

MINUTES  
Board of Trustees of Illinois State University  
October 20, 2017

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

The following members were present:

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

Absent: None

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

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

**APPROVAL OF AGENDA**

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

**APPROVAL OF MINUTES**

Donahue: You also have before you the Minutes of the July 21, 2017 Quarterly meeting of the Board and there is also minutes to a special board meeting from August 5. We are going to table the August 5 minutes. Can I get a motion and second to approve the minutes of the July 21 meeting? Trustee Jones so moved and seconded by Trustee Louderback. Motion made, seconded, and vote recorded as all members voting aye.

**PUBLIC COMMENTS**

Donahue: Next on the agenda is Public Comments. The Public Comments procedures can be found on the Board of Trustees website. I have been told that no one has formally signed up to provide any comments today. Is there anyone in the audience who wishes to make a public comment? Seeing none, we will move forward with the meeting.

Good morning everyone. I want to thank Dr. Doris Houston, Chair of the Campus Climate Task Force Steering Committee, for the presentation at this morning's Campus Communication Committee discussion hour. On behalf of the Board of Trustees, I want to express our commitment to diversity and inclusion and applaud the work of the Steering Committee in producing a set of action steps for immediate implementation and those to expand or increase awareness of existing initiatives. We are pleased that some of these initiatives have been accomplished and others are in process. This matter is very important. A very close friend of mine as well as a colleague, Ann Davis, served

on this committee. When Ann left the board, she said we have worked too hard and this issue is too important because diversity matters. Ann's right, and I promised her that I would hold President Dietz's feet to the fire and that I would hold my colleagues on the board's feet to the fire to ensure this moves forward. Not just because Ann asked, but because it's the right thing to do. I promise you as a board that we will make sure that this does move forward and we appreciate everyone's help in that.

As all of you know, it is Homecoming Week at Illinois State University. There have been many activities throughout the week engaging alumni, faculty, staff and students in celebrating the history of this fine university. Members of the Board will be engaged in activities throughout the weekend. Most of us are graduates of Illinois State University and take great pride in the University. On this weekend we share that pride with fellow alumni who are back on campus for Homecoming.

We have a full agenda today and with the Alumni Day Luncheon beginning at noon, I will curtail my remarks and will now turn to President Dietz for his remarks.

Dietz: Thank you Chairman Donahue. I want to also thank Dr. Houston for providing the Board and those in attendance at the Campus Communications Committee discussion hour an update on the work of the Campus Climate Task Force Steering Committee. The Steering Committee did a stellar job in developing achievable near term goals that will have an impact on our diversity and inclusion efforts while also providing longer term initiatives that will expand on current initiatives. The work is not done. Under the direction of Interim Provost Murphy and the Vice President for Student Affairs Dr. Johnson, an implementation team is working on near term goals and is developing a dashboard that will show progress on the goals. That will be on the President's Office web site.

It has been a busy Homecoming week. On Monday, we joined with the Town of Normal in the annual Uptown Tree Lighting. We hosted over 1,200 faculty and staff for an appreciation lunch on Tuesday at which time awards were presented for the Homecoming Office Decoration Contest. Last night, Marlene and I hosted the Homecoming Royalty for dinner at the University Residence. The Homecoming Court is an impressive group of students. Tonight, we crown the Homecoming King and Queen and launch the start of the Men's and Women's basketball seasons with Hoopfest. Tomorrow, is highlighted by the Homecoming Parade and the football game with South Dakota. I want to thank all those who have been engaged in planning, organizing and participating in activities for Homecoming Week and thank members of the Board of Trustees for their participation.

For the first time in three years, we entered the academic year with a state appropriation in place. Illinois' 736-day budget impasse ended July 6, when lawmakers finally passed a fiscal year 2018 spending plan—the action brought a brief but welcome sigh of relief on college campuses throughout Illinois and here at Illinois State University. For this fiscal year, FY2018, Illinois State University's state operating appropriation is just over \$65 million. Although that amount is \$7.2 million less than the pre-impasse FY2015 budget, it is critical and greatly appreciated funding that allows the University to proceed with addressing a backlog of key operational and facilities maintenance needs and proceed with stability through the 2017-2018 academic year.

