MINUTES

Board of Trustees

Illinois State University

May 8, 2015

The Board of Trustees convened at 10:00 a.m. on Friday, May 8, 2015, in the Old Main Room of the Bone Student Center, Illinois State University, Normal, Illinois. Chairperson Donahue called the meeting to order. Trustee Davis called the roll.

The following members were present.

 Trustee Bergman

 Trustee Churney

Trustee Davis

Trustee Dobski

Trustee Donahue

Trustee Kinser

 Trustee Louderback

 Trustee Schumacher

Absent:

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

President Larry Dietz

Vice President for Academic Affairs Janet Krejci

 Vice President for Finance & Planning Greg Alt

 Vice President for Student Affairs Brent Paterson

 Vice President University Advancement Pat Vickerman

 Board Legal Counsel Jane Denes
 Chief of Staff Jay Groves

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#### APPROVAL OF AGENDA

Chairperson Donahue: I ask for a motion to approve the Agenda. Trustee Schumacher so moved and was seconded by Trustee Davis. Motion made, seconded and vote recorded with all members present voting aye.

**APPROVAL OF MINUTES**

You have before you the Minutes of February 20, 2015. Is there a motion to approve? Trustee Kinser so moved and was seconded by Trustee Churney. Motion made, seconded and all members present voting aye.

**CHAIRPERSON’S REMARKS:**

Good morning everyone and thank you for coming today. It is my distinct pleasure to tell you this morning that for the first time in two years, the Board of Trustees of Illinois State University has a full complement of members.

On April 10, Governor Bruce Rauner appointed Mary Ann Louderback and Bob Dobski to the Board—both for six-year terms. Mary Ann is an ISU alum, who earned her bachelor’s, master’s and Ph.D from the University. She served as a member of the Alumni Association Board and also as its President. Mary Ann lives in Cary, Illinois.

For Bob, it’s his second term as a Board member, having previously served from 2008 to 2013. Bob and his spouse Julie are local, long-time supporters of Illinois State. Bob is involved in numerous philanthropic endeavors, both at ISU and throughout the community. I can tell you from personal experience I served briefly with Bob and truly one of the mentors not only to me and one of the nicest individuals that I have ever met.

Mary Ann and Bob, could you please join me to receive the oath of office? Mary Ann and Bob, please repeat after me.

I do solemnly swear

that I will uphold the Constitution of the United States

and of the State of Illinois,

and that I will faithfully discharge the duties

of the office of member of the Board of Trustees

of Illinois State University

to the best of my ability.

Mary Ann and Bob—welcome to the Board of Trustees of Illinois State University.

Mary Ann, would you like to say a few words?

Louderback: I am humbled, delighted and I am thrilled. I have had a passion for this university for many years as my husband says. He didn’t think I would ever get out of college and refused me to marry me until I finished my Ph.D. and the dissertation and that October we did get married. I look forward to serving with everyone and I thank all who helped me get on to the Board. It is a passion – I think this is one of the best universities around – we have the best students, best professors and I think we have one of the best presidents that we can find. So, I look forward to working with all of you and getting to know you much better. Thank you.

And Bob – would you like to say a few words?

Dobski: Well first I want to thank Governor Rauner for reconsidering and getting me appointed to the Board and to some of our legislators, especially Dan Brady, who is a big advocate for getting my name before the Governor. Also to our current president Larry Dietz who I know dropped my name a few times and Janet Krejci and a few other members of the ISU staff here. But talking about Illinois State University – there was a little bump in the road – but I think with President Dietz it is back on track and I think it is a great university. I am really looking forward to the trustee meetings. Thank you.

Donhaue: Thank you both—and we also thank Governor Rauner for making these appointments in a timely fashion and Dan Brady for his assistance with these two trustees. He has always carried the flag and the torch for this University in Springfield. We couldn’t have a better advocate than Dan Brady. So let’s give Dan a round of applause.

One of the things we traditionally do at the beginning of the May Board meeting is to introduce and welcome our next student leaders for the coming fiscal and academic years. Student Trustee Ellen Schumacher’s term expires at the end of June, and later in this meeting we will honor Ellen’s exemplary service over the past year.

