

Minutes of the
NIU Board of Trustees
ACADEMIC AFFAIRS, STUDENT AFFAIRS AND PERSONNEL
COMMITTEE MEETING
August 27, 2015

CALL TO ORDER AND ROLL CALL

The meeting was called to order by Chair Robert Marshall at 9 a.m. in the Board of Trustees Room, 315 Altgeld Hall. Recording Secretary Liz Wright conducted a roll call of Trustees. Members present were Trustees Robert Boey, John Butler, Wheeler Coleman, Cherilyn Murer, Chair Robert Marshall, and BOT Chair Marc Strauss. Also present were President Douglas Baker, Committee Liaison Lisa Freeman, Board Liaison Mike Mann, General Counsel Jerry Blakemore, and UAC Representatives Dan Gebo, Leanne VandeCreek, and Greg Long. With a quorum present, the meeting proceeded.

VERIFICATION OF APPROPRIATE NOTICE OF PUBLIC MEETING

Chair Marshall asked Mr. Blakemore to verify that there is quorum and that the appropriate notice of this meeting was posted.

Parliamentarian Blakemore confirmed quorum and that the appropriate meeting notice pursuant to the Illinois Open Meetings Act was made.

MEETING AGENDA APPROVAL

Chair Marshall asked for a motion to approve the agenda. Trustee Murer made a motion to approve the agenda, seconded by Trustee Boey. The motion was approved.

REVIEW AND APPROVAL OF MINUTES

Chair Marshall asked for a motion to approve the minutes of the AASAP meeting of May 28, 2015. Trustee Butler made a motion to approve the minutes, seconded by Trustee Strauss. The motion was approved.

CHAIR'S COMMENTS/ANNOUNCEMENTS

Chair Marshall welcomed everyone to the meeting and noted that refreshments will no longer be served due to budget constraints. He said that he hoped the situation would soon get better and continued by announcing the agenda items for today.

There are two items for approval, including a request to delete an emphasis in physical education grades 6 through 12 within the physical education K to 12 and 6 to 12 educator licensure within the Bachelor of Science in Education program and an off cycle tenure request for a new chair for the Department of Literacy in Elementary Education commonly referred to as LEED. In addition to the two items for approval, there are four information items.

The first item is the annual list of faculty emeritus professors. These faculty retired in good standing and are being given this title in addition to their academic rank. The second item was the recognition of our faculty and staff that have received professional excellence awards. He noted the presence of many of the

award recipients and expressed his excitement to have the opportunity to acknowledge their contributions. The third item, a presentation on the impact of the Affordable Care Act, is one that Chair Marshall specifically requested due to the new laws going into effect in the beginning of 2016 that may impact our staff and our students. The final update is on the program prioritization process. Provost Freeman has told us that she will provide periodic updates to the board on the process and she has prepared an update for today's meeting.

PUBLIC COMMENT

Chair Marshall asked Mr. Blakemore whether there were any public comment requests.

Parliamentarian Blakemore replied that no requests for public comment have been made.

Chair Marshall recognized the University Advisory Committee representation, Dan Gebo, Leanne VandeCreek and Greg Long and asked them if they would like to make comments.

Professor Long introduced himself and welcomed everyone to the start of fall semester. He noted the faculty's excitement to be back and in the classroom, and also some anxiety related to the budget issues, impact on programs, impact on salaries, etc. From the faculty standpoint, the budget is certainly one concern, but we do look forward to working collaboratively both with the administration and Board of Trustees. He noted his willingness to meet with individuals informally as well as formally to figure out best ways of getting through this challenging time. He thanked the board and noted that he looks forward to working together.

Chair Marshall thanked Professor Long for his comments.

UNIVERSITY RECOMMENDATIONS/REPORTS

7.a. REQUEST FOR DELETION OF EMPHASIS

Chair Marshall asked Executive Vice President and Provost Freeman to present the University Report.

Provost Freeman welcomed everyone back for the beginning of another exciting academic year. She noted that Professor Long referred to some of the challenges that we face, but she focused on the excellence of NIU faculty and staff, and noted that some of that excellence was on the agenda to be recognized. She continued, that NIU has a resource that defies anything that Springfield could do in relationship to what it brings to our university community, the intellectual life of our campus, and even beyond that. As we look to the students who arrived this semester and see their interest in our campus in the world and you listen to their ideas about what we can do to make this a better university, a better city, a better state, a better nation; you understand that we have much to be thankful for and are at a great place.

Provost Freeman continued to agenda item 7.a., the request for deletion of an emphasis in teaching grades 6 through 12 in physical education. The driver of this agenda item is changing state expectations for middle school licensure. She welcomed Chad McEvoy, Chair of the Department of Kinesiology and Physical Education; Jim Ressler, Professor, Department of Kinesiology and Physical Education; Sue Schwartz, Academic Advisor, Department of Kinesiology and Physical Education; Marc VanOverbeke, Associate Dean, College of Education; and Betsy Hull, Assistant to the Dean, College of Education. Provost Freeman asked the designated speaker to go to the microphone and provide background on this change.

