

MINUTES
Board of Trustees of Illinois State University
July 21, 2017

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

The following members were present:

Trustee Churney
Trustee Dobski
Trustee Donahue
Trustee Jones
Trustee Louderback-present
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 Liaisons Brent Paterson and Rachel Hatch

APPROVAL OF AGENDA

Donahue: 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 Rauschenberger. Motion made, seconded, and vote recorded as all members present voting aye.

APPROVAL OF MINUTES

Donahue: You also have before you the Minutes of the May 12, 2017 meeting and the June 17, 2017 special meeting. Could I have a motion and second to approve those minutes? Trustee Jones so moved and seconded by Trustee Dobski. Motion made, seconded, and vote recorded as all members voting aye.

The minutes of the May 12, 2017 meeting and the June 17, 2017 special meeting are approved.

RELEASE OF EXECUTIVE COMMITTEE MINUTES

Donahue: In accordance with the provisions of the Open Meetings Act, the Illinois State University Board of Trustees is required to periodically review the minutes of its Executive Sessions to determine the necessity of retaining the confidentiality of those minutes. The Board has received a recommendation from its legal counsel to release the following minutes: October 28, 2016.

Copies of these minutes are in your meeting folders. May I have a motion and second to release as public the above minutes of the Executive Session held by the Illinois State University Board of Trustees? Trustee Churney so moved and seconded by Trustee Dobski. Motion made, seconded, and vote recorded as all members voting aye.

PUBLIC COMMENTS

Donahue: Next on the agenda is Public Comment. No one has signed up to speak. Is there anyone in the audience who would wish to make a comment? Hearing none, just a reminder that the Public Comment procedures can be found on the Board of Trustees website.

WELCOME AND OATH OF OFFICE FOR ZACH SCHAAB

Donahue: Good morning everyone. This is first time in two years we are able to meet as a Board with a state budget in place. We can argue whether it is a good budget or not a good budget but at least we do have a budget. I do want to thank the faculty, the staff, the administration, the whole ISU community for their perseverance the past two years in getting us through this. I also want to thank my colleagues on this board and President Dietz for providing the leadership to guide us through arguably the most tumultuous time in the history of ISU. We're not going to jump up and down and celebrate that we have a budget but I think we can all take a collective sigh of relief. This budget will still provide us challenges for the university but at least we are in a better place today than we have been in the past two years. Are there any other trustees who would like to make a comment on the budget before moving on to the rest of our agenda?

We will begin today by welcoming a new face to the Board of Trustees. Zach Schaab is the Student Trustee for the 2017-2018 academic year. Zach is a senior finance major from Waterloo, Illinois. He served as Student Body Vice President last year and has been involved with Student Government Association for more than three years.

Trustee Schaab, would you please approach and take the Oath of Office?

Please repeat after me: I do solemnly swear that I will uphold the Constitution of the United States and of the State of Illinois, and that I will faithfully discharge the duties of the office of member of the Board of Trustees of Illinois State University to the best of my ability.

Congratulations. Zach, not to put you on the spot, but here's your opportunity to say a few words.

Schaab: It's definitely going to be tough to follow someone like Ryan Powers in this position. Hopefully some of my student government experience will help me through that and I really look forward to working with the board and the current administration and I look forward to a good year. Thank you.

ELECTION OF OFFICERS

Donahue: As it is with each first Board meeting of the fiscal year, we begin with the election of officers. As it is written in the Board by-laws, during the first meeting of a new fiscal year the Chairperson and Secretary of the Board will stand for election, and voting will be by secret ballot. I will ask Secretary Louderback to proceed with the first election.

Louderback: Thank you. Are there nominations for the Office of Chairperson of the Board of Trustees of Illinois State University?

Rauschenberger: I so move that Rocky Donahue be put in the position of Chairman going forth.

Churney: I second that nomination.

Louderback: If there are no other nominations we will ask for nominations to be closed. Could someone move and second? Trustee Rauschenberger so moved and seconded by Trustee Rossmark.

Donahue: Please note that I will abstain from the vote.

Louderback: So noted. Rocky Donahue has been nominated as Chair of the Board of Trustees. I will now ask the Trustees to vote by secret ballot. On a sheet of paper from the pad provided, please write the last name of the candidate you wish to vote for, fold the paper and pass them to Board Counsel Jane Denes.

Denes: I have carefully counted the ballots and Trustee Donahue has been elected Chair of the Board of Trustees of Illinois State University—congratulations Chairman Donahue.

Donahue: Thank you. I am truly honored and humbled and appreciate the confidence of all my colleagues on the board and I look forward to having another great year. It has been an honor to serve with you all as chair of the Board of Trustees of Illinois State University, and I look forward to the work we have before us.

Churney: I just want to say I have been on the board for four years and I'm very proud to sit with Rocky. We've become friends and especially in the last two years of his leadership, with the state budget and the university working through it all, he's kept us all together. He's asked for our input and shared like the shared governance of Illinois State so I just want to say I'm very happy and proud to be working with you, Rocky.

Donahue: The floor is now open for nominations for Secretary of the Board of Trustees of Illinois State University. Could I have any names for nominations?

Dobski: Yes, I would like to nominate Dr. Mary Ann Louderback for secretary.

Jones: I second that nomination.

Donahue: If there are no other nominations I will ask for nominations to be closed. Trustee Rauschenberger so moved and seconded by Trustee Jones.

Louderback: Chairman Donahue, please note that I will abstain from the vote.

Donahue: So noted. Dr. Mary Ann Louderback has been nominated as Secretary of the Illinois State University Board of Trustees. I will now ask the Trustees to vote by secret ballot. On a sheet of paper from the pad provided, please write the last name of the candidate you wish to vote for, fold the paper and pass them to Board Counsel Jane Denes, who will tabulate the votes and read the result.

