

Meeting of the
BOARD OF TRUSTEES
OF NORTHERN ILLINOIS UNIVERSITY
June 18, 2015

1. CALL TO ORDER AND ROLL CALL

The meeting was called to order at 9:09 a.m. by Chair John Butler in the Board of Trustees Room, 315 Altgeld Hall. Recording Secretary Linda Odom conducted a roll call. Members present were Trustees Robert Boey, Robert Marshall, Wheeler Coleman, Paul Julion, Vice Chair Marc Strauss, Chair John Butler. Trustee Anthony Iosco and Cheryl Murer were absent. Also present were President Douglas Baker, Board Liaison Mike Mann, Executive Vice President & Provost Lisa Freeman, General Counsel Jerry Blakemore, Greg Brady, Anne Kaplan, Al Phillips, Gerald Blazey, Eric Weldy, Catherine Squires, Mike Malone, SPS Council representative Deborah Haliczzer, OSC representative Jay Monteiro and UAC representative Rebecca Shortridge.

2. VERIFICATION OF QUORUM AND APPROPRIATE NOTICE OF PUBLIC MEETING

General Counsel Blakemore indicated that appropriate notification of the meeting had been provided pursuant to the Illinois Open Meetings Act. With a quorum present, the meeting preceded.

3. MEETING AGENDA APPROVAL

Chair Butler asked for a motion to approve the meeting agenda. Trustee Strauss move to create a consent agenda immediately preceding the beginning of the President's Report and move President's Report No. 98, Action Items 8.a.2, 3, 7, 8, 9 and 10 and Information Items 8.b.2, 3, 4 and 6 to that consent agenda. Trustee Marshall seconded the amendment to the agenda. The motion was approved.

4. REVIEW AND APPROVAL OF MINUTES

Chair Butler indicated there were four sets of meeting minutes to consider beginning with the Special Meeting of the Board held on February 26, 2015. Trustee Strauss made a motion to approve and Trustee Marshall seconded. The motion passed.

Next were the minutes of the Regular Board meeting of March 12, 2015. Trustee Marshall made a motion to approve and Trustee Julion seconded. The motion passed.

Trustee Strauss continued with a motion to approve the minutes of the Special Meeting of the Board on May 7, 2015. Trustee Julion seconded. The motion passed.

Finally, the minutes of the Special Meeting of the Board held on May 13, 2015 were considered. Trustee Coleman made a motion to approve and Trustee Julion seconded. The motion passed.

5. CHAIR'S COMMENTS/ANNOUNCEMENTS

Chair Butler recognized the University Advisory Council representatives present including Deborah Haliczzer, Jay Monteiro, Greg Waas, Rebecca Shortridge, and Dan Gebo and asked for any comments.

Jay Monteiro noted on the agenda the resolution honoring Trustee Julion and said he wanted to congratulate Paul, who served as one of his student employees in the College of Education. It always does me good to see our students succeed and do great things, and I want to wish you the best as you move on. Thank you Paul.

Chair Butler began his comments by welcoming to the Board the NIU student who received the support of her peers to become the next student trustee, Raquel Chavez. Trustee Julion will continue to serve in this post until the end of his term, which will be the end of June, and Miss Chavez will become a member of the Board effective July 1. She'll be formally sworn in at the Board committee meeting that occurs most immediately following July 1st. Miss Chavez was elected, along with three other Student Association executives, so I want to also congratulate Nathan Lupstein who was elected as the new President of the Student Association; Reginald Bates, Jr. who was elected as the new Vice President, and Mark Calvey who was elected as the new Treasurer.

Chair Butler continued, in addition we will be the final vote in a lengthy process that confers upon several of our outstanding faculty tenure and promotion. These are critical milestones in the careers of these professionals and affirmation that NIU is a place where individuals can thrive as scholars, teachers and leaders in their professions and community. We will discuss the ongoing efforts to engage in program prioritization, a process that is being employed to define our future and deal with the unprecedented fiscal challenges that require our creative response. We will learn more about the efforts of state law makers and the executive branch to broker a budget that, if we are diligent and present in that conversation, will continue to honor the value proposition of higher education, and its impact on the state's economy and the lives of state residents. This Board will also demonstrate that it intends to meet the expectations of a public that demands more transparency and accountability in higher education governance. We will consider important revisions to our open meetings practices and discuss policies that are designed to improve the exchange of information between the Board and the administration in the area of contracting and employment authorization, so that we can exercise the level of oversight that is expected of us within and industry and a state that is shining a brighter light on the processes and practices of higher education institutions and demanding that these endeavors that we undertake at NIU make good sense. We will honor one of our own for his service and friendship and demonstrate once again that this Board is a democratic body capable of governing itself and empowering its members to assume the responsibilities of leadership. My two terms as the Board Chair come to an end at the end of this month and as such, this will be my last meeting as Chair. I want to thank my Board colleagues and all the leaders in this room for your support, trust and good company. It has been an exhilarating experience and a pleasure. So thank you.

6. PUBLIC COMMENT*

Chair Butler indicated we had received some timely requests to address the meeting. Sharon May was asked to the podium to address the Board and was requested she keep your remarks under five minutes.

Speaker Sharon May: Good morning. I thank the Board of Trustees for granting me the opportunity to speak today. I humbly request your patience as I am not, nor ever have been, nor ever will be, a public speaker. I had attended the Ad Hoc Governance Committee meeting on Monday and was gratified to hear that the committee is considering additional oversight on presidential hires, fires, and consultants. However, although both Provost Freeman and Vice President Phillips objected to this suggestion, I do believe the oversight should extent to the vice presidential hires, fires, and consultants as well. I do believe that the influence of, or pressure by, their superior is enough for them to make questionable decisions. I would like to give support to my contention by presenting one example that involves both a consultant and a hiring. A contract was signed with Wally Pfeiffer for consulting services. Dr. Pfeiffer is, at minimum, known to Dr. Baker, since Dr. Pfeiffer was a bronze level donor to the University of Idaho Foundation when Dr. Baker was Provost. Additionally, I have been told that Dr. Pfeiffer did mention to more than one HR employee that he had been a school chum of Mr. [Ron] Walters. Remember Mr. Walters was hired as a special consultant to the President. However, Dr. Pfeiffer's purchase order was requested by Vice President Nicklas and the contract was signed by interim CFO [Nancy] Suttentfield. The contract was in the amount of \$19,999.99. I believe all attendees of this meeting should by now understand the implication of this amount in reference to the state procurement code. Further, there is a line in the contract that states under no circumstances will university pay for charges in excess of the agreed upon fees. One of the early problems with this contract is the work performed preceded the effective date of the contract. This is another example of an issue that Mr. Van Buer introduced at the Ad

Hoc Governance Committee meeting. Mr. Pfeiffer's first invoice indicated that work was performed prior to the contract. Unfortunately, the second invoice exceeded the contractual limit, albeit by a minimal amount. The President's Office therefore instructed the Foundation to issue a purchase order for the difference. May I point out this is the same methodology used when the President was informed that Ms. Suttentfield's employment agency contract was signed in violation of state procurement rules. The action taken for Dr. Pfeiffer may have avoided state procurement laws as far as actual invoices were concerned, but the free hotel stay was not taken into account. The excess amount plus a hotel bill easily pushed payment on this contract into a violation of state procurement rules. However, subsequently the university voided the accounts payable check that had been written for the invoice received under the consultant contract and Dr. Pfeiffer was put on the payroll for two periods as yet another affiliate employee. He was later issued a second smaller purchase order but without a contract. This flip-flop of a consultant to an employee, back to a consultant within a very short period of time, seems to imply some very questionable activity that may have been intended to circumvent state rules. Another interesting item is that, and it just may be by some odd coincidence, Dr. Pfeiffer's first payroll amount was exactly equal to the amount of this second invoice. Even if this payment could be considered acceptable by state regulators, the invoice did include travel. And, as this year's audit finding pointed out, commuting costs incurred by an employee is not reimbursable by state law. Therefore, similar to Mr. Walters, the university should be requesting Dr. Pfeiffer reimburse the university \$1,557.00. The second payroll payment may have also included travel, but I have not as yet received a copy of the support for that amount. The point I'm trying to make to the Board is that questionable activity at sub-presidential level appears to be at the request or direction of the President. Therefore, I would suggest that oversight by the Governance Committee should extend to that level. Thank you for your attention.

