

MINUTES
Board of Trustees of Illinois State University
February 16, 2018

Donahue: I will now call the February quarterly meeting of the Board of Trustees of Illinois State University to order and ask Board Secretary Louderback to call the role.

The following members were present:

Trustee Churney
Trustee Dobski
Trustee Donahue
Trustee Jones
Trustee Louderback
Trustee Rauschenberger
Trustee Rossmark
Trustee Schaab

Absent: None

A quorum was declared. Also present for the public session were:

President Larry H. Dietz
Interim Vice President and Provost Jan Murphy
Vice President for Student Affairs Levester Johnson
Vice President for Finance and Planning Dan Stephens
Vice President for University Advancement Pat Vickerman
Board Legal Counsel Jane Denes
Board/University Liaison Brent Paterson

APPROVAL OF AGENDA

Donahue: Thank you Secretary Louderback. You have before you the agenda for today's meeting. Could I have a motion and second to approve the agenda? Trustee Rossmark so moved and seconded by Trustee Schaab. Motion made, seconded, and vote recorded as all members voting aye.

APPROVAL OF MINUTES

You also have before you the Minutes of the October 20, 2017 quarterly meeting of the Board, the Board Retreat on November 4-6, 2017 and special meeting of the Board on December 16, 2017.

Could I have a motion and second to approve the minutes of the October 20 meeting? Trustee Louderback so moved and seconded by Trustee Rossmark. Motion made, seconded, and vote recorded of all members voting aye.

Could I have a motion and second to approve the minutes of the November 4-6 Board Retreat? Trustee Jones so moved and seconded by Trustee Rauschenberger. Motion made, seconded, and vote recorded of all members voting aye.

Could I have a motion and second to approve the minutes of the December 16 special meeting of the Board? Trustee Rossmark so moved and seconded by Trustee Schaab. Motion made, seconded, and vote recorded of all members voting.

I would also like a motion to release the executive session minutes from May 12, 2017 and July 21, 2017. Trustee Jones so moved and seconded by Trustee Rauschenberger. Motion made, seconded, and vote recorded of all members.

PUBLIC COMMENTS

Next on the agenda is Public Comments. The Public Comments procedures can be found on the Board of Trustees website. Is there anybody signed up to give public comments? Is there anyone here in the audience who would like to make a public comment? Seeing that no one has indicated an interest in making a public comment today, we will move forward with the meeting.

Good morning everyone and thank you for joining us for the first regular quarterly meeting of the Board of Trustees for 2018.

I want to thank Dr. Jan Paterson, Interim Director of the Center for Community Engagement and Service Learning, for the presentation at this morning's Campus Communication Committee discussion hour. We are glad to see the establishment of the Center and coordinated efforts supporting in-class and out-of-class learning experiences that partner with the community. The University can be proud that it produces graduates who are engaged in their communities and committed to helping others.

Yesterday, we celebrated Founder's Day at Illinois State University. I want to thank everyone involved in the planning of the many events surrounding Founders Day—including the Years of Service Luncheon, Bell-Ringing, Illinois State Showcase, Convocation, and Alumni Awards dinner. I also want to congratulate all of our faculty, staff, student and alumni honorees who make us all so proud to be associated with this University. There's also one other milestone celebration I want to tell you about; we are celebrating this year the 25th anniversary of women's sports in the Missouri Valley Conference. At all women's sporting events this year we are honoring the outstanding accomplishments and former letter winners culminating at the Hoops in the Heartland Women's Basketball Championship in Moline next month, so join in as we celebrate the years of service and success of Redbird women athletes.

Before turning the meeting over to President Dietz, I want to make a remark about the action of the Illinois Board of Higher Education (IBHE) last week. At its meeting on February 6, the IBHE approved the higher education budget request for FY2019. In that request, IBHE asks for a \$31.4 million increase in funding for public universities from FY2018. We support President Dietz and the other presidents and chancellors at public universities in Illinois that asked for funding levels to return to those in 2015. As a Board, we are deeply disappointed in the failure to recognize the fiscal burden being placed on public universities by the state. We recognize that college must be affordable and we have held tuition and fees to reasonable increases in the past five years while the state has continued to reduce its appropriations. In fact, there was no increase in tuition or fees this past year. Yet, the state is funding higher education at levels less than in 2002. I also can tell you that I was somewhat concerned of the governor's proposed budget of pushing the pension and healthcare costs on to the universities. In all fairness, that budget was just released on Wednesday so we are still doing an analysis of it, but I do believe it may present some financial challenges to the universities. Are there any other remarks from my fellow board members?

I will now turn to President Dietz for his remarks.

Dietz: Thank you Trustee Donahue. I want to follow up on your comments by saying thanks for your positive comments and your support of this university and the other university presidents and their desire to return to 2015 funding levels. I also want to follow up on comments regarding state appropriations and the action of the Illinois Board of Higher Education. Higher education is the only major sector of the state budget that received less funding in Fiscal Year 2018 than it did in Fiscal Year 2002. Accounting for inflation and unfunded mandates added since Fiscal Year 2002, Fiscal Year 2018 buying power for public universities is only 49 percent of what it was in Fiscal Year 2002 dollars.

We appreciate the request for \$20 million in Emergency Capital Funding across public universities and community colleges, but that money will not go very far. Deferred maintenance needs across community colleges and public universities in Illinois exceeds \$5.5 billion. At Illinois State University, the deferred maintenance backlog totals

nearly \$400 million and our facilities are in better condition than many of the other public universities. Our greatest need is for a new College of Fine Arts facility. Since FY 2013, which coincides with the Governor's announcement to fund construction of a new College of Fine Arts, later placed on hold, Illinois State University has expended \$6.5 million from internal operating funds to repair and maintain Fine Arts facilities in order to keep them habitable. We estimate that we will need to spend an additional \$3 million from operational funds this year on emergency repairs in the Center for Visual Arts and Centennial East.

As convener of the Illinois presidents and chancellors of public universities group and as president of this university, I vow to you that I will continue to work to bring appropriate levels of funding to public universities across the state and Illinois State University in particular. I talk regularly with Tom Cross, Chair of the Illinois Board of Higher Education, and with Al Bowman, Executive Director of the Illinois Board of Higher Education. Also I want to acknowledge in the room today Rep. Dan Brady; Rep. Brady and I talk regularly and while we really look at the governor's address as the start to a conversation we expect to be involved in those conversations to reasonable resolution. We may not always agree, but we continue to work at supporting higher education in Illinois.

One quick comment on the Governor's Budget address yesterday, we are still analyzing how the Governor's proposals for higher education will affect Illinois State University. Our staff has contacted the Governor's Office to gain an understanding of the source of the numbers and percentages presented in the address so we can determine the potential financial impact on the University. In his report, Dr. Jonathan Lackland will provide more information about the Governor's address. There was rhetoric about a budget and that is positive; there was also rhetoric about stable MAP funding for students and funding veterans programs and that is positive. There was also rhetoric about cost shifts to universities for both the pension and health insurance; that was not positive and the net result would be in effect a cut for this university once again and of course we have deep concerns about that. The governor's message this week, however, was a starting point for discussions on both sides of the political aisle and hopefully universities will continued to be involved in those discussions and positive resolutions.

None of us knows what the future will hold. I have often said that during challenging times, the two things we can control are planning processes and our attitude. Illinois State University continues to stand strong and stable, and poised for a very bright future.

