MINUTES

Board of Trustees

Illinois State University

February 21, 2014

The Board of Trustees convened at 10:00 a.m. on Friday, February 21, 2014, in the Old Main Room of the Bone Student Center, Illinois State University, Normal, Illinois. Chairperson McCuskey called the meeting to order and Trustee Davis called the role.

The following members were present.

Trustee Bergman

Trustee Churney

Trustee Davis

Trustee Donahue

Trustee Kinser

Trustee McCuskey

Trustee Von Qualen

Absent:

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

President Timothy Flanagan

Vice President and Provost Sheri Everts

Vice President for Student Affairs Larry Dietz

Vice President for Finance & Planning Dan Layzell  
Vice President for University Advancement Erin Minné

Board Legal Counsel Jane Denes

Chief of Staff Jay Groves

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**APPROVAL OF AGENDA**

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

**APPROVAL OF MINUTES**

Chairperson McCuskey: You should have received and reviewed the Minutes of October 25, 2013, Board Retreat Minutes of November 6-8, 2013, and Special Board Meeting Minutes of December 14, 2013. Do I have a motion to approve these Minutes? Trustee Churney so moved and was seconded by Trustee Kinser. Motion made, seconded and vote recorded as all members present voting aye. Any changes or comments regarding the Minutes?

Kinser: There were a couple of typos in the October 25, 2013 Minutes.

McCuskey: Let the record show those changes in Minutes to reflect that. Motion made, seconded and vote recorded as all members present voting aye.

**Report of Released Executive Session Minutes**

In accordance with the provisions of the Open Meetings Act, the Illinois State University Board of Trustees is required to periodically review the Minutes of its Executive Sessions to determine the necessity of retaining the confidentiality of those minutes. The Board has received a recommendation from its legal counsel to release the following Minutes.

May 4, 2013 Release all

May 10, 2013 Release allJuly 26, 2013        Release all  
  
Copies of these Minutes are in your meeting folders. As Board Chairperson, I will entertain a motion at this time to release as public the above list of Minutes of the Executive Sessions held by the Illinois State University Board of Trustees. Trustee Donahue so moved and was seconded by Trustee Davis. Motion made, seconded and vote recorded as all members present voting aye.

**CHAIRPERSON’S REMARKS**

Good morning everyone and thank you for joining us for the first regular quarterly meeting of the Board of Trustees for 2014. It has been an incredibly busy last few days on campus. On behalf of the entire Board, I want to thank everyone involved in the planning of the many events surrounding Founders Day—including the Years of Service Luncheon, Bell-Ringing, Illinois State Showcase, Convocation and Alumni Awards dinner. I also congratulate all of our faculty, staff, student and alumni honorees who make us all so proud to be associated with Illinois State.

David Brown received the Honorary Degree and there is a wonderful article about David in today’s Pantagraph. We are in the building that houses the Brown Ballroom, which is the result of a donation that David made years ago. He is a member of the Foundation Board. For the old timers here you know that his father loved keeping score at the games and was an outstanding professor. David is here so let’s give David a round of applause.  
  
In addition to David last night at the Alumni Awards dinner, most of the Board attended the Alumni Awards dinner and heard about the success of the business school, the success of the science program and the success you might say of the whole comprehensive education of the University when you are finding out about people who are in medicine, in law, in business and the excellence success we have had. So it was a wonderful evening and a wonderful week. So I congratulate all of the faculty, staff, student and alumni honorees who have made us proud to associated with ISU and to be the success of the University out there all over the country. One of the statements made last night was that a person was asked to speak at an alumni group in Denver and they had to turn people away because they didn’t get a room big enough. So that is just an idea of where our 190,000 graduates are and we are never surprised at the success.

Speaking of congratulations, the Board congratulates Dr. Dan Layzell on his Vice Presidential appointment at Louisiana State University. This is actually Dan’s last day as an Illinois State Redbird—so Dan, we thank you for all you have done at ISU during your four-and-a-half years, and we wish nothing but the best for you, Debbie and your family.

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

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

I also want to thank the Campus Communications Committee and Lab Schools Superintendent Jeff Hill for this morning’s coffee hour presentation. I was surprised to learn that there are only two lab schools left in the state of Illinois – University High School and the Metcalf system and Uni High School in Champaign. So I am really proud of U-High because it is more open to the public than Uni is in Champaign, which is a closed shop for many of the people who work at the University of Illinois and not open to many in the public sector. The lab schools are a remarkable part of Illinois State’s heritage.

Finally, I just want to take a moment to thank my fellow trustees for their continuous engagement with Illinois State. That includes their participation in scores of academic, cultural, athletic and social events—attending important celebrations like Founders Day—and even taking time for special meetings, like the one held between Commencement exercises on December 14. Trustees serve public universities in Illinois without compensation and all make significant investments of time—and as Board chair, I appreciate their efforts. The trustees have been engaged in all of the Founders Day activities this week and that includes the academic, cultural and numerous athletic events.

At basketball next week we are going to have numerous state representatives come from Springfield from the General Assembly and hope we have a win against Indiana State. If you have been to many of the basketball games you will know the attendance is up. The enthusiasm is up and I know we are not going to play on Thursday night in the Missouri Valley Tournament this year. So we are going to play on Friday either as the 3rd or 4th place team.

I do want to thank Doris Groves and the Alumni Association on their 150th anniversary and also I think making last night not only one of the best programs but one of the most condensed programs so that everybody was able to get out of there before 8:45 p.m.

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

Churney: I have just about finished my first year on the Board so every event has been kind of a rooky experience for me. I want to thank all the award winners as well as I was impressed with the tenure of the staff. That was great to see. Also at the Alumni Center, which was my first visit and I was very impressed with the dinner, the distinguished alumni and just hearing the stories about ISU and what they are proud about going back to their towns, their work and their families and talking about ISU. Also, Dan I want to thank you for helping me to understand the finances of ISU and good luck in your future endeavors.   
  
The Board had a great retreat back in November and I got to know the Board a lot better and we put together some goals and listened to the vice presidents and people that do the day-to-day work here at ISU – it was very educational for me. I attended and was given a tour of the new football stadium and was very impressed – just outstanding. I have to say I work with about 15 ISU graduates and I had 3 of them with me from Effingham and we stopped in to see the Wichita State game, but driving into campus it was so impressive seeing the football stadium lit up at night and then feeling the energy at the Wichita State basketball game. Driving back the next morning the gentlemen were very impressed with what they saw and what they remembered five or ten years ago. It was just outstanding.   
  
I did my first Trustee-In-Residence with the College of Business back in November. I want to thank Dean McKean for spending the day meeting with all the departments and getting a tour of the building and the facilities. I was very impressed with the sales center, the finance and accounting and the insurance school. But most important and enjoyable why we are all here was spending some time at lunch with 15 or 16 student leaders and I was blown away. I was thoroughly impressed with their professionalism, how they could communicate what they really wanted to do. I asked them why they came to ISU and they were very forthcoming so we can be very proud of the young professionals that we are putting out in the workforce. So all in all I have had great experiences since our last meeting, and once again every time I drive back to Chicago I am very impressed and so excited about what is going on at ISU.  
  