Denes: I have counted the ballots and Trustee Louderback has been elected Secretary of the Board of Trustees of Illinois State University—congratulations Trustee Louderback.

Donahue: Mary Ann, would you like to say a few words?

Louderback: I am honored to be the elected secretary. As many of you know, I am an alum of this university with three different degrees and I keep coming back and look forward to the next year.

Donahue: Congratulations again. It is truly a pleasure to work with you and share your dedication to Illinois State University. It is the duty of the Board to select from the University's staff an employee to serve as Treasurer, but not as a member. The Treasurer serves in an ex-officio capacity and receives and disburses all monies and reports to the Board of Trustees on the financial status and fiscal affairs of the University. At Illinois State, that person has traditionally been the Vice President of Finance and Planning, and Dan Stephens will fill that role.

In addition, it is a duty of the Board Chair to designate a University representative to serve as an ex-officio member of the Municipal Clerks Training Institute Committee. The committee serves in an advisory capacity and helps develop curriculum for Municipal Clerks training courses. I have designated University Audit Director Rob Blemler for that task.

We have a full schedule ahead of us, so as I said my remarks will be brief but I'd be remiss if I neglected to thank the Campus Communication Committee for organizing this morning's discussion hour. Each July, our city leaders attend the discussion hour to give us an update on activities in their cities. The dialogue is just one of many examples that reflect the excellent relationship our University shares with the Bloomington-Normal community. Many thanks to Mayor Renner and Mayor Koos for speaking with us today, and City Manager Mark Peterson for being available for questions.

With that, I will turn to President Dietz for his remarks.

Dietz: Thank you, Trustee Donahue.

I would first like to congratulate our new Student Trustee on his appointment as well as Trustee Donahue and Secretary Louderback on their elections. I look forward to working with each and all of you to enhance the University. I would also like to thank Mayor Chris Koos, Mayor Tari Renner and Town of Normal Manager Mark Peterson for joining us at the Discussion Hour today. We've had a great working relationship in the past and I know there is more of that to come. Illinois State University's relationship with the community is a strong one, and we have dedicated area officials to thank for their work in embracing the University, and allowing our faculty, staff and students the opportunities to enrich the Bloomington-Normal area, and have a home here. My thanks as well to the Campus Communication Committee for organizing the Discussion Hour, and giving us the chance to speak with our local leaders.

I think we can all agree that the biggest news of the day is that the State of Illinois finally passed a budget. After two years of political gridlock, we are thankful that legislators have reached a budget deal. Illinois State will receive \$65 million for FY18. Keep in mind, that amount is appreciated but is also \$7.2 million less than the amount we received in FY15, which was the last year we had a state budget. Plans are underway to try to figure out how to adjust to accommodate for that loss.

Still, the passing of a budget provides us a starting point, and we can return to the business of teaching, learning, research, and service. I am pleased to say that the state approved funds for the Monetary Assistance Program, or MAP grants. As you know, Illinois State continued to fund the grants to the more than 4,000 MAP students who attend our University when the state failed to do so.

We have been fortunate. Our good fiscal planning and low debt, coupled with a tradition of excellence that translated to record enrollment, helped us weather this crisis. My sincere thanks to our leadership team, especially to Director of State Government Relations Johnathan Lackland, Vice President Dan Stephens, and Provost Jan Murphy, who were instrumental in helping steer through these difficult waters. Thanks to Vice President Johnson and Vice President Vickerman as well, all of the Deans, and basically everyone for helping to tighten our belts and exercise creativity over the past two years.

There is still much work to be done. One year does not a commitment make. It remains to be seen what the legislators will do in the future. I can assure everyone that I – and other state university leaders – will continue to make the case for stable and consistent state funding to public universities.

Now, as I like to say, let's get to work. I have a few introductions to make.

I know some of you have had the chance to meet with Leah Johnson, who became the seventh head coach in the history of the Illinois State volleyball program in June. Leah comes to Illinois State from Southern Illinois University Edwardsville, where she spent the past six seasons as head coach. She was most recently named the 2016 Ohio Valley Conference Coach of the Year, while leading SIUE to the OVC Tournament's championship match for the second time in program history. Leah, would you stand and be recognized?

I'd also like to introduce Kristen Gillespie, who joins us as the eighth Illinois State women's head basketball coach. Kristen comes to Illinois State after leading Lewis University to wins, including a pair of trips to the NCAA Division II Women's Basketball Tournament and one appearance in the Great Lakes Valley Conference Championship game. She holds the titles of 2016 GLVC Coach of the Year, the WBCA Midwest Region Coach of the Year and the IBCA Division II Coach of the Year. Kristen, would you stand and be recognized?

The next person is a familiar leader at Illinois State. Bill Legett has been named the director of the newly-formed Department of Event Management, Dining, & Hospitality, or EMDH. Joining the University in 2012, Bill served as associate director and interim director of Campus Dining Services. When Campus Dining combined with the Bone Student Center earlier this year to create EMDH, Bill was instrumental in the transition. He has served as the interim

director for EMDH since October of last year. We have great confidence he will continue to serve the University, and the community, well with his leadership. Bill, would you stand and be recognized?

There is someone else I want to recognize. Senior Associate President of Finance and Planning Deb Smitley will be retiring August 1. Her contributions to the campus during her tenure are too numerous to mention, but here are a few. She has served on task forces for financial planning, accreditation, system reviews, and enrollment. She was part of the *LeapForward* Steering Committee, the Cardinal Court Redevelopment Team and the opening of the new east side of Hancock Stadium. She spearheaded the latest round of the *Educating Illinois* strategic plan. Deb has been that go-to person, known for getting the job done. She has often served as the voice of reason who can bring disparate opinions to agreement. She will be missed. Deb, would you stand and be recognized?