I want to thank Dr. Paterson and her staff for providing the Board and those in attendance at the Campus Communications Committee discussion hour an insightful look at the Center for Community Engagement and Service Learning. The Center is perhaps the most tangible evidence of our Civic Engagement core value. Dr. Paterson conceptualized how to build on the University's core value by bringing coordination and a shared purpose to the numerous civic engagement efforts already occurring throughout the University as well as creating new opportunities. I am pleased with the progress that has been made with the founding of the Center and know the work of the Center will reach new heights in the coming years.

This time of the year is always a busy time at Illinois State University. Besides the regular athletic, educational and cultural events on campus, we are conducting on campus interviews with finalists for the Provost position; celebrated Founder's Day; presented awards to outstanding faculty and staff for their teaching, research, and commitment to the University at the Founder's Day Convocation; we are honoring alumni who personify the University's tradition as an environment for excellence at last night's Alumni Awards Dinner; hosting Business Week 2018; celebrating Black History Month and holding this quarterly meeting of the Board of Trustees. I want to thank those who have been involved in the planning and coordination of these events and congratulate all of our faculty, staff, student and alumni honorees who make us all so proud to be associated with this University.

It has been a snowy month in Normal with more snow predicted this weekend. I want to share my appreciation for the staff in Grounds who work day and night to clear sidewalks and parking lots of snow and ice. Their hard work make transit across campus safer for students, faculty and staff.

Today, we also recognize an esteemed colleague and good friend, Doris Groves. Doris is retiring; we've tried to talk her out of that but she has decided she is going to do it anyway. Over a 17-year career at Illinois State

University, Doris held several positions in the Office of Admissions, including director. Since 2012, she has served as Executive Director of Alumni Engagement, leading the Alumni Relations team and serving as the University's liaison with the ISU Alumni Association. There will be a reception celebrating her retirement this afternoon from 1:30-3:00 p.m. in Room 116 of the Alumni Center. Doris, thank you for all you have done for Illinois State University throughout your career. You have made this university better by contributing many years of quality service. We wish you the very best in your retirement. Would you please stand so we can show our appreciation for your contributions to Illinois State University?

Last week concluded the on-campus interviews for the Executive Director of Alumni Engagement position, the position Doris retires from. The search committee was pleased with the pool of talented and experienced candidates, and we expect the new Executive Director to be announced very soon.

Candidates for the Vice President for Academic Affairs and Provost position interviewed on campus last week, this week and will conclude next week. We have four strong candidates interviewing for the position. We hope to make an announcement of a new Provost sometime in March with the person starting this summer.

The University calculates the official enrollment based on the number of students enrolled on the 10th day of classes. The spring 2018 enrollment is 19,521 which is 225 less students than in Spring 2017. Let one be alarmed about that, there is a tradition all over the country that spring enrollment always lags behind fall enrollment. Our enrollment remains very strong and we are delighted about that.

All indications remain positive for a large first time in college class in the fall. Registrations for Admissions events in February are strong. Today, Admissions is holding the second of three Redbird Scholars Days, a new event for prospective students with 25 and 26 ACTs. I won't indicate who it is, but we have a congressman here with his son today taking a look at us; I am going to meet him at 3 p.m. It replaces events held in hotels in Chicago last year. Registration for these events exceeds registrations for the three events in Chicago last year by 13 percent. It was a conscious decision to bring them on to the campus to see what we have to offer here and there is no substitute for seeing versus reading about and looking at pictures. First time in college (FTIC) admits are up 11 percent, and transfer admits are up 6 percent for Fall 2018. That is 1,156 more students admitted at this time compared to last year. There are lots of reasons for that; I think having a budget helps.

The Redbirds Rising campaign continues its positive trajectory, with a total of \$113 million raised as of February 1. That is more than \$10 million raised since our launch almost five months ago. At this point, with more than 26,000 alumni have made a gift to the campaign, we are well on our way to meeting our \$150 million goal.

One notable campaign gift was announced during yesterday's Founders Day celebration. This gift is from longtime College of Business faculty members Iris and Carson Varner. With the Varners' generous gift of \$1 million, the International Business Institute, the very institute that Carson and Iris founded, will bear their names. I believe Iris and Carson are here with us this morning. Would you please stand? Thank you for this wonderful gift, which is the largest cash gift from faculty in Illinois State University history.

On Tuesday, February 6, 2018, the University executed the public market sale of its 2018 Bond Series that included the refinancing of the Cardinal Court Housing Complex and the Student Recreation Center. The new 2018 series bonds were issued at an overall interest rate of 4.13 percent, successfully replacing existing rates between 4 and 7 percent. The projected savings are at least \$24 million over the next 15 to 25 years. The final bond closing is expected to be completed by the end of February 2018.

Each semester, Athletics honors student athletes who achieve at least an overall 3.0 GPA in the previous semester. This spring the student athletes were recognized at the men's basketball game on February 8. In the fall semester, student athletes maintained a department wide 3.23 GPA. This is the fourth semester in a row that student athletes have achieved at least a 3.23 GPA and the longest sustained period on record without a drop in the GPA. Nearly 70% of the 438 student-athletes qualified for the AFNI Honor Roll. A total of 89 student-athletes of those 438 earned a perfect 4.0 GPA. The women's and men's tennis teams had the highest team GPA among sports teams

with a 3.74 and 3.61, respectively. The University is fortunate to have a dedicated staff in the Karin Bone Academic Study Center who work with our student athletes and coaches who recruit student athletes that perform in the classroom and well as on the field, court, track, and in the pool.

MVC Male Track Athlete of the Week Anderson Devonish tied Illinois State's 400-meter school record on Saturday at the Iowa State Classic with a time of 46.50. The record that was set in 1975. With the mark, Devonish currently ranks first in the Valley and 23rd in all of Division I in the 400-meter dash. Devonish also ranks third in the Valley in the 60-meter dash and second in the 200-meter.

Winter sports are wrapping up with the Illinois State Men's basketball team having three games left before heading to the MVC Tournament, March 1-4 in St. Louis.

A rash of injuries have sidelined starters and key reserves. Hopefully, everyone will be healthy for the Tournament. The Women's Basketball team under first year head coach, Kristen Gillespie, surpassed the 10-win mark for the first time since the 2012-13 season. The women play Indiana State tonight at 7 pm and have four additional games before heading to the MVC Women's Tournament, March 8-11 in Moline and support our Redbirds.

The Illinois State swimming and diving team was selected for a fourth-place finish at the Missouri Valley Conference Championships, which began Wednesday and runs through Saturday. The women's gymnastics team which competes in the Midwest Independent Conference is off to a 1-3 start. Spring sports have already begun. The women's softball team is in Tempe, AZ this weekend for the Arizona State Littlewood Classic. The baseball team has its first game of the season tonight at Arkansas State in Jonesboro, AR.

I would now like to call the spokesperson for the Campus Communications Committee, Elizabeth Chupp, to the podium for a report.

Chupp: Founder's Day is a wonderful celebration of Illinois State University's history. Hearing the Old Main Bell ring through the quad creates a nostalgic feeling as we remember Illinois State's beginnings. Founder's Day is also a time to celebrate our accomplishments and thank those who make a difference at ISU every day. We would like to thank Dr. Jan Paterson and her colleagues from the Center for Community Engagement and Service Learning for presenting at this morning's Discussion Hour.