Joining the Board as the new student trustee is Connor Joyce. Connor is from Gurnee, Illinois—he is a junior, with a double-major in Human Resources and Psychology. Connor most recently served as the student body president. Connor, could you please stand and be recognized?

Our new Student Body President is Ryan Powers. Ryan is from Mundelein, Illinois, and is a junior, majoring in Accounting and Finance. Ryan has previously served in student leadership as President of the SGA Assembly. Ryan, could you please stand?

Welcome to both of you.

I want to thank the Campus Communications Committee for organizing this morning’s discussion hour. Given the high academic profile of our student body, it is great to see we have such an active and engaged Honors Program, and I thank Dr. Fredstrom and former Trustee Aaron Von Qualen for the presentation this morning.

Today marks the closure of the first full academic year under the leadership of our 19th President, Dr. Larry Dietz—and it’s also the anniversary of his first quarterly meeting with the Board of Trustees.

President Dietz, I want to personally thank you for your outstanding leadership this past year. It has been an emotional year, with times of great joy and of tragic sadness. You met each moment with honesty, integrity and empathy—and I know I speak for the entire Board and for the entire University community when I say thank you.

And finally President Dietz before I turn this meeting over to you, almost exactly a month ago today on April 7th which will now be part of the fabric and history of this University forever was a very unfortunate tragedy. You have heard me often say this is a special place. You heard me say that when I first came here and how I was welcomed to the Board and how I have never seen a place like this that the people here truly care about this University. That was no more present than days and weeks after April 7th. The love and the support this University community stood up and showed was something that we are all very proud of and once again just shows us how great this University is.

Two stories that were brought to my attention that I would like to share, both having to do with the men’s basketball team. Evidently there was a dinner at a community leader’s home with one of the spouses and children of one of the victims and a couple of the players were there. At some point during dinner the two players went off and the rest of the people continued to eat. And these two players were sitting crossed legged Indian style on the floor playing Barbies with the children of one of the victims. On another day some basketball players went over to the home of one of the other victims and asked the kids to come outside and play basketball.

These are 19 and 20 year old kids who did that. That just shows you the love and support this University has. Can I ask you all to do a favor for me today? Maybe it is to the person sitting next to you and maybe its someone at home or maybe it’s a phone call – tell someone you love them because you are not sure you are going to get that opportunity again. So President Dietz I now turn things over to you for your remarks, reports and resolutions.

**PRESIDENT’S REMARKS**

Thank you very much Trustee Donahue, and for that last remembrance. The community leader in the first example that Trustee Donahue talked about was our very own Larry Lyons and his wife, so thanks again for that remembrance. I also want to give a warm Redbird welcome to Mary Ann and Bob for joining this illustrious group. I couldn’t think of two more excellent appointments and I commend the Governor for selecting individuals with close ties to Illinois State and continuing deep level of engagement with the University. I look forward to working with both of you.

I also want to welcome Student Trustee Connor Joyce and Student Body President Ryan Powers to their new leadership roles. And I won’t say good-bye to Ellen because I know she will remain an active participant in campus leadership next year—but I do want to say thank you for all you have done on behalf of your fellow students and the University.

I also want to introduce a gentleman who maybe has won the award for coming the furthest for a Board meeting, and he came from Des Moines, Iowa and he comes every now and then and we are delighted to have in our presence today David Brown. David, please stand and be recognized. David has been a great supporter of the University for a very long time. If you ever attended an event in the Brown Ballroom it is named in honor of his parents.

I also want to say thank you to Honors Director Dr. Tim Fredstrom and Honors Department staff member and former Trustee Aaron Von Qualen for the Campus Communications Committee presentation on our Honors Program this morning. More than 1,100 ISU students participate in the Honors Program. We are proud of their pursuit of excellence and we are grateful to the entire Honors staff for their excellent work.

The long accreditation process for ISU is nearing its successful conclusion. A site visit team from the Higher Learning Commission was on campus in late April as the culmination of a two-year effort to secure reaccreditation by the Commission for another 10 years. That is undoubtedly one of the most important thing that goes on at a university – to look at the academic programs and get them accredited by the national bodies.

The team met with our accreditation steering committee and a number of other campus groups, including several members of our Board of Trustees, to gather information about key accreditation criteria.