Fundraising activity in FY2017 surpassed the \$21 million milestone for the third consecutive year with a total of \$21.4 million raised. In addition, more than \$14.1 million in cash receipts were received. This cash receipt total is the highest on record.

Fundraising continued to provide a steady stream of both donors and dollars. A record 12,207 alumni gave back to the University. Factors contributing to this increase include the number of donors participating in Giving Tuesday, the implementation of the crowdfunding site, called HATCH.Ilstu.edu, and the response to the ISU Sock Campaign.

Some great news for the Mennonite College of Nursing. The college announced more than \$3 million in grants from the U.S. Department of Health and Human Services. The first, a \$2 million grant, will support developing diversity in the nursing workforce. The four-year Nursing Workforce Diversity grant, will allow \$500,000 each year toward recruitment and retention of underrepresented groups to the nursing profession. The second, a \$1.4 million Advanced Nursing Education Workforce grant, will provide \$700,000 per year to prepare students enrolled in the sequence to practice primary care in rural and underserved settings.

In a continued commitment to keep our graduates on the cutting edge of emerging fields, the University is moving forward with the official naming of the State Farm Chair in Cybersecurity, funded with part of a \$3 million gift from State Farm Insurance Companies. The endowed chair position will provide leadership for the newly-created major in cybersecurity in the School of Information Technology, as well as funding for program enhancements and renovation of existing space to strengthen the learning environment for students. We're thankful to State Farm for their support in this growing area. It is another example of the strong link Illinois State shares with the community and area businesses.

Illinois State moves one step closer to being a leader in another emerging field, this one called biomathematics. Think of "biomath" as a marriage of biology, mathematics, and computer science. It is used to create models that can predict the spread of diseases, or help farmers understand the best amount of fertilizer to use and Illinois State is one of the nation's hubs for biomath. The IBHE recognized our achievements by recently approving the new Center for Collaborative Studies in Mathematical Biology: Intercollegiate Biomathematics Alliance at Illinois State University. My congratulations to the new center director, Professor of Biomathematics Olcay Akman, and my thanks to Associate Provost Jim Jawahar for guiding this process.

The Campus Climate Task Force wrapped up its extensive, year-long work on suggestions for diversity and inclusion on campus. The University's Implementation Team, headed by Vice President Johnson and Provost Murphy, is already beginning work on the short-term suggestions made in the fall. The group's steering committee met with University leadership in May to discuss long-term suggestions for Illinois State. We hope to see a formal report on all suggestions this fall, with a website that the Implementation Team will update to allow everyone to see the progress being made and to chart that progress for the future.

The University's international ties remain strong. Illinois State welcomed its fifth group of guests from the Panama Bilingual Program in May. Twenty students from Panama are taking part in a 16-week training program through ISU's English Language Institute. These students are part of a continuing program developed by the Panamanian government to improve public education and foster economic development.

My congratulations also to College of Education Professor Do-Yong Park, who was awarded a Fulbright grant to strengthen science, technology, engineering, and mathematics or STEM education practices in Cambodia. Park will collaborate with faculty and doctoral students at the Royal University of Phnom Penh from December 2017 through March 2018.

Kudos also to Distinguished Professor Roberta Seelinger Trites, who is the recipient of the International Brothers Grimm Award by the International Institute for Children's Literature in Osaka, Japan. The award, given out every other year, recognizes prominent contributions made by a literary critic of children's literature. Dr. Trites is the third American to receive the global award in its 30-year history.

Congratulations also to our Solar Car Team, which gave an outstanding performance at the Formula Sun Grand Prix in Austin, Texas this summer. The team came in fifth in the nation, completing 172 laps powered by solar batteries of their own making. This impressive team of students, led by student Bailey McNulty and advisor Jim Dunham of the Department of Physics, are showing the world the amazing work that can be done with solar power, and the incredible innovation of our Illinois State students.

No matter what accolades we receive, one of the best—in my opinion—comes from the people who work here, the faculty and the staff. The *Chronicle of Higher Education* released the results of the “Great Colleges to Work For” survey, and Illinois State landed on the list for the third consecutive year. In fact, we even placed in several categories. We were recognized in the areas of Collaborative Governance, Confidence in Senior Leadership, Teaching Environment, and Tenure Clarity & Process. All of that speaks well for our shared governance process. It is a pleasure to know that our Redbird faculty and staff maintain confidence and pride in their home at Illinois State.

Another reason to celebrate: Our alumna Laurie Metcalf, graduate of 1976, took home a 2017 Tony Award for best actress in a play for *A Doll's House, Part 2*. We are proud of all our alumni and particularly proud of Laurie. Many of our alumni and donors watched Laurie on stage during a recent trip to New York City as a part of their seven plays in seven days venture to New York, and were awed by her talent and her kindness in offering a talk-back session with alumni after the performance.

Our student-athletes continue to shine on the field and in the classroom. Nine current — and two former — Illinois State student-athletes earned the highest academic honor bestowed by the Missouri Valley Conference by earning the President's Council Academic Award. The award is presented to student-athletes who have maintained a cumulative grade-point average of 3.8 or higher through the spring semester, participated in athletics for at least two years, and are within 18 credit hours of graduation. In addition, Illinois State had a league-high 73 student-athletes earn the Commissioner's Academic Excellence Award, honoring student-athletes who maintained a GPA of 3.5 or higher over the previous two semesters and a cumulative GPA of 3.2 or higher. Illinois State also placed a league-leading 233 student-athletes on the MVC Honor Roll, which recognizes student-athletes who recorded a GPA of 3.2 or higher in either semester during the 2016-17 academic year, while completing at least 12 credit hours during that semester. Meanwhile, the football team placed 76 current and former student-athletes on the Missouri Valley Football Conference 2016-17 Honor Roll and two former Redbird football players earned the league's highest academic achievement by garnering the MVFC President's Council Academic Excellence Award.

