MINUTES

Board of Trustees

Illinois State University

October 23, 2015

Chairperson Donahue: I will now call the quarterly meeting of the Board of Trustees of Illinois State University to order and ask Trustee Davis to call the roll.

The following members were present.

Trustee Bergman

Trustee Churney

Trustee Davis

Trustee Dobski

Trustee Donahue

Trustee Kinser

Trustee Louderback

Absent: Trustee Joyce

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

President Larry Dietz

Vice President & Provost Janet Krejci

Vice President for Finance & Planning Greg Alt
Vice President for Student Affairs Brent Paterson

Vice President for University Advancement Pat Vickerman

Board Legal Counsel Jane Denes

Chief of Staff Jay Groves

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#### APPROVAL OF AGENDA

Donahue: Is there a motion to approve the amended meeting Agenda? Trustee Dobski so moved and was seconded by Trustee Davis. Motion made, seconded and vote recorded as all members present voting aye.

**APPROVAL OF MINUTES**

Donahue: Also before you are the Minutes of July 24, 2015, meeting. May I please have a motion and second to approve those minutes. Trustee Louderback so moved and was seconded by Trustee Churney. Motion made, seconded and vote recorded as all members present voting aye.

**CHAIRPERSON’S REMARKS**

Good morning everyone. As we all know this is Homecoming week at Illinois State University—we have a very full schedule of activities today and tomorrow, including the annual Homecoming luncheon which begins at noon.

We want to expedite things as much as possible while still giving full attention to the important matters before the Board this morning—so I will keep my remarks brief. I want to thank the Campus Communications Committee and Dr. Frank Beck and his students for this morning’s discussion hour. I know I speak for all of the Trustees when I say that we learn something new and fascinating about ISU during each of these sessions, and it was great to see the important work the Stevenson Center is doing on behalf of the community and state.

I also want to thank Trustee Davis for convening several meetings of the Board’s State Affairs Committee since our last quarterly meeting in July. Given the state’s budget circumstances, it is more important than ever that the Board remains informed and engaged in legislative matters—so I thank Anne and all of our Board members and university staff who have participated in those meetings.

I received a note from Trustee Joyce who is not here today and asked that I kindly read this. Trustee Joyce apologized for not being able to attend the Board meeting and said - I am in Chicago interviewing for a job after college. I would like to share my opinions on a few resolutions. First, I support the proposed operating budget. Under the management of Vice President Alt I believe this budget will allow the University to continue to prosper, while also preparing us for possible cuts. Secondly, I support the expansion of the Waterson Commons Dining Center. This expansion will allow for more food testing and hopefully yield some great new recipes. The quality of the dining center food is a very important factor for freshmen entering ISU. Thirdly, I support the Licensing Agreement with Starbucks in regards to operating in the Student Fitness Center. I frequently hear students requesting that a Starbucks be added in the campus area. The only downside of this expansion will be a good portion of the graduating senior class being upset that they will not be able to utilize the new Starbucks. I hope everyone has an enjoyable Homecoming. I know I am excited to see another Redbird win. This concludes my remarks.

I thank Connor for giving us his perspective as the student trustee. I am sure I speak for the entire Board and everyone here that we wish him well in his interview today.

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

**PRESIDENT’S REMARKS**

Thank you Trustee Donahue. I echo your gratitude to Dr. Beck and his wonderful students from the Stevenson Center for Community and Economic Development and for the one alum who came back and was a part of that presentation. Illinois State is a community partner—and we show our engagement every day in many ways. The Stevenson Center has been active in this community and beyond for more than 20 years with programs and activities that benefit our students and our citizens.

I would also echo my good luck sentiments to Connor and hope that he does well in his interview today.

A couple of introductions this morning—Dr. Jan Murphy has been appointed as Interim Dean of the College of Applied Science and Technology. She replaces retiring Dean Jeff Wood with a two-year appointment. Jan’s career spans more than 20 years at the department, college and university levels. She served as an associate provost for the University for more than 10 years, including time as interim provost. Her roles in CAST include former assistant dean, associate dean and chair of the Department of Family and Consumer Sciences. We are delighted that she has now agreed to serve in this role. Jan, could you please stand for recognition?

Meantime, Bill Legett has been appointed as interim director of Campus Dining Services. Bill served as the associate director for operations of Campus Dining, and has nearly 25 years of experience in the hospitality industry in the Bloomington-Normal community—Bill, could you please stand and be recognized?

I also note that searches are underway for the Vice President for Student Affairs and Dean of the Mennonite College of Nursing—and we are nearing the completion of the search process for Dean of the College of Business.

