MINUTES

Board of Trustees
Illinois State University
October 25, 2013

The Board of Trustees convened at 10:00 a.m. on Friday, October 25, 2013, in the Old Main Room of Bone Student Center, Illinois State University, Normal. Chairperson McCuskey called the meeting to order and Trustee Davis called the roll.

The following members were present.

Trustee Jay Bergman

Trustee Bob Churney

Trustee Anne Davis

Trustee Rocky Donahue

Trustee Betty Kinser

Trustee Mike McCuskey

Trustee Aaron Von Qualen

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

Vice President & Provost Sheri Everts

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

Vice President for University Advancement Erin Minne

Board Legal Counsel Jane Denes

Chief of Staff Jay Groves

#####

#### APPROVAL OF AGENDA

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

**APPROVAL OF MINUTES**

McCuskey: Is there a motion to approve the Minutes of the July 27, 2012, meeting. Trustee Donahue so moved and was seconded by Trustee Kinser. Motion made, seconded and vote recorded as all members present voting aye.

**CHAIRPERSON’S REMARKS**

I want to begin unfortunately with some sad news from the Athletics area. Two gentlemen who had a long standing relationship with ISU passed away recently. Robert Kief or Doc as he was called died last Saturday. He was a faculty member best known as our athletic trainer until his retirement in 1989. On Tuesday Jim Johnson, or Dr. J as he was known also passed away after a 35-year career as a professor of psychology. Dr. Johnson joined the staff of the athletics study centers – fulltime volunteer – where he served for the past 10 years. The University also lost a long-time and beloved faculty member from the department of Criminal Justice when Emeritus Professor Ed Wells passed away recently. Our thoughts today are with the family, friends and colleagues of these three fine gentlemen who served ISU admirably over the years.

On a happier note, today is our first quarterly meeting of the Board of Trustees with our new President Timothy Flanagan. The Board appointed Dr. Flanagan as Illinois State’s 18th President on May 10 of this year after a search process included a diverse and hardworking committee. Those of you on the selection committee I thank you again for your participation, and those of you who were not on the committee were there for the open forums of our candidates. It was a transparent operation from beginning to end and ended with President Flanagan who came in August.

I want to thank Dr. Flanagan and his wife Nancy for hosting last evening’s dinner for the Board at the University residence and I told Dr. Flanagan that was the first time it was solely a Board of Trustees dinner. It was a wonderful event. In the past 2 ½ months he has been very busy for you, very busy for the Board and very busy for ISU.

I want to thank the Campus Communication Committee for organizing this morning’s discussion hour. I specifically asked that we would have this discussion as we start President Flanagan’s career here and the Board’s interest in Admissions. It was an outstanding presentation. The University’s enrollment strategy was discussed at length, which is very important in this competitive student recruitment environment happening right now. Dr. Troy Johnson gave an excellent presentation this morning so thank you and those who have continued to work in the admissions program. We understand how difficult it is to get the students here who will continue to be retained and graduate at our high rates. So recruitment, admission and retention of the student body were discussed in detail this morning and we appreciate that greatly.

It is almost two weeks past Homecoming. I want to thank everyone who played a role in Homecoming. The Board of Trustees will talk to you about what they have been doing since our last meeting, but I want to tell you that the parade exceeded all expectations. We had a great crowd and I am sure President Flanagan appreciated seeing red wherever he looked. Homecoming is very important for all of us of the ISU family. Folks from Alumni Relations did a great job. Larry Lyons prayed that there would be no rain and it worked, and we had a victory too. There was also the dedication and opening of the new Hancock Stadium. When I left the President’s house and traveled down Main Street, the Redbird lighted up brilliantly in the night – it gave me goose bumps because this is the face of the University that we wanted on Main Street. To get students to come you have to have curb appeal. Jay brought the Abilene Christian president and then the Western Illinois president through the facility and they had nothing but wonderful words about the impressive new Hancock Stadium. And if you can impress other university presidents, we sure have to impress the students and their families. I will now ask the trustees for any comments they may have regarding participation in events since our last meeting.

Von Qualen: Good morning. To start with I attended all the Homecoming events and got the chance to go to many athletic events, seen a lot of good wins for the volleyball program and the football team as well. I had the opportunity to attend a Trustee-In-Residence with CAST with Dean Wood. They were very generous with their time. I got to have lunch with the many talented faculty department heads, associate deans and talented students. One of the best parts of being able to serve on the Board and represent the students is going to these different Trustee-In-Residence visits and getting to see my peers and what they are doing in their departments. We have a lot of very talented students. Some things I got to do on my visit were I got to jog a robot over in the lab – it was a pretty cool experience. Dean Wood took us out to the University Farm and it was really cool to see everything out there. I know Trustee Kinser loves Dolly Llama out there and I got to meet Dolly. It was a great day and good to see all the good things in CAST.

Bergman: I will be visiting the library in the next couple of weeks for my Trustee-In-Residence. Like many of my colleagues, I attended the Homecoming events. Attended all the home football games we have had so far and at this meeting I am starting my eleventh year on the ISU Board, so this will be my eleventh football season and since the first home football game after my appointment, I don’t think I have missed a home football game. I look forward to the new stadium and even at such time I am no longer on the Board, I will still be attending games at ISU. The only other thing I would like to mention is the Executive Director of the Illinois Board of Higher Education testified before the legislature earlier this week and met with some of the legislators with respect to additional funding. Everybody wants additional funding. The issue here is what I have mentioned to you before numerous times about the committee that I am on that basically allocates funding based on certain criteria. Hopefully the Board of Higher Ed and the staff is utilizing that and the members on this committee to try and get at least a little bit more money from the state solely to be doled out on a performance basis to the different universities. So I won’t bore you with other things. I have been involved in other higher education events at other universities based on my other position and it’s been a lot of fun and looking forward to more football and basketball.

Churney: Good morning. I want to start out by once again thanking Dr. Flanagan and his wife Nancy for inviting us over last night and getting to know them a little bit better on a personal level as well as my fellow trustees. I attended a couple of dinners and meetings since the last Board meeting. Unfortunately I have been traveling a lot the last two months but I do have a Trustee-In-Residence visit coming up with the College of Business in a couple of weeks. I am planning on attending a lot of basketball games this year and looking forward to our retreat that we have coming up next month and also attending the December graduation. That’s about all I have but am looking forward to the next couple of months and being more visible at the upcoming events.