Former Illinois State baseball player Paul DeJong made a splash in his Major League Baseball debut on May 28 when, in his first big league plate appearance, the former Redbird cleared the left-field fence with a pinch-hit home run. He became the second Illinois State alum to homer in his first big-league game, joining Redbird legend Dave Bergman. Meanwhile, fellow ISU baseball alum Brock Stewart recorded his first big-league save in his season debut for the Los Angeles Dodgers on June 20. Stewart finished off a 12-0 win with three shutout innings, allowing just one walk while fanning four.

Mr. Chairman, that takes care of my initial comments this morning. I would now like to call the spokesperson of the Campus Communications Committee, Dr. Ron Gifford, to the podium for a report.

Gifford: Walking to the meeting today, sweating in suit and tie, I caught the question in every familiar face: wedding? meeting with VIPs? Or, is school back in session? In order to avoid hearing that summer is almost over, most smile and pray that I'm just on my way to a meeting with people who dress up every day for work. Though it

might not be on a day most expected, on behalf of the AP Council, the Academic Senate, and the Civil Service Council, I would like to thank Mayors Chris Koos of Normal and Mayor Tari Renner of Bloomington, along with Mark Peterson, the city manager for the Town of Normal, for presenting at this morning's Discussion Hour. In addition, I would like to thank everyone for coming today and for the opportunity to participate in this aspect of shared governance.

The Campus Communications Committee would like to offer its own sigh of relief, probably joined by everyone in this room, that our representatives ended the painful impasse and that we will have a budget for FY '18. Nevertheless, we would echo President Dietz's reminder that this is simply the first step in repairing the damage to higher education in the state of Illinois. While having a budget, even a reduced one, means we can plan ahead, we are not out of the woods yet. There remains significant anxiety and discussion concerning health care costs, deferred maintenance, as well as attracting and retaining the faculty, staff, and students necessary to keep us strong and stable. Given those concerns, we are grateful to have a president willing to remind our political leaders of the value, intellectually as well as monetarily, that universities like ours serve in the life and health of the state. In these trying times, President Dietz's leadership has been and continues to be indispensable.

Second, and on a happier note, we would offer a series of congratulations. Dr. Roberta Trites, Distinguished Professor in English, former interim Dean in the College of Arts and Sciences, and now Acting Chair in the department of Management and Quantitative Methods won the 16th Annual International Brothers Grimm Award for her work concerning children's literature. While it is no surprise to anyone familiar with Dr. Trites's work at ISU, it represents an international recognition of the quality of scholarship available here. Given the number of books she has written, the number of PhDs she has supervised, and her service as a former interim Dean and now Chair, we are lucky to have her.

We also commend the Mennonite College of Nursing, which recently received two significant grants from the US Department of Health and Human Services: \$1.4 million for the Advanced Nursing Education Workforce grant to focus on rural and underserved populations in the Family Nurse Practitioner Program; the second, \$2 million to advance diversity training of future nurses.

While not measured in the millions of dollars above, the AP and Civil Service Councils regularly award between 10 and fifteen thousand dollars a year to students who have at least one parent working for ISU in those categories.

After a year of productive meetings, the Campus Climate Task Force has answered President Dietz's charge to gather evidence, assess, and provide both short and long-term suggestions to address issues of diversity on ISU's campus. What sets this task force apart from any of its predecessors is the inclusion of concrete, measurable goals and the promise that ISU will not rest on its laurels.

We would also like to recognize the work of the Educating Illinois Taskforce, which has spent the year gathering evidence from every constituency possible of ISU's strengths, opportunities, aspirations, and results. The faculty, staff, students, and alumni who offered their observations are a testament to the impact an institution like ours has in the state of Illinois and beyond. It is the hope of the committee that they represent those voices and their values well in creating a living document that will keep ISU strong and stable for many years to come.

Given our thanks to the aforementioned committee, we would be remiss if we failed to recognize the person who has helped lead it and offer her a special farewell. Deb Smitley, who has been at ISU since 2004 and as a co-Chair has shepherded more than one iteration of Educating Illinois through revisions will retire this month. While some were able to thank her yesterday, today we would bid her a collective bon voyage.

Yesterday also culminated another successful Preview for incoming freshmen and their families. All those involved, from UCollege and departmental advisers and administrators to our fabulous Grounds and Buildings crews, have our thanks in putting ISU's best foot forward.

Last, we would like to remind everyone that, even in the heat of July, Illinois State University is an exciting place to be. Whether you are an Anthropology student digging up an 800-year old stone axe at the Noble-Wieting archaeological site, anyone who attended Shakespearience in Milner Library to celebrate the 40th Annual Illinois

Shakespeare Festival, or an attendee to the Concerts on the Quad, you will not be surprised that the Chronicle of Higher Education again noted that ISU is one of the select colleges for which it is great to work. On that note, enjoy the rest of your summer. It's A Great Day to be a Redbird!

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

Lackland: Thank you President Dietz and trustees. What I would like to do is offer more specificity in terms of the various package of budget bills that were passed in July: Senate Bill 6, which is the budget bill; Senate Bill 42, which is the FY18 budget implementation act; and Senate Bill 9, which is the revenue bill.

On Senate Bill 6, the budget bill, the House did an override vote of 74 to 37, and the Senate did their override vote of 39 to 15. In that budget for higher education public universities were allocated overall \$1.214 billion for FY17. For FY18, the total public university appropriation was equal to \$1.093 billion. Under the FY18 amount, public universities in the state of Illinois will receive ten percent less than they did in FY15 and FY17. Specific to ISU, our appropriation level was split; FY17 we received two funding amounts, one in the amount of \$9.5 million that was appropriated from the education assistance fund, and \$24.3 million that was appropriated from the general revenue fund. For FY18, ISU received \$65.4 million that was appropriated from the education assistance fund. In terms of MAP, for FY17 again the legislature split that between two funds, the first amount of \$77.8 million was appropriated from the general revenue fund, and the second amount was appropriated from the education assistance fund in the amount of \$287 million. For FY18, MAP was funded at \$401.3 million and that represents about a ten percent increase over FY15 levels.

