

MINUTES
Board of Trustees of Illinois State University
February 21, 2020

Jones: 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 roll.

The following members were present:

Trustee Bohn
Trustee Donahue
Trustee Jones
Trustee Louderback
Trustee Rossmark
Trustee Aguilar

Louderback: Chairperson, we have a quorum.

APPROVAL OF AGENDA

Jones: Than you, Secretary Louderback. You have before you the agenda for today's meeting. Do I have a motion and a second to approve the agenda? I have a motion by Trustee Rossmark, and I have a second by Trustee Bohn. All those in favor, say aye. Opposed? The agenda is approved.

APPROVAL OF MINUTES

Jones: You also have before you the minutes of the October 18, 2019, and the December 14, 2019, meetings of the Board of Trustees. Do I have a motion and a second to approve the minutes of the October 18, 2019, quarterly meeting? I have a motion by Trustee Louderback and a second by Trustee Aguilar. All those in favor, say aye. Opposed? The minutes of the October 18, 2019, Board meeting are approved.

Do I have a motion and a second to approve the minutes of the December 14, 2019, Special Board Meeting? I have a motion by Trustee Aguilar and a second by Trustee Louderback. All those in favor, say aye. Opposed? The minutes of the December 14, 2019, Board meeting are approved.

APPROVAL TO RELEASE MINUTES AS PUBLIC

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 19, 2018, release all; February 22, 2019, release all; May 10, 2019, release all; July 26, 2019, release all. Copies of these minutes are in your meeting folders. I will entertain a motion at this time to release, as public, the above list of minutes of the Executive Sessions held by Illinois State University Board of Trustees. Do I have a motion? We have a motion by Trustee Donahue and a second by Trustee Bohn. All those in favor, say aye. Opposed? The minutes of the October 19, 2018; February 22, 2019; May 10, 2019; and July 26, 2019, Executive Sessions of the Board are approved to be released as public.

PUBLIC COMMENTS

Jones: Next on the agenda is Public Comments. We have individuals who have indicated an interest in making public comments to the Board today. In accordance with the policy, the Board of Trustees will allow up to 30 minutes in total for public comments and questions during a public meeting. An individual speaker is permitted five minutes for his or her presentation. If more than two 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 speakers' presentations, questions, and other relevant written materials. When appropriate, the Board of Trustees will provide a response to the speaker's questions within a reasonable amount of time.

At this time, I invite Joe, Jake, Brooklyn, Jon, and Rachel, concerned ISU students, to come forward to address the Board. You may use the podium to my left.

Joe Kennedy: Good morning, everyone. My name is Joe Kennedy

Jon Jerkatis: I'm John Jerkatis.

Brooklyn Jewsbury: Brooklyn Jewsbury.

Jake Van Wolvelear: Jake Van Wolvelear.

Kennedy: And we're going to take a moment just to hand out our materials. As we do, we'll get started. So, we're here representing a collection of proud Redbirds and several RSOs who believe we have an opportunity for improving ISU's long-term financial sustainability and believe the Board of Trustees is in a position to help us. We have noticed in recent financial reports from the ISU Foundation a net loss from several holdings, including Natural Resource Partners, which in total lost \$233,531 in 2018 alone. This loss follows a trend of increasing losses over the course of the past decade. If you have the materials, you can turn to page 4 to see that copy of the 990 form.

Jerkatis: Natural Resource Partners is primarily a coal and gas corporation. This loss is unsurprising as the Institute for Energy Economics and Financial Analysis recently released a report showing that over the past five years, fossil-fuel investment has dramatically underperformed compared to the S&P 500 and other non-fossil-fuel holdings. If you turn to figure 3, you can see a graph demonstrating that. We applaud the university's recent sustainability efforts and recognize financial responsibility as a critical component of ISU's sustainability initiatives.

Wolvelear: So, given the losses from some of the Foundations holdings, and the overall market trends demonstrating that fiscal irresponsibility of maintaining fossil-fuel stocks, we are requesting from the Foundation Board of Directors a one-year, three-year, and five-year analysis to be completed by March 31st of this year, including the following four components: (1) the names of the fossil-fuel assets in Illinois State University Foundation's portfolio; (2) the percentage of the Foundation holdings allocated to fossil-fuel assets; (3) how these fossil-fuel assets have performed in comparison to the Foundation's non-fossil-fuel holdings; and, finally, (4) how the Foundation's fossil-fuel and non-fossil-fuel assets have performed in comparison to the S&P 500 index over these three time periods.

Jewsbury: This concern is a matter of fiscal responsibility. We want to ensure the Foundation is upholding their fiduciary duty, remaining consistent with our university values of sustainability and doing the right thing for the climate and the future of our planet. That's why we're asking that the Board of Trustees, and especially President Dietz, who is an ex-officio member of the Foundation Board of Directors, do whatever they can in their power to make sure the Foundation hears our concerns and responds in a timely manner. Thank you for your attention. And with your support, we look forward to receiving a timely response from the foundation.

Jones: Thank you. I just wanted to point out—I'm sorry I didn't take your materials. We don't take materials during the meeting. But anyone who has materials, you are free to submit those in advance of the meeting if you'd like, but if you bring materials to the meeting, we ask that you drop off the reading materials with Dave Bentlin who is usually seated at the back of the meeting, and he will provide us copies after the meeting. So, I just want you to know that we will receive those. Thank you.

At this time, I call Rebecca Forsythe, who is a sociology grad worker, to come forward to address the Board. You may use the podium to my left.

Forsythe: Good morning, Board members. My name is Rebecca Forsythe, and I am a sociology graduate student worker and a member of SEIU Local 73, the Graduate Workers Union. As a teaching assistant for social statistics, my duties include attending each class, grading tests, teaching lab sessions, holding office hours, among many others. In previous years, I have assisted with large lectures as big as 400 students. In total, I have had contact with around 1,200 students.

I have been told by students, including some in attendance today, that my assistance was paramount for their success. I say this not to brag, but to remind you that this story I'm telling you is not unique. I am not special. The graduate workers here can all attest to similar stories in which they have assisted countless students with their academic success. This is something that Illinois State prides itself on.

In fact, one of the core values of the university is learning and scholarship. Our role as teaching assistants is to amplify that particular value. Further, another value is individualized attention. We have the largest freshman class in 33 years with 3,860 students. How would it be possible for each student to get the help they needed if not for our countless office hours, after-class conversations, and review sessions?

As your enrollment increases, so does our work. Yet, we are not seeing any change in our compensation. Despite our consistent efforts in addressing the university's values of learning, scholarship, and individual attention, the university is failing to address several of their key values. You claim that the university values diversity and inclusion, but that cannot be so if our economic situations as graduate workers limits our ability to have access to this position, let alone thrive in it.

How are we to get students from diverse backgrounds to attend Illinois State University as graduate workers if they may not be able to afford to attend this school, based on a poverty-level stipend? For example, I make \$915 a month. Rent comprises half of my income. When you subtract utilities, student fees, I make negative \$20.55. I still have to pay for everything else: food, clothing, medical bills, parking, gas, books; the list goes on. How is anyone able to afford to live on negative money? Meanwhile, President Dietz makes over 38 times what I make in a given year. He actually makes more in two weeks than what I make in a given year.

Integrity is also a core value of the university. They state this value is exemplified in our commitment to being accountable, authentic, consistent, and just. Just. Is it just that President Dietz is up for a bonus which is likely well above what I make in a year, while I have had to apply for food stamps and become a patron of food pantries to feed myself? I had to wait over four months just to get a call back about clarification for food stamps for them to say I now had to apply again. Is it just that myself and others are applying for government assistance while he stands for a bonus based on his supposed commitment to fostering an inclusive campus environment characterized by cultural understanding, ethical behavior, and social justice? Where is the justice? I don't see it.

Supposedly collaboration is a value the university finds important to foster in our community. What I've seen in the bargaining room is a lack of collaboration in any capacity. The negotiation team draws out the negotiation process for as long as possible, showing a clear lack of collaboration in trying to achieve a fair contract for all. They have shown zero collaboration when putting down members of the Clerical Union, saying, "If you don't like it, you can leave." Further, they've told us directly that there are real-life budget constraints in addressing many of our economic proposals, and yet in the same day, turned around to announce a bonus for President Dietz and committed over a million dollars to an Asian restaurant.

What it comes down to is a lack of respect—yet another core value of the university that they are failing to address. We are not respected by the university as graduate workers, as shown by the university's lack of respect for something as minimal as our general wellbeing. We do not have access to dental or vision insurance or have enough financial compensation for our labor to even cover the cost without insurance. We spend long hours in our positions, limiting our ability to develop any work/life balance, creating an environment of poor mental health that is common among graduate workers. Your decisions are directly affecting our health, mental and otherwise.

Beyond failing to address several core values, let's talk practically. Illinois State University is trying to compete with several other Illinois public institutions, including the University of Illinois Urbana-Champaign. Their graduate workers have unionized and won things like increased stipends, dental insurance, vision care, reduced student fees, among others. How are you going to compete? Are you going to step back and say that U of I is, again, better than you?

Jones: Excuse me, Rebecca. We are coming up on your five minutes. I'm sorry. We have a couple other people who want to speak on your same topic.

Forsythe: Moral of the story: your reputation is on the line here. In conclusion, you have the power to do the just thing and represent the university with integrity. We ask that you pressure the negotiation team to foster their sense of collaboration and quickly negotiate a fair contract that addresses our grievances so that I don't have to come here again and remind you of my and my fellow graduate workers' value to this university. Thank you.

Jones: Thank you, Rebecca. If you have any written materials, you can leave them with Dave Bentlin.

(Applause)

Jones: At this time, I would invite Trevor Rickerd, a biology grad worker, to come forward to address the Board. You may use the podium to my left. Please keep in mind that we do have a five-minute limit on all speakers because we have 30 minutes for this, this morning. Thank you.

Rickerd: I'll be brief. Members of the Board, thank you for having me here today. I am a member of the Graduate Workers' Union. I am a fourth-year PhD candidate in the Biology Department here at Illinois State University. So, I want to speak on behalf of graduate workers here at the university and my experience here.

So, we are here today to express our discontent with our economic status, our lack of respect from the university's negotiation team, and to point out that we are aware that the university has the sustainable means to address the issues regarding graduate workers' conditions. We are also frustrated by the lack of progress regarding bargaining and the lack of willingness of the university's negotiation team to want to meet with the bargaining unit. It took us over a year since we ratified a vote to actually have union representation for the university's negotiating team to actually sit down and have a conversation with us. That doesn't feel like respect at all.

I also want to express frustration at the hypocrisy of some of the motions of this Board has made in the past. When we talk about issues of not being able to budget for raises in wage or reductions in our mandatory fees, in the same breath, the university is going to call for a bonus for the president or is going to call for multiple millions of dollars of expenditures on line items, and, in fact, has also very recently come out to say that they are going to implement a new administrative position with a salary of \$112,000 annually. So, these items together don't make the argument very clear that the university cannot afford to care for its lowest paid workers in the university. Obviously, if you are able to afford the line items and the wages that you are putting forth in those respects, you should be able to do the same for the graduate workers here at the university.

I also want to point out that it should not be wild to expect us to get cost-of-living adjustments. It should not be too difficult to expect that the university could earmark money annually for cost-of-living adjustments for graduate workers and workers on campus in general. As posted by the US Bureau of Labor Statistics, the average cost of living in our area in the past 12 months has increased by 2.5%. A 2.5% increase in wages would be a simple cost-of-living adjustment. Not getting that 2.5% increase in wages is akin to a wage cut if we are not able to keep up with the extra cost of living as is rising currently.