Davis: Good morning. I would like to also add my welcome to President Flanagan as he joins us for our formal Board meeting. I am really impressed with the ease in which President Flanagan has settled in and began to carry out his duties as President. I look forward to working with you and supporting you President Flanagan. My activities since the last Board meeting began with Homecoming weekend as well, and I am sure all of you will agree we could not have asked for a better weekend. The weather was perfect. All the activities were fantastic and I would like to thank faculty, staff and our students for the hard work you did in planning all of the activities. Redbird spirit was high and cheers to our Redbird football team for the exciting win. On a side note, as was planned and as what Mike has said, Hancock Stadium really does give a new face to the campus and it extends our Redbird pride.

Another of my activities was my Trustee-In-Residence with the College of Fine Arts and I would like to begin by thanking Dean Major, the faculty, staff and students for a wonderfully informative and enjoyable visit. I thoroughly enjoyed my back stage tour where I was able to observe the boundless energy and creativity among the students as they engaged in their various art, music or theater projects. As I think about the depth of the curriculum as well as the quality of instruction in our Fine Arts School, it is no surprise that we have students who after graduating from the college go on to become well known in their chosen field. Like others on this Board I am anticipating the beginning and the completion of construction on our Fine Arts Building. I am also excited regarding the expansion of our art gallery into a facility in Uptown Normal. I had the privilege of touring the building, which is still under construction internally, but needless to say I am pleased with the labor of love that Director Blinderman and his staff put into the outstanding art exhibit. We can now share that on a broader basis. Finally I would like to thank President Flanagan and Nancy Flanagan for hosting a really nice dinner last evening. It was a great way for us to kick off this school year.

Donahue: Thank you and good morning. First off I really want to thank Jackie Snelling and Julie Barnhill. A week doesn’t go by that I am sending an email of help and hundred percent they are always incredible in getting us the information that we need. I had an opportunity to spend some time with President Flanagan with the Governor and some of our legislative leaders. I thought the meetings went well. The President talked about a variety of topics that relate to the University. The one issue that was dear to me was if there was ever going to be a capital bill in Springfield that we need a new nursing building. Hopefully we will continue to drum that home and if there ever is any additional capital money we will be lucky enough to get that. Then I think the staff switched my agenda with Chairman McCuskey’s because the rest of my time was in Athletics and that was something new to me. I attended the opening game at Hancock Stadium and kudos to all the staff. Not just Larry and Leanna in athletics but everybody who was there that made that opening day, it was incredible. Besides the stadium being really great my take away was it was a night game and somebody was smart enough to turn on all the lights across campus and from my advantage point higher up in the stands you could really see the campus lit up and we all know it is a beautiful campus. I don’t know if you did that on purpose or you were testing the lights, but that was amazing.

In late September, early October my wife Janet and I were in southwest Missouri and we took a trip up to Springfield to see Illinois State play football at Missouri State. Our stadium is way better than what they had at Missouri State and no offense to the Missouri State host – they treated us well. The team didn’t do too well so I probably brought them bad luck. Then I spent my Trustee-In-Residence in Athletics. Got to meet with the coaches, got to spend a lot of time seeing the facilities but my favorite part of these is meeting with the students. I got a chance to meet with a number of student athletes and they are amazing individuals – they are not just studying – they also have to deal with their sport and their social life and how they are able to juggle those balls and make that commitment is amazing. The highlight of the day is I got to spend a little time with the volleyball team and watch them practice and had the opportunity to meet with Coach Meyers and the team. They are hardworking not only on the court but in the classroom. I think I was informed they had the highest GPA of any sport team last spring, something like 3.6. I was very impressed with the team’s maturity level. Their passion not only to volleyball but to ISU, their dedication as a team – you could tell they were a family – it wasn’t just a group of kids that got together to hit a ball over the net. It made me proud at many levels. It made me proud as a volleyball fan, as a trustee, as a father of a daughter that these are just fine young women that represent our university. So the volleyball team was undefeated and then after I talked with them they lost twice. But yesterday before dinner I got to meet with Coach Fisher and the women’s softball team. These young ladies are fine, outstanding individuals and they make the University proud.

So my takeaway from my Trustee-In-Residence is my time with the students and I got a lot of time to spend with students at their study center, it’s just an inadequate building. I am not saying that from the perspective of being critical of the hard work that they do with that program. It’s just the space is too small. They don’t have the number of tutors that they need or the resources that they need and they are doing the best they can with what they have and at some point I would like to find a way to figure out how to expand on that. The other takeaway is I think we need a new indoor practice facility for all our teams. Horton Field House is a nice complex I think for the 1940’s, but I am not sure it is the facility that we need now. It’s too small, it’s antiquated and lacks the proper amenities, very similar to Hancock Stadium and the benefits that would come from that. I realize there is a whole host of needs and desires and I am not suggesting now that I have spent a half day in athletics that athletics is top priority to everything, but they do have needs there. So I would hope maybe one day Larry you would be able to update us somehow about if we would do an indoor facility what that might look like, what is Horton compared to what we should be today. But overall I was very impressed with Larry and Leanna and the coaches and staff and the fine job they do.

Kinser: First of all I want to thank everyone in this whole room for getting me through a very difficult summer. I really do appreciate all the cards and the compassion that was shown by Illinois State. I want to thank President Flanagan for starting off and keeping everyone above board and doing a really great job so far. I had a great opportunity to spend some quality time with Jimmy Johnson and I just happened to bump into him, he was a good friend of my husband and I really enjoyed that visit in time. Also I would like for all of us to keep in our thoughts Joyce Morton who was the wife of Doc Kief and she has been a real saint for many years. I got to talk with them just a few weeks ago and I do have to say she is one of my heroes. Besides all that I just say ditto to what everyone else has said because I have been to a lot because it is kind of like therapy and keeps me involved. I do appreciate Illinois State and everyone here for all your help. Thank you very much.

McCuskey: I want to add one thing. I was in Springfield in August and went to the Governor’s mansion. The Governor was having a party out on the lawn during the State Fair. I didn’t expect to see the Governor but I did and he came over to me and thanked me for the reception he got here when he announced the Fine Arts building was moving forward. He then turned to one of the staffers and introduced me and said that was one of the best receptions I have had, the way Illinois State handled that. So I thanked him and said just don’t forget about the Fine Arts program and the building. And he said no, no I won’t Mike. So we just continue to work on that behind the scenes as best we can as a Board and recently I was talking to one of the vice presidents at the University of Illinois and they get appointments to their Board and sometimes it’s the first time anybody has ever come to Champaign/Urbana for their first Board meeting and the first time they have ever been on campus. I said we don’t have that problem at ISU – every member of the Board of Trustees is a graduate of ISU. So when we go through these repetitions of what we do, there is a lot of Redbird pride in the fact that one, we are on the Board of Trustees and two, we are back and involved in the campus that we started on many years ago. So now I want to introduce the 18th president of Illinois State University, Timothy Flanagan.

