

Minutes of the
NIU Board of Trustees
**Legislative Affairs, Research and Innovation
Committee Meeting**
February 26, 2015

CALL TO ORDER AND ROLL CALL

The meeting was called to order by Chair Cheryl Murer at 9:04 a.m. in the Board of Trustees Room, 315 Altgeld Hall. Recording Secretary Cathy Craddock conducted a roll call of Trustees. Members present were Trustees Robert Boey, Wheeler Coleman, Robert Marshall, Marc Strauss, Student Trustee Paul Julion, Board Chair John Butler and Committee Chair Cheryl Murer. Not present was Trustee Anthony Iosco. Also present were President Doug Baker, Committee Liaison Lesley Rigg and Board Parliamentarian Jerry Blakemore. With a quorum present, the meeting proceeded.

VERIFICATION OF APPROPRIATE NOTICE OF PUBLIC MEETING

Confirmation of Open Meetings Act public notice compliance was provided by Board Parliamentarian Jerry Blakemore.

MEETING AGENDA APPROVAL

Trustee Coleman made a motion to approve the meeting agenda. Trustee Strauss seconded the motion. The motion was approved.

REVIEW AND APPROVAL OF MINUTES

It was moved by Trustee Butler and seconded by Trustee Coleman to approve the minutes of the November 6, 2014 committee meeting. The motions was approved.

CHAIR'S COMMENTS/ANNOUNCEMENTS

Chair Murer recognized the representatives of the University Advisory Committee, Professor Dan Gebo, who was not present, and Deborah Haliczzer.

On behalf of the university community, Deb Haliczzer said, I want to talk about legislative matters and the intense anxiety across the campus from faculty, staff and students about what we have heard about the state budget and the governor's comments about pensions and university funding. While it's always my job to talk about anxiety concerns and morale issues, I want to also say that the only way that we will survive such times is pulling together, working together and supporting one another as a community and I can assure our leadership that the university is behind you and supports all your efforts as we move through difficult times. And so we are here to support all of you as we weather the storms.

Thank you for your comment, Chair Murer said. Northern Illinois University is fortunate to have such a strong shared governance. That is really the way in which, as you said Deborah, we will survive the tsunami of change and yet the anxiety has to be contained as best as we can because it is not singling out NIU. It is what we are all going through in higher education and not only in the state of Illinois but throughout the country. So the strength of our bond with you, our president, provosts and the deans, I

think that will keep things as calm as humanly possible and we will continue to take a step one foot in front of the other. It's all we can do right now. Thank you for your support.

PUBLIC COMMENT

Committee Chair Murer asked Board Parliamentarian Jerry Blakemore if any members of the public had registered a written request to address the Board in accordance with state law and Board of Trustees *Bylaws*. Mr. Blakemore noted that no timely requests have been received.

UNIVERSITY RECOMMENDATIONS/REPORTS

Agenda Item 7.a. – State Budget Update

Committee Chair Murer welcomed Mike Mann, who gave a budget update. Trustee Murer noted that some materials were included in the book but that his oral presentation would include information from the governor's budget address, which occurred after committee book press time. She first asked President Baker for any comment before Mike's report. I would like to take this opportunity just to make two introductions, said President Baker. As you know we've been through a national search process for two vice presidents this year; one for Administration and Finance and the other for our development area. So I'd like to introduce the two folks that we've hired. The first is Al Phillips. Al comes to us from the Illinois Board of Higher Education where he was first deputy director and then executive director of Fiscal Policy, Budgeting, Grants, Institutional Research and Information Technology. He was at the Illinois Board of Higher Education from 2011 until now and really worked closely with the higher education institutions. I got to know him in a variety of meetings over my first two years here and was very impressed with him and was pleased when he applied for the job, said Dr. Baker. He knows the higher education budgeting of the state and I think that's really going to play to our benefit as we get into these difficult waters in the legislative session. He led a six month effort to incorporate performance-based funding into the higher education model but did it in a very thoughtful way I think that supported higher education and didn't undermine it. Before that job he was CFO vice president for Administrative Services at Kaskaskia College in Centralia, Illinois. He expanded their budget planning process out to a five year process and really enabled the college to plan for its fiscal and academic future, explained Dr. Baker. Prior to that, he was the deputy chief of staff and chief operating officer for a major Army command in Fort Monroe, Virginia. With 20,000 employees and a 1.4 billion dollar budget Al had significant fiscal responsibilities and spent a good deal of time in the military prior to that. Dr. Baker asked if Mr. Phillips wanted to make any remarks.