In terms of Senate Bill 42, the budget implementation act, that was more of the pension portion of the package and I'll give you some brief highlights of what that action entailed. New employees will have the option to choose between a Tier II or a Tier III plan. Under the language in the statute, the state will pick up the cost of that; in the optional Tier III there is a small defined benefit package and the employer will pick up roughly 3.8 percent, and the other aspect is the employer will pick up the normal cost of salaries over the governor's salary of \$179,000.

Senate Bill 9, the revenue bill, offered an increase in the individual income tax rate from 3.75 percent to 4.95 percent and the corporate income tax rate will go from 5.25 percent to 7 percent. It will also expand the sales tax to laundry and dry cleaning services as well as storage and other services to bring in roughly \$55 million to the state. It will also raise roughly \$54 million in cable and satellite television taxes and it is slated to close corporate loopholes that are worth \$125 million. That concludes my report and I welcome any questions.

Louderback: What is the specific figure to Illinois State University MAP?

Lackland: Actually we have just been notified that we have received \$8.2 million for FY17. I'm not sure if we have received word when we will receive the additional amounts...I am looking at Dan.

Stephens: *Not decipherable.*

Louderback: How does this affect our budget as a whole, what are we looking at?

Stephens: In the overall big picture with respect to MAP we are fortunate over the last few years that even though they delayed the decisions around providing funding either in FY16 or FY17, they did fully reimburse our university as well as the rest of the universities in the state from a MAP funding perspective and we had kept those receivables on our books and not charged those back to the students.

Louderback: I understand we're not always going to get everything we have, but what about the additional percentage that they did release, how does that affect the FY18 budget that we are presently in?

Stephens: From a MAP perspective?

Louderback: No, for the budget as a whole.

Stephens: I'm not sure I'm following you. Are you talking about the additional increase that they just provided for MAP?

Louderback: What is our budget from FY17 and what is our budget from FY18?

Stephens: Overall when you combine the stop gap payment that was made in June of 2016 and the Senate Bill 6 that just passed we essentially got \$72 million which equates us back to the 2015 level. So, the year that hit us with the largest decrease is really 2016 when we only received roughly \$21 million. In this past budget increase thankfully they ended up returning our funding level back to 2015 at roughly \$72 million. Going forward in 2018 is the \$7 million reduction to get us to \$65 million and that is what the president says the leadership team will be working with. The good news I can say is we have been operating with less expenditures over the past year to year-and-a-half anticipating these struggles from the state, so we've been very conservative in that respect and should be able to manage well within this level.

Louderback: So what budget are we working under now?

Stephens: We will be working in FY18 with a budget of around \$65 million.

Louderback: Total?

Stephens: Correct, on the general revenue side – the appropriation level, yes. From a total budget, when you include all the budgets across the university with all the revenue streams, we are in the \$400 million range. That includes tuition, the housing and dining revenues, everything, but the biggest as you can imagine, the biggest issue over the last few years, is that one big number coming from the state that traditionally has been a steady figure or at least predictable to receive. Over the last two years that prediction has been challenged so hopefully going forward we will have more rational decisions made out of the state, we won't be dealing with another crisis again where they can't pass a budget and we can't successfully plan.

Dietz: I might mention the biggest issue around MAP was it provided some cash flow challenges but the state has been coming through with that. There has been anxiety about whether they will continue to do that.

Stephens: And they did actually increase the level so that does show the commitment that we were hoping for our students.

Louderback: So we should be getting a full outline of the budget shortly?

Stephens: Yes. The October meeting is where we revisit the budget.

Dietz: The other component of that is that by that time we will have our tenth day enrollment figures and that plays into this larger picture as well.

Dobski: For Jonathan, just to clarify, the last time the state of Illinois raised the income tax there was a specific date, for four years I believe, so with the state and the corporate going up, is it indefinite then at this point, with no date to sunset?

Lackland: Right, from what I understand there is no date for sunset.

Donahue: Can I just go back, Dan and Jonathan? The FY17 number you threw out, it appears we are going to get \$72 million, so I also assume we are going to have the authorization to use that money for FY17 expenses even though we are in FY18 now?

Stephens: I believe that is the ability and the opportunity that the state provided as with all the other stop gap measures. If you remember they gave them late but they still allowed for the submission of prior expenditures and that's how we are interpreting that.

Donahue: Okay, we might want to get clarification on that.

Stephens: Yes, we will. We just submitted in the funding level for the appropriation the \$34 million we submitted the historical personnel expenses over the last five or six months and that's how they are paying those bills.

Dobski: One more question. In regards to our financial status – we are a lot better off than other universities in Illinois – is that going to be considered when the funding is released? To help some of the other universities that are maybe in more dire straits?

Stephens: We haven't hear anything where they will be doling out funds relative to need. Each school as you can imagine - once they got their appropriation identified in this last budget - is going to be submitting all their allowable expenses and we are seeing in e-mails from our colleagues at other schools that as people are sending in the state is responding. From what we can tell they are not treating anyone unequally, they are just waiting on institutions to provide the necessary data in order for them to release the funds.

Donahue: I have just one last question. So, over this two-year period, ball park figure, what was the ultimate cost to the university of the reserves or the hits in the sense of...