Associate Dean VanOverbeke noted that this deletion is in the best interest of their students. Currently, the emphasis on teaching grades 6 through 12 in physical education is redundant as part of the larger emphasis on kindergarten through twelve grade teaching. The emphasis has created confusion among

students and only studying the emphasis on grades 6 through 12 would limit their employment opportunities. Very few students want to take this emphasis. Most students enroll in the K-12 emphasis. It better meets their needs and the 6-12 emphasis does not align particularly well with the new middle level program, which is grades 5 through 8. Taking a 6 through 12 emphasis would preclude anyone who wanted to work 5 through 8 in the middle of a program. This request is really to clean up some of the language and to better serve our students. In the process, we are reducing confusion among them, while ensuring that they have the best opportunities for getting the best jobs and as many jobs as possible within their field. He opened the discussion to the Board for questions.

Trustee Murer commended the college and the provost for the exercise. Deletions are not necessarily something the board is looking for, but they give credibility when additions are brought forward. The Board is looking at the full picture and constantly reassessing and reorganizing the structure in the best interest of our students. She noted that she would be remiss to not take the opportunity to commend them for their process, not necessarily the specificity of this particular deletion, but the process that your college and the provost's office have gone through. As university continues to look at things that are either redundant or things that are not as timely as they may have been a decade ago, and that makes it much easier for us as the Board of Trustees to then listen and embrace any additions that we might have in the future. So thank you for that.

Trustee Strauss asked whether there any students current enrolled in this emphasis. Associate Dean VanOverbeke responded that there are no students currently enrolled. Chair Marshall asked whether there were other questions or comments.

Provost Freeman, in the absence of additional questions, reiterated the recommendation. The university recommends that the Academic Affairs, Student Affairs, and Personnel Committee endorse this request and ask that the president forward it by means of the president's report to the Board of Trustees for approval at its September 17, 2015 meeting.

Trustee Marshall asked for a motion on the recommendation. Trustee Strauss motioned to move this recommendation for approval to the September 17, 2015 Board of Trustees meeting. Trustee Boey seconded the motion, which was unanimously approved.

7.b. RECOMMENDATION FOR TENURE

Provost Freeman continued to agenda item 7.b., which was brought forward by the College of Education. It is a request for a recommendation of tenure, off cycle, for a department chair for the Department of Literacy and Elementary Education. Professor Ann Gregory was hired with tenure and at the rank of professor. She came to NIU from Western Illinois University. She is a dynamic department chair and is already contributing greatly to the university community. The university recommends that Academic Affairs, Student Affairs, and Personnel Committee endorse this request and ask that the president forward it by means of the president's report to the Board of Trustees for approval at its meeting on September 17, 2015.

Chair Marshall asked for a motion to approve the recommendation to be moved forward to the Board of Trustees meeting on September 17, 2015. Trustee Murer motioned to approve the recommendation, Trustee Strauss seconded the motion, which was unanimously approved.

8.a. 2014-2015 FACULTY EMERITUS RECOGNITION

Provost Freeman introduced the first information item, agenda item 8.a. This is the annual recognition of our faculty emeriti. We will be recognizing more than 30 members of our faculty who retired prior to May 15, 2015. This is a long list of people who have made incredible contributions to NIU over their years through their activities as members of our faculty, as department chairs and as deans. Many of the people

listed here have moved on to new challenges either professional or personal, climbing mountains, farming, gardening, working in the not-for-profit sector and other capacities, but others will continue to contribute to the life of the minds of this university for a long time to come and we enable them as a benefit that we give them in addition to the title of emeriti faculty. In order to keep these faculty involved, we encourage them to use their professorial rank in retirement. We give them continued access to e-mail, to parking, to the ability to participate in academic courses, to use the libraries, to sit on graduate committees, to continue research projects that might be in process, and to become an active part of our annuitants association. It is a great pleasure and honor to recognize the contributions of so many individuals and I hope that you will join me in giving them a round of applause for their extensive service to NIU.

8.b. PROFESSIONAL EXCELLENCE AWARDS FOR FACULTY AND STAFF

Provost Freeman continued to information item 8.b. This item will recognize the faculty and staff given awards for excellence in different aspects of our university mission. Many of you were present last spring when these individuals were recognized at banquets in front of their peers, but a tradition, initiated by Trustee Boey, has been to also recognize these individuals at a Board of Trustees meeting. Provost Freeman recognized each awardee and asked a representative of each award group present to stand up and introduce themselves. She thanked them and asked for a round of applause for all of the excellent faculty and staff.

8.c. IMPACT OF THE AFFORDABLE CARE ACT

Provost Freeman introduced the third agenda item, a presentation on the impact of the affordable care act. As Trustee Marshall indicated, this is a dynamic landscape in terms of the impact on health insurance for students, faculty and staff because of the Affordable Care Act. Prior to the presentation from Human Resource Services, she asked Vice President Weldy and Associate Vice President and Graduate Dean Bond to comment on how this is impacting students.

