



Special Meeting
of the
Board of Trustees

September 20, 2018

A G E N D A

**Special Meeting of the
BOARD OF TRUSTEES OF NORTHERN ILLINOIS UNIVERSITY
9:00 a.m. – Thursday – September 20, 2018
Board of Trustees Room
315 Altgeld Hall**



1. Call to Order and Roll Call
2. Verification of Appropriate Notification of Public Meeting
3. Meeting Agenda Approval *Action*.....i
4. Chair's Comments/Announcements
5. Public Comment
6. Closed Session
7. Chair's Report No. 87
 - a. Appointment of the Thirteenth President of Northern Illinois University *Action*.....1
8. President's Report No. 127
 - a. Authorization to Retain Executive Search Services to Support a Search for the Next Executive Vice President and Provost..... *Action*.....18
9. Other Matters
10. Next Meeting Date
11. Adjournment

*Individuals wishing to make an appearance before the Board should consult the [Bylaws of the Board of Trustees of Northern Illinois University, Article II, Section 4 – Appearances before the Board](#). Appearance request forms will be available in the Board Room the day of the meeting. For more information contact Chelsea Duis, cfrost1@niu.edu, Recording Secretary to the Board of Trustees, Altgeld Hall 300, DeKalb, IL 60115, 815-753-1273.

Anyone needing special accommodations to participate in the NIU Board of Trustees meetings should contact Chelsea Duis, (815) 753-1273, as soon as possible.

**APPOINTMENT OF THE THIRTEENTH PRESIDENT
OF NORTHERN ILLINOIS UNIVERSITY AND
APPROVAL OF THE PRESIDENTIAL EMPLOYMENT AGREEMENT**

Summary: Northern Illinois University was chartered in 1895 and since opening its doors in 1899, it has had twelve past presidents to lead, guide and move the institution forward. Pursuant to the Northern Illinois University Law, the Board of Trustees of Northern Illinois University shall have the power, and it shall be its duty, to employ a President of Northern Illinois University. 110 ILCS 685/30-45(2).

On July 1, 2017, the university had a transition in the presidency and Dr. Lisa C. Freeman was installed as the acting president for the university. The Board of Trustees opted to postpone the launch of a national search and formed a Presidential Search Preparation Committee, which was charged with benchmarking current practices and trends related to presidential searches and contracting. Additionally, the committee prepared a Presidential Profile. The results of the work of the Presidential Search Preparation Committee were presented to the Board of Trustees on June 14, 2018.

After consideration of the work performed by the Presidential Search Preparation Committee, an Adjusted Presidential Search Process, with Dr. Freeman put forth as the candidate, was proposed to and approved by the Board of Trustees in open session at a Special Meeting of the Board of Trustees on July 16, 2018. The Adjusted Presidential Search Process provided for informational gathering sessions with multiple constituency groups of the university in order to elicit input and feedback on Dr. Freeman's candidacy. In addition to these information gathering sessions, a university-wide forum was held on August 30, 2018, so that faculty, staff, students and other members of the university community could hear directly from Dr. Freeman, as she outlined her vision for the future of the university and participated in a question and answer session.

After review and consideration of the results of the Adjusted Presidential Search Process, the Board of Trustees voted on September 13, 2018 to pursue Dr. Freeman as the next permanent president of the university and authorized the commencement of contract negotiations between the parties over the terms and conditions of such an appointment.

At the Special Meeting of the Board of Trustees to be held on Thursday, September 20, 2018, it is anticipated that the Board will appoint Dr. Lisa C. Freeman as the thirteenth president of Northern Illinois University. In addition, it is anticipated that the Board will review and approve the terms and conditions of an employment agreement for the president of Northern Illinois University. Pursuant to Section 30-195 of the Northern Illinois University Law, the university is required, along with appropriate Public Notice of the meeting under the Illinois Open Meetings Act, to post, at a minimum, a description of the proposed principal financial components of the president's appointment, which follows:

- For the presidential appointment, a base salary of \$450,000 is proposed.
- The Board will also consider deferred compensation in the form of \$25,000 for each year that is completed as president.
- The Board will also consider the potential for performance-based compensation in the form of up-to \$25,000 for each year as president, starting with Fiscal Year 2019 (July 1, 2018 to June 30, 2019). The performance upon which the compensation is based must be made available to the public no less than 48 hours before the Board would approve the awarding of such performance-based compensation.
- Pursuant to applicable State law, the presidential appointment cannot exceed four years.
- Any severance payments under the presidential employment agreement will comply with the new Illinois Government Severance Pay Act, which becomes effective on January 1, 2019.

- Reimbursement for reasonable university-related business and travel expenses for the president and spouse for performance of duties and responsibilities as president, in accordance with applicable law and university policy.

A copy of the complete proposed presidential employment agreement is attached to this Board Item. The Board will take up the matter of the appointment of the thirteenth president of Northern Illinois University, as well as the presidential employment contract for this appointment, with these proposed principal financial components at its Special Meeting on September 20, 2018.

For Approval: The Board of Trustees appoints Dr. Lisa C. Freeman as the thirteenth president of Northern Illinois University, effective September 20, 2018.

In addition, the Board hereby agrees to the terms and conditions of the presidential appointment, as outlined above and in the proposed presidential employment agreement that is attached, and authorizes the execution of said agreement between the Board and Dr. Freeman as the new permanent president of Northern Illinois University.