In addition to the many week-long activities that are part of Homecoming 2015 at ISU, it has also been a very busy time for the University community in addressing the budget impasse that is affecting all Illinois public universities.

As the convener of Illinois’ public university presidents and chancellors, we have been meeting regularly in-person and by telephone, planning coordinated strategies to address the stalemate in Springfield. About three weeks ago, the Presidents and Chancellors sent a letter to Governor Rauner and legislative leaders. A little more than two weeks ago, I joined other university presidents and students in testimony before a Senate Higher Education Committee on the campus of Eastern Illinois University. On this past Tuesday, I gathered with a group of university presidents in face-to-face meetings with Illinois’ top legislative leaders—and just yesterday, I joined other college and university leadership in a face-to-face meeting with the Governor at his Springfield office.

Meanwhile, I am grateful to our student leaders and ISU alumni who participated in many activities associated with a lobby day Tuesday. Those activities included trips to Springfield, the signing of an on-line petition, letter-writing and phone calls to state representatives.

Through all of this, our message has been consistent and clear—that this legislative gridlock is damaging our students and the public universities that provide the state’s most precious resource—the higher education of its citizens. It is impacting the students who need our assistance the most—our MAP recipients—and it is sending a terrible message to students and families who are at this very moment are making decisions about where to go for their college education.

I cannot tell you whether any of our substantial efforts will move the needle, so to speak—but I can tell you we will continue to press our message until a resolution is reached. I do want to thank our local Representative Dan Brady—who through all of this—has helped facilitate meetings with the Governor—including a campus visit by Governor Rauner and several state and federal legislators.

As I communicated to our campus community through my State of the University Address and via other messages, I have stressed that while we cannot control the ultimate outcome in Springfield—we can control our attitude and our performance. By those measures—Illinois State is having a great fall 2015 semester.

New data show that our student loan default rate has dropped below 3 percent—to 2.7 percent, as compared to a national average rate of 11.7 percent. Our graduation rate is at 71 percent and freshman-to-sophomore retention stands at 82 percent—both in the top 10 percent of universities across the United States. This data suggests that are students are graduating, they are graduating on time, and they are getting good jobs—allowing them to repay their modest student loans quickly. That is a terrific return on investment for the state and also for our students.

As you know we also set a 26-year record for our freshman class—enrolling 3,632 students, including a 6 percent increase in African-American freshmen and an 8-percent jump in Hispanic freshmen.

We continue to receive independent verification of our quality and value from publications such as *US News & World Report*, the *Washington Monthly* and *Kiplinger Magazine.*

Also as I said during my State of the University Address on October 8th, Illinois State University is doing its part—and perhaps more—to show that higher education can work and does work in the state of Illinois—and that Illinois State’s success is a tribute to a commitment to our core values and the outstanding work of our faculty, support staff, and student body.

A couple of recent examples of that success—Illinois State has been awarded a nearly $5 million grant from the U.S. Department of Health and Human Services’ Administration for Children and Families to provide resources for at-risk youth. The funds, distributed around $1 million a year for five years, will assist with the creation of the Champaign Area Relationship Education for Youth program. University Professor and Chair of the Department of Family and Consumer Sciences, Ani Yazedjian, is the principal investigator for the grant—which will help in an area where 1 in 5 children live in poverty.

Meanwhile, William Hunter, director of Illinois State’s Center for Mathematics, Science, and Technology, will help to enhance STEM education in Barbados, thanks to a Fulbright Specialist grant. Hunter will assist with curriculum development and training at Erdiston Teacher Training College, in that island nation.

Back in Redbird nation we, of course, are celebrating Homecoming 2015. Activities already this week included a tree-lighting celebration with our partners in Uptown Normal—and a Quad rally with students.

Athletics Director Larry Lyons and his coaches, staff and student-athletes are all smiling because they take center-stage tonight with a volleyball match against Wichita State at Redbird Arena. Then, of course, a full slate of activities tomorrow with our traditional 5K race, parade, tailgating and Homecoming football against Western Illinois.

I remind you that Redbird football is a perfect 15-0 at Hancock Stadium since the renovation was completed two years ago—so I hope everyone will come out to help the Birds extend that streak.

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

**CAMPUS COMMUNICATIONS COMMITTEE**Thank you President Dietz and good morning everyone. The Campus Communications Committee would like to thank Dr. Frank Beck from the Stevenson Center for Community and Economic Development for his presentation during this morning's coffee hour. The Stevenson Center not only enhances student learning through year-long internship and assistantship opportunities, but also serves communities and organizations globally through affecting local economic development policy, providing assistance in grant writing, and performing economic impact analyses.

Not surprisingly, we meet today amid grave concerns across campus about the lack of a state budget and the lack of a state appropriation to the University.