**PRESIDENT’S REMARKS**:

Thank you very much for being here this morning. This is a wonderful turnout. I am not used to this. In my previous job we had our Trustee meetings at 7:00 in the evening and typically we had two or three people in the audience, so this is a wonderful event in which people get an opportunity to share in the information that we provide to the Trustees.

I want to begin by thanking the Board of Trustees, the full search committee and the University community for the support and confidence shown to me throughout the search process. I intend to continue my practice of waking up every morning and asking myself what can we accomplish today to make this a better university. So thank you for that expression of confidence. I also want to thank the people that have made my transition along with my wife Nancy so congenial here to the University. First of all my Cabinet, my vice presidents and legal counsel – Dan Layzell, Sheri Everts, Erin Minne, Larry Dietz and Lisa Huson. I have depended upon them incredibly over the last couple of months to help me to get to know Illinois State University. They have put together for me a voluminous transition briefing book that I am doing my best to memorize and it is just an incredible resource for me. So I thank them for their work on that and their colleagueship since I have been on campus. I want to thank the office staff, Jill Call, Jackie Snelling, Vickie Kiser and the terrific students that work up on the fourth floor of Hovey Hall. If you want to put a smile on your face, just get off the elevator on the fourth floor and just walk around and say hi to the students on any given day. What a terrific group of young people we have working there.

I also want to thank Chuck Scott ad his folks in facilities for making our transition as painless as possible. It is a wonderful place to live. I have a sizeable collection of golf balls that I have collected over the last eight weeks. Every morning I let the dog out and we get two or three more. It makes me realize that central Illinois has a lot of golfers that golf just like I do with hooks and slices and so forth – so thank you Chuck and your team for helping us get settled. I also want to thank the members of the Academic Senate, Civil Service Council and the Administrative Professionals Council. They have reached out and really made us feel welcome and so forth. I would be remiss if I didn’t thank Aaron Woodruff and the men and women of the University Police Department for everything that they do – particularly in the first week of classes and then the third week with the bomb threats and so forth. More importantly what they do every single day to make this a safe campus and a great place to come to school and work.

Somebody asked me about two weeks ago if I had any ah ha moments lately and I said every day. I have had the privilege of being new to campus and literally on a daily basis had the opportunity to go home and say – wow do you realize – whether it is meeting the members of the solar car team, the physics students who are competing and winning against places like MIT in solar car challenges and are building these solar cars with spit and baling wire and a budget that is a fraction of their competitors and then going out and not only having a great time but being victorious. Earlier this week I got an opportunity to meet the student leadership of the Gamma Phi Circus. What an extraordinary group of young people. The young woman who is the president of the circus organization this year – her mom and dad met as ISU students as members of the circus. Her dad was president of the circus when he was an undergraduate and she is following in their footsteps. I asked them how many of them regard themselves as introverts and I was surprised by the reaction that I got – virtually all of them said by nature they are introverts but the circus has brought out a different dimension in their personality and their life and so forth. What a great set up ambassadors for the University.

And I want to thank Dean Greg Simpson for the invitation to go over and meet the members of the forensics team, another extraordinary group of young people. The quickness of mind and intellect that I witnessed there was amazing. They actually had me participate in an exercise in which I was asked to convey a favorite quote and then in one minute a freshman member of the team had to think and take notes, and then deliver a five minute extemporaneous talk about the quote that I had provided. I said one of my favorites was Isaac Newton’s observation that if I have seen farther it is because I have stood on the shoulders of giants. This young man sat quietly and took notes and just gave the most amazing presentation that touched on sports and historical figures and military figures and so forth. I could almost smell the electrical wiring burning in his brain. It was just an amazing performance. We have had an opportunity to witness the amazing talent that exists in our symphony, in our band, and when I realize the extensiveness and depth of the musical talent that exists on this campus – faculty and students as well – it’s enough to bring tears to your eyes when you go to these performances. We are looking forward to our first theatre performance this evening, which I understand is sold out.

I also want to make a comment – last Friday I went to the Senior Professional’s program, which is a group that meets on Friday mornings at the Alumni Center – folks that are emeritus faculty and retired staff members and members of the community and so forth. They have this amazing and incredibly diverse program of activities on Friday mornings. Last week I heard a terrific presentation about the Shady Grove Wind Farm in eastern McLean County. I now understand why they located it in eastern McLean County, it’s awfully windy around here. My wife, Nancy, is at the Alumni Center this morning for a program on how the Victorian’s changed Christmas. It is that dynamism and diversity of interest and thought that just makes this a terrific university. So I want to thank everyone who is involved in that.

Trustee McCuskey already referenced the opening of Hancock Stadium on September 18 and we are very proud of that – a $26 million facility. I want to congratulate Larry Lyons and his staff and our Finance & Planning team for making it possible.

Back on the east side of Main Street, most of you know that our enrollment is 20,272, aided by a 71 percent increase in students enrolled in off-campus locations, particularly the MBA program in Chicago and the offsite locations that the College of Education is teaching in various places throughout the state this fall. The quality of students has increased as evidences by their ACT scores and their high school averages. And just as important, the diversity of our student has increased dramatically as well.

Of the nearly 3,000 students, minority students comprise 26 percent – a 13.4 percent increase from last year in terms of representation of students from traditionally underrepresented groups including a 27 percent increase in African-American students and a 9 percent increase in Hispanic students.

Our overall on-campus enrollment was slightly lower than last year, and of those of you who attended this morning’s meeting know, Dr. Troy Johnson and the enrollment management staff have the issue well in hand and have an ambitious plan in development to rebound the admission numbers and maintain the quality and diversity at the same time. For those of you who aren’t familiar with that aspect of university administration, that is a tough thing to pull off – to increase numbers, to increase diversity and increase quality all at the same time. We are attempting to maintain progress in all three of those fronts simultaneously. So it will require the efforts of all of us on campus. We don’t seat a freshman class by relying on admissions to do the work alone. It takes everybody on campus, faculty, staff and students to make the presentation that yields the kind of class that we are looking for. Our graduation rate, as most of you know, that we are very proud of. We are very pleased to report last week at the State of the University Address that our most recent federal graduation rate is 71.5%, which puts us in really rarified air in terms of public universities around the country. The federal graduation rate has a host of problems associated with it. It is a really squirrely figure, but it is one that most people outside of academia understand, and the one that the news media reports most traditionally in terms of outcome. Ones in which legislators and policy makers point to as a measure of student success and our success in terms of producing graduates, so to be at that level is an astonishing achievement for a public university of our size and selectivity. It is really a testament to the hard work that lots of people around campus do. Not just academic affairs, but student affairs and all divisions in the University to make sure that students succeed and graduate.