We'd like to start today by saying a few more "thank you's." First, we'd like to thank President Dietz for the merit-based raises and adjustments in faculty promotion increments that took effect in January. We know that President Dietz highly values the faculty and staff at Illinois State and this generosity is truly appreciated. We'd also like to thank Dan Stephens, Vice President for Finance and Planning, for the successful refinancing of bonds for Cardinal Court and the Student Fitness Center, which will save ISU millions of dollars in the coming years.

ISU bids a special farewell to Doris Groves, the Executive Director of Alumni Engagement. Doris has served ISU for 17 years and made a positive impact to the University in each of her roles. We wish Doris a happy retirement and thank her for her years of service.

Winters in Central Illinois are often known for extreme weather conditions, including bitterly cold temperatures, wind chill factors, ice and snow. It takes many dedicated employees to keep our campus running smoothly in the winter months. We'd like to express our gratitude to the grounds crew and facilities personnel for keeping the grounds and buildings safe and open during the extreme weather.

As our State government prepares for the legislative and budgeting session in Springfield, there are a few critical issues we'd like to mention today. During Governor Rauner's State of the State Address, he noted that the "key to job creation is education and training" and that our institutions of higher education are "world-renowned." This alone should be a reminder why it is necessary to support higher education and offer a budget that provides institutions the ability to sustain and build programs. We would like to thank the Board for its continued support

toward securing reliable state appropriations for ISU and Dr. Jonathan Lackland and members of our administration for strongly advocating for the University.

Next, we'd like the Board to note our objection concerning the Illinois Board of Higher Education's plan to submit a budget that bypasses the carefully shaped requests previously submitted by the public universities. Moreover, Illinois State has urged again that it needs the funding appropriations originally promised in FY 2010 for the College of Fine Arts complex. Since 2010, ISU has spent over \$6 million dollars on the Center for Visual Arts and Centennial East, just to keep the buildings operational. We salute our personnel for their efforts to keep these buildings open, but note that the state does a disservice to its students and their education if it fails to support the infrastructure of its institutions.

With regard to legislative activities, the Higher Education Centers for Excellence bill is not presently moving forward, and the CCC recommends that it remain that way. We support the desire of the states' citizens to improve Illinois higher education, but any reforms should follow careful consultation with those like ISU who are already leading the publics in offering excellent programs and maintaining fiscal responsibility. We urge lawmakers to consider the negative effects such one-size-fits-all reforms may have on institutions like ISU that have consistently remained strong and steady.

We support our President as he investigates raising stipends for graduate assistants at Illinois State. Current stipend levels offered to graduate teaching and research assistants at Illinois State are not competitive. Our graduate assistants teach a substantial number of undergraduate courses at ISU, so it is imperative to attract the best, most motivated graduate students to our programs that we can.

In the true spirit of Founder's Day, we have many successes to highlight today. First, after many months of planning and development, ISU launched its new website. The new website is mobile friendly and designed primarily to target our prospective student audience. The new website will help ISU showcase its programs and opportunities to prospective students, so we can continue to recruit bright and talented students to ISU.

Work on the Bone Student Center Revitalization project continues in full-force this semester. Reports on this project indicate that construction is going smoothly and quickly. It's been exciting for the campus community to watch the progress being made.

ISU is also close to approving its new strategic plan: Educate – Connect – Elevate: Illinois State. All of the shared governance groups have reviewed the final draft and have overwhelmingly approved it. Our strategic plan has guided much of ISU's success over the past two decades. We thank the strategic plan steering group and taskforce for their work and passion in developing the new plan.

The month of February also allows us to celebrate Black History Month at Illinois State. There have been many wonderful events and speakers on campus this month, with more still to come, including our featured Black History Month speaker, Dr. Adrienne Dixson, who will discuss critical race theory and education.

In closing, we'd like to congratulate the outstanding faculty and staff who received awards at this year's Founder's Day Convocation. The excellence in teaching, research, and student support services at ISU continue to make our University extraordinary. Thank you all for your time. Stay warm this winter and Go Redbirds!

Dietz: Thank you, Elizabeth. Now I would ask our Director of Government Relations, Dr. Jonathan Lackland, to come to the podium to provide a legislative update.

Lackland: Thank you and good morning President Dietz and Trustees. We've heard a bit this morning about SB2234 which is the Higher Education Centers of Excellence bill. That bill was recently in the Senate Higher Education Committee, and Sen. Rose chose to not call that bill because there have been some higher education working group hearings that have been taking place; one took place here at ISU and others have taken place in Springfield and as a result of what the committee members have been hearing he chose not to move forward with this bill. However, let

me give you a brief reminder of some of the highlights of this bill. It actually would have required the Illinois Board of Higher Education to establish uniform admission processes online as well as to establish admission standards that would require the IBHE to ensure that any high school student in the state with a 3.0 cumulative GPA or better on a 4.0 scale or the equivalent on a 5.0 scale would receive access to the opportunity of a higher education as well as guaranteed admission to a public university. During Sen. Rose's comments in the committee he indicated that his biggest issue is that he wants universities to develop a plan, some plan that would realign the universities so that every public university would be on the same page. As a result of that, he then went on to say that he was going to file a bill, SB2597, which actually consolidates the IBHE, the Illinois Community College Board (ICCB), and the Illinois Student Assistance Commission (ISAC). The IBHE would become an umbrella organization and ICCB and ISAC would fall underneath the umbrella of IBHE. It would change the IBHE board membership from 16 to 15 members, and six of the members appointed by the governor excluding the chairman would be affiliated with the same political party. That would be a change from the current number of seven. We are watching that closely and we are hearing at this point that the IBHE is in support of that bill but unfortunately we have no other details on the bill at this point; it has just been assigned to the Senate Higher Education Committee.

I'd like to move on to the governor's budget address. We've heard some details this morning but I'd like to offer a bit more specificity. First and foremost, the governor has actually recommended a 25 percent shift of the normal cost of the university employees pensions as well as a portion of the group health insurance costs to universities. The total cost shift is estimated at \$206 million in FY2019: \$101 million for pensions and \$105 million for healthcare. The proposed budget is an appropriation of \$205.7 million of GRF to offset the costs to universities. The funding would be provided through the IBHE and it is currently unclear if it would be allocated to each university based upon their individual increased costs. Further, the governor indicated that the IBHE is developing a statewide strategic plan that is designed to make academic offerings more attractive to students and create efficiency. We have actually asked the IBHE some specificity on this and they are unsure; they are still in the process of trying to get this finalized. As soon as we know more we will make sure you do as well.

Also in terms of capital, there is \$100 million in capital funds that are being proposed to meet deferred maintenance needs and specifically for Illinois State University the governor has proposed \$61.9 million for the Fine Arts complex, and in terms of our operational budget the governor has proposed a bit over \$65 million, the same that was appropriated in FY2018.

I'd like to move on to a bill that actually was just released yesterday, HB4834. The sponsor is Rep. Jeanne Ives and it's called the University Police License Plate bill. Beginning with the 2020 registration year, it would allow vehicles that are owned or operated by or for a private or public university police department to be registered for a one-time fee of \$8. It would require registration plates for vehicles owned or operated to contain the designation University Police or College Police. Thanks to Rep. Brady, back in 2016 he was a champion for this issue for us. University police departments across the state had serious issues; as a matter of fact we heard stories in Chicago where police departments had U plates or state plates and if they had to go through a red light they were actually getting tickets. This bill will go a long to make sure that our police departments have the designation that they need. We have reached out to Rep. Ives and are working with ISU Police Chief Aaron Woodruff as well. The Illinois campus police chiefs are in support of this and are willing to provide testimony if needed.