In spite of a 34% decline in our state appropriation since 2000 and despite the lack of a state appropriation this year, ISU remains attractive to students and their parents. ISU has just enrolled the largest freshman class in 26 years! These freshmen have arrived with the usual abundance of energy and hope, our programs remain strong, our faculty and staff committed.

Our comparatively robust financial condition is attributable to our ability to attract students in what has become a highly competitive space. It is also testimony to the remarkable financial stewardship of our leadership at the top, including especially past President Al Bowman, President Larry Dietz, and Vice President for Finance and Planning Greg Alt.

Yet due to the abandonment of Higher Education by the state, a generation of hard-won successes appears more fragile and endangered than at any other time in living memory.

First and foremost in our minds today is the possibility that financial aid might not be available for our students. MAP grants for students with financial need are one of the most important ways our public land-grant universities fulfill the purpose for which they were founded: to make our claims to Democracy and Republicanism real. Abraham Lincoln participated in this very first land grant college and later signed the Morrill Land Grant College Act to create avenues of upward mobility for students of humble origins. Since that time, generations of Americans have been empowered to take full part in the economic, social, and political life of this state and this nation because they had access to these affordable public institutions of higher learning. This year alone, more than 4,300 ISU students are eligible for the Monetary Award Program or MAP grants totaling more than $15 million. Even though there has been no MAP funding disbursement from the State, MAP students will be allowed to register and take classes in the spring semester.

Students and their families are alarmed about the possibility that financial aid will not be available. This threatens to erode the very enrollment gains that have allowed us to weather the recent financial storms so well. Illinois is already the 2nd largest exporter of college-bound students in the United States. The 4-month budget impasse in Springfield occurs at a time when students and families are making decisions about where to attend college next year. The confidence in state support for public higher education continues to drop at a time when universities from other states are stepping up their efforts to attract Illinois students. The University of Wisconsin has just proposed dropping limits on the number of out-of-state students it can admit.

MAP grants are not the only financial liability that ISU has taken over from the state. In spite of the fact that the state no longer reimburses the University for Tuition Waivers for our veterans, National Guard members, and Special Education teachers, ISU is providing an education for these worthy students at a cost of $6.5 million.

If Illinois continues on the path of abandoning its historic commitment to providing opportunities for higher education to its citizens, it will be smiting its nose to spite its face. Only a high skill and creatively cutting edge community can generate high productivity and high wages in this competitive international market place.

In addition to preparing our own citizens, great universities can attract young talent from other states and around the world. The American University system remains the envy of the world and the key to American prosperity. But now is not the time for retrenchment. If anything, the state should be re-committing itself to restoring funding levels of a generation ago!

While the impact on students is our No. 1 priority, the budget stalemate is also causing uncertainty about employee health insurance. On September 9, faculty and staff were informed that “in the near future, [the Illinois Department of Central Management Services] will no longer have the legal authority to continue to pay healthcare vendors for their services. Since the healthcare providers don’t know when they will be reimbursed for the care they provide, a few of the providers in our self-insured plans have asked our members to pay cash at the time of services.” Obviously these notices raise real concerns for faculty and staff and contribute to anxiety on campus.

Staff and Faculty salary increases have long lagged well below the base inflation rate, and due to the budget impasse, all salary increases including merit increases were cancelled this year. Coupled with earlier threats to the State University Retirement System, threats which were only headed off by the Illinois Supreme Court, the State’s abandonment of higher education poses a longer term threat to ISU’s position as it makes it more difficult to attract and retain the faculty and staff of the highest caliber. Given all of this, if you were a young professional would you risk your career on Illinois? If you were offered an opportunity elsewhere, would you stay?

This past Tuesday, October 20th, students at ISU and across the state descended onto Springfield to lobby legislatures on not only budget issues but MAP grant funding as well. Ryan Powers, the Student Body President organized ISU’s participation and led the students during the day. Throughout the day President Powers and the other students stressed the importance of funding MAP and how it will affect over 4,000 students at ISU. Not only did they talk to legislatures but got a chance to talk with the Secretary of Education, Beth Purvis. Student Trustee Joyce, Dan Heylin, Marques Thornton, Austin Browder, and Kyle Walsh joined President Powers in representing ISU during the lobby day.

The Student Government Association will be participating in a nationwide campaign sponsored by the White House called the "It's On Us" campaign. The purpose of the campaign is to educate college students on sexual assault prevention methods. SGA will be composing a short video series involving a diverse population of students that will educate students about prevention methods. The series will be released at the beginning of the Spring 2016 semester.