Chair Butler thanked Ms. May and asked if any trustees had questions. Seeing none, Chair Butler asked the next speaker interested in address to the Board, Derek Van Buer, to address the Board.

Speaker Derek Van Buer: Thank you for the opportunity to speak today. Unfortunately I won't be able to give a formal presentation since my simple request of how much time would be allowed wasn't answered until 3:30 or 4:00 p.m. yesterday. I realize that there is confusion based on my attending an ad hoc committee on this issue of public comments. Today I want to talk about governance. None of what I am talking about today is legal advice; rather, it's just a general discussion. On Monday, the ad hoc committee [on Governance] met. Hopefully, I would be able to share a few items about oversight to further the discussion on governance. Oversight does not just include those items that you review, but the policy's internal controls and compliance review. I know that Trustee Marc Strauss is a firm believer in trying to hire a Chief Compliance Officer. In my brief discussion I will use travel vouchers and time reporting as examples. Last year, around this time, I requested Ron Walters' travel vouchers, TA2s, which shows where your headquarters is located, and expense receipts. The first line of oversight is at the point of submittal, as in submittal of travel vouchers with review and approval process. This is an internal control. In addition to this, the employee certifies the travel voucher with his signature, if you want to look at the travel voucher, it's in the package. In addition to this employee certifying the travel vouchers, employees at NIU are required to undergo ethics training each year so that they understand ethics. As you view the attached travel vouchers and receipts, you would notice a consistent pattern: Ron Walters traveled from his home on Lopez Island to a residence on Belmont and Pine. He spends the night before flying to Chicago and charges a per diem for the night, etc. The problem with the per diem is that it appears that that he's staying in his own apartment in Seattle that is located at Pine and Belmont. On the first page you can see a picture of him at his Seattle condo. I got that off his website and he got married in mid-August 2013, and so those travel vouchers are just before that time and throughout the period afterwards. The issues are with Ron Walters and his travel vouchers, but also the internal controls of somebody of the President also failed. The process failed numerous times. I have included a photo from Ron Walters' wedding site. I have also included a white page listing that I received showing Ron Walters Seattle address at Belmont and Pine. I've also included in the handout the results of a FOIA request of the [Higher Education] Travel Control Board that shows that NIU finally submitted to the Travel Control Board that Ron Walters was not in travel status at any time of his employment of NIU, and therefore he was not allowed to claim reimbursement for his commute to work. Why was Ron Walters hired as a temporary employee? If he was going to be hired as a consultant the pesky procurement process would

have been required as the contract exceeded \$20,000. Why was he always referred to as a “consultant” instead of as an advisor, or a special assistant, to the President? “Advisor” or “special assistant” indicates employee. Doesn’t consultant refer to a non-employee? This breach of public trust should not have occurred. Where is the compliance review at NIU? Does internal audit function have enough independence from the President’s Office? How about the Controller’s Officer? Last year both the controller and assistant controller were put on administration leave. Why? The Office of the Controller had a reputation through NIU as being very tough to adherence to rules and regulations especially when it came to adherence and travel regulations. This toughness that’s demonstrated in reviewing past years of the minutes of the Travel Control Board, NIU really had to request an exception to travel regulations. The oversight of the Board [of Trustees] must include a review of purchase, although it seems likely enough not to play with procurement rules, regulations and law. There are too many purchase orders close to the limit before requiring a bid, such as all these purchase orders for \$19,999, as the President recently did for his legal fees. There is numerous examples also, with the President’s authority, for projects at \$249,000 with the spending authority of the President’s \$250,000. Hopefully you will take a step back and examine the internal controls that are necessary and what your duties and responsibilities are. Finally, I want to thank Vice Chair Coleman of the CARL Committee. It was with immense pleasure that his meeting in Hoffman Estates finished ten to fifteen minutes early a couple of weeks ago. Thank you.

Chair Butler thanked Mr. Van Buer for his comments.

7. REPORTS OF BOARD COMMITTEES AND BOARD LIAISONS

a. Executive Committee

Committee Chair John Butler reported the Executive Committee met on May 28, 2015, at the NIU Regional Campus in Hoffman Estates where the committee approved the university President’s request for indemnification against reasonable expenses incurred in connection with the provision of separate legal services. The request relates to matters associated with presidential duties and responsibilities, and approval was sought in accordance with Article IX of the Board of Trustees Bylaws. Executive Committee approval was limited to a total expenditure of \$50,000 with the understanding that if there is need to extend this approval in the future, the Executive Committee requests that the President bring the matter back to the Executive Committee for review and consideration.

b. Academic Affairs, Student Affairs and Personnel Committee

Committee Chair Robert Marshall reported that, at the May 28, 2015 meeting of the Academic Affairs, Student Affairs and Personnel Committee, we approved three items. Those items were: recommendation for faculty promotion, tenure, and promotions with tenure for 2015/2016; a change in degree designation for the current Doctorate of Education and Instructional Technology in the Department of Education and Technology, Research and Assessment within the College of Education to become a PhD in instructional technology; and the oral English proficiency report. In addition, there were also three information items presented that included a presentation by NIU student Julia Boyle, who placed fifth in the nation at the 2015 Interstate Oratory Contest; presentations by the four presidential commissions to update the Board on their activities over the last year; and an update on search progress and future searches for FY16.

c. Compliance, Audit, Risk Management and Legal Affairs Committee

Committee Chair Robert Boey reported the CARL Committee met on Thursday, May 28, 2015. The minutes of February 26, 2015 were approved and a proposed agenda included a presentation on Enterprise Risk Management System. The presentation discussed why enterprise risk management was important to the university, how it’s defined, the benefits of enterprise risk management, and how it differs from the traditional risk management. The presentation also addressed the various types of enterprise risks including strategic, financial, operational and hazard risks, and best practices in these areas. Lastly, the presentation provided an overview of how the university would like to move forward with the implementation of enterprise risk management at NIU and on which areas to focus. The next meeting of the CARL Committee is scheduled for August 27, 2015.

d. Finance, Facilities and Operations Committee

Committee Chair Marc Strauss reported the Finance, Facilities and Operations Committee also met on May 28, 2015, in Hoffman Estates. The committee approvals included action items on today's agenda 9.a.4, 5, 6, 7, 8, 9 and 10. The highlight of the consideration of committee was a presentation regarding the preliminary operating budget for FY16, which is also on the agenda today for consideration.

e. Legislative Affairs, Research and Innovation Committee

No report given in the absence of Chair Murer.

f. Ad Hoc Committee on Enrollment

Committee Chair Strauss reported the committee met on June 15, 2015. There were two main agenda items: a conclusion of the Provost's report on the process for academic programming changes, be those additions or deletions, including a new Illinois Board of Higher Education data collection for low enrollment programs. Secondly, a report on enrollment office revisions including staff reorganizations and additions, training initiatives, and new approaches. The meeting also included a public comment concerning the way students are treated at the Holmes Student Center and follow-up on this item was referred to Dr. Weldy.

g. Ad Hoc Committee on Governance

Committee Chair Butler reported the Ad Hoc Committee on Governance met on June 15, 2015, following a meeting of the Ad Hoc Committee on Enrollment. The committee reviewed its work to date and considered several new items stemming from the public comment concerning the Board's open meetings policy and the Board's commitment to engage in university policy making affecting Board Bylaws, Regulations and Policies concerning Board and presidential contracting and related matters as expressed in its areas of interest document approved at the Special Meeting of May 28, 2015. The committee first considered a revision of Article 2, Section 4 of the Board Bylaws, which concerns appearances before the Board. Trustees will recall that members of the public expressed concern over Board policies concerning public comment at the March 12, 2015 meeting. The committee voted to forward an entirely revised Section 4 to the full Board, presented today as an action item under the Chair's Report. As this is a Bylaw amendment, it is being presented today for first reading. The committee then considered amendments to the Board Regulations and Bylaws concerning Board and presidential contracting, beginning with amendments to Section 2, Subsection A, 2, which concerns faculty and administrative appointments. Two amendments were discussed but not recommended for Board action today because committee members requested more information. All other proposed amendments were deemed ready for advancement to the full Board. This includes amendments to the administrative approval provisions under Section 5, Subsection B of the Board Regulations concerning obligations and financial resources. These include new obligations for the president that are outlined in the proposed changes we have before us for adoption today. Amendments to Article 7, Sections 1 and 3 of the Board Bylaws concerning duties and responsibilities of the president and Board and presidential assessment were reviewed and recommended for first reading also by the full Board today.

