves as a Deputy Title IX Coordinator for Human Resource Services. Sara is responsible for the administration and oversight of the Department of Risk Management and internal investigations which includes affirmative action, workplace conflict, bullying, Title IX, and faculty and staff grievances, as well as complaints filed by students and our employees. Her responsibilities associated with risk management include: facilitation

and purchase of various policies of insurance for the university and drafting policies to minimize exposures. Sara has been an employee of Northern Illinois University since 2010 and is an NIU alum earning both her Bachelor of Science in political science and a law degree from NIU. Emily Hochstatter is a Compliance Coordinator for Human Resource Services. Her current duties include risk management operations, facilitating requests for reasonable accommodations under the ADA and assisting the Director of Risk Management in any current investigations for AADR investigations. Emily has been employed with NIU since February 2009 and serves on both the Presidential Commission on Persons with Disabilities and the SPS Council. Emily earned her bachelor's degree from Carthage in 2007 and is currently enrolled in the registered certificate of public management program in the Department of Public Administration at NIU. Chair Boey then welcomed Sara Cliffe to the floor.

Ms. Cliffe explained that she and Emily were there to discuss the function of risk management on the university campus. But before I latch into primarily the insurance policies that are purchased by the university, I would like to briefly discuss what risk management is. Risk management is a process where to identify risks so that we can analyze or evaluate that risk, and then manage the risk. Risks can be managed in a number of ways including avoidance, transfer, control, elimination, or acceptance. Primarily today we will be talking about the transfer of risk which is the process by which you transfer risk to an insurance company through the purchase of an insurance policy. Risk management purchases insurance to protect the resources and assets of the university. We facilitate the purchase of 24 insurance policies on a yearly basis; six of which are going to be discussed today in some detail which are for the university as a whole. The other 18 policies are for specific department, properties, practices or programs. Before we latch into the purchase of insurance, we should talk a little bit about the insurance plans that are available under state law to university and it's employees. And the first is a comprehensive, general liability plan which provides \$100,000 per occurrence for bodily damage, bodily injury or property damage per occurrence unless the employee is a licensed physician at which point the rate increased to \$500,000. It excludes automobile liability, employee dishonesty, and criminal acts. The next plan is the employee indemnity plan which provides indemnification for the university employees for acts or missions occurring within the scope of their employment. Third is the motor vehicle liability plan which provides 2 million dollars in coverage per occurrence for bodily injury or property damage caused by an employee's operation of a state owned or leased vehicle where the operation of the vehicle was within the scope of the employee's employment. And last, but not least, there's workers compensation which provides monetary protection to employees for work related injury or disease. Now I'm going to list the policies that the university purchases that we're going to discuss today. I'm going to discuss property, general access liability, educator's legal liability. Emily is going to discuss with you liquor, crime and foreign policies. The university purchases its commercial property insurance through the Midwest Higher Education Compacts Master Property Program. The Midwest Higher Education Compact is also known as MEC. It was created by the Midwestern Legislative Conference of the Council of State Government in the early 1990's and Illinois has been a member of MEC since 1991 and as I've stated they've created a master property program in which NIU participates. NIU purchases its insurance policy with about 50 other institutions of higher education across the Midwestern region. You can barely see it, but I've highlighted Northern in black. At its most basic, the property policy obviously protects damage to real or personal property. There are a lot of facets to the insurance coverage including business interruption which is the process by which if we lose the operation of a building that brings in revenue, our property insurance would also protect the university for the lost revenues due to the loss of the function of the building. It covers the buildings on main campus as well as the four satellites and we just recently this year added the new residence hall in Northview to master property program and were able to save the university quite a bit of money due to the pooling structure of the MEC program. Some basics about