On a different note, I want to talk more about my experience here and talk more about my encounters with other people. I worked at the School Street Food Pantry as a volunteer coordinator for about a year, and my role there was to help organize a team of volunteers to run the operations in the food pantry. We helped students in the area in postsecondary educational institutions—so ISU, IWU, Heartland, even Paul Mitchell School of Cosmetology—deal with the issue of food insecurity. So, many workers in our graduate program rely on this food pantry for assistance throughout the year.

When we live in an area that is defined by the USDA as a food desert, it's difficult for students who don't have cars or don't have the means for transportation to maintain a healthy lifestyle and have a sufficient, nutritious, sustainable, and affordable source of food. Putting more restaurants on campus doesn't solve the issue of graduate food insecurity when grads can't afford to eat in the first place. For us, it's very hard to believe that the university can honestly claim that it cannot afford to pay its lowest paid workers a higher wage or lessen the burden of the mandatory fees that it imposes on us when it has these line items that it's making expenditures on at the same time. Spending \$1.3 million on a restaurant doesn't solve food insecurity. Spending nearly \$18 million in line items on a day and giving the president a \$50,000 bonus doesn't help the credibility of the university's argument that it can't budget a living wage for workers.

Jones: I'm sorry. We're coming up close to your five minutes.

Rickerd: Giving President Dietz a \$50,000 bonus is equal to a 13.3% raise this year. Us asking for a 3% raise doesn't seem like a big thing, especially on a TA's stipend. Knowing that one is able to afford food sustainably is

critical and should not be a general burden of graduate life to deal with food insecurity. If we want to have a better graduate student retention and success rate, we should focus on the critical economic topics that are causing issues in our community. Our stipends are not sufficient. Fees are exorbitant, generally costing one-third to one-half of our monthly pay and more in a very large amount of cases.

Jones: Thank you so much. I'm sorry.

Rickerd: Healthcare is a right, not a commodity, and should be guaranteed. The fact that we have come to this point—

Jones: Sir, I'm sorry. Thank you. You've exceeded your five minutes by just about a minute, so if you could let the next speaker. Thank you.

Rickerd: We would like to see our negotiations go forward with progress, and we would like to settle sooner than later. Thank you.

Jones: Thank you. Thank you. If you have any materials, please drop them off in the back for us. Next, we have Heather O'Leary, who is an English graduate worker.

O'Leary: Good morning. My name is Heather O'Leary. I am a graduate teaching assistant in the English Department. First, I would like to recognize my dear friend Amad, who is an international graduate student worker from Egypt and had planned to speak today. Unfortunately, he had to fly back to Egypt due to a sudden death in his family. Recently, Amad was suffering from terrible tooth pain, and after navigating the difficult dental health system in town, was told it would cost \$3,500 and several procedures to fix his teeth. He realized it would actually be cheaper and faster to fly back to Egypt and have the work done in a week there than to have the procedures done here. How is this possible? Because graduate workers do not have dental insurance. He had to pay everything out of pocket. International students are limited to 20 hours of work per week. So, even if he wanted to take on a second job to cover these costs, he is legally not allowed to. Now, having to fly back to Egypt a second time in one semester, I have no idea how he will be able to pay for his bills.

President Dietz, I would like to ask you a question. Today, the Board is scheduled to vote on a performance bonus of up to \$50,000 for you, based on meeting a specific list of goals. The third goal on this list is you continue to champion the university's strategic plan—Educate, Connect, Elevate Illinois State—and work with shared governance on the campus community in achieving strategic directions, objectives, and actions in this plan. According to your performance review, the Board has determined that you exceeded expectations on this goal.

However, there is one strategic objective in the plan that we, as graduate students and workers, have not seen progress on. In the strategic plan under the section entitled Enhanced Strength and Stability, there is an objective to ensure strong enrollment in student success. To achieve this, the strategic plan requires ISU to support quality and the accessibility of graduate programs by increasing the number and value of graduate stipends, assistantships, among other strategies. This is in ISU's strategic plan as a goal for the university. This has not happened.

While teaching assistants received a 2% raise two years ago, that raise was immediately reclaimed by the university through an increase in student fees, leaving graduate student workers with no additional take-home pay. The \$50,000 you stand to gain today is more than five times what many of us make in a year. As a graduate worker in the English Department, I have one of the highest stipends on campus, and yet I still have nothing to show at the end of the month, after paying for rent, utilities, food, healthcare costs, and other bills. Every month, I come up short.

Your performance review also states that you have succeeded in impressive fund-raising accomplishments. When will graduate students and workers benefit from these funds? Graduate students who depend on stipends to live are forced to use food pantries to feed themselves, to suffer in pain or drop thousands on uninsured dental work, to take second and third jobs to support their children who are not covered by our health insurance. How are we to succeed as students under these conditions? Think of my friend Amad who had to fly back to Egypt for dental care and miss a week of classes, all because we make so little and have no dental coverage. How is he supposed to succeed?

President Dietz, you seem like someone who genuinely cares about students. What do you plan to do to help graduate students succeed? How can you, in good faith, accept this bonus when you already have so much and graduate workers, along with clerical workers, groundswokers, building sanitation workers, and so many others on this campus have so little? Thank you.

(Applause)

Jones: Thank you. If you have any materials, you can leave those in the back. At this time, I would like to invite Michaela Mennel, a senior at ISU, to come forward to address the Board. You may use the podium to my left.

Mennel: Hello, everyone. My name is Michaela Mennel, and I'm a senior here at ISU. Some of you may remember me from October's Board of Trustees meeting when I talked about the issue I was having in the Financial Aid Office. I have promised several people that I would come back up and explain the aftermath of all that and what I've ultimately learned from that experience. And, unfortunately, I wish that was all I was here for.

Last semester as I worked with the Financial Aid Office to find a solution to my original issue of being denied Federal loans, it was voluntarily disclosed to me that they had pulled a query of students similar to my situation, and there were only, what they described to be, a few students affected by the same error that they found in my file within the system. Since that wasn't the focus for me, and it wasn't really my information to know, there was no further elaboration on whether or not these students had already been informed of any errors or if they were recent students or students who had already graduated.

While we were eventually able to come to a short-term solution for my personal problem, I couldn't shake the knowledge that this issue had expanded beyond myself. In between my meetings with the Financial Aid Office, I spoke with other students and recent alumni to see if they had any similar experiences or knew anybody that I could turn to for advice. Much to my shock, I discovered that my best friends, a pair of sisters, experienced their own financial aid issues when they began at ISU in 2013.

For four years, they were both denied a portion of their financial aid every spring semester without any explanation as to why, even though they had received all their available aid the previous fall semesters with no problems. The amount they were denied was so significant that they couldn't even register for classes, per ISU's policy. And each spring, their mother, an ISU alumni herself, had to come up and fight on behalf of her daughters in the Financial Aid Office to make sure that they could receive the aid that they were allotted to so that they could register for classes and ultimately graduate on schedule in 2017. My friends only told a few people about this because they just wanted to move on after all that chaos.

As I expanded my social circle, I discovered that many other students, parents, and graduates had various issues obtaining loans, grants, and even Parent-Plus Loans during their enrollment at ISU. My goal this morning is not to draw more attention to my personal struggles but to raise awareness of an overarching problem within the Financial Aid Office for those among us who, like myself, had no idea how common these issues were. The fact that there was a large number of similar reports over the course of multiple years raises a question of whether or not this goes beyond a systemic error within the Financial Aid Office. What is a few students to a university who has a recent census of over 21,000 students?

I have been a Redbird for about a year now, and I have seen what can happen when we work as a community to find a resolution to a problem. I mean, look at what's going on up here. I didn't even know this was going to happen today, but, I mean, look at this. Recently, an entirely new position was created to address the growing concerns of diversity and inclusion expressed by the student body the previous semester. ISU has clearly demonstrated that it is willing to work with the students and commit to advocating for students when it comes to serious issues. And for many college students, financial aid is such a serious part of being able to obtain their degree. And as these grad students have pointed out, for many of us, it's the only way that we can obtain a degree because we can't afford it otherwise. So, why has such a continuous problem in such an important system gone unchecked seemingly for years?

I'm up here today because one of my great fears that I expressed from last semester—that multiple students have suffered in a similar fashion as I have—has been confirmed to be a reality. I have personally spoken to only a small

fraction of those affected, and I strongly suspect that there are others who may have no idea that they are not alone in this experience. Unfortunately, those people could not be here today because of either other obligations or, in the case of my friends, they have moved out of state to get better careers.

Throughout my adventure, I was constantly asked, “How can we solve this problem?” But even now, I cannot answer this question because I still have no idea what actually caused this problem to begin with. And even though I have learned more about financial aid in one semester than I have in my entire college career, I am not an expert in this subject, nor is it my major of study.

There is no such thing as a perfect system, I realize, but this one clearly needs to be evaluated from all sides. I hope that hearing my story inspires others to speak up about any issues that they’ve experienced as they’ve tried to obtain financial aid over the last few years. And I hope the Board of Trustees is open to hearing these stories as they’ve been open to hearing mine. Ultimately, I hope that whatever is happening within the Financial Aid office and ISU as a whole can be resolved so that this recurring pattern of struggling students becomes less and less common, especially since we already have enough financial issues to deal with.

Jones: Thank you.

(Applause)

Jones: At this time, I invite Trish Gudeman to come forward to address the Board. You may use the podium to my left.

Gudeman: Greetings. Yes, I’m Trish Gudeman from AFSCME Local 3236 Clerical Union. Over five-and-a-half years ago, I applied to work at the Sociology and Anthropology Department from Student Accounts, a move that would take me from an associate to a specialist, which was obviously a higher pay scale. The job was a nine-month academic layoff position, which I needed in order to be home with my kids, as my home situation was changing, and stability was needed there. When I calculated, what they were offering me was going to equal about what I had made at Student Accounts, no gain, but no loss, because they were hiring me at the top of the hiring range. This meant the job was doable for me, and I could be home with my kids, then young at the time, for the summer.

After three months at my new fabulous job, HR called and told me that I had been hired on at too high a rate. According to my contract from the union, they said I was only eligible for 10% above what I was making at my previous job or the bottom of the hiring range, whichever was greater, but not at the top. That was not an option for a current employee, and I had to pay back three months of overpay. Was I upset? Yes, to say the least. I went everywhere I could for help. I went to my boss. I went to his boss. We were all over the place. Thought about hiring a lawyer. Nothing. This is what happens. Others have had the same problem. You just accept it.

Well, I had budgeted my finances to make this work, and now this would mean I would have to get a summer job, if I could find one, which was the opposite of what I needed to do, be home. My world was in a panic; and I was told, from every direction, there was nothing I could do. HR was holding firm, and there was no fix. My bosses were just as upset as I was, and I was mad at my contract and my union.

Later, the union came by and told me who they were and that I could have reached out to them because others had been in the same situation and they had been able to keep their higher rate. Had I known this, problem solved. But they also told me the contract was up for negotiation and we could fix these problems. You mean we can fix the contract which is riddled with problems? Sign me up. And here I am today. We have been trying to fix a contract. We have offered solution after solution—being rejected time and time again—to what is a long-standing issue: the hiring range and other things.

But fixing problems is not the way at ISU, it seems. ISU does not see the things as their problems, and they do not want to offer solutions. They do not want to negotiate what is necessary to improve the working conditions of their employees because it is too administratively burdensome or just not interested. But we continue to persist. We show up time and time again to try to find a listening ear, to try to find some sort of solution. We have recently presented one which I am very hopeful ISU will accept. It is not perfect, but it would help address this and other issues.

But my story is not the only story. There are others who are quitting and getting rehired, which would put them in better standing. How ridiculous is that? How ridiculous is it that because I don't come from within ISU directly I can do better than someone with consecutive, faithful years of service? A problem, I'm sure you would all agree.