Although the team’s final report will not be ready until this fall, we received a great deal of positive feedback from the team members during their time on campus. They were impressed with the University’s commitment to student learning and success and with the support systems we have in place to provide individualized attention. Indeed at the culmination of the visit I had an exit interview with the Chair of that group and he observed that this is a very special place and we all know that but to hear that from a person who is just visiting who is heading the accreditation team was really great to hear.

I want to thank all faculty, staff and students who contributed to the reaccreditation process during the past two years. I particularly want to thank Steering Team Chairperson Dr. Jim Jawahar, along with Bruce Stoffel and Jonathan Rosenthal from the Provost’s office for the literally hundreds of hours they devoted to make this very important process to best it could possibly be. Jim Bruce and Jonathan, could you please stand for a well-deserved round of applause?

I want to congratulate Dr. Brent Paterson, our Interim Vice President for Student Affairs. Dr. Paterson, was recently honored during the National Association of Student Personnel Administrators Annual Conference as a 2015 NASPA Pillar of the Profession. Pillars of the profession have sustained professional distinction in higher education, are recognized for extraordinary service, and have made significant lifetime contributions to the higher education field. Congratulations Brent.

Congratulations also go to Associate Provost Jonathan Rosenthal, who received the 2015 Michael C. Holen Pacesetter Award by NACADA, the Global Community for Academic Advising. The award recognizes significant contributions to the improvement of academic advising—congratulations Jonathan.

**The News Department** at WGLT, our National Public Radio affiliate, was given the regional Edward R. Murrow Award for Overall Excellence by the Radio Television Digital News Association. WGLT also won the News Series Award for investigative reporting—so congratulations to the WGLT news staff.

With just about two months remaining in FY2015, Illinois State University remains in good financial condition. The FY2015 budget solution approved by the General Assembly rescinded 2.25 percent from this year’s appropriation, which equates to a reduction of $1.66 million. We had anticipated a mid-year rescission since November, so departments have been holding back in filling some vacant positions and spending on equipment, deferred maintenance, travel and other operating costs to cover the reduction.

The Governor’s Budget Director Tim Nuding, an ISU alum, later said that the 2.25 percent spending fix did not resolve all of the State’s shortfall for FY2015 and some additional cuts are needed. We have not been notified if any of these additional cuts will be passed on to higher education but we have reserved some additional spending to address those if necessary. As of today, Illinois State has received 67 percent of its FY2015 appropriation—about $48 million of $74 million.

With regard to the Governor’s FY2016 proposal to cut 31.5 percent from public university appropriations, little news has come from the General Assembly, except for the expectation that the legislative session may run beyond its typical end of May deadline.

On March 19th, I testified before House and Senate Higher Education committees regarding the impact such cuts would have on our students and their ability to achieve their educational goals. Since then, we have continued to reinforce the message that investments in public higher education are investments in the future economic viability of this state—and that Illinois State University continues to be part of the solution and not part of the problem. We can’t prepare the future for our students, but we can prepare our students for the future. That is what we are doing, that is what we have done and that is what we will continue to do, but we need the state to help us with that task.

I also want to thank and congratulate the many Illinois State students who took their message about the value of higher education straight to Springfield, meeting with legislators and government staff members. That effort was coordinated by a group of students who aptly demonstrated our core value of Civic Engagement. I also thank our State Government Relations Director Jonathan Lackland for assisting our students in navigating the halls and offices of the state capitol.

Fundraising at Illinois State is soaring to unprecedented levels. Total fundraising productivity as of April 30th was more than $32.5 million. This surpasses our total of $19.5 million for FY2014, ensuring that this year will be the top fundraising year in ISU history.

Annual Giving is currently running ahead in both alumni donors and overall dollars raised to date. We are up 4.7 percent in number of alumni donors compared to this time last year, and are ahead 8 percent in dollars raised.

The campus community continues to show Redbird pride, as we have more faculty/staff and annuitant donors to date than any of the last three years at this time. The collective participation demonstrates to alumni, parents, friends, foundations and corporations the ever-growing culture of philanthropy at Illinois State. It is also a vote of confidence for the direction we are headed. We are most grateful for our talented, committed, and charitably-minded faculty/staff and annuitants.

Congratulations to Interim University Advancement Vice President Pat Vickerman and to each college’s Director of Development for their fundraising success. But I also would be remiss if I did not extend my thanks to the entire advancement team and to all units who participate in and organize a myriad of events that raise friends from whom we can raise funds.