Vice President Weldy noted that he had a few points to make regarding the student health insurance program. One is that the student health insurance program here at NIU has been in existence for about 35 years. It is an opt out program which means that students who have their own, who are able to document that they have their own private health insurance, can opt out of the university plan. Roughly about 45% of our students are a part of the student health insurance program. Over the past few years there have been increases in cost for the student health insurance program and we have been examining ways to keep costs down. With regard to the Affordable Care Act, it has significantly impacted the student health insurance program within the past few years here at NIU. To give you some examples, there is no exclusions for pre-existing conditions. In other words, a student is covered regardless of any pre-existing conditions. They have unlimited medical coverage for medical benefits of policy with only a few exceptions. Preventative care, including immunizations and annual physicals, are covered 100% through the program and student prescriptions are also covered. The challenging part of the Affordable Care Act has been trying to keep costs down for our students.

Trustee Murer asked whether he said costs are up because students are opting into the Affordable Care Act and we have less of a denominator which makes it more costly. Vice President Weldy said, no, from the standpoint of with the Affordable Care Act there are certain things that we have to provide our students which increases the costs for us as we negotiate contracts with insurance companies. Trustee Murer said that was confusing given the federal subsidies on the Affordable Care Act. If we are looking at cost containment, do we negotiate health policies as an individual university, or do we do it collectively among all of the state universities in Illinois? Vice President Weldy said that NIU is part of a collaborative unit, our community, as it relates to student health insurance. We meet twice a year with all of the other student health insurance centers through the state, but we have not done cooperative cost containment at this point.

Trustee Murer asked the president to see if there are ways in which we can work with other universities, not just in a collaborative discussion, but in a cooperative cost containment methodology of greater denominator should reduce costs. Also, in the CARL Committee, we are going to talk about risk management and opportunities to mitigate risks, but risks relate to cost, so maybe we can also incorporate this in that discussion. Vice President Weldy replied that he is happy to have those discussions.

Trustee Boey clarified that the Affordable Care Act has caused the costs to go up. Vice President Weldy replied that it is a part of it. We have had to ask whether or not we want to remain in the student health insurance business.

Trustee Strauss clarified that students can only opt out if they demonstrate proof of other insurance. Vice President Weldy confirmed. Trustee Strauss said that in respect to student employees, they are either covered by NIU student insurance or some other insurance, correct? Vice President Weldy said that this will be discussed in the presentation by HR. He noted that he is speaking to only the insurance provided for the individuals' role as a student, not an employee.

Trustee Murer noted that before any decisions are made on student health insurance offerings, we need to investigate different options and do more analysis. One of the elements of the Affordable Care Act is the ability to stay on your parents insurance until you are 26 and that may impact our students. On the other hand, given our population of individuals, we should not assume that parents have insurance that students can use. This may be the only alternative for individuals and we should not be abrupt on this matter. We need to be creative and see what we can do collectively in the state of Illinois with other universities. Vice President Weldy agreed and said due to the current climate, universities should be open to those discussions. Trustee Murer said this is the right time and it could be a win for the universities to show cooperation during a time that the cost of higher education is a significant topic of discussion.

Trustee Butler said that Trustee Murer made a good point. If there was a policy answer that was produced by public universities working together, that would be preferable to stopping this group health plan and leaving our students to buy insurance on the exchange. We do not know what type of subsidy they would qualify for, as individuals, and it would vary. For some students it might be very reasonable, for some it might be very expensive. At least we have a flat rate that we know we can offer students. We may want to think about how our existing student insurance program compares to offerings on the exchange in terms of the types of plans and the costs of plans. This would be helpful information, if we consider making a change.

Trustee Marshall asked to hear recommendations in the future on this topic. Vice President Weldy said that are doing ongoing research on this topic and comparing health insurance at other institutions. Dean Bond can also speak to that work. Provost Freeman reminded the trustees that each year they vote to approve our student insurance and we will certainly be engaging them rigorously in the discussions around this topic, as well as if there are issues in our state procurement system that prohibit us or make it challenging for us to get the most purchasing power in consortia. Thank you for all of those excellent comments. As Trustee Murer noted, the issues for undergraduate students and graduate students are not identical, and as a public research university, about 25% of our students are graduate students. In addition to asking Vice President Weldy to speak, we have asked Dean Bond to make some comments on the cost of health insurance before moving into our human resources presentation.

Dean Bond said that the implementation of ACA has been disruptive amongst graduate schools all across the country. The pattern of increased costs is not uncommon. There are institutions where costs have remained steady over the past few years, but we can also point you to institutions where costs have doubled and tripled at the same time that ours has gone up. This was apparent a couple weeks ago when we had 71 Fulbright Scholars on campus for orientation, they were getting ready to scatter all across the country to go to the institutions where they were to begin their studies, but one of their major questions was how to deal with this health insurance business. It was a foreign landscape to them and the costs were

astronomical. I sat in a group with 15 of these students and asked what they were being charged. It was all over the map and it is a cold comfort, but we were on the low end of that spectrum in terms of our costs for student health insurance. That does not mean that the cost is easy for our students to afford. The graduate school is part of the Council of Graduate Schools (CGS), a national organization, and that list serve and all of the publications that come out are full of information and concerns about implementation of ACA and the impact on graduate students. So our problem is not a unique one, but that does not make it any easier to deal with.