I was told of a faculty member whose wife left ISU to work at U of I. She was a librarian—or library assistant, specialist—who is now at U of I being paid 40% more. She has a master's degree, and they found her worthy of her pay, obviously. And she was sad because she had been here over 10 years. The person who took her position makes more than she did when she left.

I am hopeful that we will continue to press for better collaboration with ISU in regard to those under contracts. I am hopeful for faster meeting times and resolutions that are respectful. I am hopeful that graduate students here today, to which my local stands in solidarity with, will see a greater effort from ISU to create a contract before this next graduating class is gone. They are precious and need to be treated as so. Please do not let this air of disrespectful negotiations continue. Put your values in place at the bargaining table and become a leader in social justice on this campus in all areas. Thank you.

Jones: Thank you.

(Applause)

CHAIRPERSON'S REMARKS

Jones: Good morning, everyone, and thank you for joining us for our first regular quarterly meeting of the Board of Trustees for 2020. I want to make a brief comment regarding the Public Comments. We appreciate hearing from students, faculty, staff, about their concerns and suggestions on making Illinois State University a better place. I want to thank R. C. McBride, general manager of WGLT and the staff at the radio station for their presentation at the Discussion Hour. We learned much about the operation of the radio station and its commitment to the local community. We are proud to have an NPR station on our campus.

This week, Illinois State University celebrated its founding in 1857. I want to thank everyone involved in the planning of the mini events surrounding the celebration of the university's founding, including the faculty/staff appreciation luncheon and awards ceremony, the annual bell ringing, and the alumni awards dinner.

I also want to congratulate all of our faculty, staff, students, and alumni honorees who make us all so proud to be associated with this university. I want to thank Governor Pritzker for coming to campus to formally announce the release of funds for the revitalization of facilities and the Wonsook Kim College of Fine Arts. It has been a long time coming. We look forward to seeing the start of construction.

I will now turn to President Dietz for his remarks.

PRESIDENT'S REMARKS

Dietz: Thank you, Trustee Jones. I would like to echo Trustee Jones' comments about the activities celebrating Illinois State's founding. 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 very proud to be associated with the university.

Before moving to my other remarks, I also want to congratulate Trustee Chair Jones on being elected Chair of the State University's Civil Service System Merit Board. The Merit Board serves as the governing body of the State University's Civil Service System and is composed of 11 members representing the public universities of the State of Illinois. Members of the Merit Board are appointed by their respective university governing boards. I want to say thank you for your service on the Merit Board and for taking on this leadership role, and congratulations.

Last night, we honored alumni for their outstanding contributions to their fields, their impact on society, and their passion for Illinois State through the Alumni Awards Program. We take great pride in sharing the accomplishments of our alumni and look forward to recognizing outstanding alumni each February. I want to note also that former Trustee Jay Bergman received the distinguished alumni award last night. Jay has been a strong supporter of Illinois

State and engaged in specific activities in his community. He still holds the record for being the longest-serving member of the Illinois State University Board of Trustees and also served on the Illinois Board of Higher Education for many years. So, congratulations to Jay.

A current Trustee was also honored last night. Trustee Sarah Aguilar received the Future Alumni Award. Sarah, congratulations. We are very proud of you and what you've accomplished as a student and look forward to watching your accomplishments as an alumnus. And, I also want to recognize that Sarah has her mother and her grandmother here who flew all the way from California to be at the awards ceremony last night and are here this morning. Thank you for being with us.

(Applause)

Dietz: The university planned to award an honorary degree yesterday to Andrew Purnell, a 1957 alumnus of Illinois State University, but unforeseen circumstances prevented him from coming to the campus. Mr. Purnell was a founder of the Student Chapter of the NAACP and served as its vice president. He also worked to establish the ISU Black Colleagues Association in 1984. He truly cleared a path for future African-American students to enroll and graduate from Illinois State University and for African-American alumni to be engaged with the university. We look forward to honoring Mr. Purnell at a future date.

I also want to echo Trustee Jones' thanks to R. C. McBride and the WGLT staff for their presentation at the discussion hour this morning. Living in Normal, being a WGLT supporter myself, and being regularly interviewed by a station reporter, I hear and see, every day, what the radio station brings to this community. WGLT is an award-winning public radio station that brings positive recognition to the university and the community through its efforts, and we are grateful for that.

As Trustee Jones indicated, we welcomed Governor Pritzker to come on January 30th to formally announce the release of \$52.3 million for revitalization of facilities in the Wonsook Kim College of Fine Arts. This is in addition to \$9.6 million released last year for emergency repairs. The first step will be to re-engage architects and engineers in the planning and design phase for the project. While a construction timeline has not been finalized, work will be done in phases to minimize disruption to classes and programs within the college.

Enrollment continues to be strong at Illinois State. This spring semester, 19,532 students are enrolled in classes. This is a 1% increase over spring enrollment of last year and one of the largest enrollments for a spring semester in several years. I might mention that spring enrollment always lags fall enrollment a tad. But graduate enrollment is also up 3% over the previous year.

Turning to enrollment for next fall, applications for admission and admits are running slightly behind but significantly ahead of two years ago. As of February the 17th, applications for first-time-in-college students are about 5% behind those of last year, but on the other hand, transfer applications are 2% above last year. Admitted first-time-in-college students are 4% behind last year at this time, but deposits from first-time-in-college are running 8% ahead of the last year. The academic profile for students who have submitted deposits is also stronger than last year.

I remind people that when we look at enrollment numbers, particularly for the future, it's like riding on a train. You take a look out the window, and you look down for a few seconds, and you have a new view. And so that's kind of where we are, and we're anticipating the fall of 2020 will be another strong year for us.

On January 31st, the university received notification that it has been named a Carnegie Community Engagement Classified Institution. The designation came after Illinois State completed an extensive application process involving data collection and documentation of the university's commitment to community engagement. Illinois State is one of only 350 institutions nationwide, and I remind you that there are over 4,000 colleges and universities nationwide. So, only 350 hold this classification.

Similar to an accreditation, the extensive application process can take several years to compile and assess, and that was absolutely true here. A national review committee determined the university's qualification for recognition as a community-engaged institution. The designation enhances our value of civic engagement and will position the

university well with prospective students interested in this area and faculty pursuing research grants. I also want to thank the staff and the Center for Community Engagement and Service Learning who coordinated the application process and the many faculty, staff, administrators, and students who practice civic engagement every day.

As you know, Provost Murphy will be retiring at the end of June, following more than 30 years of service at Illinois State University. As she reminds us that she started here as a mere child, I think of about 12 years old, but nevertheless, that leads into the next comment, and that is that last week and this week we hosted on-campus interviews with four finalists for the Vice President for Academic Affairs and Provost position. We had 72 applicants for the position and are pleased with the quality and the diversity of not only the applicant pool but also the finalists. We hope to make a decision on who will be our next Provost in the next few weeks. In the meantime, we are grateful for Provost Murphy's service, and we will talk more about her a little bit later as she gets closer to her June 30th timeframe. 130 days? Okay.

(Laughter)

Dietz: At least you're not into the minutes yet. So, that's good.

I have four introductions to make this morning. We have a new Associate Vice President for Facilities Management, Planning, and Operations, Mike Gebeke. Mike actually started in December, but this is our first chance to introduce him to you. He comes to Illinois State from Kennesaw State University where he served in a similar role. He has over 20 years of experience in managing university facilities, including positions at the University of Alabama in Birmingham, Ohio University, University of Central Missouri, and South Dakota's School of Mines and Technology. Mike, would you please stand so we can recognize you?

(Applause)

Dietz: Dr. J. Cooper Cutting was named Assistant Vice President for Academic Planning effective January the 6th. Before moving to the Provost's Office, Dr. Cutting was an associate professor and associate chair in the Department of Psychology. He joined the Illinois State University faculty in 1998. Dr. Cutting, would you also please stand and be recognized?

(Applause)

Dietz: Dr. Dallas Long was named Dean of the university's Milner Library at the end of January following a national search. Dr. Long joined Illinois State's faculty in 2008 as the head of Access Services at Millner Library and most recently served as Associate Dean in Milner Library since 2014. Dr. Long, would you please stand and be recognized?

(Applause)

Dietz: I would mention that all those individuals have replaced retirees from the university. I'm also pleased to announce that we have a new position in the President's Office with a focus on diversity and inclusion. Dr. Doris Houston, currently Interim Chair and Associate Professor in the School of Social Work has accepted my offer to serve as Interim Assistant to the President for Diversity and Inclusion. She will finish out her role as Interim Department Chair and move to the President's Office in July. Dr. Houston, will you stand and be recognized?

(Applause)

Dietz: The Redbirds Rising Campaign continues to do quite well, with over \$173 million raised to date. More than 56,000 alumni, parents, faculty, staff, students, and friends have supported current students' dreams by contributing to Redbirds Rising, and 26,000 of the 56,000 are new donors. That bodes very well for the future of fundraising at this university. We continue to pursue gifts to the campaign and continue to receive a positive response. The formal campaign will end June 30 of this year, but we still have our foot on the gas, and we're still raising money and hope to go well beyond the \$173 million mark. But I appreciate everybody's efforts in that regard, particularly those of Vice President Vickerman and his staff. So, thanks so much for the success there.

In fact, Illinois State alumni students, parents, friends, and employees will come together for a second Birds Give Back day on February the 28th. We are seeking a record of 1,735 gifts, and I'm confident that the collective power of the Redbird community will help us fly by that goal and raise funds to further strengthen the ISU experience. One might ask why 1,735? And simply put, that would set a record for us, and we're hopeful to do that this next February the 28th.

This past fall, student athletes earned a 3.29 grade point average in their classes. We, indeed, have student athletes who represent us. We are very proud of their academic achievements. This is the seventh semester in a row that our student athletes have achieved at least a 3.23 grade point average; 313 of the 420 students athletes qualified for the AFNI Honor Roll this past fall, which is a department record. As a matter of fact, a total of 99 students out of those 420 earned a perfect 4.0 this fall, which is also a new departmental record. I don't know how they do that and go to class and practice and compete and all of that, but they do.

The women's and the men's tennis teams are in the top team GPA honors this past fall, with the women's team earning a 3.76 grade point average and the men's team earning a 3.73 grade point average.

The university is fortunate to have a dedicated staff in the Karin L. Bone Athletics Study Center under the direction of Joe Klausner who work with our student athletes to assist with their holistic development, and coaches who recruit student athletes that compete in the classroom and on the field, court, track, and pool.

Speaking of student athletes, Illinois State's soccer midfielder Kate Del Fava was selected by the Utah Royals of the National Women's Soccer League with a 12th overall pick, making her the highest drafted Missouri Valley Conference women's soccer player ever to receive that distinction. A standout on the field and in the classroom, Del Fava has collected numerous academic accolades, including being named a Senior CLASS Award All-American, United Soccer Coaches Scholar All-American, a two-time CoSIDA Academic All-American, and the 2019 Academic All-American Team Member of the Year. She is also an Illinois State Robert G. Bone Scholar, which is the highest distinction that we give out, with a 4.0 cumulative grade point average. We invited Kate to be with us today, but she has already started practice with the Utah Royals, so she is out in Utah.

In concluding my remarks today, I want to assure everyone that the university continues to monitor the progress of the Coronavirus and advisories from the Centers for Disease Control and the Illinois Department of Public Health. We have a group that continues to meet and revise plans as the situation develops. I want to emphasize that there are no suspected or reported cases of Coronavirus at Illinois State, and the overall threat level to campus remains quite low. As a precaution, however, the university has restricted travel to China for university business or academic credit and discourages faculty, staff, and students from traveling to China for personal reasons.

CAMPUS COMMUNICATION COMMITTEE REPORT

Now, I would like to call the spokesperson for the Campus Communications Committee, Beth Theobald, to the podium for comment. Beth?