PRESIDENTIAL EMPLOYMENT AGREEMENT
BETWEEN
THE BOARD OF TRUSTEES OF NORTHERN ILLINOIS UNIVERSITY
AND
LISA C. FREEMAN

This Presidential Employment Agreement (“Agreement”) shall be effective as of September 20, 2018 (“Effective Date”) between the Board of Trustees of Northern Illinois University (“Board”) and Lisa C. Freeman (“President”). The Board and the President may hereinafter be individually referred to as a “Party” or collectively referred to as the “Parties.”

RECITALS

WHEREAS, the Board has the authority to appoint and employ the President of Northern Illinois University (“University”); and

WHEREAS, the Board desires to appoint and employ Lisa C. Freeman as President of the University on the terms and conditions hereinafter set forth; and

WHEREAS, the President desires to accept such appointment and employment as President on the terms and conditions hereinafter set forth; and

WHEREAS, the President’s appointment has been duly approved by the Board on September 20, 2018; and

WHEREAS, the President acknowledges the Northern Illinois University Mission Statement (“*The mission of the University is to promote excellence and engagement in teaching and learning, research and scholarship, creativity and artistry, and outreach and service*”) and agrees to actively support it; and

WHEREAS, both the Board and the President desire to set forth their respective rights and obligations in this Agreement.

NOW, THEREFORE, for and in consideration of the mutual promises and covenants set forth herein, the Board and President agree as follows:

ARTICLE I - APPOINTMENT

1.0 Position. The Board appoints and employs Lisa C. Freeman as President of Northern Illinois University, and the President agrees to be employed full-time by the Board as the University’s President.

1.1 Duties. The President shall effectively and satisfactorily perform all of the duties and acts that are usual or necessary in carrying out the roles, responsibilities and authority of the President. The President shall perform all duties and acts subject to federal and state of

Illinois (“State”) laws, regulations and rules, and all bylaws, regulations, policies, procedures and accreditation requirements of the Board and the University, as now existing or hereafter promulgated.

The essential roles, responsibilities and duties of the President include, but are not limited to:

- (a) Serving as chief executive officer for the University;
- (b) Providing general institutional and educational leadership, while fostering an environment of accountability and transparency;
- (c) Providing oversight of the management, administration and direction of the University;
- (d) Making recommendations concerning long-term and short-term strategic planning regarding the mission, scope and organization of the University;
- (e) Developing budgets and providing budgetary oversight;
- (f) Advocating for the University and higher education;
- (g) Appointing, supervising, evaluating and terminating executive and senior staff;
- (h) Promoting a culture of diversity, equity and inclusion;
- (i) Fostering a commitment to the principles of shared governance;
- (j) Serving, under the general direction of the Board, as the primary representative of the University for external bodies or constituencies;
- (k) Defining and implementing the necessary steps to strengthen the University’s recruitment and enrollment efforts;
- (l) Supporting fundraising, development and alumni relations;
- (m) Developing and maintaining relationships with local, state and federal governments;
and
- (n) Performing other duties as may be assigned or delegated by the Board.

1.2 **Reporting.** The President agrees to perform the roles, responsibilities and duties of the President under the supervision and direction of the Board. As provided in the Board Regulations, the President shall (a) report to the Board all matters required by statute, regulation or policy; (b) advise the Board of all matters not specifically required by law but which as a matter of sound management practice should be brought to the Board’s attention, including, but not limited to, those matters with: i) significant financial implications; ii) substantial public interest or ethical considerations; and/or iii) material changes in or deviations from standard contractual provisions and obligations; and (c) timely inform the Executive Committee of the Board of any procurement matter that significantly deviates from matters previously approved by the Board. Should there be any amendments to the aforementioned Regulations, this Article should be automatically amended in accordance with such amendments. The President shall provide reports and other information as requested by the Board or as otherwise required by law or other applicable authorities.

1.3 Goal-Setting Process and Evaluation.

- (i) **Goal-Setting Process.** On or before November 30, 2018 for the evaluation period from the Effective Date of this Agreement until June 30, 2019, and on or before April 30 of each subsequent year of the term of this Agreement, for the one (1)-year period beginning on the following July 1, the President shall provide the Chair of the Board with a list of proposed annual goals and objectives (for example, approximately three (3) to five (5)). The Board and the President shall discuss the President's goals and objectives and finalize the goals and objectives for the one (1)-year period beginning each July 1.
- (ii) **Evaluation.** On or before August 31 of each year of the term of this Agreement, the President shall initiate the evaluation process for the period that ended on June 30 of that year ("Evaluation Period") by submitting to the Board a preliminary self-appraisal of the President's performance during the Evaluation Period ("Preliminary Self-Appraisal"). This Preliminary Self-Appraisal shall address the President's performance related to each of the goals and objectives established for such Evaluation Period. On or before October 1 of each year of the term of this Agreement, the President shall supplement the Preliminary Self-Appraisal by submitting to the Board a final self-appraisal of the President's performance during the Evaluation Period ("Final Self-Appraisal"). After the President has submitted this Final Self-Appraisal, the Board shall evaluate the President's performance during the Evaluation Period based on the President's achievement of the mutually agreed upon specified goals and objectives and such other criteria as the Board deems appropriate. The President shall be evaluated by the Board in accordance with Board Bylaws and applicable laws, regulations, Board governing documents and other authorities.