We are off to a great start in terms of external funding, in terms of research grants and sponsored programs. Just an example, Distinguished Professor Paul Garris is working to create a “smart device” that he hopes will stifle the rewarding properties of abused drugs with a $390,000 grant from the National Institute on Drug Abuse. Meanwhile, Assistant Geography Professor Jonathon Thayn using a $150,000 National Science Foundation grant is tracking the movements of gypsy moths in an effort to protect our trees from invasive insect species.

I also want to congratulate Assistant Professor of Nursing Teresa Valerio who has been honored with the Marie Lindsey Spirit of Advanced Practice Nursing Award by the Illinois Society for Advanced Practice Nursing. Valerio, who heads up the doctor of nursing practice program for the University’s Mennonite College, is also a nurse practitioner with Illinois State’s Student Health Services. By the way if you haven’t been over to Student Health Services to get your flu shot, do so. You get a fancy Redbird bandage when you get your shot and you also get to experience a really first rate nationally accredited health center that serves our students.

We are almost a third of the way through FY2014 and Illinois State remains in good financial condition. Our state appropriation of just over $74 million represents level funding from FY2013. When Trustee Donahue and I visited with the Governor and the Senate Majority Leader and the Speaker of the House and others in state government, the first thing that I do is express our appreciation for that appropriation. Level funding is nobody’s idea of a good time, but in the context of recent budgets that have been cut in recent years and in the context of what is going on in other states, that $74 million commitment, while it represents slightly less than 20% of our operating budget, is nevertheless a really important investment in Illinois State and in public higher education on the part of our taxpayers. So I am fond of telling students all the time smile when you see a taxpayer because whether they realize it or not, and most do not, every student who attends Illinois State University whether they are a full pay student or whether they are a full scholarship student receives a subsidy from the taxpayers of Illinois to come to school here. That $74 million represents an investment in the future of the state of Illinois by current taxpayers. I want to make sure that all of our leaders in state government realize while we would certainly like to have more and could very beneficially use more money, we deeply appreciate the commitment not only in terms of that operating support but also in terms of the investment that we get in terms of capital funds for the Fine Arts Center and we hope for Milner Library and other projects going forward. And also the commitment that taxpayers make in terms of financial aid to our students through the MAP program and I have detected a real interest and a real desire on the part of our state leaders to bolster the MAP program for the neediest students in Illinois to make higher education even more affordable and more accessible.

Last week, the state released our first FY2014 appropriation payment of about $3.7 million in accordance with their intent to release about 5 percent each month. This is about two months earlier than payments began last year. Illinois State has also received 100 percent of its FY2013 appropriation.

As I mentioned just two days ago, I met with House Speaker Madigan, House Minority Leader Durkin, a very loyal and very proud ISU alum—and a couple of weeks prior to that, Trustee Donahue and I met with Governor Quinn and Senate President Cullerton and again I thanked each one of them for their support of higher education. My sense is these are public officials who understand an uneducated work force is the most compelling calling card that the state of Illinois will have to attract jobs now and in the future. And they understand the central importance of public universities in terms of creating that educated work force.

Because of our financial stability we were able to increase the FY2014 personal services budget by 2 percent to make merit-based pay increases available for non-negotiated employees. Most negotiated employee contracts also contain language making them eligible for the pay increase.

Private fundraising for this fiscal year is also ahead of pace. Our total fundraising productivity as of September 30 was more than $7.1 million dollars. The total one year ago on the same date was $2.6 million. I had an opportunity to meet with Erin Minne’s team at the Alumni Center yesterday. They are excited and I think energized about the prospect over the next year of planning out next comprehensive fundraising

campaign and it is a genuine opportunity for us to put out best foot forward and articulate a really bold future for Illinois State University and then work on getting the resources to realize that future.

The Annual Fund is also running well ahead of last year in both the number of alumni donors—19 percent ahead—and dollars generated by alumni giving—18 percent ahead. Those totals are also as of September 30. And again we look forward to work over the next year to plan the next comprehensive fundraising campaign, one whose priorities will not surprisingly flow directly from the priorities that are articulated in *Educating Illinois*.

Now that the Hancock Stadium project is complete, we are looking forward to the design work on the Fine Arts Complex, the design and construction work on the University Galleries in Uptown station, the final phase of the Hovey Hall renovation project is now well underway and getting ready for the relocation of our Financial Aid Office to be in close proximity to the Office of Admissions. Replacement of the roofing system on Bone Student Center is complete, and the first floor renovation for the ROTC Building on University Street is underway and renovation work is about to begin for Capen Auditorium as well as on the first floor in Edwards Hall.

Some news from Athletics—the Illinois State volleyball team is in first place in Missouri Valley Conference play for the first time since 1998, following a 7-0 start. Soccer senior Anna Stinson has been named one of 10 finalists nationally for the women's soccer Senior CLASS Award, which recognizes senior student-athletes' notable achievements in four areas of excellence - community, classroom, character and competition. Originally named one of 30 candidates on August 21, Stinson was voted a finalist by a media committee, and the winner will be announced at the 2013 NCAA Women’s College Cup in December. So we are very proud of Anna.

Finally, a familiar face to our Board and these Board meetings is Barb Blake, our Associate Vice President for Budget Planning and Analysis. Barb will be retiring on December 31 after 28 years of service to ISU. She has served in many roles within the Budget Office since joining Illinois State in 1985, with a reputation for being a consummate professional who gives 100 percent to everything she does on behalf of the University. Barb, can you please stand for recognition? Thank you, Barb, and we all wish you well as you move into the next chapter of your life.

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

**CAMPUS COMMUNICATION COMMITTEE**

Thank you President Flanagan. It is with much pleasure that we welcome you to your first, of many, Board of Trustees meetings.

The Campus Communications Committee thanks Troy Johnson, of Enrollment Management for a very informative coffee hour this morning.

On Thursday, we listened to the State of the University by President Flanagan. We would like to express our pleasure with the addition of reports by each of our Vice Presidents. President Flanagan and the Vice Presidents told us of many of the Points of Pride we can use to brag on the value of the University. The list of major achievements is long and impressive. There’s more. . . .the committee would like to share some of the smaller successes and learning opportunities provided to the campus community.

As we started our fall semester, we were glad to see our Student Government continue its student driven initiative for a smoke free campus. Their commitment and vigilance to providing a healthier breathing environment is to be commended.

