MINUTES
Board of Trustees

Illinois State University

February 22, 2013

The Board of Trustees convened at 9:00 a.m. on Friday, February 22, 2013, in the Old Main Room of the Bone Student Center, Illinois State University, Normal, Illinois. Chairperson McCuskey called the meeting to order and Trustee Maitland called the role.

The following members were present.

Trustee Bergman
Trustee Davis

Trustee Donahue

Trustee Kinser

Trustee Maitland

Trustee McCuskey

Trustee Von Qualen

Absent:

Trustee Dobski

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

President Al Bowman

Vice President and Provost Sheri Everts

Vice President for Student Affairs Larry Dietz
Vice President for Finance & Planning Dan Layzell

Vice President for University Advancement Erin Minne

Assistant to the President Jay Groves

Board Legal Counsel Jane Denes

#####

**APPROVAL OF AGENDA**

Chairperson McCuskey: I ask approval of today’s meeting Agenda. Trustee Donahue so moved and was seconded by Trustee Maitland. Motion made, seconded and vote recorded as all members present voting aye.

**APPROVAL OF MINUTES**

Chairperson McCuskey: You should have received and reviewed the Minutes of October 26, 2012. Do I have a motion to approve the Minutes of that meeting? Trustee Davis so moved and was seconded by Trustee Maitland. Motion made, seconded and vote recorded as all members present voting aye. Any change, or comments regarding the Minutes of the October 26 meeting?

Trustee Von Qualen: I think I have been mixed up with Sean Hayes and I was written in as Sean Von Qualen.

McCuskey: I will direct Trustee Maitland to make the appropriate change to reflect that. Motion made, seconded and vote recorded as all members present voting aye.

**Report of Released Executive Session Minutes**

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.

May 11, 2012 Release allJuly 27, 2012        Release all

Copies of these Minutes are in your meeting folders. As Board Chairperson, I will entertain a motion at this time to release as public the above list of Minutes of the Executive Sessions held by the Illinois State University Board of Trustees. Trustee Von Qualen so moved and was seconded by Trustee Bergman. Motion made, seconded and vote recorded as all members present voting aye.

**CHAIRPERSON’S REMARKS**

Good morning everyone. The last couple of days have been very busy for the Board of Trustees and I know for each and every one of you, so I thank you for joining the first regular quarterly meeting of the Board of Trustees for 2013.

As you know we have had a number of special Board meetings so there has been plenty of activity of the Board of Trustees since December when President Bowman announced he would be retiring in the coming year. The Board is very appreciative of the fact that President Bowman is staying as president and continuing to work just as hard as ever. He intends to do that until the Board hires the new president, so we are working towards that goal.

It is the Board’s duty to lead the search and with shared governance we have an advisory search committee, but by law the Board of Trustees hires only one employee and that is the president. I am grateful to all of our Board members for their efforts, patience and scheduling flexibility, and I also thank our campus community for moving in a timely manner to bring faculty, staff and student representation to the full search committee.

With the assistance of Greenwood/Asher & Associates search firm, the committee has already had one meeting. Several others will be scheduled as a national pool of candidates applies for the position. The Board expects finalists to visit campus prior to the end of the spring term, and it is our goal that Illinois State’s 18th President will be on campus by the beginning of the fall 2013 semester. You can follow developments in the search by visiting the Presidential Search website located off the University’s home page.

One of the duties of the Board Chairperson is to place into the record, Board committee appointments for the year, and that is traditionally done at the February meeting. According to Board By-laws, the Chair and Secretary, who is Trustee Maitland, serve on the Executive Committee with at least one other member, and that member is Trustee Davis. Serving on the Merit Board is Trustee Maitland. Serving on the Audit Committee are myself, Trustee Donahue, Trustee Dobski and Trustee Davis, who serves as Chair. Our Foundation Board representative is Trustee Bergman and our Alumni Board representative is Trustee Kinser.

In addition, it is the duty of the chair to appoint non-Board members as Treasurer to the Board and as an ex-officio member of the Municipal Clerks Training Institute. Vice President for Finance and Planning Dan Layzell will continue to serve as Treasurer and University Audit Director Rob Blemler will continue to serve the Municipal Clerks Association.

I want to thank everyone who participated in yesterday’s Founders Day activities, and a particular thank you to the many people who planned a wonderful day of events. It started off for some of us with a great time at the university residence on Wednesday evening with Sean Hayes and President Adams’ family. For those of you who were present yesterday, Sean Hayes was just as delightful in person as he was yesterday and just as funny. The presentation that President Adams’ was going to make and was filmed was very moving also. For those of you who actually got to meet him a couple of years ago at the alumni dinner when he was president at Farleigh Dickenson University – he was a very gregarious and outgoing person and certainly somebody well deserving of a posthumous award.

Of course, the big news yesterday was Governor Quinn’s announcement of the major construction and renovation project for the Fine Arts Complex. I was behind Governor Quinn and I was impressed what he was saying about the university, what he was saying about people at the university. They weren’t on cue cards, he was doing that extemporaniously and the news was good, the presentation was good – everything was excellent yesterday.

Congratulations also to our newest Distinguished Professor and two University Professors, and to all of the faculty, staff members, students and alumni who received such well-earned honors.

I also want to thank the Campus Communications Committee for the presentation on our Student Fitness Center. It is hard to believe the Center has already recorded over a million visits—so I guess that means our students are in pretty good condition. We learned that 62% of our students visit the student fitness center at least once a semester. I used to come up Main Street, now I like to come under the student fitness center, especially at night and see the lights and the activities – it really makes a great picture. Speaking of great picture – I have been asked what is that huge building going up at ISU and I don’t think any of us thought when we saw the pictures – how big the stands in the football stadium were going to look until they are being constructed before our very eyes.