Trustee Marshall asked, looking at the Affordable Care Act and the different illnesses that it covers, are we getting more coverage for things that were not covered in the past under our old insurance grouping? Vice President Weldy replied that yes we are. He also commented that cost is also impacted by the fact that our students have a very high claims rate in regards to the number of claims that they submit with their health insurance. That boosts costs as well.

Provost Freeman noted that this was a good segue to the Human Resources presentation. It is safe to say that any piece of legislation as complicated as the Affordable Care Act will have a variety of intended and unintended consequences and Dean Bond and Vice President Weldy spoke eloquently to the direct costs issues that our students face. We have here Liz Guess and Celeste Latham from Human Resource Services and Greg Brady from the General Counsel's office to talk about some of the institutional risks associated with the Affordable Care Act and how that can impact students and employees.

Mr. Brady thanked the Board for the opportunity and noted that the questions were a nice segue into the presentation. The earlier conversation spoke to the individual mandate for persons to maintain personal health insurance, which our student health insurance can help with, but the question that Chair Strauss has posed about the work force, our offering of a student health insurance plan does not meet our employer obligation to provide health insurance to our full-time employees. This is what Celeste and I are going to talk about here. Unfortunately, we cannot utilize the student health insurance program to cover our employee mandate to those individuals who may also have an employment relationship with the university. The mandate is that we have to offer health insurance that is affordable and provides minimum essential coverage to our full-time employees. The standard under the affordable care act is 30 hours per week or 130 hours per month equals full-time employment.

Mr. Brady continued, our responsibility is hinged upon penalties. There are two primary penalties outlined in the affordable care act. The first penalty is charged if we fail as a large employer to offer insurance to those individuals who meet the 30 hours standard per week or 130 hours standard per month. This is penalty A, which is the \$2,000 per full time employees at our institution who meet that standard, excluding the first 30. That could be a substantial penalty because of the size of our workforce. There is a penalty B, which is enforced if we offer health insurance, but we do not offer it in an affordable sense, or a minimum essential coverage sense, we could be looking at penalty B which is the \$3,000 per employee who receives a premium tax credit and there is a cap on that penalty. It is a much smaller penalty, but it is a penalty. The triggering event for a penalty is if we fail to do one of those two things and one of our employees goes out to the marketplace, gets health insurance from the marketplace and is provided a tax credit or a subsidy from the marketplace and the federal government. These are the complexities of what we have to manage here.

Mr. Brady continued, now, unfortunately, this applies to employers, so large employers, small employers, but traditionally those employers are able to control the health insurance that they provide. We as a public entity in the State of Illinois are not allowed to control our own insurance. That is provided through state law, the State Employees Group Insurance Act of 1971. This dictates who gets coverage and what that coverage is. We do not control that. We found that we have employees who get health insurance here and the state is covering that. We have employees who may or do meet that 30 hour per week standard and they are not covered through the Illinois law on insurance. We have gap employees. We have been struggling with the obligations from the Affordable Care Act to try to provide them insurance and what our

options are as far as looking into insurance options individually, in a consortium, or making policy changes in relation to how we operationalize our employees with those standards in mind.

Associate Vice President Latham added, the biggest constraint as it relates to providing insurance to our gap employees is that in order to be eligible for benefits under central management services, you must be eligible to participate in the Illinois pension plan. There is an intertwining of two statutes that provides us with some constraints as it relates to our gap employees which are our student employees, our grad assistants, extra help affiliates, and any Civil Service, SPS, or faculty working less than 50% or who are on contracts of four months or less.

Associate Vice President Latham continued, in our initial steps to try to come up with a solution and mitigate risk, was we spoke with central management services on what, if anything, could they do to help us mitigate our risk. Unfortunately, because of the statutory constraints, they were able to provide little assistance to us. In collaboration with the other universities, we have been working with them over the past two years to try to come up with a solution and find a vendor that will be able to provide coverage for our gap employees. During this two year period, we have utilized two consultants, we have issued one request for information, three requests for proposals, and unfortunately to date, no bids were received to provide coverage to our employees. We then started beginning the next steps with the other universities on being able to limit the number of hours so that we could lessen the risk of employees working more than 30 hours and us not being able to provide coverage. We received notification yesterday, we have a potential emergency procurement that we are exploring with the other universities that might be able to help us with a possible solution.