I just wish to say that I'm delighted to be here, said Mr. Phillips, and as President Baker said I arrived here with having had the unique opportunity to work with a large number of the senior leadership here at NIU. This was a place that certainly was in the midst of a lot of the fiscal challenges and issues, and this was a place where we've had top notch, top tier, quality leadership working to help students and career success. This was a place that I wanted to be so I'm delighted that I got the opportunity to be here. I'm excited about the opportunity to work with you all as well as the rest of the staff and I'm actually starting Monday although as I told President Baker, I feel like I've been here for weeks already, but I'm excited and certainly delighted to be here.

Thanks Al, Dr. Baker said. We thank Nancy Suttentfield for her work in the interim role prior to Al coming here. She did an awful lot of work to lay the foundation for Al to come in and be successful.

Moving on, Dr. Baker said, Catherine Squires is with us today. Catherine takes over as our new vice president in the development area. Catherine comes to us from Boston, from Tufts Medical Center where's she's been the vice president there leading their development efforts. She developed a 150 million dollar campaign there and increased annual giving from 9 to 14 million dollars in her time. She was really the chief development executive and put together an excellent team, restructured the program and really impressed me with her knowledge about how to put together a team and the architecture to run an effective campaign. So everybody knows who you are Catherine, why don't you stand up. Prior to that, she was the chief advancement officer for the American Red Cross of Greater Chicago, so she really knows Chicagoland and the people in it. There she led fundraising efforts that had about \$11.5 million in annual philanthropic resources coming to it, so really great work in the Chicagoland area. She worked for Advocate Health as vice president for development for many years prior to that. Catherine has a long and illustrious career in development and is an NIU Huskie, a graduate of our College of Visual and Performing Arts.

I'm delighted to be here, remarked Catherine. As a Huskie I could not be more delighted to be back. This is an institution that's been important to my success in life. It's a great opportunity to give back in a way that's very meaningful and hopefully transformational at a very critical time. Challenges don't scare me. Having been in healthcare in Boston for all these years, I've pretty much seen most things that can come at an institution. So I embrace the challenges. I know it's a very difficult time and I really look forward to hitting the ground running, getting to know all of you, working to involve you in the great story of philanthropy for NIU and in a way you choose to be involved and most importantly to help take this institution to the next level. So I'm delighted to be here. Thank you for having me and I'll see you back full time in May.

Thank you Catherine and Al for being here today, said Dr. Baker. We really appreciate your willingness to join this wonderful team, this wonderful university and we look forward to working with you.

Chair Murer said, I'm so pleased that you introduced these two vital individuals and I'm most anxious to see how best we can coordinate with you, Catherine, so that the foundation and this committee can really intertwine especially as it relates to corporate opportunities and corporate giving. People give for projects and so we need to tell the story of the wonderful academic work that's being done here. So we look forward to working together. And then after all this money is raised for academe, then you can make sure that it's in the right columns and managed appropriately. Mike following that, you have the dubious honor to tell us about our budget, but I also would hope that you would tell us about it not simply as factual, but give us an idea of the political maneuverings behind it because it's my understanding that it's not a done deal on what has been initially proposed. So again as Deborah said people are so concerned and there's a high level of anxiety, so if you could also come from the political side to let us know what you think may be coming down and to not look at this as the final budget that will be put into place.

Mike Mann said let me start out by saying that it's very early in the legislative session but it already seems like it's been months. It's been a very busy and a very interesting session so far. The materials in your packet include a description of a lot of the activities we've been involved in prior to the February 18th governor's budget address. You'll see that there's a description of some of the scenarios we ran through for the Governor's Office of Management and Budget. You'll see that an executive order 1508 put out by the governor placed a freeze on spending in a variety of categories, out of state travel, and we continue to work with the governor's office and the chief procurement officer to interpret the guidance