1.4 Compliance. The President agrees to comply with all federal and State laws such as, but not limited to, Title IX of the Education Amendments of 1972 and the Jeanne Clery Disclosure of Campus Security Policy and Campus Crime Statistics Act. The University and the President acknowledge that the President is considered a "Campus Security Authority," and as such, the President shall perform duties consistent with that title, including, but not limited to, prescribed training and the requirement of reporting certain crimes involving University personnel and/or students. The President further agrees that subject to the Illinois State Officials and Employees Ethics Act (5 ILCS 430/5-45) ("Ethics Act"), the President is subject to the revolving door prohibition. The Ethics Act prohibits the President, within a period of one (1) year immediately after termination of office or State employment, from knowingly accepting employment or receiving compensation or fees for services from a person or entity if the person or entity or its parent or subsidiary, during the year immediately preceding termination of State employment, was a party to a State contract or contracts with a cumulative value of Twenty Five Thousand Dollars (\$25,000.00) or more involving the President or the University, regardless of whether the President participated personally and substantially in the award of the State contract or contracts in question.

ARTICLE II - TERM

2.0 Initial Term. The term of this Agreement commences on the Effective Date and terminates on September 19, 2022 ("Term"), unless renewed, extended or sooner terminated as provided for in this Agreement. The Term of this Agreement may not exceed four (4) years pursuant to State law (110 ILCS 685/30-195).

2.1 Renewal or Extension. Six (6) months prior to September 19, 2022, the President shall notify the Board Chair in writing if the President does not seek a renewal of this Agreement. Any renewal or extension of this Agreement shall be in accordance with 110 ILCS 685/30-195. In the event the Board does not elect to renew or extend this Agreement, or the President does not accept any renewal or extension offer by the Board, then this Agreement shall automatically lapse as of September 19, 2022 with no further action of the Board. A lapse of this Agreement under this Article 2.1 does not constitute termination by the Board or President.

ARTICLE III - CONSIDERATION

3.0 Annual Base Salary. The annual base salary ("Annual Base Salary") for duties performed by the President during the Term of this Agreement shall be Four Hundred Fifty Thousand Dollars (\$450,000.00) payable in accordance with the University's payroll policies and procedures, with applicable deductions or withholdings as required by law and regulations. Any increases to Annual Base Salary shall be in the sole discretion of the Board. The President shall be eligible for any salary increase program applicable to the University's other senior administrators during the term of this Agreement. Pursuant to 110 ILCS 685/30-195 and 30-200, the Board's annual performance evaluation of the President must be considered prior to the Board's increase of the President's annual base salary under this Article 3.0.

3.1 Deferred Compensation. The University established the Northern Illinois University 457(f) Plan (the "457(f) Plan"). Dr. Freeman shall be credited with a Twenty Five Thousand Dollar (\$25,000.00) University Contribution Credit under the 457(f) Plan as of each September 19 during the Term of this Agreement, provided that she remains employed as President on such date. The "Service Completion Date" for such University Contribution Credits and related Earnings Credits shall be September 19, 2022. Dr. Freeman's interest in her Account attributable to such University Contribution Credits and Earnings Credits shall Vest upon the earliest of (i) the Service Completion Date, (ii) termination of her service as President on account of her disability or death, or (iii) termination of her service as President by the University Without Good Cause (as defined in Section 5.3). For purposes of this Section, the terms "Account," "University Contribution Credit," "Service Completion Date," and "Vest" have the meanings given to them under the 457(f) Plan. If Dr. Freeman's service as President terminates before a Vesting event described in this Section, her interest in her Account attributable to the University Contribution Credits and Earnings Credits described in this Section shall be forfeited. For clarity, the vesting schedule specified in this Section shall supersede any contrary vesting schedule under the 457(f) Plan document.

3.2 Performance Incentive. In the fall of 2019, the Board shall evaluate the performance of the President for the President's FY2019 performance in accordance with Article 1.3 of this Agreement. Based upon the President's FY2019 performance, the Board shall make a recommendation as to a performance incentive for the President and shall take action on its recommendation prior to December 31, 2019. Such performance bonus shall not exceed Twenty Five Thousand Dollars (\$25,000.00). In the fall of 2019, the Board, in consultation with the President, shall develop performance incentive criteria for the evaluation of the President in FY2020, FY2021 and FY2022, respectively. Such criteria shall include, but not be limited to, the President's annual evaluations by the Board. Based upon such performance incentive criteria, the Board shall make a recommendation as to a performance incentive for the President for FY2020, FY2021 and FY2022 and shall take action with respect to such recommendations prior to December 31, 2020, December 31, 2021, and December 31, 2022, respectively. Any performance incentive awarded to the President for FY2020, FY2021 and FY2022 shall not exceed, on an annual basis, Twenty Five Thousand Dollars (\$25,000.00). Pursuant to 110 ILCS 685/30-195 and 30-200, the Board's annual performance evaluation of the President must be considered for any performance-based bonus or incentive-based compensation. In accordance with 110 ILCS 685/30-195, any such compensation must be approved by the Board in an open meeting, and the performance upon which any such compensation is based must be made available to the public no less than forty-eight (48) hours before Board approval of the compensation. Retirement contributions will only be made on incentive compensation based on performance and in accordance with State of Illinois law and University regulations.