Associate Vice President Latham continued, given the constraints that we are working under, we have been taking multiple steps to work towards compliance. We are reviewing all of our processes and our reporting mechanisms in order to accurately depict who is working 30 hours or more. We limited extra help to 25 hours per week. Review of the affiliate category determined that that category can actually be eliminated. Duties are now being encompassed in other employment categories that are a better fit. We have been working with departments on accurately reporting FTE for the gap area employees. For student employees specifically, we are working with departments on eliminating what is called the negotiated rate category and it is where we are paying student employees more like a salaried employee. We have also been reducing the number of hours above the 20 that they could work. Currently, students are eligible to work up to 30 hours so we have reduced that to five extra hours for a cap of 25 hours. For grad assistants, they are limited to 20 hours per week and then extra employment will only be available to those graduate assistants that are on assistantships that are less than 20 hours.

Trustee Marshall asked if there were questions. Trustee Murer asked how many weeks a year is someone usually employed? Associate Vice President Latham said that it varies by employment category, but generally they are employed for a nine month period. Trustee Murer replied to think about balancing any harm to a student worker, could we be compliant if someone worked 25 hours a week and then remain under the student insurance? In order to address the financial gap of those five hours times the number of weeks you could increase the number of weeks per year. Mr. Brady said that will only cover then the student employment categories. Trustee Murer asked what percentage of employees does this effect. It might be helpful to show a diagram. Associate Vice President Latham said it is generally over 50%. We hire about 3200 students per year and about 1300 graduate students.

Trustee Butler clarified that one of the penalties is triggered by the purchase of insurance on the exchange.

Mr. Brady replied that yes it is and it is multiple events. We have to first fail to do one of the two things, which is either fail to offer insurance that is affordable and "minimum essential coverage," and then one of those employees who was supposed to be offered such insurance, goes to the marketplace and gets the subsidy. That would trigger penalty A. The second scenario is we offer insurance, it is not either affordable or provides "minimum essential coverage," or both. Same thing where the employee who should have had

that goes to the marketplace, gets insurance, and gets a subsidy that triggers penalty B. Trustee Butler asked if the employee could demonstrate that they are a participant in a group plan other than the CMS plan, would that satisfy the requirement? Mr. Brady responded that he did not believe so because it is the employer provided insurance that is the key and that is why we cannot use the student health insurance as a substitute. Trustee Butler asked about collectively bargained health plans for temporary employees? What if you have temporary employees who do carpentry work, for example, over the summer who might have coverage through their union? Mr. Brady said that if it is not provided by us, it does not meet the requirements.

Trustee Butler acknowledged this is a huge issue for the public universities and these are some of the really complex issues that the Affordable Care Act raises. He noted that he appreciated the work that they have done. Trustee Murer clarified that if a student works less than 30 hours, she thought the student insurance could be utilized. Mr. Brady said it is not a substitute. The under 30 hours in your scenario is the triggering event, so if a student works less than 30 hours they would be compliant.

Trustee Coleman asked for some more understanding of us shopping around for gap insurance. He noted that he found that hard to believe. Associate Vice President Latham said that the challenges we faced in trying to get a company to provide coverage is two-fold. One we cannot guarantee minimal enrollment and so that was a deterrent for vendors. The other one was we cannot give a claims history. Across the entire state the only information we could provide was general age and zip code where they lived. We could not give them any claims history for individual insurance requirements. They have been frantically working to see if there is still another provider out there that maybe was not targeted or did not respond to our initial requests. Trustee Coleman clarified that we are not the only institution that is facing this challenge. Associate Vice President Latham no, we are not. One of the reasons why we used all of the universities was because we were hoping that the larger number of people who needed to be insured across the state would hopefully minimize the dollar amount and help us meet the affordability prong of the test. Trustee Coleman expressed concern that students that have a need to work 30 hours are trying to pay for their housing or other expenses and that capping their hours to 20 or 25 will have an adverse impact. We have to realize that some students may have to seek alternative institutions because of it. He encouraged them to keep working toward an insurance bid. Associate Vice President Latham replied that they are continuing efforts with the other universities.

Mr. Brady noted that they have given a similar presentation to different constituencies within the institution and people have been very willing to try to find solutions to how can we get a health history. Obviously, the impact is going to be that a single student is not going to be able to work 30 hours. Maybe that opens an opportunity for another student to get employed, both of them being under the 25. We have been really grateful for the feedback. Unfortunately, we are running up against the clock for this year, so we have to implement something for this year, but we want to keep that in mind for future years because this is going to be a continuing obligation for us. Trustee Coleman asked what we anticipate the additional cost of insuring the gap students to be. Associate Vice President Latham said that they are still looking at that feedback to estimate the costs so we can provide that to Provost Freeman in the future.

Trustee Coleman noted that he wanted to remind everyone what the purpose of ACA is. Remember it was designed to try to lower the cost for health insurance for the entire nation. Keep in mind, we spend 17% of our GDP – about 3 trillion dollars – on healthcare, and that is the largest of any industrial nation. So we have got to find a way to lower the cost. If we have uninsured, the uninsured are driving up a significant amount the cost in the healthcare industry and so that is the reason why we want insurance. We want all of our students to have insurance to help keep the cost out of the entire system down and when we put proposals on the table or even consider proposals on the table that would take insurance away, it is going to have an adverse impact. We may save on one side of the equation but it is going to increase the overall cost of care for everybody. So we need to be careful here.