and the guidelines as well as comply with the spirit if the order. If I could get table one up on the screen. In your packets table one reflects the budget recommendations that were approved by the Board of Higher Education at their February 3rd meeting. You'll notice the, I'm sure you've all read about the 31.5 percent cut that's proposed by the governor, so compared to those cuts, the IBHE budget looks wonderful. The IBHE budget holds public universities flat. There are some slight adjustments for performance funding measures. You'll also notice in table one that the IBHE has placed a high priority on student access and affordability and put a recommendation in to increase MAP funding by 50 million dollars. Table two you'll notice is the capital recommendation put forth by the Board of Higher Education. There are four NIU projects on that list. This list is an updated list from last year's priority list. Each year a capital bill is not passed the IBHE works with the universities and the capitol development board to adjust the projected cost of these projects and this current priority list includes, as you can see, we've got the number the Computer Science and Health Informatics building is the second project on the IBHE list. Then, this was not in your pre-provided set of materials, but it's at your tables, on February 18th the governor delivered his first budget address and his proposed budget for FY16 is really a reflection of the fiscal challenges that are facing the state. Just in summary, the budget is an attempt to close the 6.2 billion dollar projected gap in next year's budget. The budget focuses on significant reductions in spending as well as revamping the pension system and also renegotiating and rethinking health insurance costs and coverages for employees and retirees. As you can see in table three, the reduction for public universities is quite stark. It's a 31.5 percent across the board reduction. You have probably read and will be interested to note that the community colleges in this proposed budget have been held flat. Funding for the monetary award program administered by the student assistance commission have been held flat. Clearly in this first salvo of the budget process public universities take the heavy hit. What doesn't show up on this table because it's not a piece of the higher education budget, but it is interesting to note that funding for K-12 was increased by \$300 million at the same time this proposed budget includes a \$387 million reduction for higher education. And if you could slide up to the top of that table just for a second, something that President Baker noted when he first took a glance at this table, was it to put the \$387 million cut in context to get to that level of funding you would have to, in the very first column of the FY15 appropriation, you would have to go down to include all seven universities, seven of the nine universities shown there, to get to the level of \$387 million. So that puts into context the level of reduction we're talking about here. Now Madame Chair to get to your earlier comments, this is the first step in what will prove to be a long budget session. The work now really goes into working with the appropriation committees both in the house and the senate, working with their staffs, providing them with the information they need and also when President Baker testifies before the senate on March 19th and before the house on March 16th we will in great detail identify the impact that the cuts of this magnitude would have on our institution and we have already been in contact with members of the appropriation committees who are anxious to hear about the impact these types of cuts would have on us and they are anxious to help. So we are now moving to a phase where it's a general assembly where the additional work is going to be done on hopefully crafting a final budget that will not be as stark as 31.5 percent.

Chair Murer asked Mike to give his perspective in terms of the climate in Springfield in regards to higher education.

Mike responded, it's only been about a week, but in conversations I've been in, I think it caught a lot of people by surprise because of the focus and some of the comments that have been made about education being a priority, I think there was an assumption that education not only K-12 would be P-20 including all levels of education and so we're still trying to assess, still trying to make sure that the

importance of higher education is known to all of the different budget agencies and policy makers and not just K-12 and community colleges.

Chair Murer asked if this a time where advocacy and lobbying might make actually a difference and Mike agreed that it is probably a good time. The Chair then asked President Baker to briefly speak to the collectivism of the chancellors and the presidents in regards to this the higher education funding issue.

Dr. Baker explained that there are a number of groups getting together to talk about the impact and talk about how to best make our case. One of the groups are the presidents and chancellors. We've had three meetings since the governor's announcement and all talking about making the case for higher education and how to best do that. How to best inform the House and the Senate as well as the governor about these issues. Yesterday the lobbyists for the various schools met in Springfield and talked about those plans. We have the same sheet of music and we're talking about now how to talk to various groups. There's great unanimity among the presidents and chancellors as well as the lobbyists for the schools. I've met with our student leaders and they too are talking with their fellow students around the state. I know Bill Pitney and the Faculty Senate representatives from around the state are also talking about the impact on the universities and the impact on faculty, students, and the missions of the schools and they're going to make their case as well. We're organizing who is going to go down with me to testify. I'll be in front of the Senate on the 19th and the House on the 26th I believe of March for those and we'll be in Springfield in between those dates and before and after and all around. So I'm going to spend a lot of time in Springfield in the next month talking about these issues and ways to look for synergies. I think we have a good case. We held tuition, room and board flat a year ago and this year we took it down a little bit with a reduction in our board rates, so we've tried to hold the cost down for students. At the same time, we've seen some declines in enrollment and declines in revenue from the state, so we're working to be more efficient internally. We have a good process on that with program prioritization that Lisa Freeman is leading, but the time scale of what we're looking at here doesn't line up with our program prioritization. That's a longer, deliberative process, necessarily so. If we were to get a 31 percent cut which I don't think is going to happen given the house and the senate, we'd have to do that at breakneck speed and without appropriate deliberations I think to see how we best do that. I really appreciate that and I've also asked Al Phillips who has a lean background, process reengineering background, to chair a committee to look at how we can look at our processes to be more efficient internally in the organization. So we're taking a number of steps on the expense side as well as on the revenue side on enrollments and other opportunities to increase revenues. That's kind of the over-arching, and we did make a presentation to the University Council yesterday about the budget and let everybody know and I'll share that slide show with the trustees as well.