Just as an indication of the high quality of the programming going on all around campus, the Fall Speaker Series this year featured the Nobel Peace Prize winning Egyptian pro-democracy leader and advocate of nuclear disarmament Mohamad ElBaradei on September 30. The series also featured *College Girl* author Laura Gray-Rosendale, a survivor and advocate of conversations on rape; *Time* Person of the year Ella Stryker, Doctors Without Borders warrior against Ebola in Africa; Historian John David Smith, author of *Soldiering for Freedom: Abraham Lincoln, Emancipation, and Black Union Troops*; and Health Scientist Jacqueline Epping, Physical Activity branch of the U.S. Centers for Disease Control and Prevention. We look forward to two further lectures this Fall from David Barsamian, Author and Director of Alternative Radio Ecocide: the War on Nature; and Pedro Noguera, Peter L. Agnew Professor of Education at NYU speaking on Education and Civil Rights in the 21st Century.

Our campus has also faced a number of technology-related challenges this past semester. In addition to the adjustment to the new student information system ushered in by the LeapForward initiative, students, faculty and staff have been challenged by a host of ongoing problems. While thanks goes out to our technology staff on campus for doing their best to support these systems, this fall’s disruptions serve as a reminder that, for our students, Illinois State’s promise and value of “individualized attention” extends well beyond the classroom. We ask this Board to commit to wise future investments of resources, including staff, for our growing IT needs across campus. Thank you.

Dietz: Thank you Stewart.

Now I would ask our State Government Relations director, John Lackland, to the podium to provide a legislative update. I would be remiss if I didn’t say that he was really the individual who worked very, very closely with our student government leaders and very effectively as they met this last Tuesday in Springfield.

**LEGISLATIVE UPDATE**Lackland: Good morning. I know we have a hefty agenda so I will make this fairly brief. I want to focus on two issues. One of which you have heard extensively about, which is the student lobby day. I would like to add some pieces to that. As we know all the public universities across the state converged at the capitol on October 20. We have roughly across the entire higher education spectrum over 300 students that came into Springfield to talk with their respective legislators and legislative leaders. ISU specifically was extremely well represented. We had six students but I will tell you that you should be very proud of what or students and student leaders did. Their message was very clear. One of which was to make sure that we do have a sustainable appropriation for MAP funding and then also to end the budget impass that is impacting the budget for higher education.

As a result I want to read off to you very quickly the legislators that they did meet with. Representative Dan Brady, Representative Elgie Simms, Representative Jay Hoffman, Representative Keith Sommer, Dr. Beth Purvis, Representative Avery Bourne, House Republican Leader Jim Durkin, Dave Gross who is Chief of Staff to Senate President John Cullerton, Senator Pam Althoff, Senator Pat McGuire and Senator Scott Bennett. One of the points that came out is ISU was very, very applauded. A lot of the legislators specifically talked about how impressed they are with ISU – our leadership as well as our graduation rate, low student loan default rate, our record breaking enrollment and retention rates. So I think that has made it very easy for us to make sure that we have the message that we have in Springfield and they did take note.

I would like to move on to the Redbird Caucus. Several of the Board members are aware that this has been an initiative that we definitely want to move forward with. I just want to give you some updates. I did meet with Representative Dan Brady and Senator Jason Barickman to broach the idea with them if they would be willing to be the sponsors if you will in their respective chambers to at least help us get this caucus together. I will tell you that I was informed that the House is already ready, so we do have the House members who will join the caucus. I am still working with Senator Barickman to make sure that we solidify the Senate sponsors. I will tell you that I had a discussion on Tuesday with Senator Pam Althoff, Senator Scott Bennett and some others and they are extremely excited about having the prospect of having a Redbird caucus. They have offered their full support to ISU and are excited about doing it in a more formal way. With that being said that concludes my report and ma open to any questions.

Dietz: Thank you Jonathan.

**REPORTS**

I have two reports for you this morning. With your approval, Trustee Donahue, I will move to these reports.

**Report 2015.10/4000.02: Promotions, Tenure and Sabbatical Leave Report**Promotion, tenure and sabbatical decisions that take effect in FY2016 are completed in the fall and spring of FY2015. The report is among the materials you received in your packets. The reports outline 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 FY2016 changes in status.

**Report 2015.10/4000.03: Oral English Proficiency Report**In 1986, the Illinois General Assembly moved to require that University governing boards ensure the oral English proficiency of all personnel providing classroom instruction. Illinois State immediately put a mechanism in place to comply with the legislative action.

Information about our policies and procedures is distributed to all students each semester in the Class Registration Directory. During the 2014-2015 academic year, no complaints were filed about the English speaking ability of instructors at Illinois State.

**ACTION ITEMS**

There are 8 resolutions for the Board’s consideration this morning. With your approval, Trustee Donahue, I will move to them now.