Kinser: Of course I have been to a lot of things. I just want to say how successful the Play 4Kay benefit was for breast cancer. My daughter just had a double mastectomy and is in her last week of radiation and it was just really great to see so much enthusiasm at that game. The women’s basketball team is doing a really good job with that fundraiser. I want to remind everyone that Cinco de Redbirds is April 22 and if you are not on a team, organize a team because it is a great opportunity for all of you to participate and to help out not just on campus but in the community with the women’s athletic programs. I just want to thank all of you for all the work you have done. On Founders Day I was interviewed and I said all these things and when I was finished the interviewer said – and tell us what you really think about ISU! So once again I want to thank everyone for all you do for ISU.   
  
Bergman: Actually I haven’t been as involved as I normally am due to weather, business and family health issues. I have attended several basketball games. I will be doing a Trustee-In-Residence with Academic Affairs but I believe we have to come up with another date. I just heard Betty talk about Cinco de Redbirds and that again is a women only event, discriminating against men and just to clarify something that was indicated before – there are only two lab schools left at the public universities in Illinois, not in all of the universities in Illinois. And that is my comments.

Davis: Thank you. My activities began with the Board Retreat. It was really productive. We had excellent conversation and discussion among us as trustees and really appreciated the presentations from President Flanagan as well as our vice presidents. The information was really enlightening and informative. As we reviewed our trustee goals I was very pleased to see that we are continuing to progress in regards to our goals in Educating Illinois. I also attended the winter commencement and it is always good to see our accomplishments of our mission as hundreds of our students received their degrees. Kudos to our faculty and staff for their role in monitoring as well as teaching, plus the planning and organizing of our commencement ceremonies. You make it seem so very easy.   
  
Founders Day celebration was really an exceptional day. I was most impressed with the events and activities that I attended. At the end of the day as I think about our Founders Day it is really the recipients – the people whom we acknowledge for their service and commitment as well as their achievement – that reminds us of how really great this university is. They all inspire us by sharing the impact that this university has had on their lives. I can’t single any one individual who we heard from or we were able to acknowledge because of their service because they were all impressive. They motivate us by letting us know about their achievement and it is just wonderful hearing about their achievements and giving credit to this university where it all began. So it just really makes us proud to be part of the family here at ISU. I congratulate all of the recipients for all the work that they have done. I would also like to thank Dan Layzell for your invaluable service you have given this university. I wish you well as you move on to LSU.  
  
Donahue: Thank you. First and foremost I give a big thank you to Julie Barnhill and Jackie Snelling who guide me on a very regular basis on answering emails and questions because I don’t know where I am going so I would be remiss of me not to tell you thank you for all the help you provide me and I am sure my fellow colleagues. Since our last meeting I have had the honor to do a number of things. I want to thank Larry and Leanna. I was able to attend the Missouri Valley Basketball kickoff luncheon, which was held at Loyola University in Chicago. All the schools in the Missouri Valley were there with their coaches – some had players also. COMCAST Sports had a panel of so-called experts who told us where we were going to end up and I think they are wrong. It was interesting to see that interaction.   
  
Like you heard I also attended the Retreat and I always find that a very informational and very valuable as a Board member. Winter commencement was hard to get to with the weather and I want to echo Trustee Davis and thank Jonathan and everyone who works on that. It is amazing how that goes off on such a regular basis without a hitch. I was able to attend an alumni event in Chicago at a bar called Sixty Three near the campus of Loyola and I was reminded that it is named Sixty Three because the only national championship in the Missouri Valley occurred in 1963 from Loyola. The alumni event was fantastic and big kudos to Kelly Howell and Jamie Sennett who were the host that day. It was full of individuals in red but the few Loyola people did remind us why the bar was called Sixty Three.   
  
I also attended the Founders Day events – so much pride, so much passion – and I have to personally thank David Brown. I met the man literally on the stage at convocation and I didn’t know him. His story is an unbelievable story and if you missed it hopefully one day he will be able to tell it to you because not only his love for this university but his father’s love for this community and university. It re-energized me, it inspired me and it made me realize how important what I am entrusted with in making sure it continues to move forward. And I promise you this university will move forward in the right way.   
  
I had the opportunity to do a Trustee-in-Residence with the College of Education. I want to thank Dean Schoon and all his team who gave me a wonderful experience. Three things really stuck out in my mind that I would like to share. The Studio TEaCH in DeGarmo Hall, which is a really neat interactive area that allows teacher candidates a hands on opportunity to practice how to really be a teacher using technology. This isn’t my profession and maybe this is something that Trustee Davis and our Chairman have known as former school teachers is that it really can’t be very easy to teach someone how to teach. They are doing an amazing job at that Studio TEaCH. I also had the opportunity to go to Metcalf and spent some time in the Imaginarium. They turned what I guess was like a woodshop and turned it into this learning center that has taken models from Stanford and Google and doing some really great things there. It provides students and teachers the opportunity to test new technologies and teach strategies to bring that into the classroom, and they get to do that with real live students so that was just amazing. The young lady there, Lisa Matejka, showed so much passion and belief in what she is doing and that is what amazes me every time I come down here – the love that everybody has for what they do and for this institution. So kudos to Lisa.

Finally, I want to talk a little bit about the Chicago Pipeline. When I first became a trustee the very first thing I was invited to do was go visit some schools in Little Village in the City of Chicago, a Latino community. I didn’t know what to expect and I was amazed what Illinois State in this pipeline has done in sending our students and future teachers into that community. It is not just about teaching, it’s about culture, it’s about being part of the community, it’s not about just trying to give these students an education. They live much different lives than I did as a child and maybe many of you. If you haven’t experienced it, it is hard to understand that you need to see it.   
  
Why I want to bring this up today is that I understand this pipeline has grown and grown. Last year out of Little Village those individuals who have been around ISU now for the first four years of the pipeline – 90% of the students applied to come to school here. Not telling you 90% ended up coming here and were accepted here, but 90% of that senior class filled out an application to come here. So the pipeline has had its benefits and rewards. It is funded by a national grant and I am going to butcher the numbers – I believe I was told it was $12 million for five years and it is reaching the end of its lifeline. I know the staff is working hard to keep that going, and I would encourage my fellow trustees and President Flanagan and everybody else that at some point we need to have a conversation about moving that program into the general fund or into our budget and not have it be dependent on a grant because if we were never to receive that grant it would be unfortunate if that program were to end. That program does a lot of the things that I know we are trying to achieve as it relates to diversity and insuring all students in the state of Illinois an opportunity to participate, so I hope we would consider that.   
  