Information Item 7.b. – Federal Relations Update

Information Item 7.c. – EIGERlab

Next on the agenda today Dr. Rena Cotsones is going to present to us on the acquisition of EIGERlab which recently came into the Division of Research and Innovation Partnerships as a non-profit entity under the National Illinois Research Foundation. Rena is the associate vice president of engagement and innovation partnerships, a new position in which she has a half-time appointment in the Division of Outreach, Engagement and Regional Development and half time in the Division of Research and Innovation Partnerships. I think that's always an excellent direction to take as we look to inauguration of programs and services to have your leadership in two different camps, remarked Trustee I think really is a very positive move and so congratulations on this new appointment. It really is important for us in

terms of cross disciplinary collaboration and we really have been focused on that for quite some time. That's great Rena and we look forward to your presentation.

Thank you very much, responded Dr. Cotsones. I'm very excited to talk to you today about the NIU EIGERlab Innovation Network. It's a very exciting opportunity to add to our growing array of innovation and entrepreneurship activities here at NIU. This is EIGERlab – and Trustee Strauss from his extensive knowledge of the Rockford area, I'm sure knows about EIGERlab so Marc if I miss anything please jump in and help me out. EIGERlab is a business incubator accelerator. Their existing business units are acceleration, innovation, incubation, and education. They're currently located in the former Ingersoll Milling Machine building in Rockford and EIGERlab, the acronym EIGER stands for Edison, Ingersoll, Gaylord, Education and Research Lab. That was the founder of Ingersoll Milling Machine which was at the time was one of the biggest milling machine companies in the country. This EIGERlab has really been set up as a one-stop shop. It's co-located with the Small Business Development Center, Service Corps of Retired Executives, the International Trade Center in the Rockford area, so there are a number of different service providers that are in the same building. Just to give you a little bit of history on EIGERlab, it was founded in 2004 by Rockford Area Ventures and this was a group of Rockford area business leaders who wanted to try and get the community to focus more on high tech business development. In 2010 the Rockford Area Economic Development Council took over EIGERlab and several months ago we were approached by the RAEDC and given the opportunity to consider taking on EIGERlab. The RAEDC really felt that they had taken EIGERlab as high a level as the possible could and they saw a great opportunity for us to connect to EIGERlab and take it on and connect to all the resources and expertise of the university. At the time, President Baker and Provost Freeman were also discussing this as were many of the Deans and faculty members, how do we present more innovation and entrepreneurship activities throughout all of our colleges and so this seemed to really fit right in with the direction that we were headed. NIU has been involved with EIGERlab since its founding. The Division of Outreach, Engagement and Regional Development certainly has been involved. Because Rockford is so close to the Wisconsin border, EIGERlab has been involved both in northern Illinois and southern Wisconsin. Most recently there was a grant that came from the EDA called the State of Ingenuity Grant where we worked with four counties in southern Illinois and two counties in Northern Illinois and that provided some of the funding. Come in Trustee Coleman. Nice to see you. The College of Engineering and Engineering Technology has also been very involved with EIGERlab. They helped to set up something called ROCK. In Rockford all acronyms have to be called rock-something so ROCK is Rapid Optimization of Commercial Knowledge, and really the College of Engineering at NIU have been responsible for helping to bring millions of dollars into the Rockford area to help support advanced manufacturing and other manufacturing related activities. Each year EIGERlab does a fast pitch competition, now planning the ninth annual and the photo that you see there is actually a couple of NIU alumni and former NIU football players, they won the fast pitch completion in 2011 with a customizable athletic cleat system. This was an idea that they really hatched while they were here playing football and they have formed a company called Position Tech. They won the \$5,000 prize at fast pitch so there's a fun little NIU connection to that. Just to give a sense of the activity level of EIGERlab, since 2010 they've served 700 accelerator clients with a commercialization team. This commercialization team is put together for each individual company that's coming forward. They call in a network of attorneys and accounts and other people who will come and meet with the company to help them commercialize their product. EIGERlab has a center for product development with lots of additive manufacturing and rapid prototyping equipment. So they've fulfilled 2900 rapid prototyping orders. I invite all of you and we are going to have some events where we'll invite you to come in and see really how EIGERlab works, but when you see these products that are really printed in this 3D printer in a matter of hours, it really is amazing and the equipment that they have