h. Illinois Board of Higher Education

President Baker provided the report concerning the Illinois Board of Higher Education. Two weeks ago the Illinois Board of Higher Education met on the Urbana Champaign campus of the University of Illinois. Prior to that meeting, the presidents and chancellors met to discuss the current state of the budget. We'd all been working collectively and individually and we're meeting on a weekly basis through teleconference to discuss strategies for the legislature; and, it's a good group that's trying to do their best and move forward. About a month ago, Chairman Butler attended, with one other board member from another school, and presidents and chancellors, visits with key legislators and staff from the governor's office. I thank Chair Butler for doing that. Interestingly, at the meeting the major topic was in fact not the budget, but it was credit for prior learning for the Illinois Board of Higher Education. They were

interested in pathways to success for students in trying to streamline that process through giving credit for prior learning. There were no actions taken at the meeting relative to NIU. There was a presentation by Beth Purvis, the Education Director for the Governor. No substantive issues relative to us.

i. Universities Civil Service Merit Board

Trustee Marshall, the Board's representative to the Universities Civil Service Merit Board, reported they met on May 20, 2015. Our first action was to appoint Anna Johnson as the new secretary and to welcome new member Jill Smart. Additional approved action items included authorization for the executive director to implement and administer the FY16 budget; permission to continue public officials errors and omissions insurance coverage; forwarding proposed rule changes to the Secretary of State; and sending a formal letter to two state universities that were in non-compliance with Merit Board requests for information. The board received updates from the Human Resources Directors Advisory Committee, the State Universities Civil Service Advisory Committee, the board's legal counsel, and, in his last meeting before retirement, a report from the Executive Director Tom Morelock. As a footnote, there is a search underway for a new executive director.

j. NIU Foundation

Vice President of University Advancement Mike Malone reported that, at its February meeting, the Foundation Board discussions were based around risk management, enterprise risk management, for the Foundation. The keystone of the conversation was based on the Russian proverb, "doveryai, no proveryai," or "trust but verify." He reported that, at the June meeting of the Foundation Board, recently completed, that tightening of risk management operations was operationalized, in accordance with the resolution of the Board of Directors of the NIU Foundation. One of the keystone measures is to use the Board of Trustees and the university as a firewall. So whatever measures the Board of Trustees and their policies enacts, the Foundation stand behind that and have additional layers behind that which will look at donor intent, etc. First, consider state law, then consider university policies approved by the Board [of Trustees], and finally our own layer of considerations that need to be reviewed and operationalized. Moving forward, this is a focus for the Foundation Board as well and looking forward to working in concert with you to communicate this to the users of accounts both at the university and at the Foundation.

Vice President Malone continued, I'm pleased to report that, in the two key measurements for fundraising that we use each year, the first being a very simple cash in the door, revenue received during the fiscal year, and the second being a little more involved fundraising activity that I'll define later, the NIU Foundation is seeing significant improvement over performance of the prior fiscal year. Right now, cash in the door stands at \$10.2 million for this fiscal year. We expect to end the year at a little over \$11 million, including a number of pledges that are due, that get triggered by the end of the fiscal year. Last year, we ended the year with cash in the door at \$9 million, so that's a \$2 million increase. Another measure is fundraising activity. What we count in fundraising activity are those irrevocable pledges that are made; whether they trigger payments over the next five years, and also, most importantly, bequests that are made where we have been listed in an individual's estate plans for a gift that will mature at some point in the future. Those are irrevocable and we count them in terms of fundraising activity. It is in that area where we've seen a fairly significant increase this year. We stand at \$15.3 million in fundraising activity. We expect to end the year at \$16 million plus. The goal this year was set was at \$14 million, which we felt was a pretty good stretch goal. That includes about \$7 million in planned gifts. That is an increasingly growing and important part of fundraising for any organization and will be very important to NIU's future as we move forward and in the next campaign. The annual fund is also up this year by the way. We're up over a \$1 million, and it will wind up being our best annual fund performance in about a decade. So, I am very happy to go out on that note.

Vice President Malone continued, my successor, Catherine Squires, is here. I know you greeted her at the last board meeting, but she was elected by the Foundation Board of Trustees at their June meeting and will take office as the NIU President and CEO on July 1st. Welcome Catherine to this podium, as you give

the Foundation report in years following, and I'm sure they're going to be sensational numbers for you to report as well. It's been a great pleasure ending my career at Northern with a really professional experience, which has been the transition. We were allowed two months to work together and I think that's been a benefit for the university, for Catherine, and also for me personally to have that time to work with Catherine. You are in good hands and I want to thank you all, volunteers, Board members, who have consistently, and this Board, it's previous Boards, that have consistently attended and been part of, and been very active in, alumni and Foundation events over the years. It is so important to our donors to know that the Board of Trustees, by their attendance, by their presence, by their participation, is paying attention to the role that alumni and donors are increasingly being asked to play in determining the future of NIU; and, I want to thank you, all of you unpaid volunteers, who take so much time out of your professional and personal lives to be part of the effort. It goes well beyond the meetings that you attend on campus and at our center. Thank you very much and I'll take any questions.

Trustee Boey commented on Mike Malone's important milestones from 1996 to present and thanked him for all the successes that this university had through your good efforts.

Trustee Strauss continued to thank him for his service as well, and asked that he convey a message to the Foundation Board that we also appreciate their service, have valued the opportunity to be able to interact with them individually, and look forward to working on issues that are of mutual concern.

Trustee Marshall commented about Mike's involvement at events and his leadership in the True North campaign, to raise millions of dollars, and his success.

Trustee Coleman commented on Mike's efforts to make a difference and, as a result, the impact to this institution and his passion for this university

Chair Butler thanked Mike also and added that, recently, he attended several events in Mike's honor, held by his peers and the stakeholders of the Foundation, showing their appreciation for him, which speaks loudly of his passion and commitment to NIU.

k. Northern Illinois Alumni Association

Associate Vice President of University Advancement and Executive Director of the NIU Alumni Association, Joseph Matty reported that he was excitement about the opportunity we have in front of us. Six new board members were elected at the most recent board meeting of the NIU Alumni Association. Five board members will be going out and six coming in. These are all distinguished alumni and individuals who represent a variety of fields. With the election of Catherine, both the Foundation and the Alumni Association leadership positions will be held on the staff side, and the volunteer side will be alumni for the very first time. Dennis Barsema and Catherine, on the Foundation, and Jack Patronski and myself on the Association side. This Board, which is appointed by the governor, does not necessarily have to have alumni on it. Yet if you voted along alumni lines, alumni would win on this Board; that's not true on all sides. The institution is being led by alumni. Last night we had NIU Night at Sox Park. Two individuals who oversee the maintenance and operation of that facility, Manny Sanchez and Jeff Yordon, are alums. Harlan Teller, Brad Hoey and myself – alumni – helped orchestrate that evening, where we have a large presence of engaging potential students and current students. The first pitch was thrown out by a soon to be alum and a person who has been on TV because of her work, and her colleagues work, in the College of Engineering. We have excitement and opportunity in front of us. For the first time in a while, alumni are starting to put their shoulders back a little bit more. In the business community in Chicago, Crain's Chicago Business, for the second time in three years, named an alum's company one of the fastest growing. So, in this town right now, people are talking about the "dynasty" word; two times in three years, best business in Chicago going to an NIU alum; you do the math. There is much excitement that we have and there is a lot of opportunity.

Mr. Matty continued, our alumni board is also supportive of what you are doing. Like Mike stated earlier, the Alumni Association is 28 volunteer board members. They get paid zero dollars and do this because of

their passion and love for their alma mater. You all know what it's like to sit at a meeting at 6:00 a.m., have very delicious breakfast, go to meetings all day, and do it because you love it; and, that's what our alumni are doing. We engaged over 30,000 alumni in the calendar year last year. That means that we have 30,000 engagement opportunities. We're collecting data on them; we're communicating with them, and we're doing this on behalf of NIU. So we look forward to the continued work and the partnership between the Board of Trustees, the NIU Foundation, and the NIU Alumni Association.