The last point that I want to raise this morning is we have just been notified of our appropriation hearings for the Senate and the House. Our Senate appropriation hearing has been scheduled for March 1 and the House Higher Education Appropriation Committee has been scheduled for April 19. That concludes my report and I am open to any questions.

Dietz: Thank you Jonathan. This morning, we will have a presentation on the new suggested strategic plan for Illinois State University, *Educate*Connect*Elevate Illinois State: The Strategic Plan for Illinois' First Public University 2018-2023*. I commissioned a 24-member task force to revise, update, and expand upon our previous strategic plan, *Educating Illinois* that served the University for nearly two decades with updates along the way. A great deal of thought, consultation, and input was sought from campus stakeholders in developing the new strategic

plan. Task force co-chairs Dr. Danielle Miller-Schuster and Dr. Sam Catanzaro will be making the presentation. Danielle and Sam if you would like to come to the podium to begin the presentation.

Miller-Schuster: I will offer my good morning as well. Thank you for the invitation to present *Educate*Connect*Elevate Illinois State*. I have had the privilege of serving as a co-chair, as one of four co-chairs of the strategic planning task force, each of whom are with us today and I would like to recognize. Mr. Brian Beam, executive director of University Marketing and Communication; Dr. Sam Catanzaro, associate vice president for Academic Administration, Policy, and Faculty Affairs; Ms. Angela Engel, director, Planning, Research, and Policy Analysis. I would also like to add my thanks to Cheryl Fogler for providing research and administrative support to both the steering team and the task force throughout. She serves as an assistant director in our department of Planning, Research, and Policy Analysis.

As most of you know, the first Educating Illinois was approved in 2001, and updates were made in 2004, 2008, and 2013. Assessment of our progress has been conducted annually through our university progress report – all available online – and through specific metrics. It is because of the strength of each of these plans and the significant progress made by members of this university community that our current task force was able to build upon our organizational abilities to meet current needs and to build the capacity in the coming years for continued creative and innovative pursuits. President Larry Dietz, as he just indicated, appointed our strategic planning task force in September of 2016. The task force included 24 members with broad representation including students, faculty, and staff, many of whom are in the room today. Would you please stand and accept our thanks? Our gratitude goes out to each of them for their commitment over the past 16 months.

The president directed the task force to do three things: Consult widely with the campus community, become well informed regarding both our internal and external environments, and develop a new strategic plan that sets forth a direction that further advances the University in the coming years. The task force did just that; they actively engaged with and consulted university constituencies and the community stakeholders in an inclusive and collaborative approach including two online surveys, four open forums, seven guest workshops, and more than 40 focused discussions throughout both the spring and fall semesters of 2017. During phase one of information gathering the following themes surfaced. We continually heard from constituents that we as a university should stay true to who we are and grow where we can; to maintain strong enrollment while ensuring affordability; the importance of financial strength and stability for guaranteeing growth and institutional effectiveness; the significance of talent, recruitment, development, and retention in making this a great place to work for; innovation in both academic and in operations; the importance of the University being a diverse and inclusive community; the role of civic and social engagement on our campus and beyond our borders; and that it was perhaps time for bolder steps.

Last spring the task force received several comments regarding the name of the strategic plan. While the Educating Illinois title has served the University well through past iterations, many constituents suggested that the time had come for a change. In addition, the task force wanted a title that would better reflect the University's international focus and the connections the institution is building off campus. The first word – Educate – refers to Educating Illinois and is an homage to past strategic plans. It is also a reference to the University's core mission and vision. Connect references the values and strategic directions within the current plan and the partnerships that we build inside and outside the University. Last but not least – Elevate. It represents our aspirations, to continue to elevate Illinois State and the University community.

It was because of the dedication of the faculty, staff, and students and our task force members that we were actually able to meet throughout the entire summer to develop the first draft. Members of the task force actively engaged and consulted University constituencies again in the fall. The plan reflects long-term university goals, ongoing planning initiatives, and aspirations for the future. The task force worked through several iterations to arrive at the draft distributed to you today.

First...vision. We had a strong foundation from which to work so there were really only a few changes. The biggest shift is in our tone, moving from using “increasingly recognized as a national leader for educating high achieving and motivated students” to “will remain a national leader and actually be recognized worldwide for our efforts.” I

have mentioned one of the things that came out of our consultation phase was to stay true to who we are and to grow where we can. Well this illuminates our desire to continue to prioritize high quality teaching and scholarship and the integration of emerging and innovative ideas. In bullet point three you will see that we wanted to carry forward language used in other plans such as general education to reinforce the support for student learning through a seamless integration of the curriculum and co-curriculum that actively engages our students and broadens their perspective. Finally, as a public institution we are committed; we are committed to serving the state of Illinois, the region, nation, and world in myriad ways including responsible stewardship; meaningful civic engagement; cultural enrichment; and the development of global citizens. We feel that the vision is strong and represents both the progress made to date and the University's next chapter of excellence.

It is with pride that we present to you the recommended core values of Illinois State University. As you will see, four remain the same: Learning and scholarship, individualized attention, civic engagement, and integrity. We have added the word inclusion to our core value of diversity by way of expanding its definition and our commitment to creating an environment where people thrive and succeed through the diversity of voices and identities on our campus and in our community. We also recommend two new values: collaboration and respect. Although there were tenets of both of these values embedded in others, the responses we received throughout our consultation phase encouraged us to consider separating them out. We as a campus thrive on our relationships, our collaboration with one another across divisions and disciplines, with our alumni, our employers, our community, and beyond. We encourage this collaborative spirit in all aspects of our work and believe that it should be a stated value. Additionally, recommending respect as a value was an important declaration of how we treat others and how we expect to be treated. It connects us on a personal level and reflects a culture characterized by mutual respect, civic exchange of ideas, and a collaborative approach to problem solving.

It is now my pleasure to turn the podium over to Dr. Catanzaro who will share our strategic directions in more detail and next steps.

Catanzaro: Thank you Dr. Miller-Schuster. Responses in the spring consultations highlighted the importance of academic reputation, exceptional faculty and staff, financial stability, and operational effectiveness in support of student recruitment and success. The objectives to maintain strength and stability are intended to leverage these interconnected components into continued strong enrollments and increasingly positive student outcomes. Creativity, knowledge generation, continuous improvement, and lifelong learning are hallmarks of any great university, the objectives designed to foster innovation, highlight the ways the University will support students, faculty, and staff as they embrace emerging opportunities, face emerging challenges, and solve emerging problems. As President Dietz has suggested in the State of the University address, no educational institution can realize its full potential without embracing inclusion. The objectives to nurture diversity and inclusion emphasize the mutually reinforcing ways the University will support a welcoming and inclusive environment through the curriculum, the co-curriculum, organizational practices, and partnerships with other institutions. Academic excellence in the 21st century will increasingly be characterized by its impact on and contribution to the larger society, be it in the form of cultural enrichment, collaborative partnerships, development of knowledge and technology, or the fostering of engaged, informed citizens. The objectives serving enrich engagement, highlight the many mutually beneficial ways the University will contribute to and grow from broader and deeper connections among those on campus and with those off campus.

Upon approval, we will begin implementation and monitor progress to ensure accountability.