allows for a number of different types of materials to be used in the same model and I think that you'll be very impressed when you see that. EIGERlab has incubated 60 businesses and has recently in the last year or so established an IT round table and they have brought in the Code for America Brigade. So what we are envisioning, and what we are implementing, is an NIU EIGERlab innovation network. We want to expand the reach of EIGERlab, we want to expand the scope of services. We want to connect what's happening at EIGERlab to what's happening here at NIU and throughout the entire Illinois innovation ecosystem. The Center for Product Development is going to be the centerpiece of what happens at EIGERlab. That continues to be the business model. Rapid prototyping, commercialization of products, research, and consultation; there are many, many opportunities for us to connect what's happening at EIGERlab with NIU faculty, staff, students; also community members and alumni. The photo that you see at the bottom there is one of the EIGERlab staff members working with a young ten year old girl who because of a birth defect doesn't have all of one hand. The way health insurance works her parents informed us that she was only going to be able throughout her entire life to have insurance pay for one prosthetic hand. So of course that's not going to work, she's going to be growing up through the years, so we were able to through 3D printing at EIGERlab, make a prosthetic hand for her and we will through the years continue to work with her and do this in a way that is reasonably priced and able to allow the family to have that service for her. Rock Tech is a new initiative that rises out of the IT round table that have been done. We're going to establish co-working space so that people who are working on apps and things like that can come and get some consultation with faculty members and staff members. The photo that you see there is Christopher Walker who is the national leader of Code for America who came to EIGERlab and met with local community members who were interested in this IT round table. And they do all kinds of fun events; apps and ales where they meet and have a few beers and talk about apps that they're developing; geek breakfasts and those kinds of things. Finally, the other pillar here is accelerator services. This is where the fast pitch competition, business plan competition, coaching for businesses to help them understand how to pitch. Helping them get access to capital and the photo that you see there were the winners from last year's fast pitch competition. EIGERlab has historically really served the Winnebago and Boone County area and a little bit in southern Wisconsin as I mentioned. We are really going to broaden that. Just in the past month, Dan Cataldi, the director of EIGERlab and I have been meeting with a number of different organizations including McHenry County and going into Chicago. I'll show you here that at the bottom of the screen, these are just a few of the organizations that we have already met with that are very interested in partnering. At the top of the screen there, these should be familiar, some NIU landmarks. We are focusing on, again, making the connection between what's happening in the business environment at EIGERlab and bringing academia into meet with that and commercialize ideas that people in the business community have. So certainly there's already a connection with the College of Engineering. I have College of Business there. There are all kinds of opportunities for student engagement and experiential learning. I have the College of Law there. There's an opportunity for people who are doing start-up businesses to have law students help them with transactions and things like that. College of Liberal Arts and Sciences, the Department of Computer Science has already been engaged with the IT round table. And then on the right I have the Founders Memorial Library and as you likely know, Provost Freeman has a task force working on what we can do with space at the Founders Memorial Library to provide an innovation and entrepreneurship space that students, community members, alumni, can all access. I will just point out that DMDII we know that there's a lot of interest in the digital manufacturing design and innovation institute and we've had several meetings with representatives of DMDII. They're very interested in EIGERlab's ability to convene the small and medium sized manufacturers in the area and help connect to DMDII and all the research that's being done and to be able to put together teams to respond to their project calls. So there are lots of different