The one last part I'd like to leave with you is this: our membership is up in the Alumni Association. A few years ago when we started doing a strategic exercise on what our next goals would be, membership was one, expanded Chicago office was one, tool for evaluating effective operations was another. In this next six months, we'll be conducting an exercise on how to look and grow for the next five to six years as an organization. This is an opportunity for us to chart the future for our organization and to be a partner to the university. We're looking forward the findings and our research will be shared with you. Leading the push will be Peter Burchard, Rita Athas, and Bob Gallagher, along with former president Francine Pepitone, our current chair Jack Patronski; helping us look at how we can continue to increase the involvement of alumni, improve the reputation, and enhance what feel is strong. Our alumni are leaders and we have our faculty to thank for them. Our students, as great as they are, need that guidance. With that being stated, if there are no questions that will conclude my report.

I. Northern Illinois Research Foundation

Interim Vice President for Research and Innovation, Gerald Blazey reported that, on May 18, 2015, the Northern Illinois Research Foundation met at NIU Hoffman Estates. Due to the departure of Dr. Leslie Rigg and the transition of Ms. Shyree Sanan to the Acting Controller position, we need some change in leadership, and I was pleased to be voted in as the president, and I was equally pleased to see that Dr. Alan Phillips agreed to serve as interim treasurer.

Vice President Blazey continued, after my first meeting and just a few months working with NIRF, I see that it's in fact an important partner to the Division of Research and Innovation partnerships. They've helped us in a number of areas including tech transfer and helping us with EIGERlab. We had a number of updates at the meeting. Dr. Rena Cotsones updated the directors on the status of EIGERlab and the EIGERlab Innovation Network, as well as our connection with the Digital Manufacturing and Design Innovation Institute. Dr. Rigg updated the board on recent transaction in the Technology Transfer Office including the prosecution of nine patents over the last year. That's a considerable number for NIU and it certainly is an upward trajectory; and, we're hoping to keep that moving in a positive direction. Since the NIRF/NIU master IP agreement was finalized last fall, two faculty members in Intellectual Property have been assigned to NIRF, and that's an example of how NIRF and the division are working in a profitable partnership. Two faculty members are currently involved in a Chicago innovative mentors program and that shows there is great interest in our faculty's work in the innovation community in Chicago. Provost Freeman closed the meeting with comments on efforts to develop a campus innovative ecosystem for our faculty and alumni and students. That's all somewhat nascent and I hope in the future to give you positive reports and more definite information on how that ecosystem development is underway. The next board meeting is scheduled for Thursday, September 10, 2015, in the fall.

8. PRESIDENT'S REPORT NO. 98

UNIVERSITY RECOMMENDATIONS FORWARDED BY THE BOARD COMMITTEES

Chair Butler called for a motion to approve the items in President's Report 98 that were approved to be considered as part of the consent agenda. Trustee Strauss so moved and Trustee Coleman seconded the motion. The motion was approved.

Agenda Item 8.a.(1) – Recommendation for Faculty Promotions, Tenure, and Promotions with Tenure for 2015-16

President Baker began with the recommendation for faculty promotions, tenure, and promotions with

tenure for 2015-2016. Trustee Boey made a motion to approve and Trustee Coleman seconded. Chair Butler added an additional comment of congratulations and noted it's an honor to participate in this process. The Board has this final vote that we take and it's very important, far more than just symbolic, and congratulations to the faculty who are being tenured and/or promoted. There was no opposition and the motion was approved.

8.a.(2) – Recommendation for Change in Degree Designation – Consent Agenda

8.a.(3) – Oral English Proficiency Report - Consent Agenda

8.a.(4) – Overview of On-Going Fiscal Year 2016 Budget Preparations/Preliminary Fiscal Year 2016 Internal Operating Budget Interim Approval

President Baker continued with the overview of on-going fiscal year 2016 budget preparations and our preliminary fiscal budget. This is interim approval for our operating budget. There's clearly a great deal of uncertainty about the budget right now given what's going on in Springfield. This is our current estimate which represents a \$29.3 million reduction. We're still looking to the General Assembly to see when the budget process might conclude and at what level it might conclude. This is a significant reduction. It's one that we've been planning for. The vice presidential areas are all working on scenarios and we have action plans to move forward. Given the revenue and expense uncertainties related to appropriations, enrollment projections, and potential retirements because of the SURS situation, we believe this reflects a strategic repurposing of our assets and allows us to balance the budget and move forward. I would ask for approval of this interim operating budget. Trustee Strauss motioned and Trustee Julion seconded. The motion passed.

8.a.(5) – Fiscal Year 2015 Student Accident and Sickness Insurance Contract Addendum

President Baker indicated the next item is the 2015 student accident and sickness insurance contract. This is a \$7.7 million dollar contract and is pass-through money. The figure was based on existing rates and estimated student usage. The university requests the Board of Trustees approval of expenditure authority for this pass-through of \$630,000 to align the flow-through dollars with that actually recovered and due to the insurance company. Trustee Strauss so moved and Trustee Marshall seconded.

Chair Butler asked for a roll call vote. Ms. Odom performed a roll call.

Trustee Robert Boey: Yes
Trustee Wheeler Coleman, Abstain
Trustee Anthony Iosco: Absent
Trustee Robert Marshall: Yes
Trustee Cherilyn Murer: Absent
Trustee Paul Julion: Yes
Vice Chair Marc Strauss: Yes
Board Chair John Butler: Yes

8.a.(6) – Intercollegiate Athletics Fiscal Year 2016 Secondary Student Health Insurance Contract Renewal

The next item was the intercollegiate athletics fiscal year 2016 secondary student health insurance contract renewal. This is another insurance item but for our varsity athletes. It covers accident claims for student athletes for athletic-related illnesses and injuries. This is a secondary insurance policy that's required. It's unique and specific for NCAA members with a master policy form negotiated on behalf of schools in accordance with NCAA regulation. This FY16 approval amount is for the NCAA group basic accidental medical program insurance plan, administrative fees, aggregate deductible claims coverage, available exclusively through Summit America, Ascension and Mutual of Omaha's agent claims. It's the renewal of the second year of a nine year series of one year contracts. So we're going into year number

two of a nine year contract. This is a one-year renewal that we come back each year to for and the amount is for \$315,000 and we ask for Board approval. Trustee Strauss so moved and Trustee Marshall seconded. The motion passed.

8.a.(7) – Intercollegiate Athletics Fiscal Year 2016 Air Charter Services for Football Team - Consent Agenda

8.a.(8) – Oracle and PeopleSoft ERP System Annual Maintenance Renewal - Consent Agenda

8.a.(9) – Division of Information Technology Fiscal Year 2016 Blackboard Software Licenses - Consent Agenda

8.a.(10) – Waste Management and Utilities – Fiscal Year 2016 Solid Waste Removal and Recycling at NIU DeKalb Contract Renewal - Consent Agenda

8.a.(11) – Resolution to Endorse Program Prioritization Initiative

President Baker indicated that the next item is the resolution to endorse program prioritization. At the last Ad Hoc Committee on Enrollment, Provost Freeman concluded her two-part discussion of program prioritization. We need to look at our revenues and expenses, and allocate our revenues, to the highest need. This is a process, an inclusive process, that puts more faculty and staff input into that process and there's a resolution I'll briefly read here which says in the second paragraph, "The Board of Trustees resolves that the program prioritization process is a thoughtful process informed by research and best practices. The Board has faith in the NIU leadership team responsible for program prioritization to make necessary adjustments throughout the process in order for the process to be effective at NIU. The Board endorses this process as a strategic measure to identify and direct resources in a way that will provide the most benefit for our current and future students. For these reasons, the Board is interesting in receiving updates on the process as deemed necessary by Executive Vice President and Provost Freeman and requests the president forward a resolution by means of the President's Report to the Board of Trustees for approval at the next board meeting." That's what we're doing here today. I do request and thank the Board for this endorsement of program prioritization. It think it's an important step in our evolution as an institution in becoming financially sustainable. Trustee Strauss made a motion and Trustee Boey seconded

Discussion continued with Trustee Strauss commenting on his endorsement of the initiative. He indicated that he is looking forward to the data that will be generated from this and also was encouraged that it was anticipated that we would learn lessons going through this process which wouldn't be singular, so that, in the event that there were modifications that would be required when we next revisit this, that would be part of the program. With no future discussion, the motion was approved.

UNIVERSITY REPORTS FORWARDED BY THE BOARD COMMITTEES

Agenda Item 8.b.(1) – Search Progress and Future Searches FY16

President Baker moved to section 8.b with two information items that were not on the consent agenda. The first item concerned the progress of searches and future searches. President Baker asked Executive Vice President and Provost Freeman for an update. Provost Freeman indicated we are in the final stage of negotiations with a candidate for Chief Diversity Officer and Senior Associate Vice President for Academic Diversity and we hope to have an announcement soon. Continued searches include Senior Human Resources official and next fall we will begin searching for four academic deans for the colleges of business, education, law and visual and performing arts. Please note we also have vacancies with temporary appointments in the positions of Senior International Officer and Vice President for Research and Innovation Partnerships.