Lastly, I also want to thank Dan Layzell. I have gotten to know Dan briefly and Dan’s professionalism, his character, his knowledge, his love for this institution is unwavering and our loss is LSU’s gain and I wish you and your family the best.

Von Qualen: I also had the opportunity to attend many university events including all the events yesterday at Founders Day. It’s always a great day when you get to be in a room full of Redbirds and hear their stories. I was very impressed with everything that went on yesterday. I just have a few thanks and congratulations outside of that. I want to thank Jess Ray for inviting me to the student information project system kickoff. It was very informative. I am really looking forward to what the LeapForward project will do for this campus. I am very proud of my fellow students in the Red Alert. As of Wednesday morning we heard in Athletics Council that we are in the top seven student sections and we have moved on to the next round of eight. So very proud of my fellow students and the atmosphere we have created in Redbird Arena this year. Staying with athletics I want to congratulate the football program on a great recruiting class. I think it shows a lot of the hard work of the coaching staff as well as the beautiful building that we now have. I am looking forward to seeing more of the building projects that we have on campus and what that does for our student culture and our admissions.   
  
Congratulations on Dane Ward on his appointment to Dean of University Libraries. Thank you to Dan Layzell for your service and you will be missed here. Finally I need to thank Jay Groves. I called him one day in early January not knowing where he was at and figuring he was in the cold weather here. He answered on a beach in Mexico, so that is the kind of service Jay Groves brings to this institution by calling me back from Mexico.   
  
McCuskey: David, make sure you pick up a copy of today’s Pantagraph before you leave town. It is a great article that includes things about your dad. One of the things that I think your father would be thrilled to know is that we are the only public university in the state of Illinois where every member of the Board of Trustees is a graduate of the University. I want to comment on the student section as well. I took Dan Muller out into the concourse of the Redbird Arena when he was hired as the basketball coach and I pointed to the south end and I said, Dan, this isn’t going to be like when you came here to play for Coach Stallings where we had big crowds. Behind the basket is going to be nobody and if there is anybody you are going to be able to count them on your hand, and if you can do anything in your tenure here we got to find a way to get people behind the basket. The average Division I crowd other than U of I and ISU as far as public universities – Northern is averaging 1,000, Western averages 1,000, I know Southern is getting theirs up but their coach is on an attendance clause too to get more people in the arena. The Wichita State game had the largest student crowd in the history of ISU. It was not just the south end below, it was the entire south end above. So kudos to coach Muller and Larry Lyons and the whole athletic department for the dramatic change.

Thank you all. I will now turn the meeting over to President Flanagan.

**PRESIDENT’S REMARKS**

Thank you Trustee McCuskey. Good morning, and thank you for coming today. I want to echo the Chairman’s thank you to our Board and also to Trustee McCuskey himself. I know the campus community truly appreciates seeing and conversing with board members at our many activities and they know your presence reflects your strong support for Illinois State.

I am particularly appreciative that you took time to hold the special board meeting on December 14, to authorize financing for our LeapForward initiative and to pave the way for enhancements to many of our instructional areas on campus. In the coming months, we will all see the tangible results of your extra effort—so thank you.

I also add my congratulations to Dr. Layzell as he prepares to begin a new Vice Presidency at Louisiana State. I know it was a difficult decision for Dan—he might have been swayed by the fact that for his first week on the job, the entire state of Louisiana takes two days off to celebrate Mardi Gras. Nevertheless, I thank you Dan for your exemplary service to Illinois State and for helping me become acclimated to the campus community.

We also welcome Greg Alt as our Interim Vice President for Finance and Planning. Greg is an ISU alumnus and has more than two decades of business experience on campus, most recently as our Comptroller. Greg, can you please stand for recognition?

I would also like to introduce our new Senior Associate Vice President for University Advancement, Pat Vickerman. Pat has most recently served as Vice President for Advancement at Bradley University. He worked closely with Erin Minné during her tenure at the University of Iowa Foundation before he moved to Iowa State, where he managed an $800 million campaign. Pat, can you please stand?

Just this past Tuesday, we announced that Dane Ward has been appointed as continuing dean of Milner Library. Dr. Ward has been serving in the interim position since July of 2012 and doing a terrific job—so Dane, congratulations on your appointment—could you please stand?

I want to take a moment to thank the many staff members from Grounds, Facilities Management, Energy Management, Environmental Health and Safety, Campus Police, Housing and Dining, and other departments who kept the University running smoothly during what everyone is telling me has been the worst winter since 1979. We had a couple of snow or cold day cancellations and a couple of late starts, but our staff members did an outstanding job keeping campus clean and dry and our students warm and safe—so thank you all.

This is a year of firsts for me and Nancy so, of course, yesterday was our first Founders Day. I enjoyed hearing the circuitous tale how we moved from ringing the original Old Main Bell, to a donated ship’s bell, to a bell that was actually cast by an ISU faculty member. It was also a distinct pleasure to confer the honorary Doctorate of Laws degree to David Brown—who had very moving things to say about ISU, the lab schools and our community. Also, congratulations to our newest distinguished Professor, our new University Professors and all of our faculty, staff, student and alumni award winners—it was a very busy and very fulfilling day.

As we near the end of the eighth month of our fiscal year and second month of the new calendar year, Illinois State University remains financially healthy given the state’s economic circumstances.

As of today, we have received $29.6 million of our $74 million FY2014 appropriation. That means we are about two-thirds of the way through our fiscal year, and we have received about 40 percent of our state appropriation. We did receive all of our FY2013 funding prior to the end of the 2013 calendar year. Although the state economic outlook remains lean, it will be a bit longer than normal before we get our initial FY2015 state appropriation proposal from the governor, since his budget address has been moved back more than a month.

My presidential colleagues and I, along with staff from the Illinois Board of Higher Education, have been contemplating several budget scenarios, but more will be known when the Governor presents his address on March 26. On March 6, I will be in Springfield making the case for Illinois State funding during annual appropriation hearings.

Private fundraising at Illinois State for FY2014 remains very strong. Our total fundraising productivity as of January 31 was more than $14.1 million dollars. To put this fundraising year into perspective, our total one year ago at this time was less than $7 million, and our fundraising at the end of last fiscal year, June 30th 2013, was just under $15 million. So at $14.1 million, our fundraising productivity is currently very close to our total for FY2013. I remind you that FY2013 was our third-largest fundraising year ever, so this is quite an accomplishment.

Annual Giving is also running ahead of last year in both the number of alumni donors and dollars generated. Highlights include an increase in participation in December's Senior Gift Campaign. The 12 percent Senior Class participation rate surpasses our previous 10 percent record participation last spring. The annual fund is also showing fundraising progress in each of its methods of donor contact, as we are ahead of last year in fundraising generated by telefund calling, direct mail appeals, and online giving initiatives. Congratulations go to Vice President for Advancement Erin Minne and her obviously very busy Development team.