Stephens: If you look at it from the perspective of the appropriation that would have been naturally planned in FY16 and FY17 the simplest answer is the difference between the \$72 million that was traditionally used and then the \$21 million that was identified in FY16 so there's a \$51 million reduction. Now as a result of that in FY16 and FY17 the university started making budget cuts and reductions and leaving open vacant positions so we've been adjusting ourselves down and have been trying to save between \$11 and \$15 million a year in vacated positions as well as deferred maintenance. What these additional resources will do is to help us to begin to plan and likely end up going back and investing in some of those one-time purchases or maintenance items that we weren't able to do, or even identify some programming development efforts that we had to place on hold. Right now we are in those early discussions about what to do with this new budget because we haven't had one.

Donahue: So it's fair to say that at a minimum this budget impasse has cost this university at a minimum \$51 million?

Stephens: At least.

Dietz: Plus the \$7.2 million reduction in the current year.

Stephens: Yes, in the current year.

Donahue: So, closer to \$60 million at a minimum. Maybe in October when we go over the budget we can have that more thoroughly fleshed out as we find out what the state actually did? And this is all assuming that they are even going to give us the money; just because they appropriated it doesn't mean we necessarily have to get it, is that accurate Jonathan? Or is it guaranteed?

Lackland: I think one of the things to point out here is that the legislature was very strategic in terms of looking at the two different funds and obviously they are going to fund out of the education assistance fund first then get to the general revenue fund. To get to your point, that is the issue.

Donahue: Any other questions? Thank you guys.

Dietz: Thank you gentlemen, I appreciate your diligence on that. I'd also like to take a second to recognize Richard Greenfield who has been working over the course of the last several months and is in Springfield about as much as anybody. We are going to continue to need the student help on this and it's been really critical so we really appreciate it very much.

REPORTS

Dietz: I have one report for you this morning.

Report 2017.07/1100.01: Educating Illinois FY2017 Progress Report

Among your materials today is an update of *Educating Illinois 2013-2018: Individualized Attention, Shared Aspirations*. Today's report highlights the University's progress in the implementation of our strategic plan. While it is not an exhaustive list, the report provides an overview of initiatives from the third year of the plan's implementation—our positive gains—and a look to the coming years. Highlights for the 2016-2017 year include:

- Increasing our retention rate to a high of 81.5 percent,
- Receiving numerous national rankings and developing several national partnerships,
- Developing new academic programs, new opportunities for alumni engagement, and a new Center for Community Engagement and Service Learning,
- And increasing diversity on campus as well as strengthening our focus on the retention of strong, diverse students, faculty and staff.

Educating Illinois reflects the values and goals of the institution. I hope you will take a moment to look over the newest Progress Report and see how we are living our values. As a colleague once said, in terms of the strategic plan, that it's ambitious and we don't necessarily have the time and the resources to do everything within a strategic plan, we ought not to do things outside of a strategic plan so this really focuses us.

That concludes the reports for today. I'll now move onto the resolutions.

RESOLUTIONS

Dietz: There are 9 resolutions for the Board's consideration this morning, and Chairperson Donahue, with your permission, I will move on to those items.

Resolution 2017.07/18 Approval of the Academic Plan 2017-2022

The Academic Plan, 2017-2022, was included in your Board materials. That document is over 200 pages long. It includes three sections—Institutional Priorities, Academic Programs and Priorities, and Academic Program Reviews, and discusses academic and program changes approved since June 30, 2016. I want to thank all of those involved in preparing this plan. We update the plan annually to assess our five-year goals. I want to thank in particular all the faculty and other individuals who are involved in this; it's a tedious process but the result is really a terrific one.

I ask your approval for this resolution.

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

Louderback: I just have a basic question. I did read through it and I was curious because I noticed that each college has different year terms; are we looking to get it to coordinate?

Dietz: That's a very good question. It's very difficult to do given some accreditation issues within some of these programs. Are there other reasons as to why we have trouble doing that, Jim?

Jawahar: Also, we are a very decentralized campus so a lot of the colleges have their own timelines in developing their strategic plans. The only request that the central administration makes is that they revise their college strategic plans to be consistent with Educating Illinois.

Louderback: So I notice that they all have their own form and everything else so they are just doing it separately...and at what point are we doing it collectively?

Jawahar: For the whole Educating Illinois is the strategic plan for the university so the colleges have their own plan and they make it consistent with Educating Illinois.

Dietz: I think the issue is that again, it helps us focus and the other part is the progress report.

Donahue: Is it fair to say, President Dietz, what the board is approving here today is really just the road map? These are not specific projects – those would come back to the board – this is basically just the blueprint, the road map of what the university envisions.

Dietz: I would also commend the faculty. We have spent more attention in the last several years than we have perhaps previously in having the faculty look at their curriculum and make sure it is up to date and meeting their own requirements and sharing that information. You are right, this is the road map for us.

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

Resolution 2017.07/19 Town of Normal Fire Services Agreement

Dietz: Illinois State contracts with the Town of Normal to provide fire services to the campus. The FY2018 contract for fire protection services is at a cost not to exceed \$569,631. That represents roughly a 1.91 percent increase in those services over last year.

I ask your approval for this resolution.

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

Louderback: This is basically because of municipal code, correct?

Dietz: Correct.

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

Resolution 2017.07/20 Foundation Support Agreement

Dietz: As you know, The Illinois State University Foundation is the private organization whose purpose is to solicit, secure and manage private gifts to the University. As the state's support of higher education wanes, the importance of our Foundation in securing funds to support the University is critical. The Illinois Legislative Audit Commission

authorizes the University to contract with the Foundation to provide services, and this Board signed a memorandum of understanding with the Foundation in 2008, which outlines the relationship and responsibilities for both the University and Foundation.

This resolution asks for authorization to contract with the Foundation for development and fund raising services for FY2018 for annual cash and in-kind consideration not to exceed \$2,595,000, which is a 3 percent increase over last fiscal year. You heard my comments earlier about the success of fundraising and I ask your approval for this resolution.