FY2015 has also been the largest year ever for licensed apparel and merchandise, with royalties ahead of last year by more than 18.9 percent. The estimated total sale of branded Illinois State merchandise for the fiscal year is more than $4.4 million. It helps to have a successful athletic program and the largest freshman class in the last 25 years.

A few updates on capital projects. Renovation of the 740-seat Capen Auditorium – the University’s largest classroom space - is well underway. This $1.3 million state funded project involves new seating, lighting, mechanical and electrical systems. Renovation in Turner Hall to develop a Culinary Laboratory also is underway. These two projects will be completed and ready for use this coming fall semester.

With the summer months upon us, work to replace/repair exterior concrete surfaces will start up again in earnest as will work to replace roofing on Julian Hall and Nelson Smith.

As we prepare for a busy summer class schedule, we are also preparing to welcome new students to ISU through our summer Preview orientation program. Enrollment expectations for fall 2015 remain stable—as total applications topped 19,000 and freshman enrollment deposits went over the 3,800mark. I want to thank Troy Johnson, our Associate Vice President for Enrollment Management and Academic Services, and our Admissions, Financial Aid and Housing staffs in particular for their tremendous work in this ultra-competitive college recruiting environment.

I also want to thank everyone involved in our LEAPForward program for keeping things moving throughout the complex process of transitioning to a new information sharing system.

As we complete this semester, we also complete the second of two vice presidential searches slated for this academic year. Three finalists were on campus this week for the Vice President of University Advancement position. The finalists were selected from a large and diverse pool of qualified applicants, and I expect to receive a final report from the search committee early next week. I want to thank search chairperson Michael Wille, and the entire search team for their excellent work under tight time constraints.

Today we say farewell to a colleague and friend in Jim Major. Jim has served Illinois State with honor and distinction for 20 years—the past eight as the College’s dean. Jim retires at the end of May to become a world traveler, but his good humor and wise counsel will always be welcomed on our campus. Jim, would you please stand for recognition? Jim we want to congratulate you and please accept our best wishes for a long, happy and healthy retirement.

As the end of another semester winds down and another athletic year comes to an end, the Illinois State Athletics Department is looking to finish strong. The 2014-15 school year has been one of the most successful in recent history, with several conference championships and postseason appearances already in the books. With three championships yet to be played, there is still more work to be done.

The Redbird softball team will head to Wichita, Kansas, for the MVC Championship this weekend, before Illinois State plays host to the 2015 MVC Outdoor Track & Field Championships May 15-17. The Redbird baseball team will then wrap up the season May 19-23 also in Wichita. With those finishes, the Redbirds will hope to keep their streak alive of finishing in the top 3 of the MVC All-Sports Trophy for the 24th time in the last 25 years.

Much of this year’s success has been due to the impressive efforts of the 2014-15 senior class. As a group, ISU’s 83 senior athletes have helped lead their teams to more than 550 victories, they’ve tallied 12 conference player of the year awards, 18 individual conference championships, 48 First-Team All-Conference selections, and earned 9 All-American honors.  And these great individual performances have paid off for the entire teams.

During the last 4 years, the Redbirds have won 5 regular season conference championships, 11 conference tournament championships, and made 24 postseason appearances.

Forty-three of those seniors are also set to take part in Commencement ceremonies today and tomorrow. They will become part of the newest group of ISU alumni and will continue to support their alma mater as Redbirds for Life.

Finally, speaking of Commencement, I hope everyone is making plans to attend Commissioning ceremonies and Commencement exercises today and tomorrow.

The Commissioning ceremony begins today at 1:00 p.m. in the Center for the Performing Arts Theater. The Mennonite College of Nursing ceremony will be at 4:00 p.m. today in Braden Auditorium, and the College of Arts and Sciences ceremony will be at 7:00 tonight in Redbird Arena.

On Saturday, the College of Education ceremony will be at 9:00 a.m. in Redbird Arena, College of Applied Science and Technology at noon in Redbird Arena, College of Business at 4:00 p.m. in Redbird Arena and the College of Fine Arts at 7:00 p.m. in Braden Auditorium.