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

##### The University community was saddened by the passing of Foundation Vice Chairperson, Larry Clore. Larry will be remembered for his long-time commitment to the success of Illinois State and his dedication, having served on the Foundation Board since 1988. His leadership and kindness will be missed by those who worked with Larry in support of Illinois State University.

Grant activity is also ahead of last year’s pace. Through the end of January, a total of $14.1 million in grants and contracts have been awarded in FY2014, compared to $13.9 million through the end of January in FY2013. Through the first two weeks of February, an additional $896,000 has been awarded, bringing the total FY2014 awards to just over $15 million.  
  
A couple of examples of recent grants—a $700,000 grant from the National Science Foundation will boost the number of computer science teachers in Illinois. Two ISU professors are heading the project known as Teacher Education in Computer Science. The project has a dual purpose of preparing a new generation of teachers to teach computer science and providing current teachers the opportunity to become endorsed in the subject. And, Associate Professor of Biology Erik Larson and his team are continuing to explore the link between genetics and cancer, thanks to a $362,500 grant from the National Institutes of Health. With the newest grant, Larson and his students will be examining certain human genes that are prone to damage.   
  
Congratulations to our College of Nursing graduates, who achieved a 97 percent pass rate on the national nursing licensure examination for 2013, even in the face of increasingly stringent standards. Illinois State continues to exceed both the state and national averages, both which dropped from last year. The national passing rate fell from 90 percent to 83, while the state of Illinois rate dropped from 91 to 85 percent.  
  
And, congratulations to everyone who works hard to make Illinois State’s campus a more attractive and sustainable environment. For the sixth straight year, ISU has earned the designation as a Tree Campus USA. Tree Campus USA is a national program that honors colleges and universities and their leaders for promoting healthy management of their campus forests and for engaging the community in environmental stewardship.

As we begin our early look at the fall 2014 semester, Illinois State has thus far received more than 14,500 applications—very close to last year’s record number. Our admitted students are up 15 percent from this time last year, totaling over 10,000. The academic quality of admitted students remains high, with an ACT average over 24 and an average GPA near 3.5. Our admitted students from underrepresented groups are up 5 percent. I want to congratulate and thank Troy Johnson from Enrollment Management and all the Admissions officers and processors who have done the recruitment and the important follow-up work that is critical to getting students admitted early to Illinois State.

One construction update—as you know, in 2010 the University received a sub-award from the federal Broadband Technology Program administered by the Department of Commerce. The sub-award was part of a larger grant administered by the Illinois Department of Central Management Services. The sub-award authorized the University to build a broadband network, the Central Illinois Regional Broadband Network or “CIRBN”, capable of bringing high speed internet services to underserved communities or organizations where the current market capabilities limited organizations from obtaining higher speeds of internet service.  
   
As required by the grant, CIRBN customers include schools, community colleges and universities, medical and healthcare facilities, public safety entities, governmental facilities, libraries and museums and community support organizations. As part of this sub-award, approximately $17.6 million of federal funds were provided to the University to design and build infrastructure and provide broadband services to communities or organizations located in Central Illinois at an affordable cost.

Upon completion of construction of the network, the federal grant contemplated that an independent not-for-profit entity would assume responsibility for operating and managing the network. In July 2012, the Board of Trustees authorized the creation of the CIRBN, LLC.

Effective December 31, 2013, the federal grant period ended and the University has been engaged in grant close-out activities, including preparing the CIRBN, LLC to assume responsibility for operating the network and receiving the grant assets. On January 2, 2014, post grant, the University officially welcomed the Town of Normal, the City of Bloomington, , and Heartland Community College as the other board members of the LLC. I want to thank everyone involved in this massive project, which is a great reflection of Illinois State’s service to the community.

Some Athletics notes—Illinois State student-athletes continued to excel in the classroom during the fall semester, as several teams set team high grade-point averages. The women’s basketball recorded their best team GPA during the fall 2013 semester, with six student-athletes recording 4.0s. The Redbird volleyball team was the winner of the highest GPA overall and for the women’s teams for the fall semester with a 3.55 team GPA. Out of the 257 student-athletes that made the AFNI Honor Roll, 62 had 4.0s during the fall semester, as 11 men and 51 women achieved perfection in the classroom, as the department had a 3.108 GPA.

As the Missouri Valley Conference Men’s and Women’s Basketball Tournaments approach, both teams are in contention for top-4 seeds. With Illinois State’s 69-64 win over BIG EAST foe and in-state rival DePaul on December 22, the Redbirds wrapped up their non-conference schedule with victories against a Big Ten team, a Top-25 program and a BIG EAST opponent all in the same season, for the first time in program history. The women’s team started slow, but has rebounded with a .500 record in conference play to be in contention for good seed heading into their tournament.

As the spring approaches, the department will also prepare to host four conference championships. ISU will host the Midwest Independent Conference Gymnastics Championships at Redbird Arena, before playing host to the MVC men’s and women’s tennis championships in April. ISU will also serve as host for the MVC golf championship in the Quad Cities, before welcoming in the MVC Softball Championships the weekend of graduation.

With baseball and softball also in full swing, it should be a very exciting spring on campus and around the Midwest for the Redbirds.

With that, I would now like to call Lois Soeldner of the Campus Communications Committee, to the podium for a report.

**CAMPUS COMMUNICATIONS COMMITTEE**Thank you President Flanagan. The Campus Communications Committee wishes to thank Dr. Jeff Hill, Superintendent of the Lab Schools, for sharing his insights and hopes at this morning’s coffee hour.

January presented many challenges with snowfall and arctic temperatures. The Campus Communications Committee, which represents all employee groups, wants to thank the men and women of Facilities Management. Sidewalks and parking spaces were cleared and readied for students and employees. Buildings were kept warm, water kept running. Building service workers have worked tirelessly to remove the daily slosh tracked into our work spaces and class rooms. Again, thank you, Facilities Management.

The Committee is pleased with this week’s announcement that Dane Ward will become Dean of University Libraries beginning in July. Congratulations Dane.

The Polar Vortex did not keep a record number of faculty, staff and administrators from this year’s Teaching and Learning Symposium. Such attendance at this annual CTLT event indicates the communities’ strong desire to achieve the highest quality of instruction possible at our campus.

Yesterday, we enjoyed the Founders Day celebrations, and we offer our congratulations to all award winners. The CCC was pleased to hear that President Flanagan will create the position of Assistant to the President on Diversity and Inclusion. Creating a welcoming and supportive campus environment for students, staff and faculty from all backgrounds supports the diversity core value in *Educating Illinois*.

A point of pride that should not go without recognition—twenty-six schools nationwide were invited to compete in a Mock Trial tournament at Yale University. The Illinois State Mock Trial Team defeated both the Harvard University and Princeton University teams.

We feel equal pride in reporting that dozens of Illinois State students participated in Alternative Winter Break trips. Students worked in schools in Mexico while some took part in sea turtle conservation. Another trip provided students the opportunity to build habitats for wildlife animals in Florida. More than 5,000 hours of community service was completed by our students.