You have heard me say that Illinois State University does more with less. This has been the case for a number of years. Based on data for the current fiscal year, public universities in Illinois receive an average state appropriation of approximately \$7,000 per student. Whereas, Illinois State University receives only about half of that amount or \$3,551 per student. The University is dead last when viewing state appropriations in this way. The next closest university receives \$5,475 or almost \$2,000 more per student than Illinois State University. State appropriations account for approximately 15% of the total operating budget for the University. While we appreciate every dollar in support we receive from the State of Illinois, it is clear that the state has not upheld its obligation to equitably support each public university and help make higher education more affordable for the residents of Illinois. Based on the current appropriation funding formula, Illinois State University, frankly is not being treated fairly even though we have met and exceeded expectations in about every category that one would define as success of a university.

ISU's official total enrollment for the fall semester is 20,784 which is 1.2% lower than the total enrollment last fall. The academic quality of this year's freshman class remains strong with a high school GPA of 3.4 on a 4.0 scale and

an average ACT score near 24. This fall's freshman class includes 215 students with an ACT score of 30 or higher. Our efforts to recruit a diverse class remain strong. Given the challenges in recruiting new freshman, transfer and graduate students to a public university in Illinois, I am pleased with the total enrollment this fall and the efforts of our admissions staff as well as everyone at the university that assists with recruitment. We are already in the midst of recruiting students for next fall. Early indications are promising for a strong class. We have seen larger than normal attendance at Open Houses for prospective students this fall. I think in some measure a stable budget probably helps the confidence that brings students to our campus.

On September 16, the university officially launched the public phase of the comprehensive campaign, Redbirds Rising: The Campaign for Illinois State, with a private donor gala in Redbird Arena for 400 alumni, donors, and friends. The \$150 million fundraising campaign is the most ambitious in our history, enabling the University to achieve three crucial outcomes: first, supporting student and faculty scholarship, second, educating globally aware and socially engaged leaders, and third, sparking continuous creativity and innovation. More than \$105 million has already been committed to Redbirds Rising, leaving \$45 million needed to reach the \$150 million mark by June 2020. We have high standards and aspirations for what we can yet achieve at Illinois State and I am confident that our Redbird alums and friends will rise to the challenge and help us accomplish our ambitious vision.

I am proud to inform you that Illinois State University continues to be recognized for the excellent education we provide students and the affordability of a degree from the University. Illinois State University remains in the top 100 best national universities in the U.S. according to *U.S. News & World Report* "Best Colleges." Illinois State University also appears in two top rankings published by *Washington Monthly* - top 100 ranking for national universities and Best Bang for the Buck which recognizes universities that help students with modest incomes attain highly marketable degrees at affordable prices.

In fall 2016, I appointed a task force to update the university's strategic plan, Educating Illinois. The task force was charged with examining and updating, if necessary, the university's vision and mission, developing broad goals, narrower strategies, and specific tactics for the next strategic plan covering the timeframe 2018-2023. Over the past year, the task force consulted with university leadership, university and academic departments, held public information gathering sessions, and analyzed data. While the university mission statement remains unchanged, the proposed plan includes two new institutional values – collaboration and respect. The plan sets out four overarching goals for the university – enhance strength and stability, foster innovation, nurture diversity and inclusion, and enrich engagement. The plan has been released to the university community for feedback and continued refinement. The final plan will be shared with the Board early next year.

The search for the next Vice President for Academic Affairs and Provost is off to an excellent start. Dr. Murphy has done a fantastic job and we really appreciate her leadership. We really want her to stay but she has put off retirement for several years and I think she really wants to do that. The University decided to forego hiring a search firm to lead the search. Frankly, we felt we could do a better job internally at significantly less cost. Our HR department has been conducting a great deal of targeted recruitment outreach. The efforts have been widely met with praise for taking a personal approach. Dr. Brent Beggs, Professor of Kinesiology and Recreation, is chair of the search committee. Campus interviews will be held in the spring with the new Provost expected to begin in summer 2018.