**Resolution 2015.10/26: FY2016 Operating Budget**Today, we are admittedly in unprecedented territory. This is the first time in the 19 year history of our independent governing board that the University has brought forward a fiscal year operating budget request without a state spending plan in place.

As the Board, and the campus community know quite well, our finance leadership has been developing contingency plans since March—and has been implementing plans since the new fiscal year, which began on July 1.

In anticipation of a substantial state appropriation reduction, we have eliminated or left vacant 76 administrative-related positions. We have once again pushed back the timelines for non-safety-related construction and maintenance projects. We have postponed some large equipment purchases, and have curtailed university-related travel.

What we have not done so far is shortchange our students. We have protected the students who need our assistance the most—our Monetary Award Program or MAP recipients. We have protected the academic enterprise to the best of our ability, and have not cut class sections that help our students graduate on time. We have not resorted to layoffs or furloughs of those who teach and support instruction.

Today’s resolution asks your approval for a FY2016 operating budget that reflects, at a minimum, a 10 percent decrease in state appropriations from FY2015—a total of $7.4 million. This resolution also states that should the state appropriation cut be greater than 10 percent—Illinois State’s FY2016 operating budget will be reduced by a corresponding amount.

As your materials indicate, Illinois State has contingency plans for up to a 31 percent appropriation cut, though we expect that once a state budget is finally approved, it will be closer to the 10 percent range.

Over the proceeding months, we have supplied the Board with a great deal of budget contingency information, and I have discussed this particular resolution individually with Chairperson Donahue.

I believe this resolution allows the Board to move forward with the budgeting process, and protects the integrity of the process should the state appropriation reduction prove to be greater. I ask your approval of this resolution.

Donahue: Before I ask for a motion and a second, I would just like to make a couple comments. First, I want to thank the entire Board. As President Dietz has said for the last 7 months the Board has been very engaged in this topic. We have held a number of working sessions, we have held special meetings. Trustee Davis has convened the State Affairs Committee on multiple times to try to see what we can do with this. So I thank the Board for their engagement and their understanding. I want to thank Vice President Alt and his team for providing the Board with an enormous amount of information and trying to make a difficult situation when we don’t know what is going to occur. It is disappointing and it is frustrating that we don’t have a budget from Springfield and that we don’t have an appropriation for higher education and for Illinois State in particular. The Illinois Board of Higher Education has a policy that each public university’s governing board is to review and approve an official budget each fall. And that is what we are going to do today – we are going to do our job today.

What this resolution says is we are going to approve a budget based on a state appropriation that is 10% less that FY2015, and in fact if it is higher, we will amend that budget. I have talked with President Dietz and it is my expectation and it is the Board’s expectation that if in fact the cut is greater than 10% staff will come back with that amended budget and with those tables that are required and present that to the Board and the Board will approve that. So with that I would ask for a motion and a second to entertain discussion on this. Trustee Davis so moved and was seconded by Trustee Louderback. Any discussion?

Bergman: I am probably going to be the only one, but I am going to vote against it. I would like to indicate why. First of all we don’t know what reduction we are going to get when the state ultimately passes their budget, but we kind of had a plan when we met and went over some different contingencies, and the plan was to wait and see what the state was actually going to give us. Then we were going to meet again and go over it based on that. Greg, I think you were going to come up with some more detailed information on the breakdown on things, and then we were basically going to discuss it and then consider passing the budget at our next Board meeting. I am not aware of any firm hard rule that says we have to pass a budget in the fall.

The second reason I am going to vote against this is that while nobody knows what the ultimate reduction will be, I think very few people think it is going to be 10% or less. I think the vast majority of the people whether in Springfield or wherever believe it is going to be greater than 10%. So I don’t think we are going to look very well passing a budget with 10% reduction when most people don’t believe it is going to be 10% - they believe it is going to be greater.

And the other thing is there is nothing to be gained by passing a budget at this point. In all the years that I have been on the Board, we have gone by the same procedure. We pass a continuing resolution which allows the administration to spend funds until such time as we get a firm number that we can look at. We did pass that continuing resolution a while back, so the University is not like Springfield where you can’t spend money – the University is able to spend money on the continuing resolution so there is nothing to be gained by passing this budget the way I see it. We may look foolish to some people with the 10% and it really wasn’t the plan we discussed initially.

Louderback: It is my understanding that we needed to do this.

Bergman: I am not aware of any reason that we do, but perhaps President Dietz or the Chairman has different reasoning.