So often we overlook the many events that benefit both campus and community. The Campus Communications Committee would like to recognize a few examples of our campus outreach.

World War II veterans are being honored in an exhibit of photos and firsthand accounts in text and audio at the Milner Library.

Often forgotten, our planetarium continues to provide families with an affordable evening of education, in addition to being a valuable resource for our students.

Although weather did not cooperate, the School of Communications held a 3-day event to benefit their students. The Top of the Class Antiques and Vintage show with 42 vendors from 6 states is a fine example of community and campus coming together.

We ask that all of campus take a moment, now and then, to reflect on the many and varied opportunities offered on campus. We should celebrate the accomplishments, large and small, by those that surround our workplace.

Finally, we wish the very best to our friend Vice President Dan Layzell as he prepares to leave the office of Finance and Planning for a new position elsewhere. Our confidence is high in Greg Alt to serve as interim Vice President.

Flanagan: Thank you Lois. Now I would like to ask to the podium, Louie Mossos, from our legislative consulting group McGuire-Woods, to provide a legislative update.

**LEGISLATIVE UPDATE**Mossos: Good morning. So since the last meeting the biggest thing that happened was the passage of a pension reform bill SB01. It was passed during a one-day special session on Tuesday, December 3. The Governor quickly signed it on December 5. It is Public Act 98-599. This was a compromise pension reform bill negotiated by the leaders. I don’t think it is necessary to go into the details – it’s been two months and I think the administration has done a great job of keeping everyone abreast of the changes. Regarding the current session, this is an election year and the current focus is on the March 18 primary election. There has not been much legislative action thus far. The legislature has only met about eight days since January 1. It is a weird election year – there are a lot of hotly contested races because of the political and economic climate. The Governor, the Ltd. Governor, Secretary of State and all the constitutional officers are up for election, as are all 118 state representatives and 19 of the 59 state senators. There are many contested races. The Governor is facing a primary challenge as is the Senate President Pro Tem. This is a very unusual thing to happen.

Regarding the budget, which is a big issue, the state of Illinois has a serious budget problem. Nobody really wants to talk about in light of the upcoming election. President Flanagan was right in that the annual budget was moved from February 19 to March 26. Legislators had to pass a law to do that and this allows the Governor to give his speech after the primary elections so everyone knows what they are facing.

There is nothing pleasant to talk about regarding the budget. As you may recall a temporary tax increase was adopted in 2011. It increased the personal income tax from 3.5% to 5.0% and the corporate income tax from 5.25% to 7.0%. This is scheduled to expire on January 1, 2015, in the middle of fiscal year 2015. The state has estimated to lose about $1.5 billion in that fiscal year 2015 and $4 - $5 billion annually thereafter. This is equal to about a seventh of the state’s $35 billion operating budget going out the window. The Governor hasn’t offered any budget numbers yet but the Governor’s Office of Management and Budget (OMB) did issue a three-year budget projection last month. It shows expenditures going up in FY2015-FY2017 even though the tax increase is expiring and there is less money coming in. So as a result it looks like the unpaid bills that the state has will be doubling in over three years. Last there was $6 billion in unpaid bills. The backlog for FY2015 will be about $7.5 billion, $11.6 billion by FY2016 and $16.2 billion by FY2017 according to the Governor’s OMB budget. So in three years unpaid revenues are going from $6 billion to $16 billion. In a nutshell there is less money coming in – more money being spent.

The Senate President made some remarks this week and he said due to the looming rollback of the income tax hike about a 27% across the board cut to discretionary spending has to be made. I think he said about $500 million might be cut from higher education funding. Judging by past experience regarding the budget like this with the election year, the legislature has a few options. They might pass a half-year budget which gets them past the election to the end of the year and then come back. They might delay payment of bills to vendors or they might just pass a lump sum budget and let the Governor decide how to dole it out.

Regarding the State-of-the-State, the Governor did give his address on January 29 and he had some ideas such as increasing the minimum wage to $10, requiring companies to give two sick days to all their employees, expanding early childhood education programs to include pre-natal care for poor mothers, doubling MAP funding and increasing the earned income tax credit. These are all great programs but as of right now we have no indication of how these would be paid for. As President Flanagan noted our ISU appropriation hearing before the Senate is scheduled for March 6. The House is having a pre-hearing before the Governor issues his budget and then an actual hearing subsequent to that. I believe that is scheduled for March 21.

Regarding legislation that affects us. Due to the legislators having contested races there is not much going on in Springfield. There have been several minimum wage increase bills that have been filed. The current minimum wage is $8.25, the federal is $7.25. There is one built increase up to $15.00. There is another that increases it gradually to a total of $10.65. I think the $10 minimum wage is the one that will gain some traction this session. Regarding procurement we are lumped in with all the other government agencies when it comes to procurement, but they have different needs – they don’t have dorms, they don’t have new facilities that often, so the universities are in discussion with the Speaker’s office about having our own separate code section to give us some flexibility. An interesting piece of legislation was filed requiring all the athletic gear that is worn during practices and at games to be made in the USA. Unfortunately, hardly any of the apparel is made in the USA even though they are American companies. Some universities have stated this will cause them to lose about $.5 million to $1 million in trying to find new gear.

Regarding the corporate income tax, Speaker Madigan proposed lowering the corporate income tax from 7.0% to 3.5%, which will result in the lower rate than before when they raised it, so this will cost the state about $1.5 billion in the next fiscal year. To end on a positive note legislators have stated that in their private discussion they have heard the Speaker telling others what a great graduation rate we have had and he has been challenging other public universities to get to the point where we are.

McCuskey: Where are we at on the issue of having the universities start picking up the pension cost of their employees?

Mossos: Regarding the pension issue now that it is in the courts, there really isn’t much discussion on anything in Springfield. They have kind of taken a hands-off approach, so really no discussion yet.

Donahue: Thank you for your comments. My question is I have heard the Governor talk about a capital bill – I have heard President Cullerton talk about a capital bill – so one, I would like your insight, and secondly what do we need to do to insure we are ready if there is one to make sure our project or projects are part of that bill?

Mossos: There is talk about a capital bill, which might shock some people seeing the budget issues we are facing. It’s an election year and as you know we do have some needs in this state at universities and at government agencies, so there is talk about it. I don’t know how serious it is in light of the other needs that we have in the state, but everyone has needs. It’s an election year so new capital will definitely help a lot of people. I think regarding a capital bill, it depends on the funding stream. We need to find a way to pay for these projects. You might see an extension of the income tax increase, you might see additional casinos going up, they might try taxing services that currently aren’t being taxed – so while there are discussions about a capital bill they are not serious yet. I don’t think we will see serious discussions on anything until after the election but we are staying on top of it. To answer the second part of your question, I think we need to be prepared with a list of demands. The University has been great at doing that in the past. Obviously if something is shovel-ready it will get a bigger priority. We are working closely with the administration to make sure we have these lists ready if and when those serious discussions take place.