Donahue: Can I have a motion on the resolution? Trustee Jones so moved and was seconded by Trustee Dobski. Motion made, seconded, and vote recorded as all members voting aye.

Resolution 2017.07/21 Property Insurance Renewal

Dietz: The University owns and maintains property worth \$1.72 billion. Prudent business practices necessitate that we protect this property. As a member of the Midwestern Higher Education Compact, the University is able to purchase coverage at a cost-effective rate from Lexington Insurance Company and Zurich Insurance Company, through the insurance broker Marsh USA, Inc. The cost for coverage in FY17 was approximately \$467,000. The total cost projected for FY18 is approximately \$577,000. The rise is primarily attributable to increases in campus property and content coverage levels, and business interruption insurance coverage, as well as the impact of claims filed over the past five years. I am asking for Board authorization of an amount not to exceed \$580,000, to accommodate any significant property additions that might occur during the year.

I ask your approval for this resolution.

Donahue: Can I have a motion on the resolution? Trustee Churney so moved and was seconded by Trustee Rauschenberger.

Rossmark: Is the business interruption insurance inclusive of cyber and data breach?

Stephens: I'd like to introduce Dave Marple in Risk Management who can help answer some of the questions.

Marple: The property insurance does have a business interruption component. It is mostly for property damage and the resulting loss of use, but we do have \$2 million of business interruption insurance covered under our property.

Churney: I just want to thank both Dan and Dave. I was in conversation with them over the last couple of days. Being in the industry, when I saw the amount of increase in premium it alarmed me but in stepping through they were very transparent and we had some very good conversations and everything made sense. Thank you both for sharing information and your time.

Dietz: My hope is that our new cybersecurity program will produce some graduates that might help reduce the incidence.

Donahue: Thank you Trustee Churney. I appreciate you looking it over and assuring the board that it makes sense as it's definitely not in my wheelhouse. Any other questions or comments on the resolution?

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

Resolution 2017.07/22 Athletics Insurance Renewal

Dietz: This resolution seeks to renew insurance coverage for the ISU Athletics Department, which emerged as the best option through a competitive procurement process. The department will enter into a one-year term with nine potential renewals at a premium cost not to exceed \$600,000 for FY18. Frankly, it's a bit unusual for us to not name the organization we are contracting with, but that is coming to a close in a procurement process. The most important thing is to seek spending authority up to that amount to make sure that our student athletes are covered as they practice. I ask your approval for this resolution.

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

Dobski: So it is competitively being put out there for bids with a number of companies?

Dietz: Yes, I think we have six bids and we are winding our way or are close to the end of that but we couldn't get to the end of that by this meeting.

Churney: Bob, I was on the phone with Leanna (Bordner) and Larry Lyons yesterday on that insurance portion and that was my question too, but because of our state procurement process it's really dragged its feet. As President Dietz said, in order for our athletes to start August 1 or whenever that is we at least need to get a ballpark figure and they feel that it will be underneath that \$600,000 with like-quality coverages and the same deductibles.

Donahue: Is this \$600,000 not to exceed for one year or is that for the lifetime of the contract which could be ten years?

Dietz: It's one year. Insurance as many people on this board know is relatively volatile particularly in the Athletics area so I think it really is prudent that we sign an agreement for one year, look at again and see where we go again in the future.

Donahue: This is the first time I recall this coming to the board, and I know anything over \$500,000 is what comes to the board, so in the past has this been under \$500,000...is that why we haven't seen this before? I guess my question is why do we believe it's going up 20 percent?

Dietz: I would ask Leanna to come up and educate us about that.

Bordner: Good morning. Over the ten-year period we've had five good years, five not-so-good years, and we haven't needed to come to you because it's been under the limit. Last year it was \$581,000. We feel like we are going to be under that so the \$600,000 should cover it for us.

Donahue: This isn't my wheelhouse but I trust the staff and Trustee Churney who I know has been working with the staff. I was just curious...it seems like a big increase.

Churney: I feel in talking with Leanna and Larry that it's going to be in the ballpark of where it was last year.

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

Dietz: Thank you very much and thank you Trustee Churney for adding your expertise to the discussion on the last two items.

Resolution 2017.07/23 Prime Food Vendor

Dietz: Illinois State University provides up to 12,500 meals a day in the dining centers. Event Management, Dining, and Hospitality also manages eight retail dining venues across campus, a full-service catering operation, and provides lunch to the students at University High School, Thomas Metcalf School and University Child Care each day. Our current agreement with US Foods, Inc. ended June 30. For the next prime food vendor agreement, Illinois State joined other state universities in the Illinois Public Higher Education Cooperative, which includes Eastern Illinois University, Northern Illinois University, the University of Illinois Springfield, and both campuses of Southern Illinois University. The cooperative evaluated proposals and accepted the bid from Gordon Food Services. This contract will run for two years, with potentially four additional, two-year renewals. If renewals are accepted the total life of the agreement would not exceed \$100 million over 10 years. This number is an increase from our last contract, but the rise in rates was expected even with joining the cooperative, because we needed to factor in inflation and include a 10 percent contingency and projections for the Culinary Support Center at Watterson Dining Commons Expansion, as well as two new retail dining venues included in the Bone Student Center Revitalization.

I ask your approval for this resolution.

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

Donahue: I have one question and I have no disagreement with what staff has said, but at least in the information I got it doesn't show...it says staff made the recommendation to go with this agreement versus going on its own but it doesn't really tell us what the cost savings were or why that decision was made. Is there any more background as to the cost savings? Can someone fill me in on what that actually might be?

Dietz: I would invite Vice President Johnson to the microphone.