On Friday, September 15 we held the groundbreaking for the revitalization of the Bone Student Center. This is the first major renovation to the Bone Student Center since it was constructed in 1973, some 44 years ago. Financing for the \$33 million revitalization came primarily from restricted reserve funds. It's important to know that no state funds or tuition dollars will be used for the project, and students will not see an increase in fees to fund it.

In addition to the groundbreaking, Julie and Bob Dobski were honored for their financial contribution to the University with the naming of the Dobski Conference Room on the first floor of the Bone Student Center. We appreciate the continued financial support from Julie and Bob. They continue to be valuable partners with the University and strong supporters of the Redbirds. Thanks again Trustee Dobski and please give our thanks to Julie.

A week later, we dedicated the Center for Community Engagement and Service Learning which is housed in a structure at the corner of Fell Ave. and North St. The center builds on the University's core value of civic

engagement bringing coordination and a shared purpose to the numerous civic engagement efforts already occurring throughout the University as well as creating new opportunities.

The Illinois State fall athletics season is well underway, and excitement is as high as ever around campus and in the community.

The swimming and diving teams won their dual meets to start the season, and the Illinois State men's golf team won the 16-team Akron Firestone Invitational championship. Illinois State University hosted the MVC Individual Tennis Championships where the doubles team of Veronika Golanova and Jelena Karla Vujicic claimed the doubles flight one championship.

The defending MVC Champion soccer team, with first-year head coach Brad Silvey at the helm, has a 7 and 4 record with one tie. Sophomore goal-keeper Haley Smith has led the way defensively and earned MVC Defensive Player of the Week three times this season. The ISU volleyball team, under the direction of first-year head coach Leah Johnson, won its last four matches to improve to 6-3 in MVC play. Senior Jaelyn Keene and freshman Stef Jankiewicz were recently named Missouri Valley Conference players of the week, with Jankiewicz earning the honor for the fourth time this season and third week in a row.

The Illinois State football team started the season 4-0 before suffering consecutive losses on the road at Northern Arizona University and Southern Illinois University. The Redbirds head into this weekend's Homecoming game facing South Dakota ranked No. 4 nationally.

On Sunday night, Illinois State University celebrated the success of its student-athletes during the 2016-17 academic year at the annual academic excellence awards ceremony, The Reggies, sponsored by State Farm Insurance. Illinois State student-athletes posted a combined grade-point average of 3.23 during each semester of the 2016-17 academic year, matching the departmental record each time. A total of 312 student-athletes were named to the AFNI Honor Roll during the Fall 2016 semester, while 295 earned the honor during the Spring 2017 semester. Paris Lee and Jordan de los Reyes were named Illinois State's Athletes of the Year, while Wes Ward and Rachel Root were named Scholar-Athletes of the Year.

That takes care of my initial comments this morning. I would now like to call the spokesperson of the Campus Communications Committee, Elizabeth Chupp, to the podium for a report.

Chupp: There's been tangible energy on Illinois State's campus this week as Redbirds prepare to celebrate Homecoming. These annual events allow us to reflect on our Redbird experience and celebrate the many successes of Illinois State. The Campus Communication Committee hopes to highlight a few of those successes. On behalf of the A/P Council, Civil Service Council and the Academic Senate, I would like to thank Doris Houston from the Campus Climate Task Force for presenting at this morning's Discussion Hour. I would also like to thank everyone for being here today and for the opportunity to participate in this aspect of shared governance.

Fall 2017 began with a number of exciting initiatives and projects. Most notable was the kick-off of Redbirds Rising: The Campaign for Illinois State. The campaign seeks to capitalize on Illinois State's strong foundation and highlight the promise of a bright future in scholarship, leadership and innovation. By 2020, Redbirds Rising hopes to raise \$150 million for Illinois State. To date, it has accounted for at least \$105 million, 70% of the goal. With the help of our dedicated faculty, staff, alums and friends of the University, we are confident Redbirds Rising will reach its goal.