the program, Emily and I go through each year and total up the total number of buildings or contents that need to be scheduled with the insurer annually. It's about a two month process. The buildings are insured on a replacement cost basis and contents and business interruption are provided in particular circumstances usually contractual obligations to make such coverage. This is the pooling structure of the MEC program. The first four layers right here are the base property program that provide 500 million dollars in coverage. The first is the deductible. At NIU the deductible is currently \$25,000. The next layer of coverage is called the captive layer or the lost fund which is your per institution limit. It provides a million dollars in coverage per policy year. Then there's a 100 million dollar primary layer which is also per member and then the 400 million dollar sits above the 100 million dollar is a shared limit which means all of the institutions share that limit together. Northern purchases one excess layer of protection at 500 million dollars. So we purchase a total of one billion dollars in coverage. So that gives you some idea of how the master property program works. By its several layers of protection it can reduce costs to institutions of higher education. The policy renews on July 1st and this year when Emily and I went through a schedule of all the buildings and the contents and things that we cover under the policy, our total insured value, which is a culmination of all of their needs, was \$1,931,038,000. Premiums are definitely based on the lost history of the institution and a projected increase in property values, and then the institutions total insured values. In fiscal year 2017 MEC is going to impose a \$100,000 deductible on each of its member institutions which is quite a significant chunk for Northern at our current \$25,000. Emily and I have begun looking at strategies to incorporate the \$100,000 deductible which may involve renegotiated bond covenants and leases to incorporate the \$100,000 deductible with a creation of a self-insurance fund or purchase of another policy for the \$100,000 limit which would provide coverage for the deductible amount and that's a process we call buying down the deductible where you purchase a policy of insurance to cover the deductible amount. Right now we're going to move on to the other five policies that are purchased by the university. These policies are purchased with the Illinois Public Higher Education Cooperative or IPEC which are the other public schools in the state. IPEC was formed in 1975 and Northern has been a member since 1978. This is the current IPEC program structure, and what I want to point out is primarily our excess general liability. These are the five policies we'll be going over. Our excess liability sits above our liquor liability and our foreign liability and what that means is that if we exhaust the limits under our liquor liability policy here or our foreign policy, our excess general liability will come in and help cover any damages. Also under the crime we purchase there's a one million dollar limit for the base layer. NIU purchases an excess layer up to 9 million dollars for a total of 10 million dollars in coverage. Excess general liability provides coverage for personal injury, advertising injury and property damage caused by university functions or employees. The manuscript policy is quite broad and coverage is worldwide. There is also many endorsements attached to the policy; the main of which covers student health center, public safety, crisis events, and provides accidental death benefits. Major exclusions are contractual liability and criminal acts once proven. The policy provides coverage to the university, its trustees, its officers, employees and volunteers while acting within the scope of their employment. This one I'm glad to announce that there has been some movement on. There was and students are within the definition of insured on our general liability policy and NIU had chosen not to execute this coverage, but we are working with the president and Office of General Council to at least cover students who are engaged in experiential learning practices. The coverage for our general liability is \$10,500,000 per occurrence which mean per loss and then \$19,650,000 in the aggregate which is the total of all losses within the policy year. The policy renews August 30th just in a couple of days and NIU self-insured retention which operates like a deductible is \$350,000. Next we're going to talk about educator's legal liability which provides coverage for employment practices including wrongful dismissal, harassment, discrimination, retaliation, failure to grant tenure, harassment or discrimination of students

or patients, liable, slander or defamation. Coverage extends to the board, directors, department heads, committee members, staff or faculty members whether they are salaried or non-salaried, employees including part-time, seasonal and temporary, and volunteers. Again, exclusions are contractual liability and criminal acts. Coverage provided by the ELL policies is 10 million dollars. The coverage renews on August 30th and again NIU has a self-insured retention of \$350,000.

Ms. Cliffe turned the floor over to Ms. Hochstatter to discuss our liquor liability, crime policy and foreign policies. I was told we have about maybe two minutes to get this wrapped up so get ready for some whiplash. If you have questions at the end of it you can contact us. Our information will be up there. So liquor liability is purchased primarily because NIU serves and purchases alcohol, mostly to Holmes Student Center, Convocation Center events, athletic events, things of the like. The other important things about liquor are is it also extends to in the event President Baker had an event at his home and there are donors there, this policy will respond for him so that it wouldn't necessarily have to be his own policy or his own home owners insurance taking care of it. We'll take care of you. That's why we buy it. The other thing is this policy also covers all 50 states. So in the event the Huskies make it to the next bowl game, if and when that happens, if there is an after-hours event, a celebratory event perhaps, then the policy would also respond if it's in California or Florida or wherever. Million Dollars. Crime. We purchase crime up to 10 million in coverage. So we actually purchase the first million through IPAC and then NIU elects to purchase the second nine million dollar layer so that we have a total of 10, \$25,000 deductible. And then foreign, really fast, it's an umbrella policy so it has a bunch of policies underneath it and while some of this actually provides general liability, auto liability and everything else that may happen while students, faculty and staff are working in foreign countries. The general liability portion mainly bodily injury, property damage that only applies to students and faculty, staff, but the auto liability, workers comp and everything else is for employees, faculty and staff only. So the only policy that covers the students is the general liability under foreign. The other thing to note on foreign is that we also have executive assistant services. If something were to happen in a foreign country where somebody needs to come home or somebody passes away heaven forbid, but if that's the case then this policy will respond to bring the remains home. The other thing about foreign coverage is that there's also protection in the event that there's political unrest or turmoil in another country and we have students, faculty and staff there. This policy will respond, relocate our NIU faculty, staff and students to a safe location so that they can get home safely. Okay so Sara mentioned we purchased 18 other insurance policies on campus mainly we're working on the student part but there's also a couple of professional liability policies purchased. Some of this may seem redundant but Sara mentioned earlier that we will buy down the deductible so there's an expensive piece of machinery somebody has, let's say we're going to go [tap] campus and it's worth 8 – 10 thousand dollars if they lose it, we have a \$25,000 deductible so the [radio tap] is out 10 grand or they have to buy their own new one or find it on sale. But they'll buy a smaller policy so they can afford it. Maybe it's \$500 deductible or something like that.