Theobald: Good morning. On behalf of the Campus Communication Committee representing the Civil Service Council, the Administrative Professional Council, the Academic Senate, and the Student Government Association, we would like to thank R. C. McBride and his team for their presentation on the exciting developments with WGLT and WCBU.

We would like to take some time this morning to reflect on a few of the amazing things happening on our campus thanks to great leadership and oversight by the Board of Trustees and our President, Dr. Larry Dietz. These past few months have seen a recent visit from Governor Pritzker and the announcement of the release of over \$52 million in capital funding for the Wonsook Kim College of Fine Arts complex.

We are also excited about the University Galleries contract which was renewed with Uptown-Normal; the first-ever Pride Night, hosted by Athletics at a recent ISU Women's Basketball Game; the presentation of *Hit the Wall*, which features the Stonewall Riots; and the speaker series highlighting February's black history month with opportunities to listen to speakers such as Angela Rye, Jennifer Eberhardt, Dr. Mariana Souto-Manning, and Chelsea M. E. Johnson who share their perspectives on equality and justice. These events and more highlight the diversity of our campus with speakers who come to share their experience and their knowledge.

ISU has recently been awarded the Carnegie Foundation Designation for Community Engagement. Only 350 institutions nationwide hold this classification. This reflects our commitment to civic engagement through community outreach and partnerships. ISU has also received a \$1.2 million grant from the US Department of Education to develop the Limitless Program, which will assist in the training of early intervention practitioners for children who are blind and deaf.

This year, we saw a few changes to our Founders Day celebrations, incorporating new and old traditions. The faculty/staff luncheon, the Founders Bell Ringing ceremony, as well as the alumni awards dinner celebrated the many outstanding people we have on our campus.

We are looking forward to the outcome of the new provost search, as the decision will likely be made in the upcoming weeks. ISU has hosted four quality candidates over the past two weeks, and we enjoyed getting to know them and hearing their visions for Illinois State University.

On a less celebratory theme, we have heard from President Dietz over the past year that we receive less money from the state per student than any other public university in Illinois. President Dietz, we thank you for advocating for us in Springfield and for the increased amount of funding they have provided to ISU this year; but we also know that the Board of Trustees are out there advocating and bringing awareness to these issues as well. We could not be in more capable hands.

We are also thankful for the increase in MAP Grants awarded to ISU students, and we would like to see additional funding for the program. In the interim, we noted this year that the suspense dates for the MAP Grants were extended so that money that they students and families need to achieve their dreams would not be left on the table. While more students and families were able to take advantage of this funding, there are still many more families in need that don't receive these funds. We hope the Board members and President Dietz might look into the possibilities of working with other state leaders toward improving the process for applying and receiving MAP Grant funds. This should include updating the formula to use current tuition and fee amounts in the calculation of the MAP Grant, and in the absence of additional funding, removing the suspense date and updating the formula would allow students and families to count on the state to cover a portion of their tuition and fees at any higher education institution in the state.

Finally, we would like to, once again, thank the grounds crews and all other staff who have kept us safe and warm, and we anxiously await the warmup of spring and hope you will join us in participating in the vibrancy of our campus through our many speakers, events, and programs in the upcoming months.

Thank you, and go Redbirds.

(Applause)

LEGISLATIVE REPORT

Dietz: Thank you, Beth. I would now like to invite our Director of Governmental Relations, Dr. Jonathan Lackland, to come to the podium to provide a legislative update. Jonathan.

Lackland: Thank you, President Dietz, Board of Trustees. I would like to highlight a few bills that are going through the process at this point that are affecting not only higher ed but ISU specifically.

The first bill I'd like to mention is Senate Bill 2503. This is a measure that is sponsored by Senator Dale Righter that would remove the requirement that educator licensure candidates pass a teacher performance assessment or edTPA. The edTPA is a content-specific, performance-based national assessment that is being implemented in 694 education-preparation programs in 38 states and the District of Columbia. The assessment is a requirement for all individuals to obtain educator licensure in the State of Illinois. ISU, College of Education, myself, along with members from Northern Illinois University and SIU in Carbondale, recently spoke with the Speaker, first to just express our concerns with his respective bill but also to understand his points about why he is sponsoring this measure. What he has asked us to do is to actually give him some ideas in terms of what we can do better with edTPA. What we have suggested to the sponsor is that we do a taskforce to allow all stakeholders to come together,

express their viewpoint, so that we can move down a line and not deal with any unintended consequences when it comes to educator licensure in the state.

The next bill I'd like to highlight is House Bill 3991. It requires the governing board of each public university and community college district to make feminine hygiene products available at no cost to students in the bathrooms of facilities or portions of facilities that are owned or leased by the Board and are used for student instruction or administrative purposes. The sponsor is Representative Katie Stuart, and it is assigned to the Higher Ed Committee, but she is holding off on the bill until further negotiation occurs.

The next bill I'd like to mention is House Bill 4877. It mandates the State Board of Education to establish a grant program to provide for armed security in the schools and grants to schools for the training of teachers and armed security, including grants for teachers to obtain a concealed carry license under the Firearms Concealed Carry Act. It also provides that the unlawful use of weapons does not apply to carrying a concealed weapon by a full-time teacher or full-time professor or administrator of a public or private school, community college, college, or university, who has a valid concealed carry license issued under Illinois' Concealed Carry Act and who has been designated by his or her school district, board, or the board of trustees of their community college, college, and university as a school or college protection officer into any building, real property, and parking under the control of that institution.

The next bill I'd like to highlight is Senate Bill 3680. The sponsor is Senator Bill Brady. It would require each public university to transition into a non-public institution of higher education beginning July 1, 2020. It mandates the governing board of each public university to develop and implement a six-year plan for this transition. The plan should include a date the university will become a non-public institution, the appointment by the board of trustees of a governing board to oversee the non-public university, a determination of all books, records, funds, and property the State will be required to transfer to the university, and how employees and their retirement, health, and other benefits are to be addressed. Other elements of the bill include, by July 1 of 2020, the board of trustees are to be abolished, and all powers, duties, contracts, records, pending business, etc., of the board of trustees, are to be transferred to the newly created governing board. And lastly, all books, records, funds, property, etc., belonging to the university are the property of the university, and the State shall have no ownership interests.

The last highlight I'd like to mention in my report is that this Wednesday, February 26, our student leaders will be in Springfield conducting a student lobby day. This will be the first lobby day of the year. The students have worked very, very hard for this time. We are very proud of them, and I wanted to make sure that you were aware of that occurrence.

With that, that concludes my report.

Dietz: Thank you, Dr. Lackland.

REPORTS AND RESOLUTIONS

Dietz: I have one report this morning for the Board, and with your approval, Trustee Jones, I will move to the report.

Jones: You may proceed.

Dietz: Thank you.

Report 2020.02/4000.01 Grant and Contract Activity at the University

Dietz: You have before you a brief report on Grant and Contract Activity of Illinois State University. External sources of funding make substantial contributions to the advancement of faculty, scholarly activities, student experiential learning, and university outreach. Despite State and Federal Government cutbacks in funding for grants and contracts, Illinois State continues to do well in this area.

External support for sponsored projects at the university totaled \$28.5 million in FY19. It is the third straight year of double-digit percentage increases and the second highest level of funding ever in our history. Only FY11 had a higher amount awarded, \$36.9 million, but that included a \$15.3 million grant that was awarded to establish the

CIRBN Program, the Central Illinois Regional Broadband Network, and that was a one-time thing across many institutions. The \$28.5 million awarded in FY19 represents an increase of 17.7% from FY18, 49.2% from FY17, and 71.8% from FY16. A total of over \$1.9 million in indirect costs were recovered through university grants and contracts. These funds provide additional services in support of research, scholarship, and creative activities, plus they support initiatives designed to increase external funding. The Office of Research and Sponsored Programs provides resources and administrative support for faculty and staff involved in research and other grant-supported activities. This support aids faculty and staff in submitting grant applications and has led to the increase in funded projects. I also want to note that not only does our faculty benefit from the grants, but our students benefit as well. In many cases, faculty are involving undergraduate and graduate students in their research, which is a positive for student recruitment and also for student experience. If you have any questions regarding this report, I would be happy to entertain them, but we will probably refer them to Dr. Baur, who is the Associate Vice President for Research and Graduate Studies. Any question regarding the report?

Jones: Are there any questions from the Board?

Dietz: Thank you.

Resolution 2020.02/10 Approval of President Dietz's Performance Bonus

Jones: The President's contract provides for an annual performance bonus not to exceed \$50,000. As Chairperson of the Board of Trustees, I receive and review evaluations of the President's performance obtained through the process administered by the Academic Senate. In addition, I solicit reviews of the President's performance from staff that report directly to the President and from the other members of the Board of Trustees. This information forms the basis for the President's annual performance evaluation.

Based on this information, I am recommending that President Dietz receive a performance bonus in the amount of \$48,000. Do I have a motion and second for approval of this resolution? I have a motion from Trustee Donahue. Do I have a second? Second from Trustee Bohn. For approval of this resolution, all those in favor, signify by aye. Any opposed? Motion carries.

President Dietz, please proceed with the remaining resolutions.

Dietz: Thank you very much. Thank you for the bonus and for your vote of confidence in me and also the leadership team, and thanks to the university's leadership team for their hard work in helping to accomplish the university's goals.

There are nine resolutions this morning that I bring to the Board for your consideration.

Resolution 2020.02/01 Authorization to Name the Alumni Engagement Office

Dietz: The first resolution involves the naming of a space in a university facility. Recommendations for naming of university facilities are forwarded through the respective Vice President or Director of Athletics to the University Naming Committee, which reviews the proposals and makes a recommendation to the President. I endorse the naming of this space and gladly bring this resolution to you today for your consideration.

Ron and Mary Kathleen Beales have been enthusiastic and generous supporters of Illinois State University. Ron Beales earned his bachelor of science degree in 1954 and his master of science degree in 1959 from ISU, both in education. While a student, he lettered in football 1948-1950, mens track and field 1950-51, and wrestling in 1951. Ron was inducted into the ISU Athletics Percy Family Hall of Fame in 1977. Ron and Mary Kathleen Beales dedicated their time connecting and building relationships with the alumni and friends at many university events.

Ron passed away on April 28, 2019. The proposed naming of the Alumni Engagement Office Suite, room 120, in the Alumni Center reflects Ron and Mary Kathleen's Redbird spirit and recognition of their generous gift received through Ron's estate. I want to clear up any confusion that we're really talking about naming the space occupied by the Alumni Engagement Office, not the entire Alumni Center Building. But I ask for your approval of this resolution.

Jones: Do I have a motion and a second for this resolution? I have a motion on the floor from Trustee Louderback and a second from Trustee Bohn. All those in favor, signify with aye. Any opposed? Motion carries.

Dietz: Thank you very much.

Resolution 2020.02/02 Approval of Bachelor of Science in Computer System Technology

Dietz: In 2007, the faculty in the Department of Technology approved to move all sequences in industrial technology to stand-alone degree programs. Currently, the computer systems technology is the only sequence left under the industrial technology degree. Computer systems technology is an interdisciplinary curriculum that provides a background in computer technology, software, programming, information imaging, and other industry-related technologies. Unlike the information technology program, this program focuses on hardware systems and their usage in industrial settings. Once the sequence is fully implemented, its fall enrollment is expected to reach approximately 75 students. This level of enrollment is comparable to enrollments in the existing sequence. Since the program is only changing the sequence in a major, there should be no effect on existing campus programs and should require no new courses, no additional costs or resources. We're simply updating the curriculum, and I ask for your approval of this resolution.

Jones: Do I have a motion and a second for this resolution? I have a motion by Trustee Aguilar. Do I have a second? Second by Trustee Bohn. All those in favor, signify with aye. Any opposed? The motion carries.

Dietz: Thank you.