The Fall Speaker Series was announced. This year Illinois State will host exceptional guest speakers who bring enlightening topics to enrich the learning experience offered at Illinois State. We have already heard Barbara Ford speak on the future of Libraries and changing environment created by campus globalization. Juan Ortiz gave an inspiring presentation on the emerging role of Latinos in U.S. and world business. Jeremy Rifkin spoke on the effects of technology and renewable energy sources on the global economy. Speakers of this quality cultivate ideas and create an environment for critical thinking. We look forward to the remaining speakers.

Politics and Government coordinated with the American Red Cross and Illinois State’s Women & Gender Studies Program and International Seminar Series to hold the first ever Human Rights and International Humanitarian Law Conference to our campus. The four day event was free and open to the public.

Illinois State University’s Public Relations Program is the first public relations Program in the state to earn the distinction of a Certification in Education for Public Relations (CEPR) from the Public Relations Society of America (PRSA).

Just last night, at a match against U of I Hockey Club, the Illinois State Hockey Club held a Teddy Bear Toss to benefit the McLean County Toys for Tots campaign. The Hockey Club had challenged ISU’s Sororities and Fraternities to see which group would give the most toys for the charity. We support events of this type that promote and encourage civic engagement of students with our community.

The committee thanks the many faculty and staff volunteers who knocked on doors, checking with our student body during House Calls. Students were asked how their first weeks of classes were going, and given university resource information. This interaction allowed students to express concerns and ask questions. The effort to connect face to face with over 6000 students is to be applauded.

High quality programs and initiatives, such as these, give texture and richness to the tapestry that is Illinois State.

The Campus Communications Committee expresses their congratulations on the 150th anniversary of the Alumni Association. We want to thank the returning Alumni for sharing stories of their glory days at Illinois State. Homecoming served as a wonderful background for the Alumni festivities. There was a full week of activities with something for everyone. The Homecoming Parade began the end of the week in grand fashion. A winning game in the new Hancock Stadium gave a perfect finish to Homecoming week.

We urge the Board of Trustees to accept the budget proposal to be presented to the Illinois Board of Higher Education. We continue to watch our legislative representatives dodge the pension issue but remain hopeful for a resolution which is fair for all affected employee groups.

And of course, we look forward to Saturday’s football faceoff with a victory over South Dakota.

Flanagan: Thank you Lois.

Now I would ask Louie Mossos from McGuire-Woods consultants to the podium to provide a legislative update.

**LEGISLATIVE UPDATE**Mossos: Thank you. So the legislature meets January through May and then they are off the rest of the time. They come back for a two-week veto session. This was the first week of the veto session that they met. There wasn’t a lot on the agenda. Thankfully the Governor had a handful of vetoes and none of them affected higher ed. Of the three days they were scheduled to meet they only met two and cancelled the third, which is not a good sign for pension reform. As you recall pensions took up most of the debate last year regarding issues that affected us. There wasn’t much focus on individual issues affecting higher ed. The Governor and his cabinet currently are optimistic that something is going to get done before the end of the veto session. There is one more week left, November 5-7. Unfortunately legislators are not that optimistic. No final plan has surfaced. If you do recall there were two competing plans in the House and the Senate in late May. The Senate plan saved less money – about $58 billion over 30 years. The House plan saved about $163 billion. However the Senate plan was seen as a more union friendly and some would argue more constitutional, but that is up for the judges. Since there is no agreement, the legislature sent the matter to a conference committee of legislators. They have been meeting over the summer. They have had private workshops. Unfortunately, they haven’t issued any final report or any public statements as to what they are looking to do. So as of right now the pension is up in the air.

The budget is another big issue. There was a proposal last year to cut higher ed funding by as much as 5%. It was an uphill battle. We made the rounds with senior university leaders in Springfield. We spoke with legislators as did the other public universities. As President Flanagan pointed out we kept funding level. That was a big victory. There have been talks about supplemental appropriations during the veto session. Nothing surfaced this first week of the veto session. So we have been talking to the staff at the Governor’s office as well as all four caucuses. We are told as of right now the issues they are looking at do not involve any supplemental appropriations for higher ed. But this is the legislature and everything is subject to change from minute to minute.

College affordability is another issue they have been focusing on over the summer. State Senator Michael Frerichs, Chairman of the Senate Higher Education Committee, has been holding town hall meetings all across the state. The focus of the meetings is to figure out what Illinois has done in terms of easing the financial burden of higher education on students. As Trustee Bergman alluded to there have been hearings this week on kind of assisting universities and maybe reforming the performance based funding to see what kind of assistance we could get in terms of getting new dollars here. Right now the focus is on the 2014 spring legislative session. We are trying to determine whether there is any new legislation that would help or harm ISU or higher education in general. We are meeting with other higher education legislative liaisons, lobbyists to listen to their proposals. We will be meeting throughout the next few months and determine if there are some items we can work collaboratively on with them. I would just like to say we are very much looking forward to working closely with President Flanagan and the University leaders again in the upcoming session and hopefully we can have even greater accomplishments for ISU. Thank you.

Flanagan: Do any of the Trustees have any questions or comments?

Bergman: I don’t have a question, I have a comment. There is a lot of things I don’t mention here that I am involved in because they don’t directly involve ISU, but several weeks ago I was part of a meeting that was attended by certain members of the Board of Higher Education, certain community college presidents and members of the community board and while this is just the beginning, we decided to work together to come up with an overall plan to try to get the state to reimburse the universities and community colleges for the veterans tuition that we waive. In other words by law we are required to waive tuition to veterans – nobody objects to that but the state doesn’t reimburse those funds. That is something you may be hearing more about in the future.

McCuskey: Louie, never forget that some members of the Board have all been involved in various ways with politics so always feel free to call us and ask us if there is anything that we can do by way of lobbying, or contacting people.

Von Qualen: I would also like to say if you ever want a group of students to come help lobby for anything I would be happy to talk with student government and get something set up as well.

Mossos: Thank you. We definitely view it as a team effort and as I have said in prior meetings there is so much ISU pride and so many legislators being former students that it makes our job easy and look forward to working with everyone for the University.

Flanagan: Thank you Louie.

**REPORTS**

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

Report 2013.10/4000.02: Promotions, Tenure and Sabbatical Leave ReportPromotion, tenure and sabbatical decisions that take effect in FY2014 are completed in the fall and spring of FY2013. 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 FY2014 changes in status.

McCuskey: Any questions or comments?

Kinser: I just want to say congratulations to all the faculty who have received promotions. I see some familiar names and they have been working very hard for a long time.

Report 2013.10/4000.03: 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 2012-2013 academic year, no complaints were filed about the English speaking ability of instructors at Illinois State.

McCuskey: Any questions or comments?