ways that the connections can get made here through the university and through the entire innovation ecosystem. Another thing that I think is very exciting about this is that this really provides a platform for us to expand the role of the regional centers. Right now EIGERlab is located at the building that I showed you for a number of reasons including an untenable landlord situation. We're not going to be able to say in that building long term. So our plan is to move EIGERlab into NIU Rockford. What exists now as a learning resource center, the library as you image libraries aren't used the same way as they used to be, and so the center for product development will actually be moved into what is now the learning resource center at NIU Rockford. We're going to provide a co-working space in what is now an underutilized computer lab. We're going to now be able to rebrand our regional centers and education and innovation centers. We already have Rev3 at NIU Naperville. Hopefully you've had a chance to visit there. If you haven't, I really encourage you to do so because it's really all about creating community. At Rev3 you can see that and we will be creating that within our regional centers of pulling together the innovators and the entrepreneurs and creating that community so that they can cross-fertilize ideas. That is what's been happening at EIGERlab and with the NIU kind of power and resources and expertise of the faculty and students and staff, we'll be able to really take that up to the next level. At the same time as we're establishing a co-working space at NIU Rockford, we're going to be doing it at NIU Hoffman Estates so that I think that by the end of year we will actually have at all of our regional centers an innovation and education and opportunity for students. So what are our anticipated outcomes? We're fostering a regional culture that really celebrates and encourages innovation and entrepreneurship. We're going to create new research and engagement opportunities for NIU Faculty, Staff and Students. We're looking for internship and mentorship opportunities always and we think that this is going to open up several new relationships for that. Identifying new partners and really facilitating higher levels of engagement between academia, business and government. And finally, really what we're all looking to do is enhance the global competitiveness of the region. So finally, bright future ahead, we're very excited about it and look forward to sharing more with you as the plans go forward. One thing that we are definitely planning is in the next couple of months we're going to be doing an open house to talk about this and really make a formal announcement in the area and make it clear to the people in the Rockford area that while EIGERlab is going to always remain a primary node of the EIGERlab innovation network, that the Rockford area, the entire region is going to be enhanced by this further connection throughout the state of Illinois.

Chair Murer asked if Dr. Cotsones or Dr. Baker would describe the business model of this collaboration. Dr. Cotsones said let me go back to those three pillars. The Center for Product Development is a fee-for-service so there are fees that are paid by people who are involved with, they'll come in with something that they've written on paper, and the EIGERlab staff will consult with them to actually do cad design, do a rapid prototype for them. There are also companies that come in and do rapid prototyping so there are fees involved with all of that. There are federal competitive grants or state grants. These are the sources of revenue for EIGERlab. Chair Murer asked about revenues coming to NIU, and Dr. Cotsones responded that they're supporting EIGERlab and EIGERlab is a subset of the Northern Illinois Research Foundation.

The chair asked for additional comments about the business model. Trustee Boey asked for clarification of EIGERLAB, inquiring what is the ultimate product of EIGERlab. Is it something that you can touch? Is it something that you're talking about in terms of computerization? Help me in that direction. Is there something that when it's done, we have a piece of something? Dr. Cotsones elaborated that within the Center for Product Development over the past several years there have been a number of products that have actually been developed there. So there are a lot of things that you can touch. Really the end product is job creation, wealth creation, inventors, entrepreneurs coming in with ideas and being helped

along the way with commercialization so that when they come in with this great idea that they've been thinking about for a while, they come out with a product that they've actually been able to develop and have in their hands and they now have a process, access to capital, coaching to make it possible for them to go out and seek funding and the ultimate outcome is that students and faculty members and members of the business community all have this access to commercialization so that the great idea that they have actually gets operationalized at a place like EIGERlab. Trustee Boey also asked about our own CEET's involvement with EIGERLAB. The College of Engineering has been very engaged and it is kind of customized to each individual who comes in, explained Dr. Cotsones. So if you walk in with an idea that you've been thinking about for a while, somebody there will kind of do an intake and say this is something that we really need to bring in Dr. Tahernezehadi from the College of Engineering. This is the type of product that we think X,Y,Z person will be interested in. This is the type of thing where we need some research so let's call in the College of Business Experiential Learning Center or NIU Center for Governmental Studies. So we're really kind of looking at each case individually and see what kind of services is needed and kind of put a team together for each of those. After asking about an example of a tangible product, Dr. Cotsones replied, there's one called precision audio that is a high definition audio program that is small enough that it fits into a cover for your iPhone. So this is a company that came over to EIGERlab that they were helped with putting together a prototype. They've helped them with commercialization and access to capital. They've been incubating at EIGERlab actually so they came over with a couple of guys and a good idea and they now have I think 50 employees and they're selling now in several different markets and they're helping them become more comfortable with an on-line presence to be able to sell the product. That's one example.

We're not creating the products, we're creating the companies, remarked President Baker. We're facilitating the creation of the companies. So our product is helping people through the process to become viable organizations. So often people have a good idea, but the good idea isn't surrounded by the skill sets to bring it to life and so we facilitate those skill sets and in the process we engage our faculty and students so it becomes a great learning and research opportunity for our faculty and students and it's kind of an example of the triangle map that we're using in our strategic plan where we're hooking our faculty and students to the outside world and in this case into the innovation space to help create economy.