Resolution 2020.02/03 Comprehensive Program and Master Plan – Engineering Program

Dietz: In the spring of 2017, the university established an Academic Steering Committee and undertook a study to investigate the feasibility of establishing engineering programs at the university. The committee examined the possibility of establishing programs, specifically in mechanical engineering and electrical engineering, to leverage the already existing faculty expertise in the Departments of Physics, Technology, and other academic departments across the university. The Academic Steering Committee submitted its final report to Provost Murphy and Vice President Stephens, recommending establishing mechanical engineering and electrical engineering programs at the university.

In the spring of 2017, the Provost commissioned the Educational Advisory Board (EAB) to study demand for engineering graduates in Illinois and the Midwest, and to identify top employers of engineering graduates. EAB reported strong demand for engineering graduates particularly in the fields of mechanical and electrical engineering. The university conducted a competitive public quality-based selection (QBS) process in accordance with the State of Illinois procurement requirements to facilitate a planning process to develop the curriculum for an engineering program and provide conceptual design for a facility to house engineering and related academic programs. Seven professional consulting firms submitted qualified proposals.

After review and interviews by the ISU Steering Committee, Cannon Architects was selected as having the best team and qualifications to meet the university's requirements for this engagement. The resulting master plan will guide the university in determining potential next steps toward establishing degree programs in mechanical and electrical engineering and a facility to house these programs and potentially related programs. This process will engage faculty in the development of draft curriculum for majors in electrical and mechanical engineering for the purpose of identifying target faculty cadre size, classroom size, and lab spaces. This information is important in determining building size and scope. Approval of curricula for electrical and mechanical engineering will follow normal shared governance processes resulting in consideration by the Academic Senate before coming to the Board of Trustees for approval. The Illinois Board of Higher Education must also approve new degree programs like this.

I should also take a moment to thank the Academic Senate for providing a forum several times to discuss engineering, particularly electrical and mechanical engineering, and for moving this program to the top of the capital improvement list. General revenue reserves would be used to fund this project with the expenditures not to exceed \$875,000, and I ask for your approval for this resolution.

Jones: Do I have a motion and a second for this resolution? I have a motion by Trustee Louderback and a second by Trustee Aguilar. Any questions from the Board of Trustees on this resolution? Trustee Aguilar.

Aguilar: Would this program begin in fall '20, in the next coming semester?

Dietz: No. We would need to go through this process first.

Aguilar: Okay.

Jones: Do we have any idea how long it's supposed to take them to get some information over to us if we approve the resolution?

Dietz: I think I will turn to Dan on this about the contract specifically.

Jones: Thank you, Dr. Dietz.

Dan Stephens: Thank you for your question. As soon as the resolution is passed, we will be engaging them. They've got a number of team members with both academic credentials as well as facilities credentials in order to create a variety of meetings with faculty, students, leadership, and over the next several months will be gathering that kind of information to produce a report. I cannot tell you a date at this time, but I'm suspecting it will be sometime in the fall where we'll probably have much greater information around what they've discovered and recommendations.

Jones: Any other questions from the Board? Oh, I'm sorry, Dr. Dietz.

Dietz: I might mention that we're already teaching engineering courses here. We have a solid engineering technology program. We have engineering systems and engineering physics. So, this, to me, is a natural extension of the quality that we have in those programs. But this will help with our planning process. We want to make sure that we're doing this right versus just hurrying along on this. This is a huge issue for the university, and I think there's a terrific demand for engineers across the state. There are a lot of existing programs at other universities in the State of Illinois, but they're still not producing enough graduates to meet the workforce demands.

Jones: Thank you. And thank you, Vice President Stephens. Do we have any further discussion, Trustees? Any other questions? All those in favor, signify with aye. Any opposed? Motion carries.

Dietz: Thank you very much.

Resolution 2020.02/04 Authorization to Renew Lease at College Place Uptown Building

Dietz: The university has insufficient available university-owned space to accommodate all academic and administrative support units and facilities on campus. Since 2009, we have leased space in what is known as College Place Uptown. Most of you know it as the space above the CVS Pharmacy on North Street. Initially, the university leased approximately 31,300 square feet on the second floor of the building; and in 2012, we added an additional 4700 square feet on the first floor.

This resolution seeks your approval to merge the leases with new terms for a period not to exceed 10 years, including the original lease time period and subsequent renewals beginning on June 1, 2020. The renewal proposal offered by MCP Uptown Owners, LLC, calls for a lease term beginning on June 1, 2020, with the following terms: (a) base rent for the first floor during year one of the term shall be a fixed annual rental in an amount equal to \$18.08 per square foot adjusted by the Consumer Price Index upon renewal option, and (b) base rent for the second floor during year one of the term shall be a fixed annual rental in the amount equal to \$19.20 per square foot adjusted by the Consumer Price Index upon each renewal option.

In addition to the annual rental payments, the university pays for all applicable common-area and office-maintenance charges. Annual rent for the first floor will initially begin at approximately \$75,000 plus the CAM charges, the office-maintenance charges; and annual rent for the second floor will initially begin at approximately \$601,000 plus the same CAM charges, or the office-maintenance charges.

General revenue funds are used for the lease payments, and the resolution states that the university will secure the necessary State of Illinois approvals to proceed with the lease. I'm pleased to report that we received word this week that the State of Illinois Policy Procurement Board cleared the university to move forward with the lease. There are no outstanding approvals needed from the State, and I ask for your approval of this resolution.

Jones: Do I have a motion and a second for this resolution? I have a motion from Trustee Bohn. Do I have a second? Trustee Louderback with a second. Do we have any questions from the Board? I do have a question, Dr. Dietz. Are we at full capacity with these two spaces? Do we feel like these are sufficient? Do we have an ETA about, are we winding down usage there? Kind of, give me some idea about what's going on with this usage there.

Dietz: I will again ask Vice President Stephens.

(Laughter)

Jones: Maybe you just stand there.

(Laughter)

Stephens: Actually, thank you very much. I was hoping I'd have an opportunity to share the history of the facility and also the potential planned future. If you don't mind, I'd like to describe a little bit about the variety of services that are there. On the first floor, which is around the 4000 square foot, that is where our Facilities Planning and Construction Team currently exists today. And then on the second floor, it's about 31,000 square feet, we've got the Research and Sponsored Program, has about 5000 square feet up there. We have space available that is being used by the College of Education; it's about 4000 square feet. Our Contracting and Procurement Office is about 3000 square feet. The Payroll Office is also headquartered there, 3000 square feet; and then our Accounting Reporting is also there. So, we've got a lot of administrative space there.

One of the things we are going to be looking at, we've got an initial lease that goes to 28 months, and then they will do extensions. We're going to evaluate as much opportunity as we can on campus. One thing that we may actually end up needing to do is, because of Governor Pritzker's final commitment to provide the combined \$62 million of the project, and because those facilities at the Wonsook Kim College of Fine Arts are not going to have a lot of transition space, we're going to be looking for trying to make sure we're able to have all of our classes and be able to renovate that space at the same time. And, so, that would limit our ability to potentially relocate some of these spaces here. So, we're going to be doing a lot of active planning now that that major project is going to be here. And that project will take, easily, three to four years. So, we are looking at this. We would prefer to have as many administrative locations on campus, but we've got to watch to make sure we've got the proper transition space and make sure we have sufficient classroom space on campus to make sure that continues to occur.

Jones: Thank you, VP Stephens. Any other questions? All those in favor, signify by aye. Any opposed? Motion carries.

Dietz: Thank you very much.

Resolution 2020.02/05 Renewal of Student Health Insurance

Dietz: This is the eighth renewal of a 10-year agreement between the 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. A percentage is calculated using a mathematical formula that estimates medical trends, pooling charges—which is a method by which each member of an insurance pool shares in each and every risk written by the other members of the pool—also adjustments in the pooling charge for the high-dollar claims, and the impact of plan changes and any rate increases experienced by the plan. The formula incorporates a blend of the plans most recent two years of claims and premium data that has been used for more than 15 years on ISU renewals.

Representatives from the Student Insurance Office and Student Health Services with the assistance of an insurance planning consultant with Schlomann & Associates, LLC, whom we've used for many, many years, negotiate with Aetna Student Health to obtain the best plan at the lowest rate for ISU students. For the 2020-21 plan year, a 7%

rate increase to students enrolling in the student health insurance plan is recommended. The new cost to students would be \$283 per semester, or basically \$11 over last year; and \$203 for the summer term, which is an \$8 increase over last year. The cost is still significantly less than all other public universities in Illinois, with plans that are compliant with the Affordable Care Act. In your packet, you will see a comparison of student insurance coverages and rates at other public universities in Illinois.

Our students benefit from our relationship with Aetna and the management of the Student Insurance Program by staff and our own Student Health Insurance Office. I ask for your approval of this resolution.

Jones: Do I have a motion and a second? I have a motion by Trustee Aguilar. Do I have a second? Second by Trustee Louderback. Any questions or concerns?

Aguilar: Just a comment. I want to say thank you to Dr. Levester Johnson, our Vice President for Student Affairs, Dr. Nulty, as well as Jason and the rest of the Student Health Insurance Committee for working with me on discussing these plans and what would be best for our students and keeping this at an affordable cost and also an effective plan. So, thank you.

Jones: Thank you, Trustee Aguilar. Any further questions or concerns, comments? All those in favor, signify by aye. Any opposed? Motion carries.

Dietz: Thank you very much.

Resolution 2020.02/06 Illinois State University Multicultural Center

Dietz: In the fall of 2018, I appointed a taskforce consisting of faculty, staff, and students to develop a plan to explore creation of a multicultural center for the students, faculty, and staff of Illinois State University. The committee met through that fall and into the spring of 2019. The taskforce gathered information on multicultural centers at other universities and made site visits to recognized centers in the region. Based upon their research, the taskforce developed a list of recommendations for the spaces, services, and staffing for a multicultural center.

In consultation with the taskforce and student leadership, the university identified a potential location for a multicultural center, the Instructional Technology and Development Center at 301 South Main Street. The ITDC building formerly housed the Center for Teaching and Learning (CTLT), University Assessment Service and Scholarship of Teaching and Learning Offices. These offices and services in the ITDC have been relocated to prepare for renovation to the facility for the multicultural center.

This resolution authorizes a capital project plan to design, plan, and renovate 301 South Main Street for a multicultural center at a total cost of not to exceed \$5.5 million. If you approve this resolution, the project is expected to be completed by this fall of 2020. AFS Bond Reserves and/or planned 2020 Bond Series issuance would be used for this project, and I ask for your approval of the resolution.

Jones: Do we have a motion and a second for this resolution? I have a motion from Trustee Aguilar. Do we have a second? Second by Trustee Donahue. Any questions, concerns, comments?

Donahue: I have a question. I'm very supportive of the project. My question is, the source of funds, I fully understand the AFS Bond Reserves, but it says and/or a planned 2020 Bond Series proceeds. Were we planning to issue more debt?

Dietz: Vice President Stephens?

Stephens: Actually, yes. You will hear me speak—I might as well go ahead and speak to the additional resolution. This is an AFS facility, and in order to have an AFS facility, there has to be a revenue source coming in. Parts of the Student Activity Fee will be supporting this group. So, in order to—from an LAC guidelines perspective—this particular facility itself has to have a revenue source. So, to try to take these renovations—this is a very old building. It's 1987. And we've got a number of things we've got to do, so we want to take this series of funds and try to borrow those funds and pay those over, probably, about a 10-year life and get a tax-exempt debt rate so that we can spread, not require, as much of an aggressive use of reserves to do this and spread this out.

Dietz: I might mention also that the movement of this facility required it moving from an academic space into a bonded area, and so there are some financial implications for doing that. But I think it's just really going to be a terrific opportunity for students, faculty, staff, and the community to come together and explore diversity and inclusion issues and to be a real multicultural place for everyone. I'm very excited about it.