Educate*Connect*Elevate Illinois State is written to provide broad guidance as the University's decision-making framework for the next five fiscal years beginning July 1, 2018. We anticipate that each division, college and unit can and will identify specific ways to bring their own unique strengths and opportunities to tactical implementation of this plan. An implementation team will coordinate and support these efforts while also developing and continually refining quantitative metrics and qualitative indicators to track our progress. We request your approval of this plan at your May meeting as well as your endorsement of establishing an implementation team to lead the effort to educate, connect, and elevate the University, the local community, the state, and the world. Thanks for the opportunity to share the plan today and for your attention. We are happy to answer any questions.

Dietz: Thank you for an informative presentation. I came here in 2011 as a vice president and one of the first things I was assigned to do was to be one of the vice president sponsors of the reiteration of Educating Illinois...so I have a close view of the amount of work that happens with that and even a closer view now of the amount of work that it takes to get to this point. I greatly appreciate the work of the task force and contributions from governance groups, institutional leadership, and faculty, staff and students who shared their thoughts and recommendations for this plan. In May, I will be bringing to the Board a resolution to adopt the final edition of *Educate*Connect*Elevate Illinois State*. If there are questions of either Danielle or Sam...

Donahue: I don't necessarily have a question but a comment. Danielle and Sam, thank you, I appreciate the overview and Larry, I know you are hoping to bring this in May and we look forward to that but it's possible that we might ask the two of you to come back to a special meeting so we can drill down a little bit into the plan because while I appreciate the overview, it's a lot to take in in a 12-minute presentation. I do really appreciate the work so don't be surprised if we bring you back in but it will all be good.

Dietz: I think the other important part of any plan like this is that we may not have the resources or the time to do everything that's within the plan and that every plan should be somewhat aspirational. I think a good plan also focuses our attention so we are not spending time and resources on things that are outside of the plan.

Now, I would ask Dan Stephens, Vice President for Finance and Planning, to come to the podium. As you know, State Farm Insurance made a substantial gift to the University to develop a cybersecurity major. For the program to be successful, it needs additional lab, classroom and office space. In reviewing available space on campus, it was determined that space under Julian Hall provided the best option at the most reasonable cost. It is our plan to bring a resolution to construct the cybersecurity space which is partially funded by State Farm Insurance to the Board at its May meeting. I have asked Dan to make a short presentation on our plans to renovate space under Julian Hall for cybersecurity.

Stephens: The information that Sam and Danielle shared is part and parcel to what we are doing here, that is, in our strategic plan they talk about the need to expand our programs, and as we do that we are going to need the space specifically identified in the right location in order for our students to be successful...so I appreciate the lead into that.

A bit of a backdrop for some of the board members who weren't here in the earlier days. We started a sequence with Cybersecurity back in 2007 and then in 2016 the Board of Trustees approved Cybersecurity as a major. As many of you know in May of 2017 the State Farm Foundation donated \$3 million to the program, \$2 million dedicated to faculty support and \$1 million dedicated to facilities and infrastructure. That is today what we will be talking about, and that that \$1 million will be matched with some internal resources in order to make this a much-needed expansion of space on our campus. Over the past year and a half since the major was approved a number of individuals in the organization were looking at space, meeting with the faculty, meeting with the colleges, trying to figure out what is the ideal space given the needs and given the close proximity as well as the limited disruption around trying to add space. We have a tight environment with almost 21,000 students and so space is very precious.

Stephens proceeded to present slides depicting the location of Julian Hall and the specific area, the lower level of Julian Hall that is now garage space. The garage space is about 29,000 square feet with plans to enclose the entire area.

The first phase of this is the security space, but from a cost-effectiveness perspective we are recommending we enclose the entire space and focus the 9,000 square feet dedicated to cybersecurity as the first key phase to open.

The key advantages of the Julian location is the location to the quad. We would love to have everything academically on the quad but as many of you know that's just not available. So in working with the colleges we tried to identify some space and make sure the space has close proximity to other academic buildings. In this particular case Julian Hall is our main information technology building where our application technologies division

is located on the second and third floors, so actually having the collaboration space, lab space and classroom space on the first floor was a driving force in trying to select this location.

From a picture perspective, the back section is the location of the cybersecurity space, about 9,000 square feet. What we are calling future programming space – about 20,000 square feet – is in the front of that lower level. Again, our plan is to enclose the entire envelope.

Here are some preliminary drawings of the classroom and collaboration space that our Facilities Planning team have prepared. This will include new classroom facilities as well as new IT equipment that will be necessary in order to run the applications to make this program be successful. As you can imagine, cybersecurity is a much-needed area of expertise not only on university campuses but also across the country and across the world. The students will not only learn the theory behind it but will actually be working with technology that is likely used by corporations that will hire them.

One of the challenges we've got is a parking area of approximately 49 spaces under Julian. We are fortunate enough that within about two blocks away is one of our indoor, multi-level garages that does have multiple spaces available. We will have an opportunity to relocate individuals who are currently parking in Julian and that is likely the most targeted space because it is a similar, covered space. We also have additional spaces elsewhere, about two or three blocks away, depending on where the individual staff member choose to park. In conclusion, our parking studies indicate we do have available space in the south garage.

Lastly, right next to Hovey Hall there are six spaces that will be allowed for some element of designated parking.

From a cost perspective, the cybersecurity phase of the program will come in between \$2.8 million and \$3.5 million and does include furnishings and a number of HVAC and other major work. When we enclose the rest of the envelope that's another \$4.2 to \$5 million and we believe that enclosing both of those will be the most cost effective way to do this. The effort for the front space is intended to be the envelope and HVAC systems but not any internal furnishings which have not yet been identified. One of the advantages is that we are not just adding space for the cybersecurity program, we are adding almost 20,000 square feet of classroom space for additional needs on campus.

Our next steps including bringing to you in May a resolution for your approval and upon that trying to execute the procurement documents and designs and try to get moving as soon as possible. Our targeted date for occupancy of the cybersecurity space is the fall of 2020. If there are any questions I'd be glad to answer them.

Dietz: This presentation this morning was meant to be informational. We have a lot more internal work to do on this and will come back to this but if there are any questions I'm sure Dan will be happy to answer them.

Donahue: I understand the 9,000 square feet is the priority for the cybersecurity program but is the idea to enclose the entire thing and build out the 9,000 square feet?

Stephens: Yes.

Donahue: So is the \$2.8 to \$3.5 million cost including walling it all in?

Stephens: No, the entire project itself will likely end up being between \$7 and \$8.5 million because there is a lot of major infrastructure. The piece of the project that relates to cybersecurity is between \$2.8 and \$3.5 million. One point I forgot to mention is that we will be using the State Farm contribution and remaining funds from University reserves but I'm in contact with the state to potentially refinance this and other projects until we can get the state to contribute more to our capital plans.

Dietz: It could also be that the additional space will be needed by the cybersecurity program. This is our first look at this but it gives us a bit of a balloon and flexibility in case it grows faster than what we anticipated. It's already grown faster so it provides us a cushion.

Thank you Dan.

REPORTS

Dietz: I have one report for you this morning. With your approval, Trustee Donahue, I will move to the report.

Donahue: You may proceed.

Report 2018.02/4000.02: Grant and Contract Activity

Dietz: You have before you a brief report on grant and contract activity at Illinois State University. External sources of funding make substantial contributions to the advancement of faculty scholarly activities, student experiential learning, and University outreach. As the state and federal government deal with budget issues, funding for grants and contracts have been reduced. Yet, Illinois State University has done well in this area. External support for sponsored projects at Illinois State University totaled \$19.1 million in FY17, an increase of 15% from FY16. The number of proposals submitted in FY17 (265) decreased from FY16 (315), but the total funding requested in FY17 (\$68.1 million) increased substantially from \$59.1 million that was requested in FY16. The Office of Research and Graduate Studies continues to provide resources and administrative support to faculty and staff involved in research and other grant-supported activities. I want to congratulate Dr. John Baur and all of his staff and all of the faculty and other staff who have been involved in this very successful program.