Another exciting project was the groundbreaking of the Bone Student Center Revitalization, which is giving the center a much-needed facelift. The new Bone Student Center will provide a more welcoming environment for students, faculty, staff and guests with expanded dining options, open seating and views of ISU's beautiful campus. The project is scheduled to be completed in 2020.

In September, thanks to the generosity of the Dobskis, we also saw the unveiling of the Bob and Julie Dobski Conference Room, which will provide a comfortable meeting space in the Bone Student Center; we also held the

ribbon cutting for the new Center for Community Engagement and Service Learning, which highlights Illinois State's core value of civic engagement; and, this week saw the annual tree lighting in Uptown Normal. ISU truly values our partnership with Uptown Normal, as it continues to provide a welcoming atmosphere to our students and guests and makes Normal one of the best college towns in America.

Many of these exciting initiatives are due in part to the strong leadership at Illinois State. President Dietz and his leadership team have done an excellent job advocating for Illinois State and keeping the University thriving under less than ideal budgetary constraints. On behalf of the Campus Communication Committee, we are grateful for the retention of President Dietz and for his continued leadership and vision. We'd also like to thank Shari Zeck, Associate Dean in the College of Fine Arts, for stepping in as the interim dean of Milner Library.

Come August, we hope to have a new member of the leadership team, as the search for the Vice President for Academic Affairs and Provost is now underway. In lieu of a search firm, the search committee and Human Resources have contacted over 2,100 potential candidates to grow the applicant pool. HR has received positive feedback on this personalized approach, and we are confident it will attract the candidates we are seeking.

One concern on the minds of A/P employees, and also their faculty and Civil Service colleagues, is the uncertain future of the Administrative/Professional job classification. The proposal in front of the Merit Board would eliminate the A/P job classification for everyone below the vice president level at the University. We fear this would negatively impact the University's flexibility in addressing crucial academic and professional needs we now face and create a hiring backlog for new positions. Illinois State has been a responsible steward of the A/P classification and has followed protocol to assign A/P and Civil Service job classifications appropriately. We hope the Merit Board will carefully consider all evidence before making a decision on this important issue.

In July, we breathed a sigh of relief that the budget impasse in the State of Illinois finally came to a close. While there is still much work to be done to resolve the state funding issues in higher education, having a budget in place allows Illinois State to focus on the positive work being done all around campus, rather than constantly worrying about the budget crisis. At the State of the University Address, President Dietz announced that a merit-based raise may be in our future this year and that changes are on the horizon for promotional increments for faculty. While nothing is set in stone, faculty and staff across campus were happy to hear these pieces of news. In light of the economic environment, we're pleased that Illinois State recognizes the value in keeping salaries competitive in order to retain and recruit talented faculty and staff to our institution.

Illinois State's faculty continues to thrive and serve as leaders in their respective fields. For example, as we look to expand ISU's reputation abroad, the Office of International Studies and Programs is sponsoring a Fulbright initiative at ISU that will recognize Fulbright alumni among our faculty, staff and students, both former and current.

Finally, the Educating Illinois Task Force recently released a draft of the new university strategic plan titled "Educate, Connect, Elevate: Illinois State 2018 – 2024 The Strategic Plan for Illinois' First Public University." We want to thank the campus community and alumni for continuing to provide the information and feedback necessary to produce a document that will represent ISU's values and strategic objectives for the next several years.

As the Campus Communication Committee represents faculty and staff from every part of campus, we could go on and on in thanking everyone who works at ISU for their hard work, cooperative spirit and dedication to ISU's values. For the sake of brevity, however, we'll stop there and end with a shameless plug. If you want to invest in future Redbirds and satisfy a guilty pleasure at the same time, just visit our websites and purchase a box of Krispy Kreme donuts for \$8 to support A/P Council and Civil Service Council scholarship funds. Thank you for your time and please enjoy the Homecoming festivities. Go Redbirds!

Dietz: Thank you, Elizabeth and welcome to your position on the governance team. One correction for the record: We've accounted for \$105 million of the \$150 million of the campaign goal. Now I would ask our Director of Government Relations, Dr. Jonathan Lackland, to the podium to provide a legislative update.