Jones: Any other questions, comments from the Trustees? All those in favor, signify by aye. Any opposed? Motion carries.

Dietz: Thank you.

Resolution 2020.02/07 Bone Student Center Visitor Parking Lot Improvements

Dietz: Renovations to the parking lot behind the Bone Student Center were planned to coincide with the completion of the revitalization of the Bone Student Center. As that project is in its final phases, I bring to you today for your consideration planned improvements to the Bone Student Center visitor parking lot. This building looks terrific. The parking lot, not so much.

The plan involves reconfiguring the current parking lot into two separate parking areas and constructing a new north campus entry/pedestrian gateway from Locust Street to the north entry of the Bone Student Center. The parking area will be re-surfaced, and the existing lighting will be replaced with new LED lights and poles for better lighting levels and coverage. After re-surfacing is complete, re-stripping of the parking lots will be undertaken to improve efficiency, and a new visitor parking payment ticketing system will also be identified, and we will get rid of that ugly looking booth that's out there that you have to go through to get in the current parking lot. AFS Bond Reserves and our planned 2020 Bond Series issuance will be used for this project with a cost estimated at \$4.1 million. I ask for your approval of this resolution.

Jones: Do we have a motion and a second from the Board? I have a motion from Trustee Donahue and a second from Trustee Bohn. Any questions or comments regarding this resolution.

Bohn: I did ask if an electric car charging station would be replaced. It was originally, before construction started, there was one there. And I've been assured that there will be a replacement of that electric car charging station.

Jones: Okay. Thank you, Trustee Bohn.

Dietz: That's my understanding as well.

Stephens: Ah, yes. Thank you, actually, for that question. I've talked with Nick Stoff, our Director of Parking, and we're not only going to replace the existing one we have, we're also going to have conversations with the Town of Normal, Rivian, and also—

Jones: Tesla.

Stephens: I'm sorry?

Jones: Tesla.

Stephens: Tesla. Thank you—for any special charging stations necessary to make sure, from a sustainability perspective, we can make sure this major renovation will include not only parking needs today but also for types of vehicles in the future.

Jones: Do we have a timeline for this project?

Stephens: We've actually had the bids. We've already gone through the bidding process. We've selected one. We were just waiting at the time to bring the Board resolution. So, from this particular date, we will be probably starting it, trying to make sure that we don't cause any disruption with the continued renovation of the Bone Center

and the first-floor concourse, but it will be a coordinated effort with that site, and I think they'll try to begin work as quickly as they can without any disruption with that.

Jones: Thank you. Any other questions, concerns, comments? All those in favor, signify with aye. Any opposed? Motion carries.

Dietz: Thank you very much.

Resolution 2020.02/08 Watterson Towers Mechanical Penthouse Upgrades

Dietz: You will recall that last May, the Board approved a capital project to design and construct an air ventilation system to provide additional fresh air delivery to each student room. This is the second phase of that project, and this resolution calls for a project to replace six air handling units, four exhaust fans, and any necessary upgrades to infrastructure to support the project. These units are original to the building, which was 1969, and have exceeded their intended life and are costly to maintain.

I ask your approval to authorize a capital project to design a mechanical penthouse to replace the air handling units, exhaust fans, and associated infrastructure at a budget not to exceed \$4.2 million. And AFS Bond Reserves and our planned 2020 Bond Series issuance will be used for this project.

Jones: Do I have a motion and a second for the approval of this resolution? I have a motion by Trustee Louderback and a second by Trustee Aguilar. Do I have any questions or comments from the Board?

Aguilar: Will this project be completed during the summertime, or does it affect students during—

Dietz: Vice President Stephens.

Jones: It's the Stephens hour.

(Laughter)

Stephens: Actually, thank you for the question. We will try to contract with the vendors as quickly as we can to order the equipment and then, thankfully, because it sits at the top of the facility, we'll try to get as much work done without any disruption. If you remember last year and last summer, we did the major HVAC work. Well, this will just simply complement that. And, so, it will make the facility be that much more energy efficient and much more comfortable.

Aguilar: Thank you.

Jones: Thank you.

Donahue: So, kind of, the plan to Sarah's comment, are we assured that come August there will be air conditioning in the building for the students?

(Laughter)

Stephens: Yes.

Donahue: All right.

Jones: Any other questions, concerns? That's important. Thank you. All those in favor, signify by aye. Any opposed to the students having air in their building?

(Laughter)

Jones: Hearing none, motion carries.

Dietz: Thank you very much.

Resolution 2020.02/09 Authorization to Purchase Watterson Towers Furniture

Dietz: University Housing Master Plan includes scheduled furniture replacement across the housing system, given excessive usage and functional obsolescence. This year, the schedule calls for the replacement of furniture in Watterson Towers in their suites, their lounges, and other informal spaces. The university plans to use State of Illinois approved awards with the Illinois Procurement Higher Education Cooperative, affectionately known as IPHEC, for this project. IPHEC is a group that leverages the buying power from state universities by negotiating favorable terms and conditions with vendors that are then available for participating schools and universities. The acquisition and installation of the new furniture will be paid from housing reserves that have been set aside for this purpose at a cost not to exceed \$1.6 million, and I ask for your approval of this resolution.

Jones: Do we have a motion and a second? Okay, we have a motion by Trustee Bohn and a second by Trustee Aguilar. Do we have any questions, concerns, or discussion?

Donahue: I just have one question, and, again, source of funds, it just says Bond Revenue. Is that existing Bond Revenue, or is this, again, the proposal potentially if we issued that in 2020?

Dietz: Vice President Stephens. Your final appearance maybe?

(Laughter)

Stephens: Actually, we will not, in this particular case. This is furniture, existing reserves that have always been maintained because this will be a scheduled type of event over several years because we have so many students in our housing facilities. We've got to maintain quality furniture. so the reserves are designed to do that.

Louderback: So, what amount does this cover? I mean, in the suites or is this—

Stephens: I need help.

(Laughter)

Dietz: Vice President Johnson, your time in the sun.

Johnson: I'm actually going to call on our Director of Housing, Stacey Mwilambwe, in order to provide the details on the housing plan.

Mwilambwe: Hello. So, for the furniture that we'll have, so we call it the informal ??____(s/l cannot understand 1:34:26) Informal is the top. So, all of that furniture will be replaced. All the furniture in the suites will be replaced and in the lounges and on the first floor in the lobby. And that concourse where Bill and I share that nice hallway, Bill Leggett from EMDH, will also have furniture there.

Louderback: So, it's everything.

Mwilambwe: Yep.

Louderback: And all the beds and—

Mwilambwe: Except for— No, not student rooms. The lounge areas.

Louderback: Both towers?

Mwilambwe: I'm sorry?

Louderback: Both towers?

Mwilambwe: Yes. Yes. The whole building.

Jones: Okay, so this may extend past this, but is this something that we regularly review? What about the other residence halls, or...?

Mwilambwe: It's a rotation that we do.

Jones: Okay.

Mwilambwe: We look at it. We do mattresses probably every seven years, and the furniture, we look at that. We clean it every year, just so you know.

(Laughter)

Mwilambwe: People were starting to get a little squirrely over there. But the furniture we do try to look at that at least, you know, we'll look at how it's working in the hall. Some halls, less wear and tear than others. Watterson has a lot of wear and tear. We just replaced all of it in '12.

Louderback: So, when was the last time Watterson was replaced?

Jones: She said 2012.

Mwilambwe: '12 when we renovated it was last time, we put all new furniture in.

Jones: Any other questions, comments, concerns? All those in favor, signify by aye. Any opposed? Motion carries.

Dietz: Thank you, Trustees and Chair Jones. That concludes my resolutions for today.

MOTION TO MOVE INTO EXECUTIVE SESSION

Jones: 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) and (c)(6).

Is there a motion and a second? I have a motion by Trustee Louderback and a second by Trustee Bohn. All those in favor, signify by aye. Any opposed? This motion passes. We will now move forward into Executive Session.

At the close of Executive Session, the Board will reconvene in a Public Session for the purpose of review from Vice President Dan Stephens and Vice President Pat Vickerman on the source of university funds and restrictions on the expenditure of those funds commonly known as the color of money. Thank you all for coming today.

RETURN TO PUBLIC SESSION

Dietz: So, we're back in open session, and before we get into the Color of Money presentation, I wanted to talk a little bit more about the housing topic. I think the important aspect of this ground lease piece does relate back to the cost of the room and board and for the potential next couple of years. And we're really looking at a 4% cost in order to have a whole tiered-housing plan, basically. And it's only looking at those two years at the 4%. I think the other part that we looked at is that we still would retain our relative position in terms of costs related to our competition in Illinois and outside of the State. So, room and board costs here are very inexpensive compared to those other institutions. So, even with a 4% increase for those two years, we would still retain that relatively low cost in room and board. Katie, I don't know if you want to add to that.

Rossmark: Just a clarification on that. Is that 4% just for the new, or is it across the board?

Dietz: It's across the board.

Rossmark: So, Tri-Towers gets hit just like Watterson gets hit.

Dietz: Right. Yeah.

Katy Killian: So, what we're proposing is a 4% increase for two years of our current housing stock so that we can bring our current housing stock up to a closer level to where our new housing stock will be for a regular double room in the fall of '22 when we open.

Rossmark: And it's 4% each year?

Killian: 4% for two years, yes.

Dietz: Just for those two years.

Donahue: So, when you say 4% for two years, is that 8% for two years or 4% for...

?? ____ (s/l Unnamed speaker 3:16): No.

Donahue: So, 2% then 2%?

Killian: No. It is 4% and 4%.

Donahue: All right.

Killian: But that still adds up to around \$500 total increase. And, to Larry's point, we are very low in the marketplace in terms of our housing and dining costs. So, when you look and you see where we are in the marketplace right now and where we will be positioned in the marketplace after the 4% increase, in comparison to our true competitor schools, it does not move us at all.

Jones: But is it— I'm sorry. Is it comparable housing stock, though? I mean, is it the same type of residence living?

Killian: It will. Yes. And I think it will be even more so because we will have this new stock. So, whereas we don't have a lot of new traditional housing, or we don't have any new traditional housing on our campus, we have apartment living on our campus that is new. This will bring us more up to speed with what our competitors are doing.

(Unable to discern): What are the two schools you're talking about?

Killian: I'm talking about a list of schools. So, our competitor schools that we use in terms of enrollment management, academic services, of who we're recruiting against, and then in regard to our state universities that we tend to also compare ourselves to, it changes us very little. It maybe moves us up by one or two points, and we're at the bottom of the chart in terms of cost right now.

Rossmark: And these two years of successive 4-year increases would incur once the new facility is open?

Killian: No. They will happen before. So, we would propose that it would start fall of '20, and then again in fall of '21, and then no increase, potentially, for fall of '22 when we open. We would stay static and then open with the new rate at the new building, but our total housing portfolio will be in line with each other so that our new housing stock falls between our traditional and our Cardinal Court stock.

Donahue: It's been a long time since my kids have been in school. I apologize for that. It's getting old. But, when I remember writing those checks, I didn't really write the check, well, this is what I'm paying for housing, this is what I'm paying for tuition. So, what's the forecast for the next two years for tuition and fees?

Rossmark: That was going to be my question is that we need to see the bigger plan to understand the implications and the impact on the students coming in.

Dietz: We've discussed that with our enrollment management team and are cognizant of the issue of affordability, and if we could get the 4% we would be willing to not recommend a tuition increase for the next two years to offset that. The only thing that I would, right now, think that we probably should increase a bit is the academic enhancement fee, which was a new fee that was entertained last year, and we don't have dollar amounts for that yet. As a matter of fact, I would suggest probably that April might be a good time, the latter part of April, to have another special Board meeting to get ready for the May tuition and fee discussion. But that's kind of what we're thinking right now is that if we did the housing piece, we would not do tuition for the next two years with the one exception, well, would not do tuition for the next two years, "comma," but we might ask for an academic enhancement fee.