I will now ask my fellow Trustees to comment on any University activities they have been involved with since last we gathered.

Trustee Von Qualen: I have been to a number of university events since the last Board meeting. One in particular is my Trustee-In-Residence with Dean Simpson and Deb Fox – it is great to get out and see what the colleges are doing in these visits and I really appreciate the opportunity to be able to do that. We started the day by watching the live broadcast of TV10. It’s amazing how those students can be so efficient in that capacity – there is a lot of pressure while doing that and for the most part it is free flowing. After that we went to WZND and I got to record a commercial for them about safe texting so that was really cool. After that we went to the Department of Communication, Sciences & Disorders and a lot of great things happening in that department as well. From there we went to the Department of Psychology and I got to participate in one of their experiments. From there we went to meet the faculty in the geography and geology department and then toured WGLT and met the director of the School of Biological Sciences and the chair of the Department of Chemistry and I got to see their labs as well. It was great to see all the good things happening here at Illinois State.

Trustee Kinser: I haven’t done my residency yet, but I am still trying to recover from an unusual call at a basketball game – that was the Oklahoma State and Kansas game – it looked very familiar to something I had seen the week before – lots of games – the women’s team is doing great and I am just taking it easy because February was short.

Trustee Davis: Since the last Board meeting my trustee visit was with the Milner Library and I would like to thank Dean Ward and his staff for a really interesting and informative day. It actually was my second visit to Milner Library so I had a reference point in terms of changes. To note some of them I was really happy to see the progress that has occurred in regards to the digitization of our books and our journals and the expanded use of technology. Also the reconfiguration of the floor plan whereby the book stacks were moved and space was made for a larger study area in a more lounge-like environment and at lunch time when I talked to a number of students – they were very excited about the fact that they now had the larger study areas at the library. I am very hopeful that when I have my next visit at Milner Library that we will have an announcement like we had yesterday and that is the Governor releasing money to of course have construction for the Milner Library and hopefully rid the library of the dreadful leaks that we have as well as to make more space, which can definitely be utilized.

I was happy once again to participate in Founders Day activities. I would like to thank the faculty and staff in planning and organizing what I think everyone would agree was a really memorable day from the bell ringing to the Convocation and then of course the awards recognition dinner. All were really very spectacular. I have said it before but its worthy of repeating our recognition of our alumni and their achievements is a continuing affirmation of the great job that we do here at the University in terms of educating our students. It’s something to really take pride in. And of course the icing on the cake was having the Governor present yesterday and making the announcement in regards to the $54M going to our Fine Arts building – we know that it is long overdue and really ecstatic that is now really going to happen.

Trustee Maitland: I can’t echo Anne’s remarks enough so I won’t go into how yesterday I felt the same way as Anne. I have not done my Trustee-In-Residence yet and so I don’t have a report on that. I feel like I have been on campus a lot but I guess it’s just for extra meetings and basketball games, so nothing else that I really have to report.

Trustee Donahue: I also want to echo my colleagues – Founders Day was a fabulous event and as Trustee Davis said, we really need to thank all of you and the staff because from my perspective I show up and someone tells me where to sit and walk across the stage and everything is great, but someone is doing all that work and I thank you for that. I am planning to do my Trustee-In-Residence on March 5 with Mennonite College of Nursing and I am looking forward to that. Again, I would just like to thank the staff for all their hard work – for a trustee it is real easy to represent this University because of the great work all of you do. It makes my job very easy.

Trustee Bergman: I would like to comment on something the chairman said – he mentioned Governor Quinn knew what was going on here – just to expand on that just a little bit. I guess it was six or seven years ago when Governor Quinn was Lt. Governor Quinn and nobody thought he would be Governor Quinn. He contacted me and we had lunch one day and he asked me to help him get the portrait of a soldier into ISU and other universities and I said I would. Governor Quinn’s pet project is there was a young man, I think went to Eastern Illinois University at the time, that did pencil portraits of all of the service men from Illinois that were killed in action and they had this beautiful exhibit and he asked that I help him get it here, which I did with the cooperation of President Bowman and many others. He told me right around that time that he really liked this university. Now he is a politician so you take it that way, but he really liked the place. Since then I see the Governor maybe two or three times a year at some type of higher ed event somewhere and almost every time he doesn’t say anything to me about – hey you guys at the Board of Higher Education are doing a good job – but virtually every time he says something like you guys have a great university down there or words to that affect. So given the frequency in which he has told me that, what he said yesterday I believe he understands ISU. He may not be here a lot but he understands ISU a lot more than you might think he does and he has a good deal of respect for this university.

Going beyond that I have a visit coming up with the College of Business and I am looking forward to that. I attended several basketball games this year – looking forward to hopefully attending one next Wednesday evening and going down to the Missouri Valley Tournament. I usually try to keep the Board up to date on performance funding that the state is doing because it will affect the amount of funds that ISU gets in relation to the other universities. We did have another meeting in December or January. The formula is the same for FY2014 as before. The maximum that anybody gained or lost last year was 1/10 of one percent. So really the performance component is not very meaningful yet. The problem that has existed is the idea that additional funds that the state was going to give the universities every year – that would be divided up dependent upon the performance of that university by a number of criteria. Well as we know there haven’t been any additional funds given for some time – in fact usually it has been a reduction. So, nothing really new coming up this year in respect to performance funding.

I would just mention a couple of events that I did attend and encourage anyone else to do so – one is Illinois Senate swearing in ceremony. A friend of mine was elected to the state senate and they have a swearing in ceremony in the Senate chamber. Each senator gets 12 tickets and my wife and I were lucky enough that this gentleman gave us a couple of tickets. The chamber is a beautiful space and it was a very neat ceremony. The other thing I did last week I was invited to the State of the Union Address in Washington. So I attended the State of the Union message from the House Gallery and it was a very patriotic, interesting event. The person I was with is a friend of the President and unbeknownst to me made time for me to briefly meet the President after the speech. So that was an honor.