3.3 Benefits. The President will be eligible to receive the customary and ordinary benefits available to administrative and professional employees of the University in accordance with applicable law and University policy and will be subject to all legal withholdings or deductions required by State or federal law or regulation. The President acknowledges that the customary and ordinary benefits offered by the University may change over time and that the President will be subject to any such changes consistent with the provisions of University benefits plans and applicable law.

3.4 Business and Travel Expenses. The University shall reimburse the President for all reasonable University-related business and travel expenses, including those associated with annual dues and membership fees and expenses for professional associations and professional development opportunities, meetings and entertainment, in accordance with State and University policies and procedures, as existing or hereafter promulgated. Such reimbursement for professional development opportunities includes, but is not limited to, reimbursement for all conferences and other professional development related expenses associated with the President's philanthropic professional development. When the President's spouse's or partner's attendance at events is of benefit to the University, the University shall reimburse the President for all reasonable University-related business and travel expenses incurred by President's spouse or partner, in accordance with State and University policies and procedures, as existing or hereafter promulgated. For example, if the attendance of the President and her spouse is required for donor cultivation events (that may or may not coincide with University athletic events), the University will reimburse all

reasonable University-related business and travel expenses incurred by the President and her spouse. The President agrees to reimburse the University for any personal charges incurred connection with activities described in this Article but charged to the University.

3.5 Expense Reimbursement. The President shall maintain and furnish to the University a reasonable accounting and receipts for reimbursable expenses provided for in this Agreement in detail consistent with University and State policies and procedures. All expenses shall be subject to audit by the University.

3.6 Faculty Appointment. The parties acknowledge and agree that, pursuant to applicable Board and University policies and regulations, Dr. Freeman has a tenured appointment at the rank of professor in the College of Liberal Arts & Sciences, Department of Biology. During her term as President, the President shall maintain her faculty appointment and rank but will not receive any additional compensation in consideration of her faculty appointment. It is further agreed that the lapse of this Agreement, termination without Good Cause (as defined in Article 5.3) of the President's appointment, or resignation of her presidential appointment by the President, shall not impact Dr. Freeman's tenured appointment at the rank of professor, subject to University rules and regulations applicable to tenured faculty members. Dr. Freeman's return to active faculty service under the provisions of this Agreement are further set forth in Article 5.5 below.

3.7 Moving Expenses. The University shall pay for the President's reasonable expenses incurred to move the President, the President's immediate family and their personal property, should the President be required to leave her current residence to move into a residence furnished by the University (as described in Article 3.8 below). The President shall provide the University with appropriate documentation related to the moving expenses and any such reimbursement by the University shall be in accordance with University and State policies and procedures.

3.8 Housing. During the Term of the Agreement, the Board may furnish the President with a residence ("President's Residence"). The maintenance and upkeep of the President's Residence and grounds, including housekeeping services for the public areas, shall be borne by the University. The public areas in the President's Residence shall be furnished by the University. The President shall be responsible for the President's personal expenditures, such as personal food and incidentals. The President shall also be responsible for maintaining insurance for the President's and the President's family's personal property at the President's Residence. The President's Residence shall be available and will be used for University-related business and entertainment on a regular and continuing basis. The President shall vacate the President's Residence no later than thirty (30) days following the effective date of termination of the President's employment as President.

ARTICLE IV - OTHER EMPLOYMENT/DISCLOSURES OF INTEREST

During the Term of this Agreement, the President will perform the President's duties and responsibilities under this Agreement full-time and devote such efforts as may be required by and in accordance with State law and applicable Board of Trustees and University policies

and procedures. The President shall obtain the written approval of the Board for any of the President's personal interests or commitments that might influence or appear to influence the President's duties and responsibilities under this Agreement.

During the Term of this Agreement, on a personal basis, the President shall not solicit money, loans, gifts or discounts and shall refrain from accepting money, gifts, entertainment, favors, or services that give rise to potential conflicts of interest or commitments or that might influence or appear to influence the President's duties and responsibilities under this Agreement.

ARTICLE V - TERMINATION

5.0 Events of Termination. Any final actions by the Board to terminate this Agreement shall comply with the provisions of 110 ILCS 685/30-195 and 110 ILCS 685/30-200. The parties agree that the terms of this Agreement with respect to termination of the presidency shall supersede any Board or University bylaws, regulations or policies, and in the event of a conflict, this Agreement shall control.