Louderback: How does it fit into our strategic plan and how our— I mean, so that we're not piecemealing this. You know, put this out and just— I guess I'm just following up with Sharon, and I'm not quite understanding what you're—

Rossmark: Yeah, and the other element of that is I thought that incoming students can be charged a different rate than, you know, once they continue on, their rates don't go up.

Dietz: No. Fees are uncoupled from that. That's tuition.

Rossmark: But, okay. So, back to his question then about, when they write the check, it's going up. And so whether it's fees, whether it's tuition, I'm looking for the, you know, what's the press coverage on this?

Dietz: Well, I think the press coverage, hopefully, will be that the total costs will be, in comparison, retained at about the same level.

Rossmark: Yeah. So, when we have this further conversation on this, I just think we need to see the bigger plan. That's what I'm hearing in terms of the types of question we're asking.

Dietz: Yeah. And we'd be happy to do that. I think April might be the better time. We'll be beyond the appropriation hearings, so we may have a little better sense in March of where the State's going with this kind of stuff, so if we shot toward the latter part of April, I think the timing would be good and would be in front of everybody's mind as we go into the May meeting where we generally set tuition and fees.

Donahue: My bigger question, though, is back to the housing. It sounds like in two years when, hopefully, the new housing is potentially built, we want it to be at this level. Is that because of the potential public/private partnership lease rates set, or is that because that's what we believe the value of the housing is?

Lisa Huson: Yeah. There's nothing set. So, yeah. It's by virtue of what we believe it would be appropriate to charge for it.

Donahue: Okay.

Killian: And I would say that the company we're working with would say we should be charging much more. But we have continually gone back to them saying we have to keep these rates as affordable as humanly possible. We will be much, much lower than any other new build anywhere probably in the country with the rates that we are proposing for this new housing build in the fall of '22. And that is something that we're hearing from them consistently and in our own research and benchmarking against other schools, it is very much the case.

Stephens: If I can offer one just general overall thought on the blended percentage, right now our housing, dining, and student fees collected together are about equal to the tuition. It's around 12 to 12.5. So, when you double both of those together, you're around 24 to 25. If we're doing a 4% increase, and we minimize the amount on fees, because we would not be doing a large increase on all fees, we'd do a small one. If you do that balance of 4% and

you do nothing on the tuition, you're going to stay very close to that 2% range. So, to answer your question, we're cognizant of around the educational CPI index of hanging in that 2% range as a total cost change. So, that's why this is a strategy of balancing that together. We're going to try to recommend or look an analysis to keep this in that range, overall.

Dietz: But we're happy to come back in April, if that works with everybody, and give a much bigger analysis of it. But right now, I guess why we were wanting to have this discussion, because it really does affect the ground lease piece, and we're confident that the 4% is where we ought to be with the room and board and willing to come back and try to offset that in other proposals we would have for tuition and fees.

Jones: Thank you. Thank you. Okay. So, more to come. More to come in a couple months on that. Thank you, Dan. Go ahead.

Stephens: Okay. This is, I'm going to move sort of fast. This is the same presentation that I gave to the Academic Senate last fall. We refer to it as the Color of Money. This is not an unusual phrase used in higher education. These general topics that I'm going to talk about today pretty much occur in every state. There may be different restrictions within each state, but when you're in a public institution versus a private school, the state will govern certain rules. So, the universities themselves refer to things as tracking revenues and expenses in certain categories. If you're in a corporation, money comes into one budget. In this case, ours goes into a variety of budgets.

Okay. In the big picture, the various groups, you'll hear the phrase a lot, general revenue. At the end of the day, general revenue, that's another way of basically saying the state-funded levels of revenue. What do we charge? We charge tuition. Tuition is a general revenue fund. The State appropriations that the State provides, those fall underneath this particular category. And then you see tuition and fees. The only fee we have that is in the GR section is the academic enhancement fee, and that academic enhancement fee is the one we passed last year that specifically relates to academic facilities and academic IT needs only. You'll find me talk a little later about some of our other fees, other student activity fees. That is in its own area. That's an agency fee. So, I want to make sure you understand that most of our tuition falls, all of our tuition falls in here. It gets complemented with State appropriation. That's why we continue to press on the State to try to raise the State appropriation level, especially the per-student level, because if they can raise that number, it allows us to minimize or manage our tuition and fees associated with just this group.

Also, from a use perspective, our academic instruction, the sharing of our administrative expenses, our academic instructional costs, which is the lion's share, a large share of it, has to be funded from here. It cannot be funded as we get in these other cases. So, the State is very specific about what you can charge in these various categories. Bond-revenue facilities—I'll show you some pictures in a minute. You're in a bond-revenue building. These are facility buildings. So, let me quickly get to this part. Right here. Okay.

All of our housing, buildings that we have, are all an AFS, the auxiliary facilities, they are entities. It is not necessarily the activity. For example, probably the biggest confusion around an AFS facility is in athletics. The Hancock Stadium is an AFS facility. The athletics activities, the ticket sales, the athletic programs, is not in this. So, those two are separated. But anything in housing, anything in dining—the student fitness center is an AFS building, an AFS facility. We have a fee, a student fee, that helps support this. CPA building, where we have part of our graduation, a facilities event. This particular building itself. We have a Bone Center student fee. So, when we talk about—you'll hear the President use this phrase. It's one of the easiest ways to understand it, we have swim lanes. And so, housing revenue, housing expenses, dining revenues, those all have to essentially be kept in separate buckets, in swim lanes. From an LAC guideline, which is the State rules that govern these activities, they tell us exactly where to place these.

And so we have three swim lanes, in essence, from a public reporting. Housing and dining are grouped together. They're called housing on our reports, but it is housing and dining. Parking, all of our parking facilities, parking is in a swim lane by itself. The other category is called activities. Now, the activities includes Bone Center, the Center for Performing Arts, Braden Auditorium, the student fitness center. So, if you think about the activity, where the multicultural center will sit. That will sit in the activity swim lane collectively with these other groups. It cannot sit in housing. It cannot sit in dining. It cannot sit in parking. It can't sit in the GR.

So, I'm going to move through this pretty fast, but please stop me if it's creating confusion. Again, all the revenue's expenses have to be separated and tracked. We do a lot of tracking within our accounting system. We track all these particular funds, all these revenues and all these expenses.

Another area that has to be separated is our research. Earlier today we had a research report. Any of our research activities, well, we're building a Federal agency or a State agency, all those revenues and all those expenses are all tracked—if it is related to a grant—they're all tracked in their own separate set of budgets. And, essentially, from a research perspective, most of our research grants are actually expended— Let me get this right. We expend the funds first, and then we get reimbursed. A granting agency oftentimes does not send you a million-dollar grant. It sends you a million dollars, you put it in the bank account. What they do is, you produce your grant, and you incur labor expenses, supplies expenses on a monthly basis. If you remember from my report yesterday, I talked about expenditures. The most important things from a revenue perspective here is our higher research expenditures creates higher revenue. And, so, it works kind of the opposite of how you might think. But we have to track all that all by itself in separate sets of budgets.

And this also creates what is called an F&A rank. Remember, yesterday in the report, we average overall from a collection perspective, somewhere around 9-10% of every grant dollar that we incur we actually get our expenditure back, and we collect somewhere around 9-10% of the administrative fee to help support the utilities and the administrative support in order to do that.

Agency. You'll hear this. Agency or the word local. Lots of activities. Lots of areas. WGLT, our circus, Shakespeare Festival, the Vidette. These are just some examples. Course material fees. The RSO activities. Activity fees. Ticket sales. These are all a— If you look at this, this is, we went inside our accounting system and in our budgeting system, we are tracking a lot of activities from a—and we just happen to use the phrase—agency perspective. But if we charge a course fee to a student—if you're in a science class, and there is a lab fee for equipment, that has to be specifically captured, and then the expenditures associated for which you're charging that for have to be paid against that. We cannot collect a science lab fee and use it over in an English Department. Can't do that. We have to actually—it's very, very specific. So, it's a lot of— This is a lot of individual items in and of themselves. So, we have revenues that come in to support them, either directly from the class or directly from the course fee, or if there is a student activity fee. And these are very specific types of activities that we capture.

So, I realize I'm probably talking about a lot of accounting issues, but at the end of the day, the whole point of the Color of Money is that a university, any university, is going to have tuition, fees, certain revenues, ticket sales, all those kinds of things coming in. We also have to capture expenses and capture that revenue and match it up in a lot more individualized buckets than you might think. So, that was a 10-minute explanation designed around about an hour presentation. But, at the end of the day, that's really it. I don't mean to minimize it, but you'll hear us talk about AFS revenues and— When we issue a bond, for example. Today, we talk about parking. Perfect example. We're going to issue, like we issue debt. Hopefully somewhere between 1.5 to 2% tax-free debt for the parking lot. That is in the parking AFS system. So, only parking fees in that swim lane can pay for that debt. That's really probably the best example. The multicultural center will be paid out of student activity fees in that activity area, and that area cannot—you cannot use a housing revenue to do it. You cannot use the Bone Center fee to do that. So, it's very, very specific. These are governed. These are pretty much governed by the State of Illinois, and we're given guidelines around this. So, hopefully, that did it to a certain level. We can talk about this at another time if you all would like to.

Donahue: So, will this kind of be wrapped in, though, to that April meeting? Because are we going to have to maybe raise some fees to support some of these planned activities that we approved today?

Dietz: We don't anticipate right now doing that.

Donahue: That's what I mean. You can roll that in in April for us.

Dietz: Yes. The only exception might be the academic enhancement fee.

Donahue: All right.

Dietz: And it doesn't mean these areas wouldn't like that, but you get back to what's affordable and, you know.

Donahue: No, no, no. I got it. I know we approve a whole host of spending today, and some of it's coming out of AFS reserves slash or—

Stephens: Sometimes it's financial reserves. Sometimes we're using a fee. That's right. Like, furniture, for example. The revenues in housing that, you know, they've built a self-sustaining unit. They're building up. Embedded in their fees is furniture and the replacement of furniture. We're just not choosing to borrow for that. The large project for the parking, the Bone Center Parking lot is actually a fee-based parking lot. And so out of \$4 million coming out of reserves for that, I've got to finance that. But we can spread that out, you know, over time.

Dietz: I think as we also go into Pat's presentation, I think that some of these will dovetail. And part of the thing with Pat, we're very proud of the fact that the institution has raised over \$173 million. Some people will look at that, including perhaps some of the people that were in the room today, and say, "Well, you've got all this money, why don't you just write a check for the whatever group." And, so, that's where Pat's definition of terms and talking is going to happen there.

Louderback: I'm still waiting for my check.

Dietz: Yeah. There you go.

Vickerman: Well, come out and see us. We've got a big duffle bag there. There's two pages there. If you take that top copy, you should have two. One should look like the reports you've received before, and then the other page is a definitions page. As it goes around, you should get these two.

Jones: We should be good. Two pages. Everybody. Well, no, it's because they're crisscrossed. When you see it, when you get to the end, it's all mixed up.

Vickerman: Well, if you're having difficulty with, you know, understanding the handouts, at that point, we can't even get them distributed, I'm not sure I'm going to dive into the tables. But, if I could draw your attention. You get this report on a pretty regular basis. I know Brent will share it with you. And, again, you can see the big number there, the \$173 million that we've raised in excess of at this point in time. But if you can look at the gift type, or by type. So, it's one of the middle columns as you look at the page. It's to the right, so you see cash receipt, cash commitments, revocable, irrevocable, and gifts in kind. That's what I want to focus on real quick.