McCuskey: I have a number of things I want to comment on and I echo everything about Founders Day events – it just seems to get better every year. I went to Lawrence, Kansas as a guest of Sheahon Zenger. When I checked into the hotel – every hotel has some type of magazine about the town – well Sheahon Zenger’s picture was on the front page of the magazine. I flipped through it and there were a number of nice things he said about Illinois State University and one of the things was that President Bowman had stated that athletics is the front porch of the University. Well, of course, a Jayhawk basketball game is just incredible, but if you had a chance to be at the Wichita State game or to watch it on ESPNU the last minute of the game for other reasons you would have noticed that when we shot free throws at the north end for the first time in maybe 15-20 years not an empty seat was shown on national television and I want to thank Gary and Larry and their staff because you don’t get the students there just because you say come on in, there is more and more activity. The student crowd at that game was the best that I have seen in a long, long time. To have that on national television with the commentators commenting on the enthusiasm of the Illinois State fans is the front porch of the University. And then there were a lot of people that got to feel sorry for us because they didn’t necessarily agree with the referees either. So what I would ask each and every one of you to do – this team deserves another one of those showings. Jackie Carmichael deserves a senior night – get your friends and relatives out and let’s have another crowd like that and let’s get that enthusiasm because I will give you a prediction – we beat Missouri State, we are not going to play Thursday night. So that is my comment about basketball.

I was in the Founders Suite at the end of the press conference with Oliver Stone – a big turnout in Braden Auditorium for that. He was looking at the pictures of Jesse Fell and Abraham Lincoln on the walls and he apparently decided he was not going to participate for a few minutes in the press conference and I got a chance to tell him about who Jesse Fell was and Abraham Lincoln and the history of this university. He was really amazed and said he had no idea. This is a place that Abraham Lincoln helped found, and I said well he wrote the papers and Jesse Fell was his friend. So it was neat that I was able to give a little ISU history to Oliver Stone that night and he was very gregarious at the reception and was not at all the Hollywood type that I thought he was. And Sean Hayes is just amazing so we have had a lot of good things happening on campus in a short period of time.

My Trustee-In-Residence was with the Athletic department. I had a chance to talk at length with the volleyball coach and football coach and later with the baseball coach. The people that are running the athletic departments are really working hard to put people in the seats, get the football stadium going, keep our kids on the straight and narrow. We have a lot of very, very smart athletes working hard. So part of my visit was going through the Karin Bone building and then over to Redbird Arena talking to Coach Spack about his attitude on discipline and grades and about making students better people and making them in effect shine in the classroom and in the community. Then he said to me that he guessed he was just old-schooled. It’s nice to know we have a lot of old-school people around here.

So in the last few months everything that I have been around has made me feel better about the University and I am going to make a comment about our Board. Another Board of Trustees, which I won’t name, had a meeting in Chicago and the new member of the Board said I can’t wait for my first Board meeting in downstate. It will be the first time I have ever been on that campus. That is not our Board and it never will be our Board I hope. Other places you learn about the university at your first meeting – that is not our Board and we are glad to come and be part of it and if you need the Board to come into a class or do something, ask us and we will find a way and a time to get there because we want to be a part of the University.

**PRESIDENT’S REMARKS**

Thank you Trustee McCuskey. Good morning, and thank you for coming today. I want to begin by thanking everyone for the tremendous outpouring of support I have received since announcing last December that I would soon retire from the Presidency of Illinois State. It was a very difficult decision, but Linda and I have truly been lifted by your warmth, concern and your caring notes and remarks.

I plan to continue serving as President until a new president is appointed, and I can tell you I have remained quite busy each and every day. I will also be planning transitions to the new President, and a return to a scaled-back teaching position in the Department of Communication Sciences and Disorders.

I want to give special thanks to Chairperson McCuskey and all of our Trustees for their understanding and support, as well as their quick response in beginning a search process for the next ISU President.

Yesterday’s announcement by Governor Quinn to begin a $54 million construction and renovation project for our Fine Arts Complex was welcome news that you all know has been a long-time in coming. The project is something I have been working on since the early years of my presidency and it was great to see our patience finally pay off.

I want to add my sincere appreciation to everyone who participated in yesterday’s Founders Day activities. I congratulate our newest Distinguished Professor, Roberta Trites, as well as University Professors Tim Hunt and Fred Smith. Dozens of our faculty, staff members and students received awards yesterday, and I know each of them appreciated the recognition. Founder’s Day was also the kick-off of the celebration marking the 150th anniversary of the Alumni Association. The bell ringing ceremony, which prominently featured many Illinois State alumni, was followed by the Alumni Association 150th Anniversary luncheon. Our alumni award recipients were then honored at the Awards Dinner at the Alumni Center. You can find more details and events surrounding the Alumni Sesquicentennial by visiting a special micro site located off the University Advancement web page.

As we near the end of the eighth month of our fiscal year and second month of the new calendar year, Illinois State University remains financially healthy given the state’s economic circumstances. As of today, we have received $11.3 million of our FY2013 appropriation. That means we are about two-thirds of the way through our fiscal year, and we have received about 15 percent of our state appropriation. We did receive all of our FY2012 funding prior to the end of the 2012 calendar year.

As we look to FY2014, we see little improvement in the state’s financial outlook. Although we will know more after the Governor’s budget address, our finance and planning leaders will create FY2014 budget models that reflect both flat funding and operational cutbacks.

That news makes our long-range financial planning process more important than ever. As you remember, during my State of the University message last September, I asked Vice-Presidents Everts and Layzell, in consultation with the campus community, to develop a financial plan that supports the Educating Illinois strategic plan and ensures Illinois State’s continued quality, strength and viability.