5.1 Termination by Board for Good Cause. The Board has the right to terminate the President for "Good Cause" by delivering to the President a written notice of the Board's intent to terminate this Agreement for Good Cause, which notice shall be effective upon notice from the Board to the President or at such later time as such notice may specify. In the event the President is terminated and/or fired by the Board at any time for Good Cause, the President is not entitled to the payment of any salary, benefits, damages or severance pay beyond the effective date of said termination for Good Cause (except for amounts earned, accrued, vested or due prior to such date). For purposes of this Agreement, "Good Cause" shall be defined, along with its other normally understood meanings in employment contracts, as:

- (i) A deliberate or serious violation of any local, State or federal law, rule, regulation or Constitutional provision, or Board or University bylaw, regulation or rule, which violation may, in the sole judgment of the Board, reflect unfavorably upon the Board or University in any material respect;
- (ii) Material insubordination;
- (iii) the President's conviction or plea of *nolo contendere* to a misdemeanor involving financial impropriety, moral turpitude or harassment of a University student or employee, or any conviction or plea of *nolo contendere* to a felony, or the University's independent finding of any conduct of the President that constitutes financial impropriety, moral turpitude or harassment;
- (iv) Participation in an act of dishonesty, which act is materially harmful to the University;
- (v) Misconduct (as defined by the Government Severance Pay Act (5 ILCS 415/)) or willful neglect in the performance of the President's duties that harms the University;

(vi) Material, documented violations of University policies, including, but not limited to, the Title IX/Sexual Misconduct Policy and the Non-Discrimination/Harassment Policy;

(vii) Failure of the President to promptly report to the Board and/or the University Ethics Officer if President knows (or would have known in the exercise of reasonable diligence) of a serious violation of any local, State, or federal law, rule, regulation or Constitutional provision, or Board or University bylaw, regulation or rule;

(viii) Failure of the President to disclose material information to the Board concerning the University, and such failure results in material harm to the University, or falsification or intentional misrepresentation of material information concerning the University;

(ix) Absence from the University for ten (10) business days or more without the consent of the Board, except as provided by the federal Family and Medical Leave Act or any other pertinent federal or State law;

(x) A violation of prohibition against activity as stated in Article IV of this Agreement; or

(xi) As otherwise defined by law.

The standard for termination for Good Cause (to the extent in conflict with University rules or policies which permit termination) shall be as defined in this Article.

The Board shall have no obligation to use progressive discipline regarding the President's misconduct. Any Board decision to utilize progressive discipline shall not create any future obligation for the Board to use progressive discipline. In the event of termination of this Agreement for Good Cause, all obligations of the Board under this Agreement shall cease immediately; provided, however, that the Board shall be responsible to pay the President all amounts of compensation the President has earned (or which have accrued or have been achieved), but remain unpaid, as of the date of termination.

5.2 Termination Due to Inability to Perform Presidential Functions. This Agreement shall terminate automatically if the President is unable to discharge the duties and responsibilities of the Office of President or to designate the Executive Vice President and Provost for temporary succession in accordance with the Board of Trustees Presidential Succession Policy, or an anticipated absence of the President will last for more than thirty (30) calendar days. Circumstances under which such automatic termination may occur include, but are not limited to:

- (i) Incapacity, as determined by the President or by a 3/4th vote of the Board;
- (ii) Incapacity, as certified by an appropriate medical provider or judicially declared by a court of competent jurisdiction;
- (iii) death.

“Incapacity” shall mean the President is unable to receive and evaluate, make or communicate, or understand the nature and effects of decisions to such an extent that the President lacks the ability to meet the essential elements of this Agreement. In the event of any termination of this Agreement under this Article, the University shall be obligated to compensate the President or the President's estate in accordance with this Agreement for services performed prior to the termination date (including any amounts which were earned, achieved, or which accrued as of said date) and, in the event of incapacity or death, the President or the President's estate shall be entitled to those benefits, if any, that are payable under any University group the President insurance or benefit plan in which the President is enrolled, as well as any vested deferred compensation earned by Dr. Freeman in accordance with Paragraph 3.1 above and the terms of the Northern Illinois University 457(f) Plan.

If the President is terminated from service as president pursuant to this Article, she shall not automatically be entitled to return to the faculty; provided, however, that the Board shall determine whether the President is able to perform the essential functions of her faculty position with or without accommodations and, if so, the President shall have the right to return to the faculty. The President agrees to provide documentation from an appropriate medical provider and the Board and President agree to engage in an interactive process to determine whether the President can return to the faculty under this Article.

5.3 Termination by Board without Good Cause. The Board may terminate this Agreement without Good Cause by delivering to the President a written notice of the Board's intent to terminate this Agreement without Good Cause, which notice shall be effective upon the Board sending notice to the President or at such later time as such notice may specify. If the Board terminates the President's appointment without Good Cause, then the President may elect from the following:

(i) If termination occurs with twenty (20) weeks or more remaining until the expiration of the Term of this Agreement, the University shall pay the President an amount not to exceed twenty (20) weeks' Annual Base Salary at the then-current rate plus applicable benefits in accordance with the Government Severance Pay Act, unless the President chooses to return to the faculty, as provided in Section 5.5 below.

(ii) If termination occurs with less than twenty (20) weeks remaining until the expiration of the Term of this Agreement, the University shall pay the President a pro-rata amount of Annual Base Salary equal to the number of weeks remaining in the Term (not to exceed twenty (20) weeks) at the then-current rate plus applicable benefits in accordance with the Government Severance Payment Act, unless the President chooses to return to the faculty, as provided in Section 5.5 below.

The Board agrees not to reduce any payments under this Article unless there is a material reason based on the Board's annual performance evaluation of the President or as otherwise required by law. Pursuant to 110 ILCS 685/30-200, prior to entering into any severance agreement with the President upon termination of this Agreement without Good Cause, the Board shall consider the President's most recent annual performance review. Payments to the President under this Article shall be considered liquidated damages, in lieu of all other damages, and the parties agree that acceptance thereof by the President shall constitute

adequate and reasonable compensation to the President for all damages and injury suffered by the President because of said termination by the Board. Acceptance of such payments shall constitute a waiver of any and all other damages or penalties against the Board, the University, and its trustees, officers, agents and employees and the President shall execute a document so acknowledging, as a condition to receipt of such payments.