Lackland: Thank you President Dietz and good morning, Trustees. We have heard significant press coverage on two bills that have been introduced by Rep. Dan Brady and Sen. Chapin Rose. Rep. Brady's bill is HB 4103 and Sen. Rose's bill is SB 2243 that was actually just introduced and assigned to the Appointments Committee the other day. This is actually a measure by both individuals that would make the state's public higher education system by their estimation more efficient but also would actually capitalize on our respective strengths by allowing students to apply at our universities and prevent the outward migration that they have long criticized us for. This is going to actually shift significant responsibility over to the Illinois Board of Higher Education (IBHE). Allow me to give you some of the elements of the bill. First, it would require IBHE to establish a uniform admissions process online. It would also establish an admissions standard that if a high school student achieves a 3.0 cumulative GPA on a 4.0 scale or equivalent 5.0 scale that they would receive access to higher education, which would mean guaranteed admission to public universities. Also, IBHE is to conduct a study of the academic programs at every public institution and the results of that study and other specified factors would determine which academic programs should be prioritized at each campus. The IBHE is actually mandated to collaborate with the Illinois Community College Board to develop recommendations to integrate community colleges into this comprehensive plan. IBHE is also mandated to examine academic areas that have an opportunity for growth in relation to workforce demands. The board is also mandated to evaluate duties concerning programmatic expansions, programmatic eliminations, low enrollment programs, and study student financial aid and multi-year budgeting. Lastly, the IBHE is also mandated to develop an economic efficiency review of each campus and the top-eight ranked academic departments statewide. So, during last session Sen. Rose has been very vocal about not having enough information from the public universities and specifically from the IBHE. President Dietz and I have been very clear to Rep. Brady in terms of our concern about the bill, one of which is we would like the opportunity to be able to weigh in prior to the bill actually being introduced. I am hearing and President Dietz has heard this as well, that there is no expectation that the bill will advance. The goal out of this bill is to generate discussion, but also to turn this into a task force to ensure that the discussion will ensue. I'll pause there and open it to any questions you might have.

Donahue: You just stated that we want to be able to weigh in before the bill is introduced but it appears it already has been introduced so how do we do so if the bill has already been introduced?

Lackland: The public university presidents have been pretty clear that if any measure is going to be introduced that would impact public universities, before a measure is introduced, we would have liked the opportunity to maybe sit down and dialogue about any specific measure to be introduced. In this case you are right, it was introduced before that happened, we would have rather had the opportunity prior to the introduction of the bill to specifically talk about concerns outlined in the bill. We are at a point now where it's been introduced and we are prepared to move forward and have a long discussion when that presents itself.

Louderback: Ideally we would be opposed to the bill...

Lackland: Yes, ideally.

Dietz: Thank you Jon.

## **REPORTS**

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

### **Report 2017.10/4000.02: Promotions, Tenure and Sabbatical Leave Report**

Promotion, tenure and sabbatical decisions that take effect in FY2018 are completed in the fall and spring of FY2017. The report is among the materials you received in your packets. The report outlines the application and review process for those decisions. Also provided in the report are summary data on this year's applications, rank distribution over the past decade for tenured faculty and lists of the FY2018 changes in status.

## **RESOLUTIONS**

Dietz: There are eight resolutions for the Board's consideration this morning, and Mr. Chairman, with your permission, I will move on with six of those items. For reasons that will become obvious, Chairman Donahue will bring forward the last two resolutions.

**Resolution 2017.10/29: FY2018 Operating Budget**

In accordance with Illinois Board of Higher Education (IBHE) policy, each public university governing board is to review and approve an official budget for the university it governs each fall. Table 1 in your packet presents projected and actual revenues for FY2017 by fund source and the proposed FY2018 operating budget.

On the revenue side, unrestricted funds which encompass State Appropriations and University Income Fund are expected to decrease by 2 percent in FY2018, predominantly as a result of a \$7.2 million decrease in state appropriations.

Restricted funds which encompass bond revenue operations, grants and contracts, and other local funds are expected to decrease by 1 percent.