Drs. Everts, Layzell and their team have been working diligently on the project. They recently held two public forums to gather themes, priorities and strategies that should be considered in the plan’s development. They have also launched a web-based survey where the campus community can offer input online.

We continue to rely on our complementary revenue streams of tuition, grants and privately raised funds. There has been growth in the number of alumni giving to Illinois State in FY2013, both in gifts and donors.  We are currently running 3.6 percent ahead of last year in the number of overall donors to the University. Outright gifts and pledges from individuals have also increased by more than 23 percent from this point last fiscal year. Corporate gifts are running behind last year’s total for the moment, but we have a commitment and expect a gift very soon from a large corporate partner that will close this gap and put us ahead of our corporate giving totals this time last year.

COUNTRY Financial is one recent corporate contributor. An investment of $100,000 has been made by the company to support the College of Business’ Katie School of Insurance, Financial Literacy Initiatives, COUNTRY Financial Faculty Scholars, Business Week and an Accounting Scholarship. The firm also approved funding of $25,000 to support a Single-Parent Scholarship Fund.

A reception honoring members of our latest gift recognition society, The Loyalty Circle, was held yesterday morning in the Founder’s Suite. The Loyalty Circle recognizes alumni and friends who give to the University for two or more years consecutively.

If you haven’t seen the changes to the donor wall in Bone Student Center, please take a moment to stop by after our meeting today. The renovation includes nameplates for the *1857 Society*, a large electronic monitor, and a touch-screen kiosk. The kiosk allows users to view donor lists and gift impact stories, share their own stories of how a scholarship has helped them and to thank those who invest financially in the future of the University.

As we begin our early look at the fall 2013 semester, Illinois State has thus far received a historic high 14,600 freshman applications—a 26 percent increase over this time last year. From that pool, we have admitted about 8,800 students, with a strong ACT composite of 24.7 and a high school grade point average of 3.54. More than 1,750 applications have been received from students with a 28 or higher ACT score as compared with 1,300 applications at this point last year.

For underrepresented groups, applications are up a whopping 45 percent with a 27 percent jump for admitted students from underrepresented groups. The statewide and regional competition for high-achieving students gets tougher every year, so I congratulate Jon Rosenthal, Stacey Ramsey and the entire Admissions Department for their hard work and great success so far this recruiting year.

We were proud to learn in late November of last year that Illinois State has been named one of the top 25 public institutions in the nation, and the only public university in Illinois, for gains in Hispanic student graduation rates by The Education Trust. The report lists Illinois State at 19th in the nation for public universities making gains in graduation rates for Hispanic students, while keeping graduation rates for other students steady or improving. The University also placed 19th for closing the graduation gap between Hispanic students and fellow students.

Congratulations to Psychology Professor Gary Creasey, who has been named the top professor in Illinois. The honor comes from the Carnegie Foundation for the Advancement of Teaching and the Council for Advancement and Support of Education, which chooses one professor from each state to be honored as a U.S. Professor of the Year. This is the second time in four years that Illinois’ outstanding professor of the year has come from Illinois State University.

We will have a report on grant and contract activity a bit later this morning, but I want to congratulate College of Education Professor Maribeth Lartz, who has been awarded a $1.1 million grant from the U.S. Department of Education to provide advanced training for professionals who serve infants and toddlers with hearing loss. The work will be funded for five years, beginning this past January 1st. This project is a continuation of work to help address the critical shortage of providers of early intervention services. The project focuses on high need and underserved areas across the state, including Chicago and rural areas of Central and Southern Illinois.

Congratulations also to Mennonite College of Nursing’s Teresa Valerio, who has been awarded the 2013 Nurse Practitioner State Award for Excellence from the American Association for Nurse Practitioners. The award is given annually to a nurse practitioner in each state who has demonstrated excellence in clinical practice. Only one nurse practitioner is chosen from each of the 50 states, and Valerio is the recipient for Illinois.

I want to call your attention to a new social media initiative called the ISU 365 Project. It was launched by members of University Marketing and Communications team on January 1. The project posts one shot of campus per day online to give alumni, friends, prospective students and other external audiences a photo highlight of a day at Illinois State. Just Google “ISU 365” to take a look at the latest of these daily photos.

And, for the fourth straight year, Illinois State University has earned the designation as a Tree Campus USA. Tree Campus USA is a national program that honors colleges and universities and their leaders for promoting healthy management of their campus forests and for engaging the community in environmental stewardship.

A few construction notes—the Hancock Stadium project is really starting to take shape—and if you drive by College and Main Streets—you will get a good idea of how expansive the project is and how tall that east-side is going to really be. The general contractor, Vissering Construction Company, continues to pour the footings and install the rebar for the foundation wall. Stair tower #3 masonry work continues and is approximately 50 percent complete. This month, Vissering is also beginning the exterior masonry for the concourse building. The electrical contractor, Anderson Electric, continues rough-in of power and lighting for the towers. Work will continue through the rest of winter, spring and summer months with a goal of completing the project by the start of the home football season.

Speaking of taking shape, the entry to Hovey Hall now has a new fascia with Georgian features including a large vestibule area. The contractor has completed the floor coverings as well as the interior painting. The electrical contractor has completed light fixture installation, as we prepare the first floor of Hovey Hall for welcoming space and Financial Aid offices.

Roofing work on Watterson Commons has been completed. The process to replace windows will begin next month and should be completed by spring 2014. In addition, the re-roofing of the Metcalf School gym was completed this month.