Trustee Marshall thanked the presenters. Provost Freeman added her thanks and assured the Board of

Trustees that no one in the senior leadership of this university believes that capping hours is a great solution to the challenge that we face. We are eager to work with you and with others in the state of Illinois to procure a gap insurance and when we consider the cost benefits of a gap insurance policy, we will consider not only the impact on our students, which all of the trustees express concern of, but also the impact on our institution. Our temporary employees are critical to the function of this university. Just because they do not work full-time does not mean that we do not depend on them and capping those hours has a dramatic individual and institutional effect and we will consider that as we go forward.

8.d. PROGRAM PRIORITIZATION UPDATE

Provost Freeman moved to the final information item 8.d. When the Board expressed a resolution in support of program prioritization, she agreed to provide periodic updates. These updates do not fall neatly in the purview of any one committee and so we are rotating them across committees as appropriate for the activity. I have asked Vice Provost Carolinda Douglass, our Vice Provost for Academic Planning and Development to give the update this morning as co-chair of the coordinating council facilitating this process. She has been working diligently with more than 100 people on campus to move this initiative forward and I believe it is appropriate for her to talk about that activity. Thank you Vice Provost Douglass.

Vice Provost Douglass thanked Provost Freeman. As Provost Freeman said, you will get some regular updates. Today I will provide a very brief update on the progress that we have made thus far, a little bit about the communications that we are doing and actions that we expect to see after the rankings are completed in late April, early May. There are over a hundred people that have been working on this. If you could imagine for a moment a hundred people standing here with me, there are people that have been doing data loading, there are people who have been doing criteria development, and there are people who have been doing communications. This is an effort that has been campus wide and I want to give thanks, a general thanks to the individuals who have been involved in that, many of whom actually are sitting in the room today and many of whom are back in their offices hard at work. One of the things that I really appreciate about this process is that, at every turn, people have stepped up to the plate and that is what NIU is about and I appreciate being a part of that. We also would not be where we are today if it were not for the leadership, if it were not for President Baker and Provost Freeman, Vice President Al Phillips, and of course all the senior leadership that have been involved in being supportive and championing this cause including the invitation by the Board for this update.

In fall of 2014, as you may know, we had our initial exploration of program prioritization with a team that went to an academic impressions conference listening to Bob Dickeson and Larry Goldstein talk to us about the process. From that we developed a coordinating team overseeing the processes, again Provost Freeman mentioned from start to finish, so we have been involved in this since about October of 2014. We had some preliminary communications and we continue to have those ongoing with the campus community. At the very beginning we began an evaluation process and I am very proud of that evaluation process. At some point later we will share some of the results from that because we are one of the few institutions that is actually doing formative evaluation and making process improvements as we go along rather than just doing a summative evaluation at the end.

This past spring, we established the guiding principles, defined the enormous list of academic and administrative programs. There is over 200 of each type. We developed the criteria using a shared governance process. First, with a survey that was passed out throughout the campus and then with the Academic Planning Council and Resource, Space and Budget Committee of the University Council. That process was led by a former faculty senate president, Professor Bill Pitney. We completed the task force nomination process, which is open to everybody on campus to make nominations. We had well over 100 nominations. We had another group that was selected to make the selection of the individuals on the task forces and they have been selected. We also have assigned chairs of each of the task forces. This summer the data support team has been working hard. Vice President Brett Coryell stepped up to help us put together a data support team including a project manager and we have been working with them all summer

to develop data, to get it put together, and to get it loaded into a system for this process.

The communications support team has developed a communications plan that will be implemented this fall. Vice President Harlan Teller's team was very important in that, as well as Vice President Anne Kaplan, who has loaned us some of the talent from her unit. We developed and implemented the task force training plan, and we have been having on-going meetings all summer with the task force chairs. Coming up this fall the training will kick off and the official charge will be delivered to the task forces on September 3rd and 4th. Then training will be set up for all the individuals who are actually writing the programs or approving the programs; and we again have probably close to 400 people who will be involved in that. We are bringing in a panel of experts from other universities that have gone through this process in October and there is a group that has been working on putting that together. That will coincide during the period where people are writing the narratives, approving the narratives and we expect all of those to be approved by December 2015.

At that point, our training team will step back in again working specifically with the task forces themselves to train them in the system. The system by the way is called "Program Prioritization Plus," that is the system that we are using for the data; and helping them to norm their scoring. We had a very good conversation yesterday with Vice President Jerry Blazey regarding the norming processes and we are going to make sure there is rigor and integrity in that process as well.