Donahue: Are there any questions or comments from the Board?

OK, President Dietz, you may proceed.

RESOLUTIONS

Dietz: There are 10 resolutions for the Board's consideration this morning, and Trustee Donahue, with your permission, I will move on with the resolutions. As an introductory comment, I would like to say that most of these resolutions or many of them have to do with activities that involve maintenance and planning for the next year, and a lot of these are from the bonded areas of the University so we are really trying to get approval now so we can begin for the rest of the spring semester to put together RFPs and RFIs and get the procurement processes moving.

Resolution No. 2018.02/04 Authorization to Replace Hancock Stadium Turf

The artificial playing surface of Hancock Stadium was last replaced in the summer of 2007. Many of us associate the turf at Hancock Stadium with Redbird Football. However, the stadium and the turf is used widely in support of campus and community athletic programs and special events and activities including classes in the School of Kinesiology and Recreation, local high school sporting events, Illinois Special Olympics, and student programs. The manufacturer warranty on the existing surface expired in 2015 and the life expectancy of most artificial football fields is eight to ten years. While the surface has exceeded industry standards given its use, we are approaching the time it will no longer be useable for intercollegiate athletic competition.

We are fortunate that the current sub-base and the existing drainage are in good condition which is a considerable savings in the project cost. In addition, the current rubber/sand infill will be reused as a cost savings. The cost for the project is estimated not to exceed \$627,000. The funds will come from Athletic and Recreation Facilities Reserves.

I ask your approval for this resolution.

Donahue: Can I have a motion? Trustee Louderback so moved and was seconded by Trustee Rossmark. Are there any questions or comments?

Larry, I know nothing about this, but in 10 or 12 years does technology improve the surface? Is it the same surface we have today or is it something new, different and exciting that will reduce injuries and all those good things?

Lyons: It's the same manufacturer and they have upgraded the processes and the fibers. We will reuse as much of the infill as we possibly can so yes you can say there has been some improvements but the technology is very similar to what we have right now.

Motion made, seconded, and votes recorded as all members voting aye.

Resolution No. 2018.02/05 Renewal of Student Health Insurance Plan

Dietz: This is the sixth renewal of a 10-year agreement between Illinois State University and Aetna Student Health for student health insurance. Each year Aetna Student Health develops a renewal percentage that represents the increase in the plan for the next year. The percentage is calculated using a mathematical formula that estimates medical trends, pooling charges (method by which each member of an insurance pool shares in each and every risk written by the other members of the pool), adjustments in the pooling charge for high dollar claims, impact of plan changes, and any rate increases experienced by the plan. The formula incorporates a blend of the plan's most recent two years of claims and premium data that has been used for more than fifteen years on ISU renewals.

Representatives from the Student Insurance Office and Student Health Services, with the assistance of an insurance plan consultant with Schlomann & Associates LLC, negotiate with Aetna Student Health to obtain the best plan at the lowest rate for our students.

For the 2018-2019 plan year a 5.2% rate increase to students enrolling in the Student Health Insurance Plan is recommended. This would be the first increase to students since 2015-16 and the cost is still significantly less than all other public universities in Illinois with plans that are compliant with the ACA. In your packet, you will see a comparison of student insurance coverages and rates at other public universities in Illinois which oftentimes are much higher and offer less coverage than this plan. Our students benefit from our relationship with Aetna and the management of the student insurance program by staff in our Student Health Insurance Office.

I ask your approval for this resolution.

Donahue: Can I have a motion? Trustee Jones so moved and was seconded by Trustee Schaab. Any discussion?

Churney: I wanted to thank LJ. We had some questions earlier this week and he was very helpful in answering them at that time.

Motion made, seconded, and vote recorded as all members voting aye.

Resolution 201.02/06 Renewal of Campus Security Force Contract

Dietz: Since 2011, the University has contracted with an outside vendor to supplement the Illinois State University Police with an unarmed security force. The security force conducts foot patrols of the campus, reports incidents and unusual activities to the University Police, locks and unlocks exterior doors on campus buildings, and conducts security checks of doors, windows, and alarm systems at numerous campus locations.

Today, we are asking the Board to take action on two items related to the University's contract with Securitas to provide security service on campus. First, we are asking the Board to increase the amount for the current contract term (July 1, 2015 through June 30, 2018) from \$1.9 million to \$2 million. Second, we are asking the Board to approve renewing the agreement to complete the contract term (July 1, 2018 through May 16, 2022) at a total cost not to exceed \$2,850,000. In accordance with state purchasing requirements, a vendor like Securitas must pay its employees prevailing wage and health and welfare benefits. It is impossible to predict these costs in a ten-year

agreement so Securitas is able to request an increase in the agreement to cover these costs on an annual basis. The University is satisfied with Securitas's performance of duties and feels the request for the increase is reasonable.

I ask your approval for this resolution.

Donahue: Is there a motion for this resolution? Trustee Churney so moved and was seconded by Trustee Rossmark.

I have one question not specifically about this but about the unfortunate incident that happened in Florida this past week. Is the University prepared for active shooter? Unfortunately it seems like it's happening much more often and is more prevalent than when I was growing up.

Dietz: As I mentioned the Securitas staff are unarmed individuals but it's extra eyes and unfortunately no one can prevent something like what happened in Florida from happening at anytime but we really have terrific attention to detail related to active shooter and emergency command centers. Dan and Police Chief Aaron Woodruff are on hand and can comment more on this.

Stephens: We have a partnership team with our emergency management area that is directed by Eric Hodges who is out of town and unable to be here today. Chief Woodruff can speak to what we've done in the past and what we do on a regular basis around this.

Woodruff: In reference to the prevention side of things, certainly we have a couple of multidisciplinary prevention teams on campus including our student care team and a faculty/staff care team to be aware of any behaviors of concern that may come up in the campus community. We also do a number of trainings in preparation for response including a presentation for the board a couple of years ago. We offer that annually now to anyone on our campus – faculty, staff, and students as well as some external community members. We also have our emergency operations center and incident management team and that offers a multi-hazard approach. A couple of weeks ago we all were activated due to the power outage on campus so whether it's something small or large it's a collaborative effort across the entire campus.

Jones: Dr. Dietz mentioned that Securitas can come in annually and ask for a request for an increase. Is there some sort of cap on what they can ask for on the annual increase? Is that built into the contract?

Dietz: It's mainly making sure that we are meeting prevailing wage expectations.

Jones: It looks like the next three-year contract is significantly increased over the last three years. Do we have estimates that say that's about where it will be going or how do we arrive at those numbers?

Dietz: I would ask Vice President Johnson to come forward.

Johnson: Actually I'm going to invite Wendy Bates to come up and respond to that one.

Bates: In answer to your question, the last renewal of our contract is actually a four-year period rather than a three, and that's the elevation of that cost. We did our best to estimate those prevailing wage potential issues as well as individuals that might go into the health and welfare payment option, and so we are doing our best guess to estimate that calculation in that period of time.

Jones: And the \$100,000 we are asking for this last time to finish that out, is that the only increase that's been requested since they have had the contract with us?

Bates: In this current period. I believe in a previous period we also asked for an increase. Many of our security guards have opted to go into the health and welfare program, more than we originally anticipated.