The roller coaster Redbird Men’s Basketball season continues tomorrow with their bracket-buster game against Utah State. The birds then finish with two Missouri Valley Conference games ahead of the MVC Tournament in St. Louis. The Redbird women take their 17 and 8 overall record to Indiana State Sunday, before returning home next Thursday to meet Wichita State. The Lady Birds have 5 Valley games left before their mid-March MVC Tournament in St. Charles, Missouri.

And, the Illinois State swimming and diving team earned the second-place title at the 2013 Missouri Valley Conference Championships last weekend, after three days of competition. The Redbirds broke a total of 15 school records. Diving Coach Phil Hoffmann was also awarded the 2012-13 MVC Diving Coach of the Year Honor, after coaching the Redbirds through a successful 2012-13 season.

With that, I would now like to call Dan Holland of the Campus Communication Committee, to the podium for a report.

**CAMPUS COMMUNICATIONS COMMITTEE**The Campus Communications Committee thanks Dawn Sanner for her update on the Campus Recreation and Student Fitness Center at this morning’s coffee hour. The tremendous success of the new facility and the innovative programming is attested to by the center welcoming its one millionth student visitor in just two years. ISU is a healthier and happier place since its arrival.

This is the first official meeting of the Board of Trustees since President Bowman announced his plans for retirement. The Committee thanks him for his 34 years of service to Illinois State University, but especially for his ten years of leadership as President. The University has undergone unprecedented improvement during his administration and has a better national reputation than at any point in its history. Whereas he will be sorely missed as President, we are happy that he intends to remain in the community and teach in Communication Sciences and Disorders. One indicator of our improved reputation is the record number of freshman applications that the University has received this year. On a related note, the full search committee to find President Bowman’s replacement met for the first time last week. The committee wishes them well in their efforts.

Kudos go out to everyone involved in Founder’s Day activities, especially our 2013 honorary Degree Recipient, Sean Hayes, and our posthumous honorary Degree Recipient, J. Michael Adams. Congratulations also are extended to all of the faculty and staff who earned recognitions at the Founder’s Day Convocation and to the ISU Alumni Association celebrating its sesquicentennial. The committee was immensely pleased with Governor Quinn’s announcement that the full $54.25 million has been appropriated for the construction of the new Fine Arts Building. It is a badly needed improvement for the campus.

We applaud Dr. Gary Creasey, from the Department of Psychology, for being named the top professor in Illinois by the Carnegie Foundation for the Advancement of Teaching and the Council for Advancement and Support of Education. National Recognitions such as this greatly enhance the profile of ISU.

The committee encourages the Board of Trustees to endorse the ISU strategic plan, *Educating Illinois 2013-2018: Individualized Attention, Shared Aspirations*. The document is the result of a year of hard work from the Educating Illinois Task Force with a lot of input from the stakeholders throughout the University and community. Our adherence to previous editions of *Educating Illinois* has helped to place ISU in the enviable position that we are in today, and we are confident that the version before the Board today will be an excellent guide for the future.

The campus community continues to be apprehensive about a number of issues in Springfield. Of particular concern are the ramifications of proposed modifications to State University Retirement System. The two tier system already forces new employees to work longer for lower benefits. Significant changes for existing employees could have a significant impact on retaining high quality faculty and staff. We recognize the need for some changes to the pension system, but also believe that it is not fair to place the entire onus on state employees who have dutifully paid in all that has been asked of them. In addition, shifting pension costs to the universities will create an additional economic burden on our colleges who are currently trying to make ends meet while keeping tuition affordable and with an ever-decreasing support from the state. We are also concerned with the potential effects of concealed carry legislation in the state, and we support President Bowman in his efforts to exempt university campuses from concealed carry laws.

Bowman: Thank you Dan. Now I would like to introduce and ask to the podium, Louie Mossos, from our Legislative consulting group McGuire-Woods, to provide a legislative update. I want to take this opportunity to thank Louis and his colleagues for the work that you did to help secure financing for the Fine Arts complex – it’s deeply appreciated.

**LEGISLATIVE UPDATE**Mossos: Thank you. I am an attorney and lobbyist with McGuireWoods and we have partnered together with former senator Michael Bond and his state street public affairs lobbying firm to represent the University in Springfield. Some of the items we have been working on is the $54M grant and getting that released. I think very instrumental in that have been the invaluable efforts of Trustee Rocky Donahue as well as Jay Hoffman, an ISU alum, former lobbyist and currently a state representative. So going on your theme of shared governance, not just one person can push things through but ISU is a great university that has a great story – six of the new incoming legislators are ISU alums and the University really sells itself. You have a lot of good people here and especially Rocky down in Springfield is very highly regarded and goes out of his way to assist in any way we need him.

One item we were able to get through in the lame duck session in January was liquor legislation. House Bill 3450 was passed to allow the University to sell alcoholic beverages. I think some of the other public universities have an interest and are seeking similar legislation now. We were able to get it done in a period of two weeks thanks to Rocky and Jay Hoffman. We are waiting for the Governor to sign it. By March 12, 2013, he either has to sign it or veto it or it will automatically go into law.

We have a new chairman of the Senate Higher Education Committee – Michael Frerichs. He is a University of Illinois alum and he might be thinking of running for higher office. He is doing his rounds of the public universities but he is very sensitive to the needs of the public university community so we do have a friend in him. On the issues of great importance in the pension issue, there are currently about a dozen bills affecting pensions. It seems like there is a new bill filed every day. The deadline for filing new bills in the Senate has passed but in the House you can file a new bill up until February 26. So it is a very complicated issue. There are many competing bills put out there. Some are pro-union, some are anti-union. It seems like everybody has an idea and they are filing a bill. But unless everyone gets in a room and hammers out these differences and without the leadership pushing the bill, a lot of these bills don’t have a great likelihood of success.