Report 2013.10/1000.02: Affirmative Action Plan
The FY2014 Affirmative Action Plan is a document that expresses Illinois State University’s commitment to achieving equal opportunity in employment, as well as a representation of the University’s affirmative duty to provide a positive multi-cultural experience to our students, faculty and staff members.

Represented in the plan, that is included in your packets, are the University’s efforts to increase the visibility of employment opportunities to traditionally underrepresented groups, educate faculty and staff on the recruitment resources and funding available to assist in the advertisement of employee vacancies, highlight the advancements and setbacks in our efforts and set forth expectations for improvements. I would like to thank our Director of the Office of Equal Opportunity, Ethics and Access, Shane McCreery, for preparing this report.

McCuskey: Any questions or comments?

Donahue: I want to congratulate Shane. I had an opportunity to look through this and spent a little bit of time with him on it. He obviously has done a great job in making sure what needs to be is in here, and took some time to being me up to a comfort level. So I thank you for the quality of work you have done with this.

**ACTION ITEMS**

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

Resolution No. 2013.10/20: FY2014 Internal Budget
The Illinois Board of Higher Education, as part of its accountability efforts, requires that the Board of Trustees review and approve a line-item internal budget each fall. The specific line-items are provided by the IBHE and match those in our appropriation bill.

Also included in this item is a summary of FY2013 projected and actual revenues. Summary tables provide budget and expenditure information by sources of funds.

I would like to point out a few of the more pertinent features in this report. Table 1shows that actual revenues from all funds sources in FY2013 are about $4.6 million more than estimated. The increases occurred in the University Income Fund, Bond Revenue Operations and Other Local Funds. Table 1 also shows that we are projecting a slight increase in revenue in FY2014—a 1.1 percent increase over what was generated last year.

Table 2 in your report shows 43.7 percent of our resources are spent on the core functions of instruction, organized research and public service—about $180.4 million. Another $25.4 million is expected to be spent on those activities that provide direct support to those core functions.

Table 3 provides another look at how our revenue is spent. This table shows that 54.7 percent of our resources are spent on personal services and benefits. It underscores how labor-intensive a university is—and this is just an average. Contractual services, the second largest category, include our utility expenditures. Another $3.1 million will go to the Illinois Department of Central Management Services for Group Health Insurance.

I ask your approval of this resolution.

McCuskey: Is there a motion to approve? Trustee Davis so moved and was seconded by Trustee Von Qualen.

Davis: Looking at table 3 where we mention $3.1 million for health insurance, does that number reflect the new rates for the carriers?

Layzell: This number was set back in FY2002. The state at that point had a shortfall in the overall group health insurance fund and they determined that the universities needed to contribute in total $45 million of the shortfall and the $3.1 million is Illinois State’s share of that shortfall. So it does not reflect the actual contribution toward the increase in group health insurance cost, it’s just our contribution toward that ongoing shortfall.

McCuskey: Is that a onetime expense or is it going to be a continued expense recalculated?

Layzell: It is an ongoing expense that has remained flat and we have no indication that it will change in the future.

McCuskey: So we are living with those figures right now until something changes?

Layzell: Yes.

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

Resolution 2013.10/21: FY2014 Appropriated Budget Request: Operating and Capital
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 FY2015, Illinois State is seeking an additional $10.8 million in State appropriated funds to support core programs and services, an increase of 14.6 percent over the FY2013 appropriation.

Consistent with our goals under *Educating Illinois*, a priority for FY2015 is funding for faculty/staff salaries. We have requested $4.89 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 $500 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 FY2015 to address deferred maintenance. Other requests include $3 million in an extensive process to reconfigure our Student Information Systems Leap Forward project. A smaller but important expenditure of $450,000 to help address the changing ways teachers are granted licensure is also included.

On the capital side of the equation, we request $ 273.7 million in state appropriations for FY2015, 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.

McCuskey: Is there a motion to approve? Trustee Von Qualen so moved and was seconded by Trustee Donahue.

Bergman: Because this is a request to the Board of Higher Education, I am going to abstain.

McCuskey: At this point I would like you, if you feel it would be appropriate, to explain what happens at the Board of Higher Education with this resolution if it is passed.

Bergman: First of all, don’t plan on seeing any of this money anytime soon. By law the universities put together a budget request together and it goes to the Board of Higher Education. The Board generally would have, I am going to use the word interviews for lack of anything better, with 50% of the universities every year where they come in and actually make a verbal presentation. In reality, this is really a wish list of having about a zero chance of being approved. As President Flanagan indicated, we are at level funding this year from last year. Who knows what is going to happen next year. If there is any type of increase at all it will be very small. All the other universities are coming up with wish lists just like we have and they are not going to get what they are looking for either. In years past prior to my time on the Board of Higher Education and my time on this Board, it actually was something compiled by the Board of Higher Education, was prioritized in terms of operating and capital expenditures and then presented to the legislature, but that is when they had money.

McCuskey: Thank you Trustee Bergman. I thought that would be enlightening to our newer Board members and those in the audience that may not be familiar with the process.

Trustee Donahue: I have two questions. I fully understand we may never see this money but it is kind of like we are on record so if money shows up, this is what we would like. My first question is let’s say a miracle does occur in Springfield and money does show up, but the money is $27, 043,000 for a capital project for Illinois State. Based on how we read this our priority that we have submitted is nearly $80 million for our first capital project. Will they, we don’t have $80 million so you don’t get anything?

Bergman: There used to be many years ago a separate pool of money every year for capital expenditures to the universities. In any event, there is no annual capital budget.

Donahue: I get that, but if money should show up but not enough to fully fund the project what would happen?

Layzell: Typically what the legislature does when they do a capital bill is it will have two main parts. The first part will be the appropriation for specific projects, so they wouldn’t just give us $27 million and name what project it is for and in this case they might say it is for the Mennonite College of Nursing project, and then they would have a second part which would authorize the state to issue bonds to pay for those projects assuming they have a funding stream. Trustee Bergman is right in that it has been several years since there has been any kind of a regular capital bill. But prior to that there were instances that I can recall where the legislature did not necessarily follow the Board of Higher Education’s priority list and would, for example, reach down and say we can’t fund this $200 million super computer facility but we do have money to fund “X” facility, so it does happen. There is a precedent for that.

Bergman: The College of Business building was far down on the list but was moved up dramatically for a couple of reasons. One, because our local state senator whose wife used to be on our Board here knew a lot of folks and the other is because State Farm ponied up $10 million and we had a good argument that State Farm is going to come up with $10 million that the state should come up with the rest. So that is an instant where that particular building was farther down on the list but was brought up to the top.