Chair Butler asked if the process and criteria used for searching and appointing an interim Dean of the Law School will be used in the dean's searches or if this process will be unique to the position. Provost

Freeman replied, for permanent appointments the guidelines for search and appointment of academic officers at the level of dean are in NIU's Constitution and Bylaws. Some of the colleges have additional suggestions, or requirements in their bylaws. In preparing to search for the four deans, Vice Provost for Faculty Affairs, Murali Krishnamurthi, has requested from all of the current academic officers, the colleges' constitutions and bylaws. We're aligning those with the NIU Constitution and Bylaws and then also soliciting input in a consultative fashion to make sure that each of the search committees for the academic deans have appropriate representation from faculty, students, staff, alumni, and other potential external stakeholders. We will pick an executive search firm to facilitate or assist with those searches, one that has a proven track record in that area, an appropriate history of collaborating with public universities such as NIU so that we can identify and bring in the best candidate pool. In terms of the job descriptions, we look at the previous position description on file or the last leadership profile that was created for the dean's search. The position description will be updated if needed and will go to the search committee for revision before a search is launched.

8.b.(2) – Semi-Annual Progress Report of Active Capital Projects - Consent Agenda

8.b.(3) – Quarterly Summary Report of Transactions in Excess of \$100,000 - Consent Agenda

8.b.(4) – Periodic Report on Investments - Consent Agenda

8.b.(5) – State Legislative Update

President Baker remarked, as we all are reading in the newspapers, we have not reached a resolution. There are clear fault lines. There's a struggle and a tug and war going back and forth with very different visions for the state and its fiscal future. Higher education continues to work aggressively, talking with legislators and those in the governor's office. We're doing that collectively and individually, but we are a piece of a much larger play that's underway right now. Mike Mann attended hearings this week and will give an update.

Mike Mann continued, as you all know, in late May, the General Assembly passed a series of budget bills for FY16. Included in those budget bills is House Bill 4148 which was approved by the House and also by the Senate which appropriates \$85.2 million dollars to NIU for FY16. That would reflect an 8.6 percent reduction from the original appropriation we received in FY15, and it reflects a 6.5 percent reduction from our revised appropriation for FY15. Currently, those budget bills have not been presented to the governor for his signature. The legislature is waiting until some compromise positions have been reached on the governor's turn-around agenda and, at this point, there is no timeline, or really update, that can be given on when that might occur. As President Baker mentioned, the House and Senate were both in session on Tuesday. In the Senate, the Senate held a series of affordability hearings where the executive director from the IBHE and others were asked to testify regarding issues such as the value of higher education, the importance of state investment of higher education, and the need for institutions to become more efficient. These open hearings are scheduled on every Tuesday for the remainder of the session. It does not appear that the rank and file members at this point are working on the budget negotiations. Those discussions are occurring at the leadership levels. One final comment on the operation budget. The budget approved by the General Assembly and not yet forwarded to the governor is anywhere from three to four billion dollars out of balance, and there are indications that if this budget were passed that the first action that the governor's office of management and budget would consider would be a 20 percent across the board budget reduction to bring that out-of-balance budget back into balance. That is why the budgets have not been forwarded to the governor. On the capital side there's no better news to report. There's been no capital budget passed either. There were no discussions about capital projects moving forward. The problem, however, is without a capital budget there have been no re-appropriations approved either, so construction on on-going capital projects will cease on June 30th. The Capital Development Board is sending out letters this week to contractors ordering them to halt work on June 30th and secure their sites. This impacts 104 projects state wide and here on campus it affects our Stevens Hall project.

Trustee Strauss asked about the potential impact on the Stevens Hall project. Have we been able to analyze what the impact would be of a cessation of that construction project at the end of the month and whether there might be any steps to preserve the construction and its state at that time that we should be cognizant of here?

Vice President Phillips responded, we actually had a conversation with the Capital Development Board today and had a series of questions associated with exactly your concerns. We have not yet received answers back. There are timelines associated with this. There are site security issues. This also applies to anything that's currently being manufactured in support of a project. That also has to cease. We have a number of questions in to CDB and we're working through this. I don't recall that this has ever happened before. CDB staff told me on Tuesday, in the State of Illinois, this is unprecedented. There have been situations in the past where there have been payment delays, but there has never been a work suspension in this magnitude. CDB staff is fully aware that this is prime construction season and this will result in costly delays as well as inconvenience but at this point I was told there's no grey area here; June 30th is it. Had construction continued, we would reach substantial completion on or about mid-December with project completion in early March. While this does create an issue and a problem, and we certainly have classes scheduled for next fall, the hope is that this will be resolved, the project can continue in enough time to have it ready for the fall.

Mike Mann continued with a closing comment on the operating budget. I'd like to point out that all of the institutions have been cut in an across-the-board equal manner. This is slightly different than what we've seen in the past three or four years where the implementation of performance funding has resulted in some variances in the reductions. The General Assembly, at least in this go round, has abandoned for now that rationale and that formula, and has gone with an across-the-board methodology.

President Baker added, the range of cuts we hear is roughly from 6 ½ percent to the 31.5 percent, and we have both those on the table; one from the legislature and one from the governor. Now the negotiation is in-between, and it's ultimately going to be based on how much cutting and how much revenue enhancement occurs. Those in higher education are hopeful that it's going to be much closer to 6 percent than 30 percent. Vice President Phillips has done cash flow modeling and it appears that we can go on for a significant amount of time and keep the university open. We need to continue for our students and to support our faculty and staff and their good work and continue to pay them. We are going to continue operations and we'll see how long this plays out in Springfield.

8.b.(6) – Federal Relations Update - Consent Agenda

ITEMS DIRECTLY FROM THE PRESIDENT

Agenda Item 8.c.(1) – Authorization to Retain Executive Search Firms for the Appointment of Specific Dean Level Positions

President Baker indicated that this item deals with the authorization to retain executive search firms for the appointment of specific dean-level positions. As Provost Freeman noted, the four dean positions will likely need to use search firms and we need approval of the Board to authorize me, in conjunction with Provost Freeman, to select an executive search firm for the searches for Business, Education, Law and Visual and Performing Arts. We will report back to the Board regarding the selection and the status of those searches, so we ask for approval. Trustee Boey so moved and Trustee Strauss seconded the motion.

Trustee Coleman asked if the list of executive search firms includes diversity firms or minority firms. Provost Freeman responded yes. Trustee Coleman added that, since we're doing so many, my assumption is that we will make sure that we've got a good mixture of diversity as part of the selection process. Provost Freeman addressed the question, noting that there are minority-owned business as part of the list of search firms that are pre-selected by Illinois Public Higher Education Consortium, and we also have a process for recognizing those firms if an RFP process is used to select an executive search

firm. One of the reasons for using a search firm that's in compliance with our Board of Trustees policy is that we want to enhance the quality of the candidate pool through the use of an executive search firm. I believe diversity is a dimension of excellence and, if we're going to have an excellent candidate pool, we're going to have a diverse candidate pool. In fact, an executive search firm who has a network, who has the ability to make confidential calls to people sitting in positions, is a great help in building that type of pool regardless of the position being filled, and it would certainly be true in the case of these open deanship positions. With no further discussion and the motion was approved.

8.c.(2) – Appointment of Acting Dean, College of Education

The next item, noted President Baker, is the appointment of Acting Dean for the College of Education. We bring forward today Laurie Elish-Piper and are asking to transition her into the Acting Dean of the College of Education role on July 1. She's a Distinguished Teaching Professor, and a Presidential Engagement Professor in the Department of Literacy and Elementary Education. She teaches graduate courses in literacy assessment and instruction, adult literacy, and literacy research. She's been the Director of the Jerry L. Johns Literacy Clinic and Co-Director of the Center for Interdisciplinary Study of Language and Literacy. She has a national reputation that is very positive. She's the Interim Chair for the department, has been the Interim Chair for the Department of Literacy Education and the Presidential Advisor on College and Career Readiness. She's also been very active working with Joe Matty and Eric Weldy putting together an internship and mentoring program this year across the university, and she's also lent her expertise to our P20 initiative that's building pipeline relationships from K12, community colleges, into us, and then ultimately employers. She's an impressive person. Unfortunately she was unable to attend today, but she's a very experienced person that has the enthusiastic support of her faculty, the Provost and myself. So we would ask for approval of Dr. Laurie Elish-Piper as the Acting Dean for the College of Education. Trustee Julion made a motion and Trustee Boey seconded.