In the event the President separates from the presidency under this section, except as otherwise agreed between the Board and President, subject to University rules and regulations applicable to tenured faculty members, the President shall be entitled to return to the faculty pursuant to the provisions set forth in Articles 3.6 and 5.5 of this Agreement.

5.4 Resignation by President. The President may terminate this Agreement at any time upon not less than six (6) months prior written notice to the Board. The President's employment as President shall cease on the effective date of the President's resignation. Neither party shall have any further rights or obligations hereunder with respect to the President's employment as President, except to any salary or benefits the President accrued before the effective date of the President's resignation. Following receipt of the President's notice to terminate under this Article, the Board may decide to terminate the President's appointment as President prior to the date set forth in the notice. The termination of this Agreement because of the President's resignation shall not end Dr. Freeman's tenured faculty appointment and subject to University rules and regulations applicable to tenured faculty members, she shall be entitled to return to the faculty as set forth in Articles 3.6 and 5.5 of this Agreement.

5.5 Return to Faculty Following Lapse of this Agreement or Termination. Upon the expiration of the Term of this Agreement or upon termination of this Agreement other than as set forth in Articles 5.1 and 5.2 above, the President will be entitled to return to her tenured academic appointment in the College of Liberal Arts & Sciences, subject to University rules and regulations applicable to tenured faculty members. Should the President choose to return to the faculty, she will be entitled to one (1) year of administrative leave for professional development purposes ("Administrative Leave") at ½ of the President's Annual Base Salary prior to the President's return to her tenured academic appointment. During the Administrative Leave, the President shall perform such duties, responsibilities or special projects as determined by the Executive Vice President & Provost in conjunction with the Board, which may include activities focused upon the President's resuming a research and scholarship agenda and preparing to return to active faculty service. Following the end of the Administrative Leave and upon assuming the tenured academic appointment, the President's annual salary shall be adjusted as determined by the Executive Vice President & Provost to a nine (9)-month or twelve (12)-month base salary with consideration given to the salaries of comparable faculty members within the same academic department, external market value and University economic conditions.

Barring any other exigencies outside the President's control and caused by the University in terms of the President returning to her faculty appointment, in the event the President does not assume faculty responsibilities for at least one semester after the Administrative Leave, the President may be required to repay compensation paid to the President during the

Administrative Leave. The President and Board will execute an agreement memorializing these terms and conditions prior to the President's undertaking an Administrative Leave as set forth in this Article 5.5.

Upon resumption of her faculty appointment pursuant to the terms of this Agreement, the President's employment on the University's faculty shall be governed by the University's rules for tenure and the University Bylaws, and not by this Agreement.

5.6 Limitation of Damages for Termination. In the event of a termination by the Board, with or without Good Cause, damages which may be assessed against the Board (or anyone connected with the University) shall not include loss of any collateral business opportunity, or of extra compensation (regardless of source) or any other benefits (whether contemplated by this Agreement or not) from any source outside the University. Nothing herein shall be deemed to be an acknowledgement that any damages whatsoever are available in the event the termination is with or without Good Cause. In no case shall the Board be liable for the loss of any collateral business opportunities or any other benefits or income that may ensue as a result of the Board's termination of this Agreement.

ARTICLE VI – REPRESENTATION AND WARRANTY

The President represents and warrants to the Board that prior to the Effective Date of this Agreement, the President has not engaged in any act or omission which prevents the President's ability to assume the duties of this Agreement. A breach of this warranty would constitute a material breach of this Agreement.

ARTICLE VII - INDEMNIFICATION

Per applicable State law and Board Bylaws, in the event the President incurs or will reasonably expect to incur expenses in connection with any claim, or actual or threatened action, suit, proceeding or investigation (civil, administrative, or other non-criminal proceedings) or appeal in which the President may be involved by reason of being or having been a President of the University, the President will be entitled to indemnification from the Board. Determinations as to the extent and scope of any such indemnification will be as reasonably necessary as determined by the Board in good faith, and made pursuant to applicable law, Board Bylaws, insurance policies covering University employees, and any other applicable authority, as existing or hereafter promulgated.

ARTICLE VIII – DISCLOSURE OF AGREEMENT TERMS AND CONDITIONS

The parties acknowledge that disclosure of the existence of this Agreement and its terms and conditions are subject to applicable law (e.g. Freedom of Information Act (5 ILCS 140/) and court order.

ARTICLE IX - MISCELLANEOUS

9.0 Entire Agreement. This Agreement constitutes the full and complete understanding of the parties with respect to the President's employment as President and supersedes all prior understandings, either written or oral, between the Board and the President regarding the subject matter. This Agreement may be amended only in writing and if signed by the Board and the President, except for increases in pay or benefits, which may be accomplished without the necessity of written modification or amendment. 110 ILCS 685/30-195 and 30-200 shall apply to any such increases in pay.

9.1 Governing Law and Dispute Resolution. The validity, interpretation, performance and enforcement of this Agreement shall be governed by the laws of the State of Illinois.