Layzell: That is a very good point and there have been other institutions where a donor might come forward with some funding to leverage a project that would help push it further up the list.

Donahue: I thank you for that. My question is and this is my own personal belief, how did we develop just really five priority projects? I heard from almost every walk of this university they have needs so how was just five developed, and secondly why is Milner number one?

McCuskey: Well that is because the Board of Trustees in the past has made that a priority coming out of the Retreat. So that is something that is reviewed each year by the Board of Trustees and Hancock Stadium was not number one. That is another example that something that at the time comes moved ahead of Milner Library on the priorities even though the Board in the past had put Milner Library first. This will be something we discuss, not only our goals, but the other matters that the Board wishes to prioritize for the future. Another example of something not being number one but the time came and we moved because the money became available – right Dan?

Layzell: It did indeed.

Donahue: I guess that was my question, I am not saying Milner should be one or not, there is some flexibility and this isn’t set in stone that if we get money we would have to do Milner Library and the others have to wait.

Layzell: Well it is hard in stone in that when the legislature appropriates funds for a project it is specific to a project, so we couldn’t take money from one and use it for another. Your question about this being our only priorities, you might remember a couple of years ago the Board approved a Master Plan that included 67 recommendations, which were all related to facilities and infrastructure kinds of projects, the projects that you see here are the top projects that would be eligible for state funding. There are many other capital projects that are funded through bond revenue and other such funding.

Bergman: You had mentioned the stadium. The stadium did not use state money so it was a different pool that funded it.

McCuskey: And like you pointed out with the College of Business, a donor comes along so things can change, but this is the priority list if the state had money. Trustee Bergman, can you tell me when the last time any university was getting $270 million.

Bergman: I think it was long before any of our lifetimes, if it ever happened.

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

Flanagan: I certainly appreciate the Alice in Wonderland quality of that resolution, however, I have worked it states where the instruction from the Governor and the legislature is don’t even ask. I think that there is a benefit to identifying priorities even though the likelihood that those priorities would come to pass is a slim one.

Resolution 2013.10/22: Authorization to Contract Business Intelligence Tool
Part of Illinois State’s five-year Leap Forward initiative to upgrade outdated student information systems requires the acquisition of Business Intelligence tools. Business Intelligence is the technical term used for information systems that enable better and more comprehensive reporting and analysis for decision-making.

Please turn your attention to the video screen for an overview of how these tools can benefit the University’s students, faculty and staff.

*(video)*

Following a thorough investigation of Business Intelligence tools available on the market, the University issued a Request for Proposals this past summer. The RFP yielded eight qualifying responses, which are currently under review.

Today, we ask the Board for authorization to move forward with this phase of the Leap Forward plan at a cost not to exceed $2.5 million for the initial five-year contract, and an annual maintenance cost not to exceed $100,000 during the five-year renewal period. I ask your approval of this resolution.

McCuskey: Is there a motion to approve? Trustee Von Qualen so moved and was seconded by Trustee Churney. Any comments?

Bergman: Where is the funding coming from?

Layzell: The funding will be part of the overall package for financing some of which will be the certificates of participation that we would be bringing to you for authorization in February – part will come self-funded from revenues that the University is already putting into the project from our own budget. So it would be a mix of the two over time.

Bergman: Well since the Board hasn’t considered the certificates of participation yet, wouldn’t you think that this resolution would be a little premature since the Board hasn’t decided if they are going to issue the certificates and provide that portion of the funding?

Layzell: Well we need to begin the contract negotiations with the vendor for this regardless of having the financing in place and certainly we would hope that the Board would see the value of funding the certificates of participation, but again this is just seeking the authorization to begin the contract negotiations.

Bergman: Alright, so you are saying this is to begin the contract negotiations, not to actually sign a contract binding the University?

Layzell: No, we would be binding the University and as with all contracts that the University enters into they are subject to the funds being available.

Bergman: So that the unlikely event that the Board does not go along with the certificates of participation, the University would then not be liable under this contract unless the funds came from elsewhere?

Layzell: Well, yes I guess we would be.

McCuskey: I think what Trustee Bergman is saying is when you read authorization to move forward, the Board’s thinking is that is just for an offer and the acceptance would come later, but you are now saying no the authorization to move forward would be the Board accepting giving you the opportunity to contract for a cost not to exceed $2.5 million and if we didn’t come back with the certificates of participation you would have to come up with the $2.5 million from other university funds, is that correct?

Layzell: Yes, and again we do have university funds in the overall project as part of the overall budget. The largest portion of the certificates of participation will go toward the student information system that you approved back in July.

Bergman: But you are presupposing that the Board is going to approve the certificates of participation. Now the chances are pretty good that we will but maybe we won’t and by approving this if you are going to go and sign the contract and if for some reason the Board does not approve them, the University is going to have some problems coming up with the rest of the funds.

Layzell: I will let legal counsel speak with you regarding the contractual aspects.

Huson: There is no contract yet so we could put something in there that would let us get out of it. I mean we would negotiate it but may not be able to.

McCuskey: Trustee Bergman’s point is this isn’t an authorization to move forward, this is giving you the contractual right to bind the University before the Board has approved certificates of participation. Right? This is give us the right to contract for up to $2.5 million and we will come back later and ask you to fund it with certificates of participation, so we are putting the cart ahead of the horse.

Layzell: We do have other university money that is already going toward this project.

McCuskey: That is a good thing. If you’ve got the University money then you are going to risk rolling the dice with the Board on a later date on certificates of participation.

Bergman: The thing is some university money from what you said apparently is earmarked for this. But the majority would come from certificates of participation if authorized. And this is the issue – we haven’t authorized it. My suggestion is either postpone this and consider it in February after we decide about the certificates of participation or you put something in the contract that indicates specifically if they are not authorized, the University is not obligated.

Layzell: We are certainly willing to do that.

Davis: Could we not vote or act on the certificates of participation today?

Layzell: That will not be coming to you until February, so it is not part of this resolution?

Flanagan: Do we anticipate an extensive discussion of that form of financing at the Board Retreat next month?

Layzell: Yes, that is on the docket.

Davis: I am just reviewing the minutes from our last meeting and this very same issue we talked about before authorization that we would need to approve the certificates of participation and we were going to do it at this meeting, so my question is why could we not have discussion on the certificates of participation? Is there information that we need that is forthcoming that is not here today?

Layzell: We are still working with our financial advisor on the actual structuring of the financing and it would have been premature to bring that to you today, which is why we decided to defer it and also again given the many questions that have arisen regarding moving down this financing path, it was requested and we will be having an extensive conversation regarding the merits and reasons behind us going down that financing path at the Board Retreat next month.