There have been about 6,000 bills filed and resolutions. So if you are a legislator and there are about 40 new legislators this year, you have thousands of issues on your plate. Pensions is just one of many. I understand it’s a big need for everyone in the public sector and they understand that, but they are overwhelmed now so there isn’t much movement. The legislative session has recently started so based on discussions with staff in Springfield we probably won’t expect much movement until the end of the legislative session in May.

Higher education funding, the budget and MAP funding – a lot of these issues depend on what happens with the pension debate. We really won’t know more until the Governor’s budget address on March 6. With some discussions with staff on both sides of the aisle it seems like cuts are inevitable across the board and as Trustee Bergman eluded to, the performance based funding really will have a small impact one way or another. So they have advised we really shouldn’t expect too much out of that.

College affordability is one of the biggest issues that the legislature is going to address this session. Ltd. Governor recently put out a report on affordability. She is also going to be holding hearings across the state and the House has scheduled a hearing for as early as next week. I understand it might be a joint hearing with the Senate – subject matter hearing to address issues on affordability. One issue affecting this has been allowing in-state tuition for honorably discharged veterans who normally wouldn’t apply for that.

Another big issue right now is the guns and concealed carry. A federal court struck down the state’s concealed carry law and so the state has until June 9 to come up with a new revised law and obviously there is a lot of sensitivity about letting people carry a gun as they see fit on universities and so we are advocating for a provision to allow universities to write their own rules and decide whether they allow or prohibit carrying fire arms on campus.

And finally, there are quite a few other miscellaneous bills the will affect the universities that we will see this session. One is procurement reform for public universities and another one has to do with early voting and maybe trying to tweek how you give notice to students regarding how they can vote on campuses. Abolishing tuition waivers for employees is a very big issues that we are looking at along with all the other universities and the effect it will have on the faculty as well as I eluded to the in-state tuition for honorably discharged vets. I am being very brief because I know you had a very busy week with Founders Day, but I would like to say we have been in constant communication with President Bowman, Dan Layzell, Leslie Root. If there are any issues that come up or that you hear about that might affect the University feel free to reach out to us or go through Leslie. We are always here to help. We have weekly email updates to the universities on issues that might affect them and if it is a hot topic item – we have direct access to everyone so you guys make my job very easy and I really appreciate the opportunity to serve the University.

Donahue: McGuireWoods did a great job in getting the Governor to release that money and they need to be thanked for a job well done, but somebody all of us need to thank is Jay Hoffman. He worked tirelessly in 2012 to get that $54M released and I saw Jay on Tuesday and he was very proud to be a Redbird and knew the Governor was coming to campus. Finally, I don’t know if this is by accident or Louie you are just smart, but I see you got a Redbird tie on today.

Bergman: You mentioned the chairman of the Senate Higher Ed Committee may be looking elsewhere – the vice-chairman Senator McGuire – I have known him for many years and if you are in a situation where you need some help with the Senate Higher Ed Committee, give me a call and I will be happy to contact him and help you however I can with respect to ISU.

Mosses: Thank you – definitely appreciated.

McCuskey: I want to thank you very much for being here and your hard work in Springfield and I know you will continue the hard work for ISU. Any time you need the trustees to call any friends that we may have in the legislature, give us a call and we will be glad to help out.

**REPORTS**I have two reports for you this morning. With your approval Trustee McCuskey I will move to these reports.

Report 2013.02/1000.01: Goal StatementsAs you know, each year the President prepares goal statements for the Board of Trustees and for the University community. The Board of Trustees engages in a similar exercise during its fall retreat. Copies of both statements were made available for today’s audience.

The sets of statements provide guidance for and are aligned with *Educating Illinois*, the University’s strategic plan, and the University Master Plan for physical development. Both documents reflect considerable interaction with every facet of the University community.

Report 2013.02/4000.01: Grant and Contract Activity
Illinois State University receives funding for externally funded projects from federal, state and private sources. Externally funded grants and contracts support professional activity of faculty and staff members in basic and applied research, instructional programs and community service. You have the report in your material, but I just wanted to point out a few items.

University sponsored projects awarded in FY2012 totaled $25.6 million—an 18 percent increase over last year’s base line awards total of $21.7 million. We are also leading an effort to support the installation of broadband services throughout the area, which was attached to an FY2011 grant of $15.2 million. During FY2013-2014, Illinois State will continue to focus on initiatives designed to encourage newer faculty members to seek external funding and to increase the number of competitive proposals submitted.

**ACTION ITEMS**There are 3 resolutions this morning. With your approval Trustee McCuskey, I will move to them now.

Resolution 2013.02/03 Adoption of Educating Illinois 2013-2018

Trustees, your endorsement of our strategic plan would mark the final step in a two-year process to create the 4th version of *Educating Illinois.* During my State of the University address in 2011, I asked our four Vice Presidents to lead a campus-wide effort to update the plan that has made such a huge positive impact on Illinois State. I would now like to invite to the podium Vice Presidents Everts and Layzell to walk us through that process and its outcomes. Sheri and Dan?

Everts: Thank you for this opportunity to share with you just a bit of iteration associated with the process. I know you are all familiar with Educating Illinois and certainly have many documents and have been updated several times.

Layzell: Just very briefly the review process as President Bowman mentioned kicked off in fall of 2011. We had a broad representation from across the campus on the task force, many of who are in the audience with us today. As with previous planning processes we engaged in extensive consultation with the campus community over the next several months. This slide gives you a sense of how many forums we had, how many individual meetings we had with various shared governance groups and others across campus as well as on-line survey. We then went into the draft phase, which was released in fall of 2012 and again began another round of extensive consultation with the campus and again are now before you with the final version seeking your approval.