Donahue: It is my understanding that the Illinois Board of Higher Education requires each public university to review and approve an official budget each fall. As you stated we provided a continuing resolution of last year’s budget – that is not an official budget and it is my interpretation when I talked to our counsel about this that it is a requirement of the Illinois Board of Higher Education. I don’t disagree with you that we don’t know what it is and it certainly could be more than 10% or it could be less than 10%. I don’t have a crystal ball any clearer than anyone else. Because others aren’t doing their job doesn’t mean that we are not supposed to do ours and we are going to be passing a budget and I am recommending an aye vote.

Bergman: Let me ask Jane and there could be something I am not aware of. I know that the Board of Higher Education requires the Board of Trustees of each of our universities to approve a budget. I am not aware that it is required to be done in the fall. Jane, are you aware of any language that I might not be aware of?

Denes: I don’t have the policy in front of me so I can’t answer that question now.

Kinser: I would like to say that if we don’t pass a budget that it indicates that we are not going forward. I think that the University community and the local community can see that we are doing our job, and whether other people aren’t is not our fault.

Dobski: I think just for moral reasons for the faculty, staff and administration that this is a positive step to go forward. There is a lot of speculation being thrown out in every aspect in Illinois – not just our situation – but I think this is important just for the spirit and the morale of what ISU has been doing for these past years and we need to move forward on it.

Davis: I would concur with my colleagues in terms of it sets some direction of where we would like to go as a university in spite of all of the cloudiness and chaos that exists in the state. We want to bring some order or keep some order with this institution and so I am suggesting to my colleagues that we approve this resolution so that we at least know the direction that we are going to be headed. And, of course, there is the flexibility for adjustments if it is necessary but at least we are establishing a beginning point, so I would urge support of this resolution.

Louderback: We know it is going to be at least 10% so let’s just start and get it done. Staff has to have some way in which to figure out where they are going. I had a lot of questions about the resolution. I did a lot of thinking and talking to find out more about it, and because it is a platform for us to begin with and gives Greg and his staff something. We know it is going to be at least 10% so let’s start the wheels rolling on that.

Churney: You obviously are sitting and hearing a lot of communication and hopefully it is resonating that as a Board this is healthy. Chairman Donahue and I were talking the other day that we started talking about this over a year ago as a Board so it is something that we don’t take lightly and have had some very good, healthy conversations – some coming from the business side and some coming from education side. One of the things that I have learned being on this Board for three years now is that you have to find a middle ground and we have to start somewhere. I think by at least drawing a line in the sand and passing this resolution today that we are moving and allowing the staff and the folks here that we are very proud of to have something to start with. It could change but we have to start somewhere and work from there. So you are hearing a lot of good conversation which is healthy and I just want to applaud Greg and his staff and all the vice presidents and all the Illinois State employees bearing with us as we kind of navigate through uncharted territories.

Kinser: I want to echo what Trustee Churney just said because I don’t believe this Board could be more informed and get more information from the vice presidents than we have. We have been able to look at different scenarios, we have been able to go to meetings and talk about them and if you didn’t go to the meeting you still got the information to know exactly what direction to take this University and we want to go forward. So I think this Board is very well informed of what we need to do.

Donahue: Motion made, seconded and vote recorded as seven members voting aye with one abstention.

President Dietz, I am going to read the next item because it is a Board initiated resolution. After consultation with President Dietz and discussions with Board members, I feel the full Board of Trustees should as a group make a statement in support of the students, faculty and staff of Illinois State University and in support of ending the four-month budget impasse in Springfield.

**Resolution No. 2015.10/26-A:Resolution of the Board of Trustees of Illinois State University**Whereas**,** the mission of the Board of Trustees of Illinois State University is to assure students are receiving the highest quality education possible and that tax and tuition dollars are being used wisely, and

Whereas, the Board believes Illinois State University provides a high-quality education at an affordable investment, and

Whereas**,** the Board believes the State of Illinois plays a critical role in the public higher education of its citizenry, and

Whereas, the Boardis concerned that the State of Illinois has not appropriated a FY2016 budget, and

Whereas, the Board is deeply concerned for our students and for the future of the state:

Therefore, be it resolvedthat the Board of Trustees of Illinois State University encourages a timely solution to the current budget circumstance that reflects an adequate appropriation to support a quality education for the students of Illinois State University.

May I have a motion and a second? Trustee Louderback so moved and was seconded by Trustee Davis. Motion made, seconded and vote recorded as all members present voting aye.

Dietz: On behalf of the entire University community, we thank you and the Board for that resolution.

**Resolution 2015.10/27: FY2017 Appropriated Budget Request: Operating and Capital**Although I know most of us consider this an exercise in futility—each year at this time, the University asks the Board to approve its appropriated funds operating budget request and its capital appropriation request to the Illinois Board of Higher Education.