Should any dispute between the President and the University arise at any time out of any aspect of the employment relationship, the President and the University will confer in good faith to resolve promptly such dispute. In the event that the University and the President are unable to resolve their dispute, the parties agree that any controversy or claim that either party may have against the other arising out of or relating to the construction, application or enforcement of this Agreement, as well as any controversy or claim based upon the alleged breach of any legal right relating to or arising from the President's employment and/or termination of her employment ("the Dispute") shall be submitted to non-binding mediation. Within fifteen (15) days after delivery of a written request for mediation from one party to the other, the Dispute shall be submitted to a single mediator chosen by the parties in Chicago, Illinois or the Chicago metropolitan area. The costs and fees associated with the mediator/mediation shall be shared equally by the parties.

9.2 Severability. If any provision of this Agreement is judicially found to be invalid or unenforceable, either in whole or in part, this Agreement shall be deemed amended to delete or modify, if necessary, the offending provision or provisions or to alter the bounds thereof in order to render it valid, mutually binding and enforceable.

9.3 No Waiver of Default. No waiver by either party of any default or breach of any covenant, term, or condition of this Agreement shall be deemed to be a waiver of any other default or breach of the same or other covenant, term or condition contained herein.

9.4 University to Retain All Materials and Records. All materials or articles of information furnished to the President by the University or developed by the President on behalf of the University or at the University's direction or for the University's use or otherwise in connection with the President's employment hereunder are and shall remain the sole confidential property of the University.

9.5 Tax Liability. The President shall be responsible for any income tax liability arising from the President's income under the terms and conditions of this Agreement.

9.6 Employer's Legal Immunities and Defenses. Nothing in this Agreement shall be construed to constitute a waiver or relinquishment by the University, the Board of Trustees, or the State or their respective officers, employees, or agents of their right to claim such exemptions, defenses, privileges and immunities from lawsuits as may be provided by State or federal law.

9.7 Notices. All notices, requests, demands, and other communications permitted or required by this Agreement will be in writing, and either delivered in person; sent by overnight delivery service providing receipt of delivery; or mailed by certified mail, postage prepaid, return receipt requested, restricted delivery to the other party. Any notice sent by hand delivery or by overnight courier will be deemed to have been received on the date of such delivery. Any notice sent by mail will be deemed to have been received on the third business day after the notice will have been deposited in the mail. All such notices and communications, unless otherwise designated in writing, will be sent to:

To the President: Lisa C. Freeman
Last Known Home Address On File with University's
Human Resource Services Department

To the University: Board of Trustees
c/o Board Liaison
Northern Illinois University
Altgeld Hall 300
DeKalb, IL 60115

With copy to: Office of the General Counsel
Northern Illinois University
Altgeld Hall 330
DeKalb, IL 60115

9.8 Binding Effect. The obligations and duties of the President shall be personal and not assignable or delegable in any manner whatsoever. This Agreement shall be binding upon and inure to the benefit of the President and the President's executors, administrators, heirs, successors, and permitted assigns, and upon the Board and its successors and assigns.

9.9 Captions. The captions of this Agreement are for reference purposes only and have no legal force and effect.

9.10 Effectivity. This Agreement shall only become effective upon final action by the Board as required by State law.

9.11 Non-Appropriation of Funds. The Board and the President acknowledge that the performance of the Board of any of its obligations under this Agreement shall be subject to and contingent upon the availability of funds appropriated by the legislature for the current and future periods.

9.12 Interpretation. The Board and the President acknowledge that they have read and understand the provisions of this Agreement and that the terms and provisions of this Agreement shall be construed fairly as to both parties and not in favor or against any party, regardless of which party was generally responsible for the preparation of this Agreement.

9.13 409A Compliance. It is intended that this Agreement comply with section 409A of the Internal Revenue Code of 1986, as amended (the “Code”), and the Treasury Regulations and IRS guidance thereunder (collectively referred to as “Section 409A”). Notwithstanding anything to the contrary, this Agreement shall, to the maximum extent possible, be administered, interpreted and construed in a manner consistent with Section 409A. To the extent that any reimbursement, fringe benefit or other, similar plan or arrangement in which the President participates during the Term or thereafter provides for a “deferral of compensation” within the meaning of Section 409A, (i) the amount of expenses eligible for reimbursement provided to the President during any calendar year will not affect the amount of expenses eligible for reimbursement or in-kind benefits provided to the President in any other calendar year (except that a plan providing medical or health benefits may impose a generally applicable limit on the amount that may be reimbursed or paid); (ii) the reimbursements for expenses for which the President is entitled to be reimbursed shall be made on or before the last day of the calendar year following the calendar year in which the applicable expense is incurred; (iii) the right to payment or reimbursement or in-kind benefits hereunder may not be liquidated or exchanged for any other benefit; and (iv) the reimbursements shall be made pursuant to objectively determinable and nondiscretionary University policies and procedures regarding such reimbursement of expenses. If and to the extent required to comply with Section 409A, no payment or benefit required to be paid under this Agreement on account of termination of the President’s employment shall be made unless and until the President incurs a “separation from service” within the meaning of Section 409A. If any paragraph of this Agreement provides for payment within a time period, the determination of when such payment shall be made shall be solely in the discretion of the University. Each installment of the separation pay under this Agreement shall be deemed to be a separate payment for purposes of Section 409A. Without limiting the generality of the foregoing, the President may notify the University if she believes that any provision of this Agreement (or of any award of compensation, including deferred compensation, or benefits) would cause her to incur any additional tax under Section 409A and, if the University concurs with such belief after good faith review or the University independently makes such determination, the University shall, after consulting with the President, use commercially reasonable efforts to reform such provision to comply with Section 409A through good faith modifications to conform with Section 409A. Notwithstanding any provision of Agreement, including this Section, the President shall be solely responsible for all income taxes, including any additional taxes under Section 409A, and the employee share of all employment taxes, on any compensation or benefits under this Agreement, and neither the Board nor the University makes any representation regarding the tax consequences of this Agreement or any compensation or benefits hereunder.