Donahue: I personally am uncomfortable approving this resolution without having really identified fully the funding, so my question is, and correct me if I am wrong, is there a reason we have to do this now or we can’t do both of these in February?

Layzell: We did contemplate that. Part of the desire of doing it now is it allows us in January, when we are going to begin the student information system implementation, to begin planning for the implementation of the business intelligence tool at that point as well. It doesn’t mean that it will be implemented at that point, but it means that we will have a better sense as to what the capabilities are going to be of the specific tool that we are seeking and how that will interact with the student information system.

Bergman: When you say planning for, does that mean just internally on campus?

Layzell: Yes.

Bergman: More than likely this is going to be approved. There is no reason you can’t start planning for it in January if it comes to the Board for consideration in February, is there?

Layzell: I am going to ask my chief technology officer to explain better than I could the technical reasons why we are going in this sequence.

Ballinger: The reason is those tools are very complicated and they are new to campus, so it is going to require about three months from our perspective to get to know the tool, install them, train people who are going to be using it, so when the student information system comes on board we can be ready to start implementing as those modules go out. So when we are looking at enrollment management we are putting the student system in and creating the business intelligence environment at the same time. If we didn’t do it at this sequence it will be about four months delayed from the time we implement the student system and the day that we can actually collect the information out of the system.

Bergman: So are you saying that if this resolution would be approved, you would actually acquire the software and start working with it in January?

Ballinger: We are going to start the negotiations and are hoping to acquire the software by December.

Donahue: We are hoping to get it in December but we aren’t going to have to pay for it?

Ballinger: I don’t have the contract yet so I can’t answer when the vendor actually expects us to pay, maybe Judy would have the answer to that.

McCuskey: It says here in the resolution – yielding eight qualified responses which are currently under review, so you have got eight responses and I am assuming some of them either exceed $2.5 million or all eight are under $2.5 million – am I correct that you have the numbers?

Johnson: Yes, we are in the middle of a formal competitive process so some of that information including the pricing is not available to Dan or Andrea, so I have given them a high estimate of what it might cost to move forward.

McCuskey: Have the eight vendors giving qualifying responses with numbers that are under review?

Johnson: Yes.

McCuskey: How many of them exceed $2.5 million?

Johnson: There is a tiered evaluation and of the finalists that meet the technical requirements, their responses are all under the $2.5 million.

McCuskey: The reason being that it is not unusual for various resolutions to be approved and then come back to the Board later asking for more money. So that really is my concern. Is this a situation where you know that qualified bidders are going to not exceed $2.5 million?

Layzell: That is our anticipation and again that is why we followed the same language we had in the July resolution, which was the not to exceed, so that it is very clear that we will not exceed that. The other thing that I would point out is that even though you authorized a certain not to exceed amount in the $15 million in the July resolution, we actually are probably going to come in about $1.5 million under that due to the contract negotiations. So, again we have very good negotiators and are able at least in that regard strike a pretty competitive deal.

Bergman: If this Board would not approve this until February, instead of getting started in January, when would you be able to start?

Ballinger: Probably in the summer.

Bergman: Is that going to be a big deal?

Ballinger: It is a big deal in that the student system requires information to be taken out of to do the decision making and do the analysis that we so desperately need. So we would be putting in a student system without that information gateway available to people.

Layzell: Again as was discussed in the session before the Board meeting and was highlighted in the video clip, we do see this as a cornerstone of our enrollment competitiveness going forward because it is going to help Dr. Johnson and his staff in terms of the work they need to do to keep us competitive on the enrollment end as well as once we get students here able to ensure that we would keep them at the high retention and graduation levels that we have been.

Bergman: I resent the fact on the last resolution and the resolution this time that you come asking to approve resolutions to authorize you to enter into contracts to bind the University when the Board has not yet or decided upon providing funding for it. I think it puts the University in a bad position and puts the Board in a bad position. As such I might be the only member voting no on this resolution today, but I very well might vote yes in February.

Donahue: I unfortunately am going to vote no on this. I don’t resent what you have done here but I am very uncomfortable approving anything without knowing where the funding comes from. I understand and appreciate all the hard work and I understand there are risks of slowing it down but I would like to have that financing definitively in place.

Churney: I am just sitting back listening. I have reviewed our notes from the July meeting. I have to be honest that I am kind of confused and I am not saying that it is not a good thing. I know there is a detriment in waiting, but I would like more information so I was going to vote no or abstain from voting at this time.

Layzell: Again, certainly we understand the concern in that regard and I think both Andrea and I, if you would be more comfortable in deferring this until February, then we would certainly make that work.

McCuskey: Do I have a motion to table the matter until our February meeting? Trustee Davis so moved and was seconded by Trustee Bergman. Trustee Von Qualen, there is a motion on the table to approve, based on the discussion do you move to withdraw your motion to approve?

Von Qualen: Yes.

McCuskey: Trustee Churney, do you wish to withdraw your motion to approve?

Churney: Yes.

McCuskey: Motion to table resolution made, seconded and vote recorded as all members present voting aye.

Resolution 2013.10/23: Property Insurance Authorization

Illinois State is currently a member of the Midwest Higher Education Compact, which provides members access to comprehensive and cost competitive property insurance coverage. The University’s estimated property value is $1.4 billion, and the FY2013 premium was just over 477,000. For FY2014, the premium is estimated at just over $521,000. The approximately 9.3 percent premium increase is primarily due to increases in listed property values. Today, we ask the Board to authorize an expenditure not to exceed $530,000 for FY2014 coverage. I ask your approval of this resolution.

McCuskey: Do I have a motion to approve? Trustee Churney so moved and was seconded by Trustee Davis. I want to comment first. This is something I really think is smart. You would think all universities would be interested in maintaining property insurance, but I think the University of Alabama with the tornado didn’t have insurance on all the buildings, so there were buildings destroyed without insurance. The University of Iowa had no insurance on the flood and had several buildings destroyed by the water – these buildings are now going to be demolished and one of them was the music department building and the music department has been around campus and with facilities in a shopping mall. They had to wait for their legislature, their capital board, to finally approve years later a new music school, so it does happen.

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

Flanagan: Chairman McCuskey, that completes our resolutions for today.

McCuskey:Thank you President Flanagan. In addition to public comments made at each quarterly meeting by the Campus Communication 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 to move into executive session for those purposes? Trustee Donahue so moved and was seconded by Trustee Kinser. Motion made, seconded and vote recorded as all members present voting aye.

We will now move into Executive Session. At the close of Executive Session, the Board will reconvene in public session to discuss committee assignments and to adjourn. No action will be taken during this session. Thank you all for coming today.