Flanagan: Thank you Louie.

**REPORTS**

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

**Report 2014.02/1000.01: Goal Statements**As you know, each year the President prepares goal statements for the Board of Trustees and for the University community. The Board of Trustees engages in a similar exercise during its fall retreat. Copies of both statements were made available for today’s audience. The sets of statements provide guidance for and are aligned with *Educating Illinois*, the University’s strategic plan, and the University Master Plan for physical development. Both documents reflect considerable interaction with every facet of the University community.

**Report 2014.02/4000.01: Grant and Contract Activity**Illinois State University receives funding for externally funded projects from federal, state and private sources. Externally funded grants and contracts support professional activity of faculty and staff members in basic and applied research, instructional programs and community service. You have the report in your material, but I just wanted to point out a few items.

University sponsored projects awarded in FY2013 totaled $17.9 million—a 30 percent decrease from FY2012. The decrease, a result of federal sequestration, occurred despite just a 6 percent decrease in the total number of awards, meaning there was a substantial decrease in the average amount per award. Like universities throughout the United States, there were double-digit declines in federal flow-through funds, as well as awards from the State of Illinois. The total number of grant submissions for FY2013 was higher at 370. The Colleges receiving the most external funding in FY2013 were the College of Education at $7.7 million, the College of Arts and Sciences at $5.4 million and the College of Applied Science and Technology at $2.9 million.

During FY2014-2015, Illinois State will continue several programs that are designed to improve the success rate of proposal submissions, and to encourage higher levels of submission. Each of these initiatives is aligned with the Strategic Plan for Research, Scholarship and Creative Expression, which is detailed in your board packets.

**ACTION ITEMS**

There are 7 resolutions this morning. With your approval Trustee McCuskey, I will move to them now.

**Resolution 2014.02/01:Authorization to Finance Capital Improvement Projects with Certificates of Participation Series 2014**

During your December 14, 2013, special meeting you approved the financing of information technology improvements contained in the Leap Forward project, as well as other academic facilities improvements with the issuance of Certificates of Participation. The Series 2014 Certificates will be issued in an amount not to exceed $25 million to fund the Leap Forward Initiative, Academic Facilities Improvements, Underwriters Discount and Issuance Costs.

Today, we ask for Board authorization for the execution and delivery of an Installment Purchase Contract and the issuance of Certificates of Participation as outlined in your Board packet. The University currently has two other Certificate issues. This issuance will increase our annual debt service payments by approximately $2 million assuming today’s market conditions. I ask your approval of this resolution.

McCuskey: Do I have a motion to approve? Trustee Donahue so moved and was seconded by Trustee Davis.

Donahue: I really want to thank Dan Layzell and his staff. At our December 14 meeting I had a number of questions and I was opposed to the project, but I really thank them for taking the time to walk me and my fellow colleagues through it. On a separate note yesterday during the showcase I would be remiss if I didn’t mention that I met a young lady who was at the table explaining LEAP and her passion for it was outstanding and she went on to say that she was new and only been there a year and was apologetic for not knowing enough. Quite honestly I said you know more about this than I can even think about, but kudos to the staff.

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

**Resolution 2014.02/02:Authorization to Decommission South Campus Residence Halls**

This is the first of three resolutions that allow Illinois State to be proactive regarding several aged buildings that are no longer fit for their intended use. The first resolution is the simple decommissioning of the South Campus Residence Hall Complex, which includes Hamilton-Whitten and Atkin-Colby Residence Halls and Southside Dining Center facilities. The facilities are outdated under present building design, accessibility and technology standards, and are not equipped with fire-sprinkler systems as mandated by the State. In 2010, in consideration of the condition of such facilities, the Board authorized the development of student housing facilities on the Cardinal Court apartments. This resolution allows the University to remove these facilities from the Auxiliary Facilities System. I ask for your approval.

McCuskey: Do I have a motion to approve? Trustee Von Qualen so moved and was seconded by Trustee Churney.

Von Qualen: I think it really is a good thing that we are getting rid of this complex. I appreciate whoever lowered the curtains in the building. They kind of serve as a billboard right now – it says ISU GO. I think this is a good step in the right direction having a new complex that is more functional to the campus and our academic mission.

Donahue: I take it we are confident that we have enough beds or do we have to think about other types of housing to potentially replace the loss of these dorms?

McCuskey: We got into a discussion last night with one of the awardees and he didn’t realize that part of the problem that we have is the state forcing the sprinkler systems on all the dorms with an unfunded mandate, which then required us to do a triage as to which ones do we need to keep because they have the most future economic life and which ones need to go, or do we spend the money to refurbish them and this is part of that decision.

Dietz: I appreciate the question and the answer is a short one, but I want to put an addendum onto my answer. The short answer is that there is nothing in the Master Plan right now that would have us building additional residence halls or apartment complexes. As the south towers come down, if you approve that today, we will lose about 1,500 beds but we have also gained 900 beds with the new Cardinal Court apartment complex that has been widely successful. The type of housing, also the needs and desires of the new incoming students have changed dramatically over the years. They want to live in the apartment complexes more. I would say that one of the things that we will need to address is the current requirement that all freshmen and sophomores to live on campus. Our sweet spot on enrollment has been between the 20,000 and 21,000 number. So if we had plans to go well over that, we would probably have to readdress that. But right now we are being squeezed a little bit into the housing of all freshmen and sophomore students. So we may have to revisit that. We do grant some exceptions because we do have limited beds on the campus, but we are trying to accommodate that well and work with our colleague Troy Johnson and his staff on the admissions side. There is constant communication between our housing staff and admissions staff and I think we will be able to accommodate the incoming class well.

McCuskey: When my son was looking at universities he and his friends didn’t mind the fact that they were going to have to spend their first year in a residence hall, but they were looking at universities that didn’t require the second year. If you look around here we also have upper middle class students who obviously haven’t shared much in their life. The $1,000 apartments to stay in are sprouting up all over campus.

Dietz: It’s a thorny issue and I think all universities and communities are responding to that need. There is good research that indicates that for freshmen students to live on campus has a very strong positive correlation with retention. There is research also that would suggest that sophomores also benefit from that, but it is absolutely critical for the freshmen student. We also want to make sure we have some room for new transfer students who may not have lived away from home and may wish to live in some of our residence facilities. So it is a complex formula to get to the right spot.

Bergman: You mentioned transfer students. Any transfer student that is coming in as a junior that wants to live in a dorm, do you have enough space that you can make certain that they get a bed?

Dietz: No, we work on that diligently and we really try to make sure that happens. Part of it is the timing with which some transfer students apply. Traditionally a transfer student will apply later in the calendar year and we have made commitments at that point, but we communicate regularly with the admissions office on these kinds of things. We have set aside some beds for transfer students, but to say that we accommodate the wishes of everybody who wishes to live with us we don’t have the capacity to do that.