IN WITNESS WHEREOF, the parties have executed this Presidential Employment Agreement in the spaces below.

**BOARD OF TRUSTEES OF
NORTHERN ILLINOIS UNIVERSITY**

LISA C. FREEMAN

By _____
Wheeler G. Coleman
Board Chair

By _____
President

Date _____

Date _____

DRAFT

AUTHORIZATION TO RETAIN EXECUTIVE SEARCH SERVICES TO SUPPORT A SEARCH FOR THE NEXT EXECUTIVE VICE PRESIDENT AND PROVOST

Summary: Pursuant to the provisions of Public Act 97-0814 and the Northern Illinois University policy on the use of external search firms approved by the Board of Trustees on May 23, 2013, the Board authorized the President to select executive search firms for the search for senior level positions and that such selection be from the list of prequalified search firms. It was further recommended that the President periodically report back to the Board regarding selection and status of such searches.

Due to the nature of the position of Executive Vice President and Provost (EVPP), it is recommended that the Board authorize the President to retain such executive search services to assist with the search for the next EVPP. This search will be initiated during Fiscal Year 2019.

The EVPP is the second highest university official and functions as the Chief Academic Officer and leads the Division of Academic Affairs, which includes the Office of Academic Diversity, Equity and Inclusion; all academic colleges; the university libraries; the graduate school; academic support services; undergraduate affairs; faculty affairs; resource planning; and institutional effectiveness. Additional units that report to the EVPP include the Division of International Affairs, the Division of Student Affairs, and Human Resource Services. The EVPP has administrative oversight for the university Title IX Coordinator and works in partnership with the President and Chief Financial Officer on all matters related to university budgets and decision-making.

Due to the critical roles and functions that EVPP fulfills at the university, there is a justifiable need to use a search firm for such positions, per paragraph (2) of the university's policy. In cases where the Illinois Procurement Higher Education Consortium list has prequalified firms with the appropriate expertise, the list will be used to select the firm. In some cases, there may be additional expertise needed and an RFP for services may be done through the Procurement Office, following the appropriate process and procedure.

Recommendation: It is recommended that the President be authorized to select executive search firm services to support the search for the Executive Vice President and Provost, and that such selection will be from the list of prequalified search firms or using an appropriate RFP process. It is also recommended that the President report back to the Board regarding the selection and status of this search.

**NORTHERN ILLINOIS UNIVERSITY POLICY
ON THE USE OF EXTERNAL HIRING SEARCH FIRMS**

Pursuant to the Northern Illinois University Law, as amended by Illinois Public Act 97-814, it is the policy of Northern Illinois University that charges for the services of an external hiring search firm may not be paid from any source of university funds, except:

- (1) In the hiring of the President of the University, or
- (2) In the case of when the Board of Trustees and the President demonstrate a justifiable need for guidance from an individual or firm with specific expertise in the field of hiring.

In furtherance of this authority, the President may implement this policy through the development of further guidelines and procedures for determining when the use of an external hiring search firm is justified. The Board and/or the President may delegate their respective responsibilities under this policy to appropriate university officials as deemed necessary.

Any NIU hiring department or entity that wishes to utilize the services of an external hiring search firm must make a request to the Office of the President for appropriate review under this policy before engaging the services of such search firm. In determining whether a request qualifies for the justified use of an external hiring search firm, the President will consider the following applicable criteria:

- The nature and scope of the position being filled (e.g., senior level versus non-senior level);
- The nature and scope of the search (e.g., nationwide versus local or regional);
- The university's goals and priorities surrounding the search;
- The availability of personnel, monetary resources and other university resources to dedicate to the search;
- An external search firm's ability to help recruit and screen candidates;
- An external search firm's ability to enhance the quality of a candidate pool;
- An external search firm's ability to help conduct and coordinate the logistics of a search;
- The expertise/specialization of an external search firm in conducting searches
- An external search firm's ability to bring fresh and new perspectives from outside of the university.

Northern Illinois University understands that the determination of whether a search is justified in using the services of an external hiring search firm depends upon the unique circumstances of the search being conducted. The President is not prohibited from considering other factors that may be deemed relevant and important for a search.

Upon completing a review, the President will determine whether justifiable need exists for the selection of an external hiring search firm and shall make a recommendation to the Board of Trustees for final action on the matter at any regular or special meeting of the full Board of Trustees. In its consideration of the matter, the Board will consider the above-referenced applicable criteria, as well as any other factors that may be deemed relevant and important. The Board's decision will be final.