Trustee Strauss commented that the EIGERlab platform is well known in the Rockford market. The business model question is an interesting one and you don't have enough experience yet to be able to show us a profit and loss statement, but I think it would be interesting after a reasonable period of time to take a look at how successful it is to the extent that we can manage to make a self-sustaining enterprise. It would be great to roll it out to other communities because then we will have been able to accomplish something that they couldn't in Rockford through their management. My question relates to how you can, if at all, lever EIGERlab as a concept into also being able to answer questions regarding the levels of educational achievement and aspiration in the communities where there are going to be these outposts located. The presentation so far has focused on the engaged learning opportunities which I think are valuable in and of themselves, but in the Rockford area the largest challenge that they face is that they've not historically valued higher education and partially as a result of that they've been unable to achieve it and what would really be a remarkable accomplishment if there was a way to lever this type of a program into also being related to our ability to be able to deliver coursework to the people who live in Rockford and in other marketplaces where we might try this same concept.

Absolutely, said Dr. Cotsones, and I will tell you that Dr. Baker has just asked Dean Vohra and I to put together a small group that's looking at these kinds of educational opportunities in the Rockford area. Because of the expansion of Woodward, they're very focused right now on making sure that we have an adequate workforce pipeline for engineering and high tech. As you know through our jobs and innovation accelerator challenge grant we put together the Joint Institute of Engineering - Aerospace, JiETA is what we're calling it, and we just had an event last night in Rockford where we brought in a number of aspiring engineering students, current engineering students to talk about this. So this is something that we're really looking at and under President Baker's direction, we have a group that actively is meeting right now to talk about that.

My observation is that this is something that we can bring to the EIGERlab concept that nobody else was able to because they didn't have the capacity to deliver that classroom component. So I'm very interested in seeing that we're in a position to be able to follow up on that aspect, commented Trustee Strauss.

President Baker agreed with Trustee Strauss, responding that's really one of the key things we looked at when we looked at this opportunity. I think you're exactly on target. Rena and I yesterday met with Mayor Morrissey as well as the presidents of Rockford University and Rock Valley College and the University of Illinois Medical Center dean. We're talking about the educational needs of the community and what we can do. One of the things we got to talking about was the P-20 pipeline, so from pre-K on through. There are some real areas of poverty in every community and in Rockford in particular and a lot of those kids that come from poverty get into school and aren't ready for school and then they never succeed and then they get to the end of high school if they graduate and aren't ready for the workforce or college. We talked about the need to work on that and it really reflects on our current P20 network, our regional network, that we have going with Rock Valley Community College, other community colleges and Ehren Jarrett, District 205 superintendent, one of our prestigious alumni, are working on that pipeline and we've initiated a birth to grade three initiative to look at that early phase, to how do we get kids ready for kindergarten and successful into third grade, because if you're off track at third grade, it's really hard to catch up. So we want to put a lot of emphasis on that and that's a generational impact on the economy, but if we don't do that we're going to keep putting Band-Aids at the end of the pipeline instead of fixing it at the front. That's really exciting and getting kids excited about this is going to be a piece of that.

Chair Murer remarked it is so exciting not only for what EIGERlab does for NIU, but well for the community in Rockford and our responsibilities to communities. I'd like us to continue to refine our business model because I'm very inquisitive about that and it may be a premature question, but I think we should keep it at the forefront. I'd also like to hear just a little bit more about what is the legal structure of this relationship? Is it a collaboration? Is it a merger? I take it it's not an acquisition, but on the other hand, when you look to, maybe it is, I'm waiting for you to tell me. Where is the capital and what capital requirements might there be in the foreseeable future, inquired Chair Murer? Dr. Cotsones reiterated that it's an acquisition. She further explained RAEDC presented us with the opportunity to take on a lot of equipment, furnishings and things like that. The EIGERlab brand really has, I think as Trustee Strauss says, wonderful name recognition not only in the Rockford area but throughout Illinois and southern Wisconsin and the Rockford Area Economic Development Council has continued to invest and a one-time investment, and generally what's happening is that the price that they put on it was \$300,000 and then Rockford Area Economic Development Council immediately contributed back \$100,000. So the total investment has been \$200,000. We completely acquired the EIGERlab brand, all of the equipment and everything. So that is the model that's been put forth and it is within the Northern Illinois Research Foundation. I think Vice President Rigg will be talking with you more about that in your next committee meeting. Chair Murer asked if we have perpetual rights to the name and Dr. Cotsones confirmed we do.