In FY2018, the University expects to spend \$188 million or 44 percent of total expenditures on activities associated with the core functions of instruction, research, and public service. An estimated \$64 million is to be spent on operations and maintenance. The remaining expenditures relate to Student Services, Institutional Support, Independent Operations, and Debt Retirement.

The University continues to allocate its resources to its highest priorities. We have been frugal in our spending which has allowed us to ride out the financial storm in Illinois.

I ask your approval for this resolution.

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

I just want to thank Dan Stephens who at our Sept. 30 Executive Session meeting did an excellent, thorough job in presenting this material to the board. I can tell you I really appreciated it.

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

**Resolution 2017.10/30: FY2019 Appropriated Budget Request: Operating and Capital**

Dietz: Each year at this time, the University is required to ask the Board to approve its appropriated funds operating budget request and its capital appropriation request to the Illinois Board of Higher Education for the next fiscal year.

For FY2019, Illinois State is seeking funding to restore the FY 2016 Appropriated Operating Budget not received that year to FY 2017 level which totaled \$51,292,800. In addition, we are requesting an increase in funds for faculty and staff compensation of \$5,100,000 which has been our historic request for a 3% increase and an increase of \$2,500,000 for deferred maintenance.

As you also know, maintaining new and existing facilities is critical to the University, and our needs continue to increase. Our backlog of deferred maintenance on campus is in excess of \$400 million. Although it is in the State's best interest to protect their investment in state-built facilities, there has been no capital appropriations from the State in recent years and we are not optimistic about capital funding in this fiscal year.

The major capital request list has not changed as the State of Illinois and the priority assigned to each project remains the same. The capital projects include the Milner Library Rehabilitation, Mennonite College of Nursing Building, College of Education Facilities Rehabilitation, University High School Replacement and Williams Hall renovation. Information about each project is in your packet.

The University is also requesting \$3,064,000 from the State's Capital Renewal Program. This program provides resources for small remodeling, utilities and infrastructure projects. Approximately \$2 million of the request is to replace exterior doors and windows in Metcalf, Fairchild, and Rachel Cooper Halls and the other \$1 million is to replace much needed emergency generators on campus.

Looking forward, we plan to undertake a process to update the University's campus master plan. It was last updated in 2010 and needs to be revised in light of the economic realities today.

I ask your approval for this resolution.

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

I continue to question if our top priority is for \$87 million for Milner Library and if the state were to come up with that money is that really what we feel that our top priority is? Nothing against the library and the hard work its staff has done, to me it seems like a lot of money for a library.

Dietz: In response I'd say that's one of the reasons we are revisiting the campus master plan. Libraries have changed all over the country and we are looking as that being part of the campus master plan process.

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

### **Resolution 2017.10/31 Authorization to Issue Auxiliary Facilities System Revenue Bonds Series 2018**

Dietz: You have before you considerable information on this resolution that quickly becomes complex. I will provide you with a brief overview of the resolution. The University is seeking your approval to obtain funds for the purpose of redeeming and refinancing existing bonds and acquiring Cardinal Court. The 2008 bond issue was for the construction of the Student Fitness Center and the other bond issue was for the construction of Cardinal Court. As you know, Cardinal Court was constructed through a public/private partnership with Collegiate Housing Foundation. In essence, we will be buying out the land lease with Collegiate Housing Foundation and take over total control of Cardinal Court and the property upon which it sits. At current interest rates, we believe the University will save \$21 million over the remaining life of the newly-issued bonds for Cardinal Court spread over 25 years. The reissuance of bonds for the Student Fitness Center is expected to save \$3 million over the remaining 15 years.

I ask your approval for this resolution.

Donahue: Is there a motion and a second? Trustee Churney so moved and was seconded by Trustee Dobski. Are there any questions or comments?

Louderback: At our last special meeting we went through all of this information so we are not just saying okay, we have gone through all the information and have had a big discussion which helps make this meeting go a little quicker.



Donahue: The only question I have which I want clarification on is if we go to market and because of the state of Illinois and the confidence the bond market may not have in the state, is there an interest rate where we would say this doesn't make sense? And do we have the ability to pull back, or once we go to market are we stuck with whatever we get?