Bergman: Well, as somebody who transferred here and hadn’t been to Normal before and had no real means or friends to go out and get an apartment somewhere, the fact that you are telling me that transfer students like myself you couldn’t assure them housing in a dorm, concerns me.

Dietz: It depends on when that person would apply.

Bergman: In my mind it doesn’t make any difference and it does concern me.

Donahue: What is the timeline on the demolition?

Layzell: Assuming that the resolution passes as well as the authorization to demolish, we are anticipating the project would begin in May immediately after the spring semester and the asbestos abatement and demolish would be done before fall semester. That has been the goal all along.

Donahue: At one time I thought we were going to use some of that space as potential storage for Fine Arts while the Fine Arts building is being built. Did I miss hear that and what are we now planning to do for storage?

Layzell: That was one of the options that we were examining and we brought in consultants that were licensed by the state fire marshal to look at what we could do of a non-residential capacity with some of the space there and what we found was just to bring it up to code to make use from a non-residential standpoint would be $6 to $8 million and that is before we would do any renovation on top of that. And then on top of that down the road have to spend $6 or $7 million to demolish it. Where we are now is examining other options, both in terms of on campus as well as potential lease space around campus.

Donahue: So we haven’t identified that storage but that won’t delay the Fine Arts project?

Layzell: The Fine Arts project itself, they are examining staging so that it minimizes the disruption as they go through, so it will be complex but they are confident that we will be able to do that.

Bergman: Knowing beyond ISU in the state of Illinois and what is happening in terms of student trends, I believe that most of the universities, ISU may be a little less affected than the compass point universities, but most of the universities are going to have to accept more transfer students in the future to keep up with the student body that they desire. Now granted on the other side that means they are going to get less freshmen, but there is a trend toward transfer students that are affecting ISU and U of I in Champaign a little later than it is already affecting some of the other publics. But I think we should be aware of that and it concerns me that we get transfer students that many historically apply later because that is the nature of things and we cannot give them dorm space if they want it and they may not have a whole lot of other options.

Kinser: What is the population that you are talking about on transfer students that are juniors coming in – are there a lot? If they are older students they are eligible Shelbourne Courts, right? I am not sure that there is a high demand for dormitory rooms for the older junior student.

McCuskey: And we are getting more military applicants and are they interested in dorms?

Dietz: The answer for the veterans is typically not. They have lived in barracks and that is close enough and they don’t want to have that experience again. But the point is well taken about transfer students. The bottom line is there is not just one definition of a transfer student. Some will have housing needs and will want to have that experience for the reasons just expressed. We do try to have a set-aside for some transfer students. The difficulty is that we want to make sure we are full going into the fall semester because there are financial issues obviously related to all of that. That is the magical piece about how many do you have to house to make sure you are full and there is always going to be a little attrition rate with some of our students. So we do oversubscribe to make sure when we have a little bit of melt with that at the beginning of the semester, but we don’t want to keep students in these lounges and so forth for a long period of time. They didn’t pay for that and frankly a lot of them do enjoy living in the lounges because they are bigger than the regular room. So when we get them into the lounges we have a heck of a time getting them out of the lounges. It’s a tricky formula and I appreciate Trustee Bergman’s comments this morning and that is something we will have more discussions about.

Donahue: Am I accurate from my earlier question that if we stay in our sweet spot of 20,000 to 21,000, you are confident we have enough beds to accommodate that, and if I heard you correctly, the fear is if we grew bigger than our sweet spot we may have to look at the need for more dorms?

Dietz: We are in good shape with that. Again we probably need to examine our freshmen/sophomore policy and that gets into the issue that Trustee Bergman brought up that if we are able to relax that some for some sophomores, we might have a little bit more room for the transfer student even though they might be an upper class student.

Churney: What is the total number of beds that we have?

Dietz: We are about 6,000 now.

Churney: And roughly freshmen/sophomore enrollment?

Dietz: All of them are freshmen/sophomore students, especially the freshmen are living in the residence halls – we don’t allow sophomores to live out in the apartment complexes.

Churney: Not until junior year for Cardinal Court?

Dietz: There are very few juniors living with us because we don’t have capacity. As a matter of fact, that is a real advantage that we have in a way in that we have a lot more students who want to live with us than we have capacity to accommodate. We have some students who would spend all four years living in the residence halls if they could. One, because the facilities have been remodeled, two because of convenience and three because the food is terrific. We just have more demand than we can meet.

Bergman: I find that last comment very telling that maybe we should consider or at least look into the possibility of building some more space, whether it be where we are demolishing the south campus area or not. With what you just said tells me that we should consider some additional space because there is the demand for it.

McCuskey: I think the number of people who are off-campus now coming to what you might say the mega food court continues to grow every semester.

Dietz: We learned something at Cardinal Court that surprised us a bit and that is that when we built they have kitchens and we strongly thought that folks might cook and we found out that 77% of the students at Cardinal Court buy food plans, so our dining centers are that good and convenient as well.

McCuskey: I knew that because one of the judges in our building who is a U of I graduate and whose daughter is going to ISU and lives in Cardinal Court and she cooks at home but she and her roommates at Cardinal Court all got food plans. So I guess Rocky’s answer is as long as we are in our sweet spot you will manipulate between the transfers, the freshmen and sophomores.

Any further questions? Motion made, seconded and vote recorded as all members present voting aye.

**Resolution 2014.02/03: Authorization to Demolish South Campus Residence Hall Complex**

Since demolishing generally follows decommissioning, I now ask your approval to demolish the aforementioned complex, as envisioned in our Campus Master Plan.

The cost to demolish the complex is $6 million to be funded through bond revenue reserves. The costs include asbestos abatement, demolition and site repair. I ask your approval for this project.  
  
McCuskey: Do I have a motion to approve? Trustee Davis so moved and was seconded by Trustee Churney.

Donahue: Just on the reserves, you feel that we have adequately enough to cover this expenditure?

Layzell: Yes, right now our total residence hall reserves are somewhere in the range of $30 million and we have budgeted all along for this expense.

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

Flanagan: I may be getting a little ahead of myself in terms of the capital master plan, but I can’t think of a better use for those acres of ground than for us to realize our aspirations to build a home for the College of Nursing that will enable us to increase enrollment in that program.

McCuskey: I certainly know that the current Trustees on the Board support that idea.

**Resolution 2014.02/04: Authorization to Demolish Rambo House**

If you are not familiar with Rambo House, it is a small building that fronts University Street behind and between Fell Hall and DeGarmo Hall. Built in 1939, the facility has been vacant since 2005, and is in extremely poor condition. Again, our Campus Master Plan calls for its removal, and we ask your authorization to do just that, at a cost of $750,000 from internal university resources. I ask your approval.   
  