Everts: This is a summary of the consultation post-draft and outlining several of the positive comments that were listed. These were the two we heard most often – the consistency of the overall plan, vision and priorities specifically individualized attention –hence the title that you see – also the ability to identify with the plan. We heard that repeatedly from the campus community. The suggested changes to this iteration are outlined here and I will mention just a couple. One, there was a great deal of concences associated with increased strategies associated with globalization, instructional technology, alumni inclusion, safety security, the scholarship of teaching and learning, general education task force recommendations, student learning outcomes and then the University serving as a cultural resource. Additionally we were asked to clarify terms associated with balanced teacher scholar model and action oriented research. From the Student Government Association we were reminded that we should brag more – we should not be as humble as we often are and have such a best kept secret in regard as to how fabulous this institution is. So we are all resolved to brag just a little bit more about ourselves. The common questions are aligned as well, next steps regarding implementation and then differences from the previous plans.

These are the major differences from the previous plan. One piece is associated with the new strategy for student learning outcomes – it was always an assumption that was included and it actually wasn’t spelled out, so that has been added to this iteration. And, again as previously mentioned, the globalization of the campus and curriculum. Those have new strategies in this iteration.

These are the new actions associated with this iteration: instructional technology, the scholarship of teaching and learning, the University as a cultural resource and then safety and security.

Layzell: This is the outline of the plan which you have in your folder. The vision, the core values – again the focus on individualized attention which was a theme we heard over and over again as one of the key strengths of Illinois State.

Everts: Goal one associated with a supported and student centered educational experience.

Layzell: Goal two is again insuring we provide rigorous and innovative set of undergraduate and graduate programs.

Everts: Goal three an engaged community and enhancing outreach and partnerships both internally and externally.

Layzell: Goal four focuses on insuring that we have the resources that we need to move forward with implementation of the plan.

Everts: These are the next steps. Of course we seek your endorsement and approval of this iteration and there are already initiatives underway to ensure that we support as President Bowman mentioned earlier the long-range financial plan to ensure we have the fiscal support for Educating Illinois, LEAPforward – you had a presentation on that earlier, general education recommendations and then we are also headed into our reaccreditation for the Higher Learning Commission and then the important implementation.

Layzell: These are just a handful of initiatives underway because as the Provost and I have stated, all of our presentation and everything we do at ISU flows from Educating Illinois.

Everts: Indeed and if I could take this opportunity – as vice president Layzell mentioned earlier, we have very many task force members in the audience today. This was a campus initiative and if they could please stand and thank you so much for your hard work.

Layzell: With that we would be happy to answer any questions and do ask for your endorsement of the plan.

McCuskey: I want to make a comment that at the first meeting of the advisory search committee Greenwood/Asher Associates asked to go around the room and make a comment about what you think is important for a new candidate for the presidency to know about ISU and the one thing that kept coming up individual students being taught by professors in a manner that makes the students feel that they are cared for, that they are wanted and I think that has always been Illinois State – no matter how big we are, it’s individualized attention so I am glad that is the focus on the front of this because it is the focus of what we do best.

Donahue: I am very supportive of this – my support was a 10 but I honestly have to tell you that yesterday it moved to an 11. A young lady name Kristen took some time yesterday to emphatically and very passionately educate me on this program and I just want to thank her for her hard work. It’s like everything I have always said as a trustee since I have been here, the people really care about this University and this young lady wanted to make sure I was aware of how important this was for the University and I encourage my fellow trustees to support this as well.

Kinser: I would like to say this has been being developed for a really long time. I remember the very first – I was on five or six parts of the developing of Educating Illinois. Thanks to vice president’s Everts and Layzell – their leadership has really brought this out to front to provide the bragging rights that we can now take other places. I do know the University of North Carolina is looking programs and they are looking at this in order to know how to build a strong program for their university. I just want to say thank you to you and to everyone who was on that task force – lots and lots of hours.

Everts: Thank you Trustee Kinser. I could also say that about the entire audience – any members of the audience could have done this presentation – they have heard us do it 45 times.

Von Qualen: I also just want to say thank you to the vice presidents and all the task force members and thanks a lot for involving the students in this process as well. I think the students bring a unique voice and we really appreciate being included and we really feel the individualized attention.

Bergman: I come from a little different perspective and can really appreciate the attitude that everyone has on campus of working together. I am also on the Board of Higher Education and my original appointment was several years ago. I was appointed a 1 ½ years ago to a second position to what they call the university representative on the Illinois Board of Higher Education. The position is supposed to be the person that the boards of trustees at the other universities have to act with the Board of Higher Ed. It didn’t turn out that way. Generally anyone who has something to complain about at one of the other universities – if they go up the chain there then they will contact me. My point being is that while I try and stay out of as much as possible I am aware of the attitudes of faculty and others and other universities and in many cases it is very adversarial. We really don’t have that here – we have a difference of opinion at ISU but there is not really an adversarial relationship between faculty, staff, civil service, administrative professionals and the administration and the board. This is pretty unique in Illinois and that I why I believe that Educating Illinois has been so successful. It wasn’t something that the president’s office or the board of trustees said okay you are going to do this. It came from the ground up. Because of the atmosphere on this campus everybody got together a number of years ago and put the first plan together and then everybody had a piece of it and worked towards the goals in it. That has been happening ever since. It’s just an observation. The attitude of the people here of working together on things is something you don’t find at a lot of the other public university campuses in Illinois and that is why we are successful.

Everts: Thank you. I would also share that this is a campus with a rich tradition of shared governance and this is the University’s plan.

Maitland: I just want to echo the comments made and also want to say that since I am the longest member on the board that when I first came on as a trustee things were not always this way and I just want to say how much they have improved through the years and thank you to President Bowman for a large part of that.