Trustee Boey asked for clarification on the term acting dean and if this person could be selected and permanent dean later? Provost Freeman responded, when we use the word "interim" to qualify a temporary appointment, it implies that the individual in that appointment will not be seeking the permanent role. When we use the word "acting," it suggests that the individual is open to being a candidate for the role and will have that opportunity to apply in the context of the national search. With no other discussion the motion passed.

8.c.(3) – Proposed Amendments to the Board Regulations Regarding Tuition

President Baker indicated this is an amendment to the Board Regulations regarding tuition remittance programs for the Ph.D. in Health Sciences. This is the new interdisciplinary Ph.D. in Health Sciences and it requires a new type of employee waiver to make it a viable program. Provost Freeman added this item was brought before the Board as an information item on March 12, 2015, to set the stage for future discussions. The interdisciplinary Ph.D. in Health Sciences, which the Board has approved previously and which has gone through the IBHE process, is a very exciting and contemporary program in our College of Health and Human Sciences. It's a doctoral program that transcends the departmental borders and offers the possibility for very different types of degrees to be accommodated. You could have a classic doctorate, somebody working in a research lab funded by a grant awarded under this, but we really envision it for the more exciting, more contemporary opportunity or having working professionals doing community action-oriented research or looking up problems relevant to their employers needs funded by their employer as part of the program. So we could have people working many different places in and out of the State of Illinois in this program. We wanted our NIU employees to have the same type of opportunity, with the employer paying the tuition. Because it's a new type of benefit, it requires change to the Board Regulations. When I brought this to you in March, I agreed that we would have broader campus conversations and we've had those with individuals representing the operating staff councils, different academic departments, and we've started to recognize that, in addition to having the employer payment with the work requirement which is pretty typical of health professional doctoral programs these days, we would also have to create some other mechanisms to make sure that there's adequate opportunity for people to be supported in this program in ways that benefit NIU, and those could take the

form of different types of scholarship arrangements. The change in the Board Regs that you're looking at here today was drafted by General Counsel Brady to be an enabling change in the existing bylaws so that we could then go forth and have additional conversations about specific mechanisms with academic departments and with the operating staff and SPS Councils.

Trustee Strauss asked to clarify, if we don't yet have the fully developed contours or the actual program, what is being requested today is the fundamental authority to be able to conclude the balance of those arrangements. Provost Freeman responded, we will be essentially limiting waivers and creating alternative mechanisms of tuition remission and scholarship possibilities. Those have not been designed, approved, discussed at a level or ready to present to the Board, but to have those discussions, this change is recommended.

Trustee Strauss clarified, the intention would be to involve further discussion through the shared governance process again? Provost Freeman responded, absolutely, and we see this not only in terms of shared governance – employees, students and faculty – but we know that they'll be specific partnerships in and outside the university who we may want to accommodate with the framework that we build. Trustee Strauss continued, my request would be not to change anything in the proposed language in the regulation, but that after there's enough time to be able to figure out whether this program is one that you've been able to implement, you come back and let us know how it's going since this may be precedent setting and there could be other applications for this. I think it'd be useful for us to hear how it's developed in practice. Provost Freeman agreed. With no further discussion, the motion passed.

9. CHAIR'S REPORT NO. 71

9.a. – Closed Session Minutes Review and Release

Chair Butler indicated the first item on the agenda concerns the review and release of closed session minutes. The Illinois Open Meetings Act requires the semi-annual review of minutes of each executive session business to determine what parts of the minutes should be made available to the public because they no longer require confidential treatment. The action item recommends no additional release for confidentiality of any previously unreleased sections of the executive session minutes at this time and that we consider these sections and sections from subsequent meetings again in the near future. Trustee Strauss made the motion to approve and Trustee Marshall seconded.

Chair Butler added for point of clarification and so that the Board is aware of the substance of the motion. In effect, Mr. Blakemore indicated, you will not change the status of these minutes, the subject matter minutes, and it is upon my recommendation that they remain closed minutes. An example of when the board would disclose closed minutes would be if you went into closed session for example on a real estate matter, and the Open Meetings Act allows the Board to go into discussion on a real estate matter if it's a purchase of real estate, and then you actually made that purchase; then you would then take the closed provision off of those minutes and release them to the public after the purchase. So that's what this is about. Nothing like that has occurred, therefore my recommendation is and what you would be voting on is to keep the minutes in their status as closed. The motion passed.

BOARD GOVERNANCE PROPOSALS

9.b.(1) – Proposed Updates to Board Bylaws Regarding Public Appearances Before the Board

Chair Butler indicated in the report I provided for the Ad Hoc Committee on Governance, the Board took action at its Special Meeting of May 28, 2015, to initiate a policy making endeavor addressing several interests related to presidential and Board contracting. I indicated then that the Board's Ad Hoc Committee on Governance would meet before this Regular Board meeting and attempt to draft suitable recommendations that, in the committee's view, adequately responded to those interest areas. The recommendations you have before you were originally drafted and proposed for committee consideration

by the Office of the General Counsel, and the committee offered input at its meeting on June 15, 2015. First I'll ask that we consider item 9.b.1. which are proposed updates to Board Bylaws regarding public appearances before the Board. This is a proposal to amend the Board Bylaws and, as such, we're receiving it for a first reading today. May I have a motion to accept the revised policy for a first reading? Trustee Strauss made a motion and Trustee Julion seconded.

Chair Butler added, in terms of discussion, let me start by reminding the Board that individuals spoke to the Board at its March regular meeting concerning aspects of our existing policy that were inconsistent with rulings by the State's Attorney General's Office. Mr. Blakemore, may I ask that you provide some preliminary remarks about this revised policy?

Mr. Blakemore responded, there was a ruling on the part of the Attorney General that was not with respect to NIU, but to other public bodies, where the requests in our procedures did have such language where there were requests for information like addresses and the like. What we have done here is taken out all of the information that the Attorney General has indicated is not relevant. Our proposal allows for any person, irrespective of their position either within or outside of the university, to have an opportunity to speak. By taking out the language which had not been used by this Board for several meetings, since this issue was brought to our attention, we have now have taken out the language that at least, on paper, would have said to the public that we're requesting information that wasn't relevant to the discussion.

Chair Butler commented, this is a first reading. We could entertain a motion to suspend the second reading requirements. That would require a vote of every trustee present at this table if that's an interest of the trustees. Trustee Strauss responded, I think we should take a vote first on the first reading and then, if somebody wants to make a motion regarding the waiving of the second reading requirement, we could do that. Chair Butler asked, all those in favor of this revised policy for first reading? The motion passed.

Trustee Strauss made a motion to waive the second reading requirement in our Bylaws regarding this proposal and to take action on this policy revision today. Chair Butler added, that motion requires six votes of the trustees, otherwise we will not act on this revision until we meet again as a Board. Trustee Marshall seconded the motion.

Chair Butler asked for roll call vote to suspend the second reading:

Trustee Robert Boey: Yes
Trustee Wheeler Coleman: Yes
Trustee Anthony Iosco: Absent
Trustee Robert Marshall: Yes
Trustee Cheryl Murer: Absent
Trustee Paul Julion: Yes
Vice Chair Marc Strauss: Yes
Board Chair John Butler: Yes

Trustee Strauss made a motion to approve the proposed update to the Board Bylaws regarding public appearances before the Board on its second reading. Trustee Boey seconded. With no further discussion, the Board voted to adopt this revised policy.

9.b.(2) Proposed Updates to Board Bylaws Regarding Duties and Responsibilities of the President

Chair Butler indicated that this item considers proposed updates to Board Bylaws, in this case regarding the duties and responsibilities of the president. This is also a proposal to amend the Board Bylaws. As such we're receiving it today for first reading. May I have a motion to accept the revised policy for first reading?

Trustee Strauss made a motion and Trustee Marshall seconded. The motion passed.

Trustee Strauss made a motion to suspend the rule requiring a second reading with regard to the proposed updates regarding duties and responsibilities of the president. Trustee Marshall seconded.