Chair Murer said this is good because I take it – and I’m not as familiar with the Rockford market as Marc is - but I take it that has a lot of cache in the name. Trustee Strauss replied I don’t know that cache is the right word, but it’s certainly recognized. I think if you are in industry or business in the Rockford market, you would know the name and you would know where it’s located and you would have been to events there. Chair Murer asked is this modeled on the 1871 or similar to the 1871 model in Chicago.

Trustee Strauss answered I’ll let people who know directly maybe comment to a greater extent. But I understand their areas of focus are different, so this really has been more dominated by manufacturing businesses and 1871 as I understand it is more tech focused, but I think they’re both business, more than business accelerators, they have other things that are hung on them that’s the effort is to be able to provide multiple types of programming in support of business. That’s why, like you, I am also interested in the business model if we can find something that is possible for us to replicate, those same needs exist in DeKalb and they exist in Naperville and Hoffman Estates and other places where we don’t even have a facility and to the extent that we can perfect something that produces the desirable result and is sustainable, then we’ve got something that we can make great use of to be able to produce economic development throughout the region.

Dr. Rigg interjected that she had spent a day in DC on the hill with Anna Quider and we visited all the congressional offices for Illinois and the senators and shared with their staffers the information about EIGERlab and there was a level of excitement that was palpable. They’re very, very engaged in the process and very excited that this is happening.

Trustee Boey asked of Dr. Cotsones, when you start to talk about manufacturing, I’m a manufacturing type guy so you got me interested now. When you talk about equipment, give me some example of the equipment that we will be buying. Just a couple of examples. Rena explained I’m not a techy so I have some notes here to help me. We have some high level rapid prototyping machines. There’s one called a Conex 500. It’s a polyjet matrix allowing simultaneous jetting of different types of model materials. So unlike some of the lower level, less expensive rapid prototyping equipment that’s now becoming more available, this uses a single build process to print parts and assemblies made of several different materials with different mechanical and physical properties. We also have an SLA RP machine which uses photo reactive liquid that is cured with a laser to create the prototype from a computer model. I’m hoping this is making sense to you, because not too much to me. SLS RP machine uses a laser to melt powder in layers to create durable plastic and rubber-like parts and also has the capability of making metal parts. So it’s what we would term light industrial, that’s why it will work to move the center for product development into NIU Rockford. Those are some examples of kind of the highest level and the most functional equipment that will be in our Center for Product Development. Trustee Boey asked have we ever connected with a product that we developed in EIGERlab and now is in the market. Dr. Cotsones responded with an invitation to the trustee to come to EIGERlab and see what we have.

Chair Murer thanked Dr. Cotsones for her presentation and further remarked to her fellow trustees Trustees and Chairman Butler, I hope you have enjoyed the model that this committee has tried to impose which is to really focus on a single topic in the committee with other information, whatever pertinent information, but we’ve really been trying to focus on a single topic, drill down much deeper than just superficially on it and I will ask Rena to also continue in this focus that we’ve tried to take which is the repetitiveness of the single topic so that we really as a board understand all of the elements related to some of the key areas that we’re involved with in terms of research and innovation technology. So Rena I would ask that in subsequent meetings as we formulate our agenda, we really want to continue to

hear about this. This is really extraordinary and I think that the Trustees have all expressed the same thing which is we're really interested in learning more about the financial implications and also I think importantly today the political implications and the political benefits that we are receiving through this outreach and very productive outreach, and as we look to similar incubator models and I just say similar not identical, but as we can articulate more clearly where the synergies are to these models that are introducing technology to the United States, to Illinois first I guess, but to our state and how NIU is contributing, I think that when Mike Mann and President Baker go to Springfield and we talk about the need for subsidy from the state, if we're able to articulate what has been the financial impact that NIU has had on the state, not only in the education of our students here on campus and our satellite campuses, but in innovative manners in which we really are bonding with manufacturing and technology. This is a great platform. I think that was the word you used Marc. I think that's a good word. This is a great platform and through this committee I would like to continue to look in depth as it relates to this and other research projects that we are involved with.

OTHER MATTERS

Chair Murer asked if anyone had other comments to bring before the board. There were no additional requests or comments.

NEXT MEETING DATE

The next meeting of the LARI Committee will be May 28, 2015.

ADJOURNMENT

Chair Murer asked for a motion to adjourn. Trustee Boey made a motion to adjourn and it was seconded by Trustee Strauss. The meeting was adjourned at approximately 9:59 a.m.

Respectfully submitted,

Cathy Craddock

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.