Davis: I certainly want to echo what has been said as well and to thank you for the work that you have done. I am reminded of the term “team” and its acronym together everyone achieves more and because it has been a team effort we have been able to have success in regards to Educating Illinois, especially during these very trying and challenging times. We can say that we have stabilized, that we have been able to progress and it is because we have out Educating Illinois as well as our goals that have been our guidance – so thank you very much.

McCuskey: At this time I will move for a motion to approve. Trustee Davis so moved and was seconded by Trustee Maitland. Motion made, seconded and vote recorded as all members present voting aye.

Bowman: Thank you. I also want to thank vice presidents Erin Minne and Larry Dietz for their work throughout this process as we have moved the Educating Illinois process forward.

Resolution 2013.02/04: Authorization to Refund Auxiliary Facilities System Revenue Bonds

Through this resolution, the Board authorizes the redemption on or after April 1, 2013, of all outstanding Auxiliary Facilities System Revenue Bonds, Series 2003, and using System cash reserves for payment of such redemption. I will ask Dan Layzell back to the podium to give a brief explanation of this resolution.

Layzell: As President Bowman noted we are requesting approval to use cash reserves to retire the remaining principle on the Series 2003 bond issuance totaling $8.3 million with total debt service including principle of $9.6 million outstanding. While our typical practice in retiring outstanding bond issue has been to issue new debt at a lower average interest rate, the current environment as such that it is financially more advantageous to the University to use existing cash reserves to do so. Assuming current market rates if we were to go out and do a conventional refunding issue, we would generate cash flow savings vs. the outstanding Series 2003 debt of approximately $570,000 over the next 10 years – that is if we went for the lower interest rate that we would now get. On the other hand, given the current projected investment yields on our cash reserves over the next 10 years, and if you have been following the market you know that the yields are not very good right now, using those reserves to refund the outstanding 2003 bonds would generate cash flow savings of approximately $940,000 or $370,000 more than would be generated through a conventional refunding issues. Our current AFS reserves of just under $74 million are more than adequate to accommodate this refunding. Even after accounting for future budgeted repair and replacement projects which we are budgeted at $34 million over the next five years and a $12 million contingency reserve for unanticipated needs, we still have unrestricted cash of approximately $22 million to cover this cost. Moreover, using these reserves as opposed to going the conventional refunding issue route helps preserve our debt capacity for future priorities. With that brief report we are asking for your approval and I would be happy to answer any questions that you might have.

McCuskey: On a very related issue the state recently had their credit rating reduced again and then put off a bond issue until probably the pension situation is resolved and then the bond rating companies will review the Illinois financial status. How does that translate into Illinois State University going out into a bond market and how does that affect our credit rating, if any?

Layzell: Well, it is a very timely question because all of the Illinois public universities are going to be undergoing a credit review as a result of the state’s situation, so obviously given the pension situation as we talked about earlier, it adds a lot of uncertainty to the current market. Again, we are starting to have some success I think as we for whatever reason when the credit rating agencies tend to rate the universities just a little under the state of Illinois given what they see as our financial reliance on the state, but I think we are having some luck as we continue to work with the credit rating agencies to point out in fact we are very solid.

McCuskey: Do I have a motion to approve? Trustee Bergman so moved and was seconded by Trustee VonQualen. Motion made, seconded and vote recorded as all members present voting aye.

Resolution 2013.02/05: Renewal of Student Health Insurance

With our Student Health Insurance and Accident Plan expiring in August of this year, the University last November negotiated with our current vendor, Aetna, for 2013-2014 rates. Based on that negotiation, rates would move from $204 to $218 per semester next year and from $155 to $166 for summer session 2014. I ask your approval of this resolution and I might mention as an aside I have a daughter who attends University of Wisconsin Madison and pays three times these rates for comparable coverage.

McCuskey: Iowa is a lot higher too for my son. So I am sure the board members have looked at page 44 because that would be I guess my only question – how do we do it? It is remarkable.

Dietz: The staff is always busy trying to find efficiencies and ways to contain costs. I think one of the most important aspects of this however is that we do all the claims processing internally within that office. Frankly most of the other universities farm that out to another outside agency and as a result of that those costs go up. Our staff does a great job of processing those claims internally and we can do it at lot less cost than going outside. So that is one reason but they are always going through efficiency considerations in the office and with the services we provide – they really do a terrific job. We also have a great colleague, Bob??? that works with us as a consultant and his help has been really terrific as well.

Von Qualen: I just want to thank everybody on their hard work on this. This insurance plan is a great benefit to students. It covers students both on and off campus. We have student groups traveling all over the place and if they were to get sick or injured elsewhere this plan covers them. It’s kind of a testimonial to that – I had an old roommate who moved to Naperville to student teach and he became very ill and his parent’s insurance didn’t cover him in Naperville but his ISU did, so that was very beneficial to him and he very much appreciated this plan that everybody has worked so hard on.

McCuskey: Do I have a motion to approve? Trustee Donahue so moved and was seconded by Trustee Von Qualen. Motion made, seconded and vote recorded as all members present voting aye.

McCuskey: Thank you President Bowman and thank all of you for your attendance today. I would now entertain a motion to move into Executive Session for the purpose of considering the appointment, employment, compensation, discipline, performance, or dismissal of specific employees pursuant to 5ILCS, Section 120/2 (c)(1); collective negotiating matters between the University and its employees, 5ILCS, Section 120/2 (c)(2); litigation which has been filed and is pending before a court or administrative tribunal, as allowed in 5ILCS, Section 120/2 (c)(11); and the purchase or lease of real property as allowed in 5ILCS, Section 120/2 (c)(5). Is there a motion? Trustee Maitland so moved and was seconded by Trustee Donahue. Motion made, seconded and vote recorded as all members present voting aye.

We will now move into Executive Session. At the close of Executive Session, the Board will reconvene in public session only for purposes of adjournment. Thank you all for coming today and we stand adjourned.