For FY2017, Illinois State is seeking an additional $7.4million in State appropriated funds to support core programs and services, an increase of 10.3 percent over the FY2016 appropriation.

Consistent with our goals under *Educating Illinois*, a priority for FY2017 is funding for faculty/staff salaries. We have requested $4.9 million for salary increases, which represents 3 percent of the appropriated funds personal services base.

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 and it is in the State’s best interest to protect their investment in state-built facilities. Therefore, we have requested $2.5 million in FY2017 to address deferred maintenance.

On the capital side of the equation, we request $283.3 million in state appropriations for FY2016, which includes just over $3 million for Capital Renewal projects.

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 capital renewal projects are the replacement of exterior doors and windows in Metcalf School and Fairchild and Rachel Cooper Halls as well as replacing emergency generators. Again, a short description of the project is in your packet. I ask your approval for this resolution.

Donahue: Is there a motion and second? Trustee Kinser so moved and seconded by Trustee Churney. Any comments?

Bergman: Mr. Chairman I would just like to indicate that I am in favor of the motion but I am going to abstain because this is something sent to the Board of Higher Education.

Davis: With the Metcalf School – could you jog my memory in terms of where the new facility will be located when it is constructed.

Alt: Your question about the new site for this facility – I think in our Master Plan we did call for an educational quad and I am looking for David Gill who is our Director of Facilities Planning.

Gill: The location will be on the Gregory Street property.

Davis: So it will not be adjacent or near the current property?

Gill: The Master Plan and the Gregory Street Land-Use Plan calls for both U-High and Metcalf to be moved to the Gregory Street Property.

Davis: I noted in the information that we were provided for Metcalf also whereby there would be improvement for doors and windows – I am assuming that would be much earlier prior to them moving?

Gill: Yes, based on the timeframes that we are talking about, we believe we need to do that now.

Donahue: Motion made, seconded and vote recorded as seven members voting aye with one abstention.

**Resolution 2015.10/28: Authorization to Lease Alumni Center at 1101 N. Main, Normal, IL**There is no question the Alumni Center has been a great asset to the University—serving as home to many units in the division of University Advancement, a welcoming greeting and meeting space for our alumni, and a center of community activity that complements community use of the Bone Student Center.

The University leases the property from the ISU Foundation, and the Foundation has offered the University a new, five-year lease agreement with a University option for another 5 years. Throughout the 10-year arrangement, the lease rate would remain at $230,004—which was the rate going back to the original lease cost in the year 2008. I ask your approval for this resolution.

Donahue: Do I have a motion and a second? Trustee Louderback so moved and seconded by Trustee Kinser.

Bergman: I am not positive of this but I believe the past leases were five year leases. The first would have gone from 2008 – 2013. I remember a couple of years ago the Board approving another five-year lease, which I am assuming would have gone to 2018. If that is the case why are we voting on a new lease in 2015?

Alt: Trustee Bergman, you are correct that we do have approval from the Board with our lease agreement that we can extend the current lease another 2 ½ years – we are in our third year of that lease. However, the Foundation which owns the property, has offered us the opportunity to lock in this rate at $230,000 if we will renew a lease in another five years and that will enable them to complete a refinancing they are trying to do at a better rate.

Bergman: Understood, thank you.

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

**Resolution 2015.10/29: Watterson Towers Dining Expansion-Construction**

This resolution is a part of the Campus Master Plan that we can fund with revenue that is already on-hand. It involves centralizing food preparation services and the bakery, which will benefit our students, and our Dining staff, who prepares food and tests new and improved food products for our students.

Originally constructed over 50 years ago, the John Green building on Gregory St. provided baked goods for all campus dining venues. The baking operations moved to Feeney Dining Center in the early 2000s after the equipment in the John Greene building began to fail. When Feeney Dining Center was decommissioned in 2012, bakery functions were moved to the Watterson Commons Dining Center—a great location for students and staff—but one that didn’t offer enough space to accommodate all food preparation and baking function.

During this period, the University created a plan to centralize all functions at Watterson, and during its February 2014 meeting, this Board endorsed the plan by authorizing expenditures of up to $650,000 to design the project.

We are now ready to move forward with the project, which would create a two-story addition to Watterson Commons on the east side of the facility. The second floor would house the bakery—the first floor would include a cold food preparation area and provide space for a cook/chill food preparation system.

The $8.5 million project cost includes construction and equipment—and the funding source is Campus Dining Reserves that we have set aside for several years to accomplish this project. I ask your approval for this resolution.

Donahue: Is there a motion and a second? Trustee Dobski so moved and was seconded by Trustee Davis.

Kinser: What impact will this have on Fell Street and the traffic in that are?