Stephens: The board resolution we requested was a maximum level which is actually 5.25 percent which is about 125 basis points from where we are today. Even in that scenario the economic savings for the Cardinal Court would reduce from \$21 to \$12 million mainly because the interest rates on the P3 debt that was issued several years ago was around 7 percent. If the rates reach to that level the 2008 series would actually not be worthwhile to refinance so we do have latitude, we purposely placed that in there. As I explained at the Sept. 30 meeting we strategically selected the beginning of January as our target date to try to refinance these debt products; part of that is based on guidance from our new underwriting team and prior experience that is the most opportune time whenever new debt can be issued in the public market to lower the rates. We would have to have an event in the market, a war or something that would happen that would cause the rates to rise substantially. And if they did, we do have the luxury, that the resolution takes it all the way through 2018, so if something happened in early January and we knew it was a short term event, we would not release the debt and we would withhold it and hopefully price it out at a lower rate. We feel fairly confident outside of those circumstances that this is an excellent opportunity for us to lower our operating cost and more importantly offer operational control which Dr. Johnson will tell you is in much greater need for the University to include all of those 900 beds into the entire portfolio instead of being separated and unique rules set aside to handle that complex differently than others.

Donahue: To reiterate what Trustee Louderback stated, you walked us all through this on September 30 but I thought it was important that the public heard that not only is this a great opportunity to save some money but that you had the foresight to put those safeguards in to make sure that even in the worst of conditions we would save a minimum of \$12 million. Thank you for all your hard work.

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

#### **Resolution 2017.10/32 Authorization to Name Building**

Dietz: The Board of Trustees as the governing body of the University approves the naming of all facilities at the University. Today, we are asking you to approve the naming of the current Professional Development Building as the Honors Program Building. The Honors Program relocated to this building last year and we are asking you to rename the building to reflect this important university program and provide more visibility to the university community.

I ask your approval for this resolution.

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

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

#### **Resolution 2017.10/33 Athletics Ticketing System Agreement**

Dietz: This is one of those cases where we are coming back to the Board requesting to increase the amount of a contract because of a good thing, basically an increase in ticket sales. In October 2012, the Board of Trustees approved the contract for a ticketing system for Athletics with Paciolan. At that time, the total amount for the contract was \$700,000 through June 2018.

Because of the exponential increase in online ticket sales and overall sales for athletic events, Athletics expects to exceed the amount of the original contract within the year. Thus, we are asking your approval to increase the amount of the current contract with Paciolan to a total cost not to exceed \$1 million through the current contract period which expires June 30, 2018.

I ask your approval for this resolution.

Donahue: Can I have a motion and second? Trustee Louderback moved and was seconded by Trustee Rossmark.

I have a question. It's implied that this is a good thing, but you are asking us to spend \$300,000 more. How much money are we making, how many tickets are we selling that is requiring us to spend more?

Lyons: Good morning, yes, it is a good news/bad news thing because we are generating more ticket sales. If you look at the base year of FY2012 which was the year before we started this contract, and then project through the end of FY2018 – the current year we are in – our ticket sales will up approximately \$3 million in those five years cumulatively. To put it on a transactional basis most of this is happening online now as the retail market knows and we are seeing our transactions are shifting from personal on the phone or in person at a box office to folks who are buying tickets online. Using the same mental gymnastic going from FY2012 to FY2018 I am going to suggest that we are going to be up in online transactions to over 200,000; that's what the fees are being associated with and where the costs are going up. We are selling more tickets and people are buying them in a different way. We also are in the last year of our contract so we will sit down with Paciolan and negotiate the next version of this contract and take into account the different ticket buying practices of our patrons moving forward.

Louderback: So you are basically looking for authorization to pay them?

Lyons: Yes, because we are doing more business with them so the cost of business has gone up.

Donahue: Is that the result of our product being better, are people more excited about our teams, or is it that they have the ability to buy the product online?

Lyons: Some of it's marketing but some of this ties into FY2013 which was the first year of the football stadium. We've seen a dramatic increase in football tickets. We have more premium seats, we have more people coming to the games. We are also seeing increases in men's basketball tickets and that's where the transactions are, in those two sports.