I gave you a definition sheet to really outline how that looks, because this gives you an idea of the cash that's in hand, what's in the bank, so to speak. Cash commitments, the definition. Again, cash received is just that. It's the checks people write. It's appreciated securities. It's residence. Gifts of farmland. Things that we liquidate to put in to certain funds that may be set up. It could be scholarship funds. It could be program enhancement funds. The cash commitment line, as you can see in the definition, those are pledges. And typically, our pledges extend for a three-to-five-year timeframe. That's what we like to do with our pledges. We don't want to extend them too long, because we know there will be another campaign coming soon. So, the three-to-five-year timeframe is really those pledge commitments. And so we've been seeing a number of pledge payments come in over the years.

The revocable deferred gifts, most typically those are bequests or IRA or retirement plan assets. We don't see that money until someone passes away. Usually, it will come from couples. Those are the most often type of gifts or arrangements we see. Most times, it's second to die. So, it could be our alum will pass away, but the spouse will continue living, whether an alum or not, we won't see that money until both spouses usually pass away.

Irrevocable deferred gifts have more to do with charitable gift annuities and charitable remainder trusts. We don't have a lot of those at this point in time, but we've been doing more of them in this sort of campaign environment. And, again, people make the gift, that's why it's irrevocable. They can't take that gift back. So, they may change the designation within the university. We will be flexible with them on that, but if they gave us \$50,000 in securities to create a charitable remainder trust, they've received their deduction, and we're not going to give that back to them at that point in time.

Now, as far as the cash received is concerned, it starts to get a little confusing as well with the designation. So, if someone wants to setup an endowed fund—I'm assuming everybody knows what an endowed fund is. Our overall endowment at the university is about \$152 million that the Foundation Board manages. That's grown nicely during the campaign. We started the campaign at about \$87 million. And so now we're at \$152 million, and you can see in the cash commitments, we have, you know, about \$18.7 million left in pledge payments, essentially, or cash commitments that will be paid off. That money won't all go into the endowment. Some of it will. If somebody set up an endowed scholarship or an endowed program fund, some of it will go into the endowment.

As we sit here today, in our cash receipts, the breakdown, we have about \$14.2 million in cash receipts just for this fiscal year that we've received. About half of that has been designated to the endowment. And, again, we only take about 3.25% off of that on an annual basis to go towards scholarships on an annual basis. So, another \$2.3 million is quasi-endowment. So, it's managed in the endowment a little differently, but it's not a full-fledged endowment because we can have access to that principal. That's why it's called a quasi-endowment.

And then in the simplest terms, expendable funds are just that. So, if someone gives us \$100,000, and it's expendable for a scholarship fund, we can spend it all immediately on scholarship funds, if they say it's expendable.

Jones: About how much of the cash we have did you say is expendable?

Vickerman: How much? For this year, it's about \$4.3 million. For this particular year.

Jones: Thank you.

Vickerman: And so—and you know this, Kathy. You were on the Foundation Board for quite some time—and I'm not kidding when I say this—99% of our gifts that we receive are restricted. It could be restricted for general scholarships. We count that as restricted, though. It could be restricted to the College of Business. It could be unrestricted use in the College of Business, but it's still restricted. So, there isn't a pot of money sitting here where we have access to it. And, again, once it's in the endowment, we don't have access to that principal anymore. So, this upcoming year, we'll give back about \$3 million in scholarship to the university to use for scholarship funds. That's the interest, 3.25%, on our overall endowment for the endowment funds that have been designated to benefit students and student scholarship.

Bohn: I can't remember, but how much does the Foundation take from a gift to run the Foundation?

Vickerman: Yeah. And it only comes, right now, through the endowment management fee. So, that's 1.25%. So, the total expense, if you will, for the endowed funds is 4.5%, which 3.25 each year goes back to the program or the university, and 1.25 goes towards the endowment management fee.

Dietz: That's pretty low, compared to a lot of other institutions.

Bohn: If I recall, it was very little or almost nothing at one point.

Vickerman: As far as the investment? Or the administrative fee?

Bohn: No. The administrative fee.

Vickerman: Yeah. I mean, and we've also been at 4.5% as our spending rate, overall spending rate, which is low, too. Many institutions will be in between 5% and 6%. But we were a little higher with our administrative fee, and we knocked it down to 1.25. Again, we've seen some good endowment growth, and we didn't need to take that large of a fee from the Foundation perspective, so we wanted to get more money back to the university.

Jones: Thank you. This is some good information.

Dietz: If I could go back to Dan's presentation, because this also touches in Pat's area a little bit. If we look at the general revenue funds up there, the bulk of that money in that overall category, obviously, comes from the university income fund, which is tuition and fees—by far, the bulk of that. State appropriations only represent about 14% of

our overall budget. So, having said that, the pressure on that university income fund is great because that's where salary increases come out of, that's where union issues that we're trying to solve—that all comes out of there. That's where a big expense in that fund anymore is scholarships. That's where our financial aid to attract our students comes out of, and that has been going up dramatically in order to continue to be competitive.

So, we're looking at some other budgeting models that look at both GR in relationship to some of these other funds, and we have to respect the LAC guidelines. So, you don't have a lot of latitude, but you have some. And so one of the things that we're looking at in some of the bonded areas is to see whether or not they could help us with some scholarship expenses, for example. Dan's been really leading the charge on that. So, we're not ready to shift over to any different amount here, and it won't violate any—there won't be any legal issues, there won't be any LAC guideline problems with that, but we're looking at ways that we can get some more flexibility into the GR areas to meet some of these increases that have become mandates as we negotiate the union contracts and everybody wants a raise, and everybody wants a scholarship, and all those kinds of things. Because if we don't have tuition increases, we don't have any increase in that fund at all. And there's a lot of pressure to keep that low, and so we're trying to look at different budgeting models that will involve all of this, and then we're also, as I've often said, the \$173 million is huge. That is a big deal. That is not the cake of the university, if you will. That's good icing, and it's good thick icing, and in some cases, it might be a layer. But it's really not building cakes, for institutions. That comes through the Color of Money that you see right up here. It's an enhancement, though.

Bohn: Where does the McLean County Residents Scholarship money come from?

Dietz: It's out of GR.

Bohn: Okay.

Jones: And salaries? Those come from GR?

Dietz: GR. State appropriated.

Jones: Salaries typically come from State appropriations?

Dietz: Yeah. We use State appropriation first. And if that doesn't cover everything, then we dip into the income fund. But there's a lot of pressure on that, and that's why, you know, campaigns are very, very important. I mean, because it provides things that we can't get out of the turnip that we're trying to squeeze here all the time.

Stephens: We've traditionally, it's been kind of a linear track over the last several, you know, the last, probably the last decade. Outward migration. We used to not have nearly the amount of financial aid needed in order to attract students. It is, from a competition perspective, it's just been growing leaps and bounds, and we haven't been offering or haven't been, as you used the phrase, I can't call it a scholarship, but aid in the housing or dining area. We're looking at that from a compliance perspective as well as a budgeting perspective, so that we have a better balance. Because the GR itself, without the State continuing to do that, it limits our ability on the academic side to invest in faculty and invest in facilities. That's why we have an academic enhancement fee.

Dietz: But the 4% that we talked about earlier, specifically dealing with housing, is unrelated to this piece at all about scholarships. That's just about the ground lease and trying to make that feasible. And, as I'm thinking about that, just so I don't get out on a limb so far that it's not connected to the tree, just back to that 4%, the sense that I got is that in April, we'll get into a lot of detail about tuition and fees and all of that, but my sense from this group is that the 4% is something that—I didn't ask for an endorsement—but I got a sense that the head nod was something that we could pursue. Otherwise, we don't have a housing project.

Rossmark: Well, are we in the position to approve something like that?

Jones: No.

(Unable to discern): I think you're asking for a consensus.

Dietz: Well, just a sense. Yeah. So we can start in writing the grant. I mean, that's a complex, legal document. And we'll come back in April, and we'll provide all the specifics about proposals that we'll have for tuition, fees, the whole deal. But we've already had good discussions internally in saying that if the 4% on the housing piece, in order to maintain our relative position, then we would certainly entertain no tuition increases and no fee increases with the exception of that academic enhancement fee, and I don't have a dollar amount on that right now. But I would hope everybody would want this facility built. We need it.

Rossmark: Yeah, personally, I don't want to speak for everybody else. I'm not opposed to it. But I want to see the whole picture.

Jones: We need to see the whole picture. Right.

Dietz: "I'm not opposed to it" will be fine today.

Jones: I think that's what we have: "I'm not opposed to it." I don't think we want to go much further because we need to see some more numbers.

Dietz: Yeah. I respect that.

Jones: And we did not know this was coming before us today, the 4%. So, that being said, I think we're good with this. So this is good. So, Dan, you said you did this for Academic Senate already.

Stephens: Yes.

Jones: Because part of the reason we requested is, again, because of the comments that we get when we're in meeting. Well, if you take this money, you could just use it for that. And, so the purpose of this was for us to have an understanding as well so that we can, if questioned or if we feel compelled, you know, can speak to, "Well, that's not from the same fund," and even though we have \$173 million, it looks like we really have \$4.3 million, which is quite a bit different from \$173.

Vickerman: And we have college reports like this. So, each college—So, if, you know, College of Business is approaching \$30 million dollars in productivity, they know exactly how much cash they have in the queue, same with the Wonsook Kim College of Fine Arts. The big gift that we announced, all that's not here yet. She's paying on that pledge, but that's a big cash pledge. That helps us out tremendously.

Rossmark: So, this is just the composite of everything.

Vickerman: That's all the colleges and units. Yes.

Rossmark: So, my only question is that this is dated July 1, 2013, and it says it's a campaign snapshot. I thought this campaign just started two years ago.

Vickerman: That was the public phase of the campaign. The public phase. So, we were in a quiet phase for several years. Yeah. So, it will be seven years. And that's pretty typical. There are campaigns that will go 8-10 years as well. And also, to put it into perspective for you, just another nugget of information, so we're at about 61% of this campaign has been raised with cash commitments, which that's pretty good for your second campaign. Many times, it's in the 40-50% range. That other school down the road in Urbana-Champaign in all of their system, they're in a multi-billion dollar campaign, or wrapped one up, their most recent one, about 67-68% of their campaign, I think it was their fourth campaign or something like that, is in the form of cash commitment. So, we're tracking along the right way, and obviously as we like to say, cash is king. But this is also about getting the State commitments document over the long term.

Dietz: One of the comments today also, as I remember, was the individual who had a job here and decided to go to the University of Illinois and made more money at the University of Illinois. If, in fact—we get back to this individual student appropriation issue—if, in fact, we would be successful in raising that per-student appropriation

just up to the next lowest, which has changed. It used to be Northern Illinois. It's now U of I. If, in fact, we just got enough money to bring us up to the next lowest, that would give us somewhere in the neighborhood of \$48 million.

Stephens: This number would be 208 plus 47. Two hundred and fifty something.

Dietz: 47 million. So, think of what we could do with an additional \$47 million to address salary compression, to address all the issues that you heard about this morning, to address scholarships. So, we're still banging on that drum, but it's—

Stephens: I'm sorry. It would be—Here, I picked the wrong one. That number, that would be 66 plus 47, it would be about 110. Same amount, it just gets put into—

Jones: It just gets put—It's still in that GR bucket.

Stephens: It's still— This is your GR.

Aguilar: Which we will be lobbying for on Wednesday.

Dietz: Yep.

Jones: All right. Anybody have any other questions, comments? Thank you to Vice President Vickerman and Stephens and Dr. Dietz.

ADJOURNMENT

Louderback: I move to adjourn.

Jones: Second? All right. This meeting is adjourned. Thank you, everyone. Have a good rest of your weekend.

Dietz: Thank you. Thanks so much.