I did ask Dr. Layzell and his team to look into combining the demolition of the residence halls and the Rambo House so that we might achieve some financial gain from putting the two projects together.

McCuskey: Do I have a motion to approve? Trustee Churney so moved and was seconded by Trustee Donahue.

Bergman: It’s been a long time since I have been in Rambo House. From what I recall it was a duplex that was originally built for Home Economics majors, so basically a duplex with two or three bedrooms on each side. My question is how can it cost $750,000 to demolish?

Layzell: A large part of the cost is going to be asbestos abatement given the age of the facility. There will also be some site improvements there to make it green space after the building comes down.

Bergman: Well what it costs, it costs – it just seems like a lot of money for a small building like that even with the asbestos. I know you are going to bid it out according to the state procurement code and that relates to that.

Layzell: And again this is what we are asking you to approve, it could well come in below that, but that is based on our guess on what it has cost to do the asbestos abatement, which in that facility is going to be quite significant and then the landscaping that will go with the remaining land.

Donahue: I should probably have asked this with the previous resolution, in some teardowns I have been involved with, part of the bid does also include things of value in the building that they will be able to salvage – so will this price include a credit for things of worth?

Layzell: That is true with all of our construction projects when we have scrap metal and such.

McCuskey: This building has been vacant since 2005 – I don’t think we have wasted paint on the seals of the window, which has been a real problem with me because we spend $50 million on the rec center and you come up the road going north, which looks fantastic and then you see Rambo House. So it is finally time to demolish it even though it has historical value. Motion made, seconded and vote recorded as all members present voting aye.

**Resolution 2014.02/05: Turner Hall Culinary Laboratory**

The Turner Hall Culinary Laboratory and Test Kitchen were developed more than 50 years ago to focus on food preparation in domestic residential settings. Today, the Family and Consumer Sciences Department offers classes in nutrition and culinary arts—focusing on commercial, healthcare, large companies and educational settings.

The laboratory and kitchen area is in need of significant remodeling to create a state-of-the-art laboratory for students, faculty and staff members. The cost is $750,000 with the funding source set as Certificates of Participation. I ask your approval of this resolution.

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

Von Qualen: I had my Trustee-In-Residence with Dean Wood with the College of Applied Science and Technology last semester and I actually got to visit this department and visit with students. They expressed to me that they needed this and they were very excited and hopeful that the money would be available in the near future for them to have a better facility, so I 100% support this.

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

**Resolution 2014.02/06: Watterson Commons Dining Services Expansion, Planning**The preparation of baked goods and other foods for campus has occurred in several facilities over the years, including the John Green Food Service Building and Feeney Cafeteria. Our aim here is to create an addition to the Watterson Commons Dining Center and relocate baking operations and other food preparation functions to that facility. The cost of the project is $650,000, with the funds coming from Bond Revenue Reserves. I ask your approval of this resolution.

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

**Resolution 2014.02/07: Renewal of Student Health Insurance**

With our Student Health Insurance and Accident Plan expiring in August of this year, the University last November negotiated with our current vendor, Aetna, for 2014-2015 rates. Based on that negotiation, rates would move from $218 to $233 per semester next year and from $166 to $175 for summer session 2015. I ask your approval of this resolution.

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

Von Qualen: I think this is a great resource for the student body. I thank Student Health Services and the staff for all the work that they do and working with Aetna to find the best plan for us, the most financially productive plan and they really do a good job for us. I have used it, benefited from it and I know a lot of other students who have as well.

McCuskey: My comment is if you look at the consortium insurance plan page and you compare our plan cost to others, it certainly shows that this is one that we do a very good job and the beneficiaries are of course the student’s and their parents.

Churney: I agree Mike. I just had a question on we subsidize the increase through the premium reserve fund and I just wanted to know how much we have in there and is this common and have we done this in the past. Because of the ACA I understand the add ins and the things that we had to take off added more cost to the plan?

Dietz: We have not been in the position before simply because of the Affordable Care Act. About 95% of these increases in cost were related to the coverage of prescription drugs, so had we gone with the total amount of the increase and not gone into the reserve, it would have been a 31% increase. This represents a little less than a 7% increase. We have budgeted it out where we think we can do this by phasing this in over three years at most, we hope maybe a couple of years. But our reserves are healthy enough to subsidize this. We have a consultant who works with us on this on a regular basis, Bob Schloman who is here today and the staff has really worked through the numbers. As Trustee Von Qualen mentioned we have been around the table with those folks and we think we are going to learn more this next year because it is a new coverage and so forth. If we can meet that goal earlier, we certainly will, but we think our reserves are healthy enough to probably do it for three years if need be.

Churney: Everything I read, obviously it’s a moving target with the ACA and things are always changing every week or month. Increases are going to continue so that’s good to hear that we have a three-year plan and that we have funding available to maybe offset and help subsidize the cost to the students.

Kinser: Are there a lot of students that opt out of the University insurance?

Dietz: No, because of the low cost of the plan and the benefits that are indicated on the comparison page – most take it because it could certainly be a supplement to what their parents might have. For most students, this is their plan.

Kinser: So that might not change with the ACA?

Dietz: No, I don’t think it will.

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

Bergman: Mr. Chairman would it be possible for me to make a comment related to freshmen vs. transfer students that picks up on what we talked about a couple minutes ago?

McCuskey: Certainly.

Bergman: As I think most of you are aware I am also on the Illinois Board of Higher Education. We are looking at trends and numbers and it has become apparent to me in the last couple of years that most of the other public universities are having serious problems attracting freshmen and there are a number of reasons for that. One of them is that there are fewer freshmen and the other side of that coin is that we are getting a larger number of Hispanic high school graduates that traditionally do not want to travel far from home. So in reality the pool of freshmen that all of the public universities outside of the Chicago area have available to try to recruit has been dropping. Now with that said, we and the U of I in Champaign have done alright because we are the schools of choice. However, again looking at the trends – it’s not going to happen in one year but over a period of time this university is going to have to make a decision. It’s going to have to say we are still going to keep our academic credentials where we are and recruit as many freshmen as we can that meet that and show up and keep our 1,800 transfer students. If we do that our student population is going to drop. Another alternative is to say we are going to lower our standards for our freshmen, therefore, we can get the same number of freshmen but the average ACT isn’t going to be 24 anymore. I am not saying I would prefer doing anything like that. The third alternative that we have to look at is if we want to keep our academic standards where they are, and I believe we do, over a period of years we are going to be attracting fewer freshmen than now, therefore, to keep our student body between 20,000 and 21,000 a greater percentage of our students will have to be transfer students. This is not going to happen all at once. That is what the trends show and transfer friendly is what we really have to be and that includes I believe having dorm space, having university space for those students that want it.

Flanagan: Trustee McCuskey, that concludes today’s resolutions.  
  
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? Trustee Churney so moved and was seconded by Trustee Von Qualen. 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 university finances and to adjourn. No action will be taken during this session. Thank you all for coming today.