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

### **Resolution 2017.10/34 Authorization to Revise Illinois State University Constitution**

Dietz: Article IV of the Illinois State University Constitution addresses the administration and academic organization of the University. The Academic Senate regularly reviews Illinois State University Policies. Dr. Susan Kalter is chair of the Academic Senate and is providing terrific leadership in that position and she is with us today. In its review, members of the Senate found the description of a Civil Service employee in the Illinois State University Constitution to be inadequate. The Senate referred the section to the Civil Service Council which worked with Human Resources to revise the section and sent it back to the Academic Senate for consideration. The Senate approved the revisions to Article IV, Section 3B. I have reviewed the revisions and recommend your approval, and indeed I would say this is shared governance at work.

I ask your approval for this resolution.

Donahue: Can I have a motion? Trustee Jones moved and was seconded by Trustee Schaab. Is there any discussion?

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

Dietz: I now return the floor to Trustee Chairperson Donahue for the final two resolutions.

**Resolution 2017.10/35 Ratification and Confirmation of Resolution 2017.09/28**

Donahue: Thank you President Dietz. As you may recall, this Board approved an extension of President Dietz's contract through September 30, 2017 at its July 21, 2017 quarterly Board of Trustees meeting. At that time, I indicated that because the state had finally passed a budget the board would offer President Dietz a new contract before Sept. 30. On August 5 the board called a special meeting and approved a new contract for President Dietz. We subsequently learned that because of a miscommunication between the governor's office and the Illinois Senate the appointments of our newest trustees had been withdrawn and they had not been appointed as of Aug. 5. Therefore, to ensure that President Dietz had a contract that was effective after Sept. 30 the Executive Committee of the board met and approved a new contract for President Dietz on Sept. 30. The contract approved by the Executive Committee was the same contract the board thought it approved on Aug. 5. The Executive Committee requested that the entire board ratify and confirm the committee's action which is the resolution before us now. The new contract is the exact same one that we took up at the July meeting, it was posted prior to the Executive Committee meeting on Sept. 30, and as well as prior to today's meeting. I also want to assure you that the governor did reappoint our new trustees and filed the required paperwork with the Senate. With that, I would ask for a motion and second on this resolution.

Trustee Jones moved and was seconded by Trustee Rossmark. Are there any questions or comments?

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

Donahue: Thank you. I will now move on to our final resolution.

**Resolution 2017.10/36 Approval of President's Performance Bonus**

Donahue: The President's contract provides for an annual performance bonus not to exceed \$50,000 based upon his 2017 performance. As Chairperson of the Board of Trustees, I receive and review evaluations of the President's performance obtained through the process administered by Academic Senate. I also requested and received reviews from staff that reported directly to the President and from all members of the Board of Trustees. In FY2017 we had a split board so those evaluations were from board members Bergman, Davis, Kinser that were members at the time and some of the current members on this board were not participating in that so I want to make that very clear who those board members were. The reviews formed the basis for the board's FY2017 performance evaluation of President Dietz. Please note that a summary of President Dietz's FY2017 performance evaluation was posted and made available for your review with the other meeting materials prior to today's meeting. After review and consideration of his FY2017 performance evaluation, the board is recommending that President Dietz receive a \$50,000 bonus. May I have a motion and second?

Trustee Louderback moved and was seconded by Trustee Churney. Are there any questions or concerns?

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

Dietz: Mr. Chairman, if I might say simply thank you to you and to all the board members for your vote of confidence in me and in essence in the leadership team of the university. It's greatly appreciated. We've got a lot more to do and I'm tickled to be a part of the lot more to do and will work very hard to continue your confidence in us. Thank you very much.

Donahue: At this time 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).

Trustee Dobski moved and was seconded by Trustee Schaab.

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

The motion passes. We will now move into Executive Session. At the close of Executive Session, the Board will reconvene in public session to adjourn; no resolutions will be considered and no action will be taken at that time.

I want to thank everybody for coming today and please enjoy the Homecoming festivities and go Redbirds!