Chair Butler asked for roll call vote to suspend the second reading

Trustee Robert Boey: Yes
Trustee Wheeler Coleman: Yes
Trustee Anthony Iosco: Absent
Trustee Robert Marshall: Yes
Trustee Cherilyn Murer: Absent
Trustee Paul Julion: Yes
Vice Chair Marc Strauss: Yes
Board Chair John Butler: Yes

Trustee Strauss made a motion to approve on second reading the proposed updates to Board Bylaws regarding duties and responsibilities of the president. Trustee Boey seconded. The motion passed.

9.b.(3) – Proposed Updates to Board Regulations Regarding Retention of Consultants by the President and Board; Presidential Obligations to the Board Regarding Statute, Regulations or Policy; Sound Management Practice; Personnel Actions; and Procurement Matters

Chair Butler indicated that the final item in this category, under 9.b.3., consists of proposed updates to Board Regulations regarding retention of consultants by the president and the Board, presidential obligations to the Board regarding statutes, regulations or policy; sound management practice; personnel actions; and procurement matters. These are amendments to the Regulations to the Board of Trustees and may be adopted today I believe by a majority vote. May I have a motion to adopt these amendments? Trustee Strauss so moved, Trustee Boey seconded. The motion passed for policy change to the Regulations.

Trustee Iosco joined the meeting and is indicated as present.

9.c. – Resolution Honoring Student Trustee Paul Julion

Chair Butler noted the next item is an opportunity to honor one of our own who will be serving for the rest of this month is the student trustee. It's always a privilege to honor the student member of this Board. With almost no exceptions, the student trustee is an equal to his or her peers on this Board. The student trustee is more of a sprinter than a long distance runner, an individual who has precious little time to learn an awful lot about the operations and political dynamics of the university and its governing board. He or she only has seven colleagues, but it is still a challenge to become acquainted and establish a collegial relationship with all of them and hit the ground running in a very short period of time. Before he or she knows it, the term of the student trustee is over. As a Board we celebrate and honor not merely the achievements of our student colleague over the course of a year that he or she has served, but also what is often an impressive record of service in student government, as the student trustee is the highest level of student leadership within the university's shared governance structure. Paul Julion has been an exceptional exemplar of student leadership, and, today, Paul, your Board colleagues wish to honor you with a resolution. Trustee Julion will remain in his position until the end of the day, June 30th, at which point the student trustee elect Raquel Chavez will become the new student trustee. So Paul, once I've read this resolution, if you wish, you may make some remarks and then I will entertain a motion to adopt the resolution and your colleagues may wish to make some remarks as well.

Will you please join me at the podium? Chair Butler then read the resolution honoring student trustee Paul Julion.

RESOLUTION
HONORING
STUDENT TRUSTEE PAUL JULION

WHEREAS, Paul Julion has faithfully served as a student member of the Northern Illinois University Board of Trustees for one term from July 1, 2014 through June 30, 2015; and

WHEREAS, prior to his election as Student Trustee, Paul served as a Northern Lights Ambassador for the College of Education, a Student Senator from 2010 through 2012 and as the Director of Athletics & Recreation for the NIU Student Association from 2012 through 2014 where his advocacy for the completion of the outdoor recreation complex was instrumental; and

WHEREAS, as a member of the Board of Trustees, Paul contributed valuable insight and information regarding the student perspective on the rising cost of tuition, maintaining NIU's affordability despite state fiscal constraints, and ensuring a vibrant future for recreational wellness as an integral part of student life.

WHEREAS, Paul served as an active and engaged member of the Ad Hoc Committee on Governance; the Ad Hoc Committee on Enrollment; the Academic Affairs, Student Affairs and Personnel Committee; Legislative Affairs, Research and Innovation Committee; the Finance, Facilities and Operations Committee; and, the Compliance, Audit, Risk Management, and Legal Affairs Committee; and

WHEREAS, Paul accompanied President Baker and other student leaders to the state Capitol to appear before the Illinois House higher education appropriation committee to provide a student's perspective on the importance of state funding support for Northern Illinois University; and

WHEREAS, Paul joined several of his Board colleagues and members of the University Leadership team at the Association of Governing Boards (AGB) workshop held in Chicago to participate in sessions geared toward strengthening board committees and best practices related to committee structure; and

WHEREAS, we, as his colleagues on the Board of Trustees, want to express our appreciation for Paul's service to the NIU students and community, and regard for his upcoming completion of a Bachelor of Arts in Physical Education in Fall 2015; and

NOW, THEREFORE, BE IT RESOLVED that the Board of Trustees of Northern Illinois University in formal meeting herein assembled, extends its grateful appreciation to Paul Julion for his leadership and service to Northern Illinois University students and the Board of Trustees.

BE IT FURTHER RESOLVED that this **RESOLUTION** be presented to Paul Julion and a copy of this document be placed in the official files of the Board of Trustees as part of the permanent record of the university and the great State of Illinois and as a lasting tribute to the accomplishments of Paul Julion.

Adopted in a regular meeting assembled this **18th** day of **June 2015**.

**BOARD OF TRUSTEES OF
NORTHERN ILLINOIS UNIVERSITY**

John Butler
Chair

Wheeler G. Coleman
Secretary



Trustee Julion responded, thank you. That was a great, I'm kind of at a loss of words. This was probably the fastest year of my life. There's a lot of work done as well. Honestly, I'm really humbled at this moment. All the students that voted for me, to put me in this position that I was so grateful for, and all the trustees who've helped me and taught me a lot throughout this experience, has been monumental to my college experience; and, thank you all for all your service. Hopefully, I could be a trustee in the future and not just a student trustee. Thank you so much.

Chair Butler called for a motion to approve the resolution. Trustee Strauss so moved and Trustee Coleman seconded.

Trustee Marshall added, the word "student trustee" has more than one meaning. I'm going to add another meaning to it, and that is that Paul you "taught" a number of us, and I thank you.

Trustee Iosco noted, Paul I'd just like to say good luck and keep up the great work. All the best to you in the future sir.

Trustee Coleman continued, Paul best of luck. We hope that you've learned a lot. We know that you have made a difference on this Board. We appreciate your service and your support and we wish you the best in the future. Thank you.

Trustee Boey responded, Paul you fit right into the tradition of student trustees and we have seen some very good ones; and, you're right among them. Best wishes and a successful career.

Chair Butler added, Paul I've already said a good deal about your role and the fact that you're an exemplar in this role. You had big shoes to fill because you replaced a student trustee who had been in office for two terms and you certainly proved that you were up to the task. A lot of the work of the student trustee goes unseen by the public because much of the work occurs in conversations. There's a lot of phone calls; there's a lot of dinners and lunches; and things where a lot of the things that you see here in front of you get worked out. Paul has been a wonderful partner for us. I am particularly fond of the role of student trustee because, as many of you know, I was the student regent when NIU was then governed by the Board of Regents, and I served two terms. We didn't have a vote, though so we just had to yell really loud. Thank you. Chair Butler called for a vote and the motion passed.

9.d. – Fiscal Year 2016 Election of Board Officers and Civil Service Representative

Chair Butler indicated that Board of Trustees Bylaws and NIU law requires the election of officers annually. As such, we shall today elect a Board Chair, Vice Chair, Secretary, Fourth Member of the Executive Committee, and a representative to the Illinois Civil Service Merit Board. The Northern Illinois University law requires that the Board elect annually by secret ballot, from their own number, a Chair who shall preside over the meetings of the Board and a Secretary. The General Counsel has shared with us an Attorney General ruling from the State of Illinois, a binding opinion that appears to require public bodies to conduct elections in such a manner as to have an open vote that informs the public of each member's vote. Our Bylaws call for the election of a Board Chair, a Board Vice Chair, a Board Secretary, a Fourth Member of the Executive Committee, and a Board representative to the University Civil Service Merit Board. Ballots for each of these elections will be distributed to each Board member by the General Counsel.

We will begin with the position of Chair and work our way through the positions in the order that I have stated them. Mr. Blakemore has prepared ballots which contain the names of all members of the Board who are eligible for each position. A majority of the Board, or five votes, is required to elect an officer. If a majority of votes cast is not achieved by one member for the office in the first balloting, I will explain the procedures we will follow in such a situation.

Ms. Odom will distribute the ballots and Mr. Blakemore and Ms. Odom will tally the votes and report to the Board whether a majority of votes have been cast for a member of the Board for each respective

position. Once we have elected members to serve in each of these positions, Mr. Blakemore will certify the election and I will officially announce the officers for the 2015/2016 term. Those elected will assume their duties of their respective offices on July 1.