Motion made, seconded, and vote recorded as all members voting aye.

Resolution 2018.02/07 Wilkins Hall – Exterior Envelope Repairs and Curtain Wall Replacement

Dietz: Wilkins Hall last underwent a major renovation in 2005. Recently, there has been an increase in exterior leaks into student rooms. To address this issue, the pre-cast panel joint sealants need to be replaced and small, non-structural cracks in the exterior panels need to be filled. A waterproof coating then will be applied to the pre-cast panel. It was also determined that the curtain wall system is the cause of some rainwater leaks into the student rooms. An exterior curtain wall system is a building envelope system that provides opportunities for glazed panels, operable windows, and insulated wall panels. The curtain wall system will be replaced as part of this project. The project is estimated to cost \$3.5 million and will be paid from Bond reserves. I ask your approval for this resolution.

Donahue: Is there a motion to adopt the resolution? Trustee Jones so moved and was seconded by Trustee Churney. Are there any questions or comments from the board?

Louderback: When are they going to do this?

Johnson: The work will actually take place during the summer. We've been band-aiding this for a while.

Motion made, seconded, and vote recorded as all members voting aye.

Resolution 2018.02/08 Watterson Towers – Room Convectector Unit Refurbishing

Dietz: The student room heating/cooling delivery system in Watterson Towers is original to the building which opened in 1968. Specific system components are obsolete and in failure. In other words, it is time to replace the system. The project involves replacing drain pans, modifying or replacing controls, and replacing air registers in all student rooms. New zone pumps will provide flexibility to provide either hot water or chilled water for the entire riser at the same time which the current system does not allow. This project will be completed in phases over several summer breaks at a cost not to exceed \$1.6 million. The source of funds for the project is Bond reserves. I ask your approval for this resolution.

Donahue: Can I get a motion on this resolution? Trustee Louderback so moved and was seconded by Trustee Rossmark.

Jones: I have a question about how long we think it will take...will it require several summer breaks? Do we have an estimate of about how long?

Stephens: We will be starting this summer and trying to get as much of that completed and it will work into the next summer. They might be able to do some work over the fall period depending on what the contractor is allowed to do without any disruption.

Jones: I know we use many of our residence halls over the summer. Is there some concern about this affecting the air conditioning in the building over the summer? How is that going to affect occupancy? Do we use Watterson over the summer and if so how is that going to be affected?

Johnson: We don't use Watterson over the summer.

Motion made, seconded, and vote recorded as all members voting aye.

Resolution 2018.02/09 Watterson Towers – Fire Panel Replacement

Dietz: This project will include replacement of smoke detectors, audible alarms, and the system's main panel. Work is planned to be completed during the summer months of 2018 and 2019 to minimize disruption to residents. The cost of the project is estimated at \$1.9 million and the source of funds is Bond reserves. Upgrades to the fire alarm systems in Tri Towers and East Campus were completed over the past few years to bring these systems up to code. I ask for your approval of this resolution.

Donahue: Is there a motion? Motion made by Trustee Rossmark and seconded by Trustee Schaab.

Motion made, seconded, and vote recorded as all members voting aye.

Resolution 2018.02/10 Fell Hall and Williams Hall Renovation for the INTO Illinois State University LLC and University Partnerships Program

At its January 27th meeting, the Board of Trustees endorsed a partnership between Illinois State University and INTO University Partnerships (INTO) and approved creation of INTO Illinois State University LLC, a joint venture between the University and INTO, to operate an international study center on campus. The agreement with INTO is pending final approval by INTO Board of Directors. To accommodate INTO Illinois State University staff as well as classroom and meeting space for the anticipated growth in international students enrolled at Illinois State University in English language development programs and pathway programs, space in Fell Hall and Williams Hall needs to be renovated.

Space on the second floor of Fell Hall currently occupied by Study Abroad and Management Development International programs in the Office of International Studies and Programs will be renovated to provide appropriate classroom, lab, and office space for INTO Illinois State University. Study Abroad and Management Development International (MDI) staff will move to renovated space in Williams Hall.

The facility renovations will accommodate the projected classroom, meeting, and office space needs for INTO Illinois State University through FY 2020. We will closely monitor enrollment trends and resulting space needs and keep the Board apprised of future space needs. The total cost for the project is estimated at \$1.5 million with INTO contributing \$500,000 toward the renovations.

I ask for your approval of this resolution.

Donahue: Is there a motion on this resolution? Trustee Schaab so moved and was seconded by Trustee Jones. Any questions or concerns?

Louderback: We have talked a lot today about renovating spaces. Where is all this money coming from?

Dietz: Lots of different sources. Obviously Julian involves private money, there also is some university reserves in the bonded areas, those areas take care of that. In terms of the INTO program that's a joint venture between the University and INTO and some of this money is coming from INTO but also some reserves and some additional funds from the Provost's and department's office. The future part of this is that increased enrollments will replenish those reserves for the renovations.

Louderback: For the bond reserves?

Dietz: Not bond, but for the renovations.

Stephens: This piece of the puzzle, the renovation of Fell Hall and Williams Hall is on the general revenue side.

Louderback: Do we have the money for that?

Stephens: Yes.

Donahue: I have a question that might require Jane Denes to weigh in. As I read the resolution it says \$1.5 million; since INTO is putting in \$500,000 should the resolution state that we are contributing \$1 million? Before we approve this I want to be sure we are not on the hook for \$1.5 million.

Huson: This would be our contract to procure and construct it, so our contract for the \$1.5 million is in addition to a different contract with INTO is where we get the \$500,000 from them.

Motion made, seconded, and vote recorded as all members voting aye.

Resolution 2018.02/11 Authorization to Name Outdoor Activity Center

Dietz: The Board of Trustees as the governing body of the University approves the naming of all facilities at the University. When the Board approved the construction of a high ropes course and related facility on Gregory Street at its May 2015 meeting, the project was given the functional name of Outdoor Activity Center and High Ropes Course. Today, we are asking you to approve the naming of the facility as the Redbird Adventure Center. In branding the outdoor activity space and high ropes course as the Redbird Adventure Center, both university and external groups will be able to connect the positive experiences gained at the Redbird Adventure Center to Illinois State University.

I ask for your approval of this resolution.

Donahue: Is there a motion to approve this resolution? Trustee Louderback so moved and was seconded by Trustee Rossmark. Any comments or concern?

Motion made, seconded, and vote recorded as all members voting aye.

Dietz: Thank you very much. In accordance with the By-Laws of the Board of Trustees, the adoption, amendment, or repeal of Governing Statutes, Bylaws or Policies shall occur only after a proposal for adoption, amendment, or repeal has been presented to the Board for first reading by the President. The next two resolutions were read into the minutes of the special Board meeting on January 27th and are being presented today for consideration by the Board.

Resolution 2018.02/12 Amendment of Board of Trustees Governing Document Bylaws Regarding Addressing the Board at Public Meetings

This resolution amends Chapter II, Section 10 of the Bylaws regarding Addressing the Board at public meetings to reflect current best practices and current procedures for addressing the Board at public meetings of the Board. I normally do not read resolutions, but I think it is appropriate for the audience to know the procedures that the Board is considering today.

Chapter II, Section 10. Addressing the Board

The Trustees of Illinois State University welcome constructive communications from members of the University community and the citizens of Illinois. Faculty and staff are encouraged to provide information relative to the academic mission of the University.