Alt: I understand your question because it is being built out towards Fell Street but it will be built out but only up toward the sidewalk – it will not affect the street and will not add any traffic. Actually, in some ways it will improve traffic because the loading docks will be remodeled as well and will probably work better.

Davis: The source of funding was Dining Reserves and my assumption is there are adequate funds in our reserves to do this?

Alt: Yes, there are. To give you a quick summary on that because we have been using the reserves on the project that was approved a few months ago at the Bone Student Center. We have purposely accumulating reserves in order to do these long-term improvements without having to borrow money. Currently in our auxiliary facility system we have a cash balance of $117M. However, about $57M of those are committed to projects including this project and Bone Student Center as well as a contingency of $12M that we just commit we won’t go below. So that leaves about $60M of uncommitted reserves and $54M of that is in Housing and Dining.

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

**Resolution 2015.10/30 Southeast Chilled Water Expansion**

The Southeast Chilled Water Plant is now 8 years old, and we need to expand its capacity for a couple of reasons: One, it will accommodate the centralization of the bakery and food preparation functions at Watterson, and two, we would like to ties its functions to another chilled water plant, the South Campus Power Plant and the Central Refrigeration Plant.

Connecting these plants will provide a more reliable and efficient cooling option for campus. The $915,000 cost comes from Housing and Campus Dining Reserves and some general operating revenue. I ask your approval for this resolution.

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

**Resolution 2015.10/31: Old Union Mechanical Replacement Project**

The operative word to describe the Old Union Building is “Old.” While the facility underwent some renovation 20 years ago, much of the existing mechanical equipment is 60 years old, and the HVAC system no longer provides reliable environmental control.

This project provides for the installation of new heat exchanger equipment, new air handling units, and the replacement of the existing hot water plant and fire protection systems. Ceiling demolition and asbestos abatement are also part of the project. The $860,000 cost would be funding through General Operating Revenue. I ask your approval for this project.

Donahue: Is there a motion and a second? Trustee Louderback so moved and was seconded by Trustee Churney. Motion made, seconded and vote recorded by all members present voting aye.

**Resolution 2015.10/32: Approval of Starbucks Corporation Licensing Agreement**

The Student Fitness Center is among the most popular facilities on campus for students, as well as faculty and staff members. Unfortunately, the Jamba Juice venue there is not so popular. Since the center opened, students, faculty and staff have consistently requested that a Starbucks Store be located there.

Although we were unable to reach agreement with Starbucks for a store in the Bone Student Center in 2007, we have been able to reach agreement with the corporation for a venue in the Fitness Center, and we have followed all state procurement procedures.

This resolution asks approval for a 10-year licensing agreement for the University to operate a Starbucks store, at a cost not to exceed $2,640,000. I ask your approval of this resolution.

Donahue: Is there a motion and a second? Trustee Louderback so moved and was seconded by Trustee Bergman.

Dobski: Chairman, I have another suggestion. But I have to admit in the area of coffee, we still have our work cut out for us. And I can understand the students and the popularity of the Starbucks franchise, as long as this is redacted out of this so that Oak Brook, IL doesn’t find out about this.

Kinser: Will this Starbucks have a full breakfast menu?

Paterson: We will accept gift cards – that is part of the licensing agreement that we are working through. It will be a typical Starbucks in terms of the menu so it does not have the full menu that McDonalds offers 24 hrs/day now.

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

**Resolution 2015.10/33: Authorization to Name DeGarmo Hall, Room 52**

Mr. Richard Benson is an alumnus of Illinois State, who enjoyed a long career in education, K-12 administration and higher education. His gift commitment of $100,000 will contribute to a renovation project to create a flexible learning space in DeGarmo—which is home to our College of Education.

We thank Mr. Benson for his generosity—and I ask the Board’s approval of this naming authorization.

Donahue: Is there a motion and a second? Trustee Davis so moved and was seconded by Trustee Kinser. Motion made, seconded and vote recorded as all members voting aye.

Trustee Donahue, that completes today’s resolutions.

Donahue: Thank you President Dietz. In addition to public comments made at each quarterly meeting by the Campus Communications Committee, the Board of Trustees also invites public comment from members of the University community and greater local communities. The process for making public comment can be found through a direct link from the Illinois State University Board of Trustees Website, which is linked to the Illinois State Homepage at [www.IllinoisState.edu](http://www.IllinoisState.edu). There were no requests for public comment for this quarterly meeting.

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 and a second? Trustee Louderback so moved and was seconded by Trustee Churney. Motion made, seconded and vote recorded as all members present 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 only for the purpose to adjourn. Thank you all for coming today and Go Redbirds!