In the spring, the task forces will prioritize programs into five equal categories, or quintiles, and provide recommendations to the senior leadership. During the September 3rd and 4th training, the task force is actually deciding what they want to call them. The generic process is that you will have (1) a group that are candidates for enhanced resources; (2) a group that for whom basically "everything is going fine" (3) a group for "continue and no change in resources"; (4) a group that maybe continues "as is," but is also a candidate for reduction of resources (perhaps things could be done in less volume or greater efficiency); and then two that are not performing as well: (5) one that requires transformation that is critical to our mission (we cannot eliminate it of course, but we need to figure out a way to make it more effective and efficient) and (6) a candidate for elimination. And again, a recommendation for elimination, or consider for further review, is a recommendation subject to our normal processes and procedures of shared governance. Following that, a Student Association panel will be looking at the recommendations, as well as Faculty Senate and any other shared governance groups that want to reflect on the task force rankings and provide their own recommendations and comments to the senior leadership. Finally, the senior leadership will determine resource allocations not just for fiscal year '17, but beyond as well. Some additional tough work begins with the implementation.

Next, I would like to point out some of the messages that we have been providing to the campus community, communications that we appreciate the support of the senior leadership and all of you in reiterating when you are able to. First, program prioritization is an opportunity for NIU to improve our alignment of resource allocation with our priorities to better serve our students. We are looking for creative and innovative ways that people can reflect on their own processes and come up with their own ideas about how we can make this a better place. Second, program prioritization is a chance to increase program efficiency and quality across the university. Again, we are hoping that people will look at that on their own locally as well as within the task forces. Third, program prioritization is an inclusive and transparent process including shared governance groups, peer review, and a comprehensive website. We are trying very hard to make things very inclusive and transparent. Fourth, program prioritization is a process with rigor and integrity which will result in a more data-informed culture and hopefully a greater data infrastructure on campus. Certainly that is what is happening with prioritization plus and hopefully that will move on as we move forward. Fifth, although program prioritization was not created as a response to the current budget crisis, we hope it may help NIU in finding a path out of our current fiscal crisis and be part of a larger set of initiatives that we are working on at NIU to help us with our fiscal concerns. If you have not had an opportunity to look at the website, I would encourage you to do that frequently. It is updated often. Vice President Teller's group has done a wonderful job helping us to develop this website and it is our primary

means of communication. There are many forms of communication including emails, NIU Today stories, and surveys.

Finally, I want to talk a little bit about the action and the implementation phase, this will be a year down the road, but once the task forces provide the recommendations to the senior leadership, there is a series of things that they will be looking for. First, a commitment to act upon those recommendations in fiscal year '17 as well as four to five years beyond. We have had conversations with senior leadership, most notably with Vice President Phillips, about the fact that this needs to happen in multiple years. We are not going to make huge changes the very first year given particularly the timing of the rankings. Secondly, a commitment to work with units that are negatively impacted to assist with retraining as needed. Third, a commitment to maintain the data-informed culture and build and on-going data infrastructure. Fourth, a commitment of this administration to open and transparent communications from the top down. Vice Provost Douglass thanked the board and asked for questions.

Trustee Butler asked about authoring narratives and whether an entire major, that includes minors and other certificates, is one program. Vice Provost Douglass replied that for the academic programs, a major is an individual program, a minor that does not have a major that it is related to, it is an individual program; but, if a minor has a related major, then those go together. Trustee Butler asked, for an example, if I am NGOLD, who would you look to author that narrative? Would it be the personnel who is responsible for the administration of that program? Vice Provost Douglass said that it would likely be Nancy Castle. It would be the chair or the director of the program. That person has the ability as the first author to request additional authors as he or she sees fit.

Trustee Murer noted her appreciation for the sensitivity of such a complex and impacting process. The inclusion of so many people is certainly appropriate. It would be nice to see a year ahead, as there is a sense of urgency in the identification of who we are, and that goes to marketing and relates back to student enrollment. One of the benefits that I hope will come out of this is a reiteration of who we are and where the strengths are. If you go back 50 years and you said, "who is NIU," "teachers college" would be mentioned immediately. We need to have that type of response with particular areas of expertise defining who we are. That will really help us in the marketplace to distinguish ourselves. This work is critical. I know that you are taking it seriously. There is a subconscious trepidation and everyone seems to be fighting that natural sense of the unknown, but if we all stay focused to the fact that we represent, and certainly this Board of Trustees, represents not any individual, but represents the posterity of Northern Illinois University now and in several decades to come. This is probably the most critical work that is occurring and unfortunately we have tremendous outside pressures that are going to determine what the results are. Good job and keep moving forward.

Vice Provost Douglass thanked Trustee Murer for her comments. She echoed something Trustee Murer said about having, we call it the trustees' mentality, having the mentality of the entire university on the part of the task force members. They will be trained for that, they were selected for that, and that is necessary.