Ms. Cliffe concluded the discussion with looking ahead, we're looking at cyber risk insurance. RTS has already been examining policies for the university. I do think it's the biggest risk facing the university right now. We'd like to engage in the process of the enterprise risk management which is a university-wide collaborative effort where we would reach out to various administrators and departments in order to find out what keeps them up at night and then we wait and rate the risks and then we try to tackle the risks whether we want to going back to one of the original sides avoid the risk, monitor the risk, control the risk, or purchase an insurance policy. And then we'd also like to form a risk management committee which would be essential for the interplay with enterprise risk management to help us tackle the risks that are identified through the process.

Chair Boey thanked both speakers and asked for any questions from the Trustees. There were a few.

Trustee Strauss: One comment and several questions. Regarding enterprise risk management, I personally would like to encourage that as soon as possible and I'd like to see the project completed and us get a further report. [Inaudible] with regards to consideration for [inaudible] transfer and control as well as identification of the risks [inaudible] so we participated in a couple of pools and some of these have shared limits. So if they had a tornado that leveled the University of Illinois in Champaign, that they had a million dollars' worth of damage there, our shared limit is exhausted for property coverage is that correct?

Sara Cliffe: Well we would have, not for the year, but for the occurrence.

Trustee Strauss: So the rate shows shared limit in the diagram here. Explain to me shared limit then I thought this was shared among the institutions.

Sara Cliffe: It is shared among the institutions for the policy year.

Trustee Strauss: So if there is massive loss at one of the other participants in the consortium that exhausts the coverage, we're without coverage if I understand correctly.

Sara Cliffe: They view the likelihood of that occurring it's a weighing act. It's a risk management assessment.

Trustee Strauss: Okay so this also is not insurance like traditional insurance where there is a reserve fund. This is going to be funded by the legislatures of the states involved out of general revenue appropriations is that correct?

Sara Cliffe: Yes. General revenue and then we do appropriations that we need to receive the bill through the bond and general revenue.

Trustee Strauss: Alright I just wanted to make sure I understood the character of the coverage. Obviously there are business judgments that have to be made about what the likelihood of the risks so I don't want to get into that level, but I wanted to make sure that I understood it. You've also shown that on some of these coverages that are self-insured retention. And my question is whether that retention amount is an aggregate or is it per occurrence amount?

Sara Cliffe: It's a per occurrence amount.

Trustee Strauss: Okay. Thanks.

Chair Boey: Anybody else questions?

Trustee Butler: My only comment would be I would like also for the board to receive follow-up information on the cyber security insurance.

Sara Cliffe: Okay, I'd be happy to facilitate that.

Trustee Butler: I think it's very important that we consider that and I hope that we'll hear more about the outcome of that soon.

Dr. Baker: The cabinet has previously discussed this summer enterprise risk management and we need to do that. So Trustee Strauss you're right and we have to do that and get a better feel for the landscape, where we are and what we need to do to make adjustments.

Chair Boey asked if there were any other matters to come before the committee and Trustee Strauss had one item.

OTHER MATTERS

Trustee Strauss made one request for future meetings. I'd like for us to start a consideration of having for lack of a better term, I'll call it a chief compliance officer, where we have somebody in addition to the presentations that we have to identify various interviews of reporting and compliance responsibility. Somebody who is charged with seeing that there are people responsible for following up on those areas and specifying protocol to make sure that work is getting done [inaudible.] So I recognize that this may be a somewhat lengthy process, but I'd like for us to note in the records that it's something that I believe would be a good idea for us to undertake.

NEXT MEETING DATE

The Chair announced that the next meeting of the Compliance, Audit, Risk Management and Legal Affairs Committee is scheduled Thursday, November 6, 2014 at 11 a.m..

ADJOURNMENT

Chair Boey asked for a motion to adjourn. A motion was made and seconded. The meeting was adjourned.

Respectfully submitted,

Cheryl Ross

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.