The Board of Trustees will allow up to thirty (30) minutes in total for public comments and questions during a public meeting. An individual speaker will be permitted five (5) minutes for his or her presentation. When a large number of persons wish to speak on a single item, it is recommended they choose one or more persons to speak for them. The Board of Trustees will accept copies of the speakers' presentations, questions and other relevant written

materials. When appropriate, the Board of Trustees will provide a response to a speaker's questions within a reasonable amount of time.

An individual who wishes to make a presentation during a public meeting is encouraged to sign the sign-in sheet at the entrance to the room in which the public meeting is held. In the event the number of requests to address the Board of Trustees at a public meeting exceeds the time available for public comments, the requests will be approved based upon the order of requests listed on the sign-in sheet.

I ask for your approval of this resolution.

Donahue: Is there a motion to approve the resolution? Trustee Louderback so moved and was seconded by Trustee Rauschenberger. Is there any discussion?

Motion made, seconded, and vote recorded as all members voting aye.

Resolution 2018.02/13 Adoption of Board of Trustees Governing Document Policy Regarding the Establishment of University-Related Organizations and Independent Organizations at Illinois State University

Dietz: Currently, there is not a Board of Trustees Governing Document Policy regarding the establishment of University-Related Organizations and Independent Organizations at Illinois State University. Since the University is engaging in the establishment of University-Related Organizations and may wish to do so in the future, it seemed prudent to establish a policy regarding the establishment of such organizations. Under the proposed policy the process to establish a University-Related Organization or Independent Organization requires review by the President and referral to the Board of Trustees for approval prior to the organization being established.

I ask for your approval of this resolution

Donahue: Is there a motion? So moved by Trustee Churney and seconded by Trustee Rossmark.

Motion made, seconded, and vote recorded as all members voting aye.

That concludes the resolutions for today.

Donahue: At this time, I will entertain a motion to move into Executive Session for the purpose of considering the appointment, employment, compensation, discipline, performance, or dismissal of specific employees pursuant to 5ILCS, Section 120/2 (c)(1); collective negotiating matters between the University and its employees, 5ILCS, Section 120/2 (c)(2); litigation which has been filed and is pending before a court or administrative tribunal, or is probable or imminent as allowed in 5ILCS, Section 120/2 (c)(11); and the purchase or lease of real property as allowed in 5ILCS, Section 120/2 (c)(5).

At the conclusion of the Executive Session the Board will return to public session at which time, Dan Stephens, the Vice President for Finance and Planning will provide the Board with an update on the University budget. No action will be taken and at the conclusion of Vice President Stephens' presentation, the Board will adjourn.

Is there a motion to move into Executive Session? Trustee Rauschenberger so moved and was seconded by Trustee Churney.

Motion made, seconded, and vote recorded as all members voting aye.

Donahue: I want to thank everyone for being here today and thank everyone who participated in our Founders Day activities. Women's basketball plays tonight so let's root them on to victory against Indiana State; go Redbirds.

Due to human error this portion of the meeting was not recorded. The information below contains notes of discussion points during the meeting as written by Assistant to the President, Brent Paterson.

Board Chair Donahue requested a motion to open the meeting at 1:30 p.m. Trustee Louderback moved to open the meeting and Trustee Jones seconded the motion. Role was called with Trustees Dobski and Rossmark not being in attendance. The Board met in open session.

President Dietz commented that the University remains in a stable financial position despite funding challenges in the past few years. He introduced Dan Stephens, Vice President for Finance and Planning, to make a presentation on the status of finances at Illinois State University. Vice President Stephens shared the following:

- The University ended Fiscal Year (FY) 2017 with a positive \$7 million change in net position in operating profit/loss. The change in net position in FY 2016 was zero \$(0) and in FY 2016 was \$28 million.
- The cash and investment position at the end of FY 2017 was \$271 million compared with \$254 in FY 2016 and \$265 million in FY 2015. At the end of the calendar year (December 31, 2017), the total cash and investments was \$313 million.
- Review of State Appropriations
 - FY 2015 Appropriation \$72 million
 - FY 2016 Stop Gap I \$21 million
 - FY 2016 Stop Gap II \$38 million (received in FY 2017)
 - FY 2017 Budget Override \$34 million (received in FY 2018)
 - FY 2018 Appropriation \$65 million
- FY 2018 Appropriation Summary
 - Approx. 70 % of the FY 2017 appropriation has been received. There remains about \$10 million in receivables.
 - 70% of the FY 2018 appropriation has been received to date. Approximately \$19 million (30%) remains in receivables.

2018 Series A&B – Key Facts on Pricing Results – Feb 6th 2018 Sale

- Executed Sale of \$63 million of debt
 - \$42 million – Cardinal Court
 - \$21 million – Student Recreation Center Refinance
 - \$63 million of new debt replaced \$83 million of refunded debt
- Total Estimated Net Cash Flow Savings - \$40 million
- Auxiliary Facility Systems (AFS) Cash Reserves used to lower principal and interest - \$16 million
 - \$15 million for Cardinal Court Debt
 - \$1 million for Recreation Center Debt
 - Eliminate the last 4 years of debt service – Yrs. 2040 / 41 / 42 / 43 – (most expensive rate years)
 - Increased ISU’s future debt capacity
 - “Buying its own debt” was an attractive return on investment for ISU
 - Overall Interest Rate = 4.13%
 - Pre-Tax Act rates were around 3.75-4.25%
 - Lower corp tax rates (21%) lessens the economic savings of taxable vs tax-exempt debt for some investors, leading to lower overall demand in the marketplace

- Purchased Bond Insurance from Assured Guaranty Municipal Corp (AGM)
 - Paid \$550,000 / saved \$1.4 million in interest costs
 - \$825K – net savings due to buying bond insurance
 - Improved Credit rating – S&P > A- (ISU) to AA (AGM)

- 8.3 times over-subscription at end of initial order period
 - Orders were submitted by 33 accounts totaling \$498M for only \$63M of bonds
 - Major Institutional Investors
 - Cap Group (Chicago) (\$63M=all) (Bond Fund)
 - Nuveen Asset Management (Chicago) one of largest buyers country (\$48M) (SMA)
 - Wilmington Trust Co (DE) top 10 by assets (\$45M) (SMA)
 - Wells Capital Management (CA) (\$42M) (Bond Fund)
 - Western Asset Management (CA) (\$33M) (Bond Fund)
 - Oversubscription caused credit spreads to be reduced by between 5bps to 15bps at repricing
 - Credit quality of ISU (with AGM) proved out. Beat State of Illinois' November 2017 issue by 35 to 45 bps, owing about half to insurance and half to ISU's superior credit

- Final Closing is set for the last week in Feb 2018

Trustee Rauschenberger expressed his displeasure with a recent article in Crain's Chicago Business. He feels that the article did not reflect Illinois State University in a proper light by grouping it with universities in the state that are struggling with enrollment and finances. Other trustees agreed with this assessment. A discussion pursued about how the University might best address the situation. It was determined that President Dietz would offer to meet with reporters from Crain's to share the positive story of Illinois State University. It was suggested that Board Chair Donahue accompany President Dietz to show support of the Board.

Additional discussion centered on whether or not the University should hire a public relations firm to get positive messages about the University out to the media and the public. It was determined that this idea needed further exploration.

With no further discussion, Trustee Donahue asked for a motion to adjourn. Trustee Churney so moved and was seconded by Trustee Jones.

Motion made, seconded, and vote recorded as all members voting aye.

The meeting adjourned around 3:00 p.m.