Before I ask Ms. Odom to distribute the ballots for the position of Chair, our process permits and opportunity for Board members to make public expressions of interest, vision or acknowledges of willingness to serve in the position. Nominations are not required nor is any expression of interest, but trustees may address the Board at this time if they wish in regard to this position. At this time then I will ask each board member to vote their ballot for the office of Chair.

Trustee Losco asked for clarification on whether or not an absent trustee is eligible for a position, and then, secondly, if Mr. Blakemore can please explain for the audience the number of votes that are required to put someone in office in light of the fact that one trustee is absent.

Mr. Blakemore responded, there's nothing in the Board's Bylaws that prohibit a member to be elected to office that would require them to be physically present. In terms of the second question, the Bylaws require a majority of the Board; it's the full Board; the Board is eight; that majority is five. It is not a majority of a quorum, so you could have a quorum of five, wherein you could have three which would be a majority of that quorum and that would bind the Board. Your provision indicates that you have a majority of the full Board. So it does not matter the number of trustees who are present; it would take a majority of the full Board. So five votes are needed for the election of officers.

Chair Butler continued, the vote for Chair will be done by secret ballot as provided by state law. While we are voting, I'll explain that the next office that the Board members will cast a vote for is the Vice Chair. The Vice Chair ballot will not be done by secret ballot based on the ruling by the Illinois Attorney General. Each member will utilize the ballot that's personalized for them. This will allow a public record of the vote of each member, as is required by the Attorney General's binding opinion. We won't be announcing that vote tally in this meeting, but it will be available to those who wish to see it. With the exception of the office of Secretary, which is also mandated by NIU law to be by secret ballot, the remaining positions for the election will be conducted in the same manner. The election for the office of Secretary will be done by secret ballot as provided by state law, and the elections will proceed following this one separately for each of the remaining elected positions with results announced after.

Mr. Blakemore announced, Mr. Chair, members of the Board, there have been sufficient votes to elect Trustee Marc Strauss as Chair.

At this time the Board took a five minute break. Following that, the election resumed. Chair Butler continued, we're now voting for the position of Vice Chair. As I've indicated, this is not a secret ballot. We won't be announcing how each trustee voted, but those votes will be available to those who wish to see them. Each of the ballots have the names of the trustees who are voting for this position and the names of the eligible candidates.

Mr. Blakemore announced, Mr. Chair, members of the Board, for the office of Vice Chair, Trustee John Butler has attained sufficient numbers of votes to be elected to the position.

Elections continued with collection of secret ballots for the position of Secretary.

Mr. Blakemore announced, Mr. Chair, members of the Board, Trustee Robert Marshall has received sufficient numbers of votes to be elected to the office of Secretary of the Board.

Chair Butler asked for collection of ballots for the position of Fourth Member of Executive Committee which is a public ballot.

Mr. Blakemore announced, Mr. Chair, members of the Board, Trustee Cherilyn Murer has received sufficient number of votes to be elected to the position of Fourth Member of the Executive Committee.

Elections continued with the position of Civil Service Merit Board representative which is a public ballot. Chair Butler indicated that term limits do not apply to this position, noting that term limits are only for the position of Chair, Vice Chair and Secretary; each of those positions are limited to two one year terms.

Mr. Blakemore announced, Mr. Chair, members of the Board, Trustee Robert Marshall has had sufficient number of votes casted in his favor to be the Board's representative to the Civil Service Merit Board.

Chair Butler announced the results of the election for 2015/2016 term as follows:

Marc Strauss – Chair

John Butler – Vice Chair

Robert Marshall – Secretary

Cherilyn Murer – Executive Committee

Robert Marshall – Civil Service Board

10. OTHER MATTERS

Chair Butler recognized the arrival of, and welcomed, State Representative Robert Pritchard, and asked if Representative Pritchard would like to give some remarks on the situation in Springfield.

Speaker Rep. Pritchard: Thank you and let me begin by thanking all of you as members of the Board. You carry a very important role in guiding this great university and I want to offer my services in working with you to help make this university even greater, to overcome some of the challenges that we have before us, and help more students achieve a great education that many of you have. And Paul, to you, again thank you for your student leadership. Thank you for coming to Springfield and sharing some of the impact that some of our policies have on higher education. I'm not sure what report you had earlier, so I don't want to be too lengthy or too redundant; but, I will mention that higher education has been on the lips of a lot of us in Springfield this year. We have formed a Higher Education Legislative Caucus to try to bring new discussion around the issues that have been really an issue for the last 14 years: how we're funding higher education, from a state perspective, and what assistance we're able to give through the Monetary Awards Program to students in need. We haven't been able to make much progress, but I do look for a brighter horizon. I think if we can get through some of the fiscal challenges our state is facing, if we're able to get our fiscal house in order to deal with a balanced budget, I think there will be predictability in the budgets that are given to you, that you're not going to have to worry about rescissions as you've had to worry about in recent years, and you aren't going to have to worry about lower budgets that you've had to worry for just about every year in the last 14 years. But there are going to be some real challenges in getting this fiscal house in order, and I think the next two years at least are going to be very challenging. Right now we haven't been able to have the adequate discussions that put us on track to a balanced budget for FY16. I think the next few months are going to be very challenging in that regard. I fully expect there to be no budget in place by July 1, and that there are to be some short term fiscal pressures on trying to keep some of the critical services going, and other services are going to have to take some degree of a lapse, period. I don't want to see that. I certainly have not supported that and have been part of a number of budgeting working groups throughout the entire spring where we've been trying to come to some consensus and agreement across the partisan lines. That has not been successful. But I think, just as you in making decisions that you make, the legislature has to make some real compromises in the policies that we have, and to date we haven't been able to do that. The Governor came in with an indication from the citizens of Illinois that they wanted to see some different policies in different directions. We've not been able to achieve those yet. When you put all of that together in the mix, that's some of the real short term challenges that we're facing. But I do look for us to get through that in the next few months. I do look for us to have a budget that will help us span this transition period over the next few years. And after visiting with the Governor, I am confident that his vision is to grow our economy, grow jobs, grow revenue, that will help sustain the higher education that we want to offer our students and the kind of fiscal programs that will allow us to serve those most in need. So that is the vision. I am committed to that. I am committed to helping support this university and

I welcome your conversation at any time about the policies that we're debating and how I can be a more effective representative for you. Thank you.

Chair Butler thanked Representative Pritchard. It means a lot to us that you're here. This is the right time for you to come and join us. We are of course grateful for the work that you are doing. Thank you.

11. CLOSED SESSION

Chair Butler announced the Board will go into closed session and will reconvene in approximately 3 hours. There will be no additional business following the closed session, but indicated the Finance, Facilities and Operations Committee has a special meeting this afternoon which will follow the closed session. Chair Butler asked for a motion to close the public meeting to conduct an executive session to discuss the following subjects authorized by the Illinois Open Meetings Act: personnel matters as generally described under sections 2,C,1,2,3 and 21 of the Open Meetings Act; collective bargaining matters as generally described under section 2C2 of the Open Meetings Act; litigation and risk management matters as generally described under sections 2C11 and 12 of the Open Meetings Act. Trustee Strauss so moved and Trustee Coleman seconded. Ms. Odom conducted a roll call.

Trustee Robert Boey: Yes
Trustee Wheeler Coleman: Yes
Trustee Anthony Iosco: Yes
Trustee Robert Marshall: Yes
Trustee Cherilyn Murer: Absent
Trustee Paul Julion: Yes
Vice Chair Marc Strauss: Yes
Board Chair John Butler: Yes

The meeting is now closed and will re-open at the conclusion of the closed session in approximately three hours.

The Board adjourned for closed session at 12:00 noon.

The Board of Trustees of Northern Illinois University reconvened on June 18, 2015, at 8:55 p.m. Chair Butler announced they were reconvening after the closed session and asked for a roll call.

Present: Trustees Boey, Coleman, Iosco, Marshall, Julion, Strauss, and Butler; Absent: Murer

12. NEXT MEETING DATE

The next regular meeting of the Board of Trustees is September 17, 2015.

13. ADJOURNMENT

Chair Butler asked for a motion to adjourn? Trustee Strauss so moved and Trustee Coleman seconded. The motion was approved. Meeting adjourned at 8:58 pm.

Respectfully submitted,

Linda Odom
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.