Trustee Boey asked for an example of how, for example, Mechanical Engineering would be evaluated. Vice Provost Douglass said that a specific major with the field, a BS in mechanical engineering, that will be a program that will be reviewed under the academic task force. Trustee Boey asked whether the viewpoint of the cost will be examined as well. Vice Provost Douglass responded from a viewpoint of cost, revenues, enrollments, quality, student engagement, faculty outcomes, student achievement, and potential growth. Trustee Boey asked what was the ultimate bottom line, what will the task forces be reviewing, and how will the decisions be made. Vice Provost Douglass explained that there is a group of 21 people on both the Academic and Administrative Task Forces and they will look at components of the criterion that have been selected. There are eight criterion that have been selected for the academic side, five for the administrative, and there are a series of questions within the Prioritization Plus system. Additionally, people will be uploading data, we are uploading central data, related to cost and enrollments, etc., but people will also

be uploading qualitative and quantitative information they have at a local level. They will be making the case about why their program is important and meets the criteria. Then the task force will rank those. We are working with Vice President Blazey on ranking techniques that we may need to incorporate to make sure we do not have drift and have statistical anomalies. There will be some judgment as well within the task force, and that is where the "trustee mentality" comes in. If a program ends up in a place based on raw numbers where maybe it really does not belong, there will be some opportunity for judgment to come into play, for the individuals to say we do need this, it is critical to our mission; as a result, we may need to move it into a different category.

Trustee Boey commented that the number of people and programs involved is huge obviously. Vice Provost Douglass replied yes, there are over 20 people in each task force. Over 200 programs in each category (about 224 in the academic and about 250 in the administrative). Everything is being looked at. Everything from janitorial services, to snow removal, to president's office, to athletics; everything is being looked at. Programs will be looked at in a rigorous and methodical way through the software system and through this process that will take a very long time and through a lot of conversations with the task force members. Ultimately, that will result in a series of recommendations for the senior leadership.

Trustee Coleman reiterated that this body of work is really important. He noted he was a little concerned about the timeline that is in front of us. We are going to be faced with some tremendous decisions long before we get to the fiscal year 2017. This is a body of work that we have to do and we need to continue to do it. As part of this work, we probably need to maybe have some tiers even within the recommendations of keep. Maybe have some tiers to a point where we may have some services that we want to keep, but because of the financial constraints we may have to get rid of. There is a prioritization process that we probably need to also include in this that says, even if we think it is good for the institution, even if we think there is great potential for growth, we may have to cut it anyway. That is a hard pill to swallow unless we can find some other financial relief, but the way things are going right now, I think we need to plan for the worse.

President Baker said that the university is going to have to make reductions and Vice President Phillips will speak to us in a few minutes about the budget for the university. We have been going through budget reduction planning without this process. In an ideal world we would have started this two or three years, or five, ten years ago; so that we would be allocating our resources to the greatest need and use, but it did not happen. It took a while to get the complexities put together and the structure put together and we are moving forward. We started a year ago a new budgeting process inside the institution and we made budget reductions last year. We are going through a same process this year. It has been collaborative with the provost and vice president for finance meeting with the other divisional leaders and their leaders. We are going to put together a budget reduction process prior to this. We have to. Program Prioritization is a better process. It is more inclusive of the university and takes a deeper dive into all the pieces. It is also starting conversations about revenue. Where do we grow our revenue? How do we do our processes more efficiently and effectively? I think it is an ongoing process we are going to have to invest in. We will get there. Thank you to Vice Provost Douglass and the hundreds of people that have been working on it.

Trustee Marshall commented on one of the terms that Vice Provost Douglass used: "retraining." Are we cross-training at this point? Provost Freeman said that units vary in the degree to which they currently cross-train employees. As a result of the fiscal challenges that the university has faced and the inability to refill every vacancy, we have done a number of reorganizations, changing of position descriptions, cross-training across units, moving towards shared services within colleges or divisions or units. Cross-training has become an essential part of that. From what you saw in Vice Provost Douglass's presentation, and what you heard from Trustee Coleman and Trustee Murer and the president, we are not going to be able to continue to do everything we have always done the way we have always done it, but that also does not mean that we are going to be eliminating valuable employees as we change our activities change programs. People who are committed to NIU, who are Huskies, who bleed black and red, who take pride in being a member of this community, very talented people; and when we have to change the program that they

have been affiliated with, we will offer them an opportunity to continue to contribute to the university. Offering them the resources that are needed for their development to allow that to happen also has to be an institutional priority. We are facing a difficult fiscal situation now, but program prioritization is not just about cutting and that is not just lip service. It is about being a data-informed culture that makes sure our resources remain aligned with our mission and I would be advocating for this process with all this complexity in times of wealth as well as in times of scarce resources. This is the beginning of a new way of doing business at NIU to make sure that we are good stewards of public funds and that we are serving the needs of our students and our region to the best of our ability.

OTHER MATTERS

Chair Marshall asked whether there were other matter to come before the committee. He gave an update on the SUCSS search for a director. There are three finalist for the Executive Directorship of the Civil Service Commission for the State Universities. Those three candidates are being interviewed now. When we come to the next full board meeting, I should be able to give you the name of the successful candidate.

NEXT MEETING DATE

Chair Marshall announced the next meeting date, November 12, 2015.

ADJOURNMENT

Chair Marshall asked for a motion for adjournment. Trustee Strauss moved to adjourn, Trustee Boey seconded and the motion was unanimously approved.

Respectfully submitted,

Liz Wright
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.