Johnson: The cost savings would projected or anticipated. The cooperative between the institutions in that group is pretty historical so the last time we went through this there was power with all the institutions combining together to leverage with the vendors presenting bids. Each institution has the opportunity to negotiate its specific contract with the selected vendor at that point. So as far as a specific cost savings comparison there's not necessarily one that can be projected in a dollar amount per se...it's the anticipated power by which the vendors come back with their bids for all the institutions represented.

Donahue: Maybe I misunderstood. It appeared and how I read this was that we weren't part of this consortium before and now we are. And if we weren't, we must assume there was a benefit, which I'm assuming is cost – maybe not, maybe local control – but why have we decided now that the benefit is to join?

Johnson: The first time that the institution had the opportunity to get in on the ten-year agreement that was agreed upon we were actually in contract with another vendor, so we were only in this agreement for eight of those ten years. We saw some of the benefits that took place during the last agreement that came about from that ten-year agreement.

Louderback: We are under contract, right?

Johnson: No, we are not under contract with them currently.

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

Resolution 2017.07/24 Name Conference Room

Dietz: For the next resolution, entitled Name Conference Room, we only have to look down the table to find one of the people responsible for this resolution—Trustee Bob Dobski. Bob and his wife Julie, who is also with us today, - Julie, would you please stand and be recognized?

Dobski: Larry, my son Steve is also here today.

Dietz: I'm sorry Steve, I didn't see you over there. Steve Dobski. Bob and his wife Julie have graciously donated \$250,000 to the University. In honor of their long-time support of Illinois State, their compassion and passion for higher education, and their dedication to the success of students, we ask that the East Conference Room of the Bone Student Center be renamed the "Dobski Conference Room."

We cannot thank Bob and Julie enough for all they have done for the University over the years. They have been phenomenally active in the community and the community is better for having them here. The university is better because of your investment of time, treasure and talent, and we would say thank you very much for that. Bob and Julie, would you please stand to receive recognition of this gift, and your support for Illinois State University?

(applause)

Dietz: I ask your approval for this resolution.

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

Dobski: Could I mention that to be able to fund this we are going to notify Dining Services that for the next five years to fund it in kind the students will only be able to get Happy Meals twice a week. We will give coupons to the faculty and the staff. Ever since we are no longer connected to our previous franchise we love the Dollar Menu now.

Donahue: Any other comments? On behalf of the entire board, both to you Bob and Julie, thank you so much. We appreciate your generosity.

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

Dietz: Thank you very much and thank you to the Dobskis. I'll turn to you for the next resolution, Chairman Donahue.

Resolution 2017.07/25 Presidential Contract Extension

Donahue: Thank you, President Dietz. In front of you is a resolution to extend the president's current contract to September 30, 2017. Do we have a motion and a second? Trustee Louderback so moved and was seconded by Trustee Churney.

Before we take the vote I want to be very clear and I want to be sure everyone knows – faculty, staff, administration, alumni, our alumni board, the foundation board – that Larry Dietz will be the president of Illinois State University. What has been unfortunate is the state has not had a budget for two years. Now that we have a budget we believe this gives us an opportunity to revisit this issue and again I want to be sure there is no doubt – Larry Dietz will be the president of ISU. Any other comments or questions?

Dobski: I'd like to say the resolution mentions 60 days but with the campaign kicking off I was hoping that 30 days would be enough time to get this done. Chairman Donahue has assured us and the whole board that prior to the 60 days it will get done, hopefully in August. Except for the student trustee I'm the only one in town here right now, and I just want to say on behalf of the faculty, staff, foundation board and the community as a whole that President Dietz's leadership along with his wife Marlene has been an asset and kept our university on that rise compared with the other universities. We know what we have and we need to hold onto him. We have to get this done and move on.

Dietz: If I may Mr. Chairman, I would like to interject that this has been an unprecedented time for higher education in the State of Illinois. It has been a pleasure to serve during this time, but it would obviously more of a pleasure when there is a budget in place. Nevertheless, I want to extend my appreciation to you, Mr. Chairman, the Board members, our faculty, staff, students, alumni, donors, community members, and friends for their interest and support of ISU. We have a team of devoted administrators and professionals helping the University and they have done so with intellect, skill, compassion, and grace during a difficult time. While I am delighted to hear the kudos, those kudos are shared with a lot of folks...this has been a team approach. I am proud to serve Illinois State University as President. There is still much to be done and I would like to be a part of that work. The ISU story continues to unfold, and I would be excited to continue to serve. I thank you for your confidence and support.

Donahue: Thank you, President Dietz. I ask your approval for this resolution.

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

Resolution 2017.07/26 Approval of Board Meeting Calendar

Donahue: In order to provide adequate notice of future meetings in accordance with the Open Meetings Act, we ask the Board of Trustees of Illinois State University to hereby determine the dates of meetings in the year 2018 and provide public notice of the dates of those meeting.

Those dates in 2018 are:

February 16, 2018
May 11, 2018
July 27, 2018
October 19, 2018
and November 7-9 for Board retreat

I ask your approval for this resolution. Trustee Louderback so moved and was seconded by Trustee Rossmark. Motion made, seconded and vote recorded as all members voting aye.

Dietz: Trustee Donahue, that completes today's resolutions.

Donahue: I would now 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, 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).

Is there a motion/second? Trustee Louderback so moved and was seconded by Trustee Jones. Motion made, seconded, and vote recorded as all members voting aye.

We will now move into Executive Session. During that session, no resolutions will be considered and no action will be taken. A meeting of the Audit Committee will follow.

RETURN TO PUBLIC SESSION

Upon the return to public session, Chairperson Donahue announced that the business for today's meeting had concluded and that he would entertain a motion and second for adjournment. Trustee Churney so moved and was seconded by Trustee Rossmark. Motion made, seconded, and vote recorded as all members voting aye.