This is the University’s 156th Commencement, and more than 3,500 students are participating. Graduation is among the most important events for the University—it is not only important for students and their families—it is a wonderful experience for the faculty, staff and the extended university family—so I hope you can make plans to attend at least some of the ceremonies.

That concludes my initial remarks. I now invite Alex Skorpinski to the podium for a Campus Communications Committee report.

**CAMPUS COMMUNICATIONS COMMITTEE**Thank you, President Dietz and good morning everyone. The Campus Communications Committee would like to thank Dr. Tim Fredstrom for his presentation on the Honors Program at this morning’s coffee hour. As an alumnus of the Honors Program, I am incredibly impressed with the advancements made in the curriculum as a means of better engaging our high-achieving students.

I would like to say that it’s very refreshing to see the front of the room a little more full than the last time I was at the podium. We would like to extend a warm welcome to Trustee Mary Ann Louderback, and a warm welcome back to Trustee Bob Dobski. Thanks also must go out to Governor Rauner and his staff for appointing the full complement of trustees that Illinois State University deserves. We would also like to recognize and thank Trustee Schumacher for her service on the board.

Though far from her first meeting, I would also like to welcome Dr. Janet Krejci in her new official role as non-interim Vice President for Academic Affairs and Provost. At the same time, this will also mark the last trustee meeting for Dean Jim Major. Dean Major has been a strong administrator and wonderful friend and colleague, and we wish him all the best in his retirement.

In the past week, campus was host to the finalists in its search for the Vice President for University Advancement. We are appreciative of the open, public, and inclusive process that saw three strong candidates brought to campus to lead our fundraising efforts moving forward.

This semester has seen great celebration as well as great tragedy. The semester began with the loss of communication major and WZND staff member Benjamin Alison, and just a short month ago we lost seven more members of the Redbird family, including Deputy Director of Athletics Aaron Leetch, and Associate Men’s Basketball Coach Torrey Ward. Through these times of great sorrow, our campus community rallied together to support our own.

In the spirit of support and celebration, this year has seen our annual fundraising record absolutely shattered, already breaking the $32.5 million mark with congratulations and thanks going out to Pat Vickerman and all of the staff in University Advancement.

The College of Business and School of Information Technology also hosted its first ever RedbirdHacks hackathon. Though hearing that, you may think “security breeching,” a hackathon is actually a programming and development competition that saw not only students from multiple disciplines but also multiple universities come together to test their skills. Projects involved not only coding but graphic design and even music composition in game development. And of course, I’m proud to announce that though we faced stiff competition from the University of Illinois, it was a team from Illinois State that took first place.

April also saw campus host the European Studies Symposium, featuring scholars from Illinois State, the University of Illinois, and other universities together with a speaker from the New America Foundation, a visiting professor from the University of Warsaw, Poland, and the Polish consul in Chicago. Students across campus took part in presentations and discussions regarding the potential gain of a European Studies program.  Special thanks go out to professors James van der Laan and Andrew Weeks of Languages, Literatures and Culture, and Tony Crubaugh, the chair of History.

Illinois State has also continued its strong tradition of civic engagement, seeing the student organization Stand Together for Education Progress (STEP) organize rallies in our state capital in support of higher education funding. The Student Government Association also held a Lobby Day in Springfield to meet with our elected officials with regards to proposed budget cuts. Though nothing has yet been finalized with regards to higher education funding, we’re at least happy to hear that the proposed elimination of the tuition waiver for university employees seems to be off the table. We would like to thank and recognize President Dietz, Jonathan Lackland, and our engaged students for proving once again that the spirit of civic engagement is alive and well at Illinois State.

We will spend the next two days celebrating the accomplishments of the graduating class of 2015, not only wishing them well, but knowing, given the experience they’ve had as Redbirds, they are bound for future success. As the semester winds down, our campus will soon again be busy as we begin Preview, welcoming our new freshman class to campus. Though coordinated by University College, they will be the first to tell you our summer orientation program is truly a campus-wide effort. Thanks also go out to all of the staff involved in LEAPForward, who, after making it through the first registration in the new system, are already gearing up for freshman summer registration.

In that spirit of welcome, we are especially excited to see on the agenda the resolution regarding the phase one revitalization of the Bone Student Center. The proposed changes are truly transformative for the building, and better represent the welcoming nature of Illinois State University. Thank you all for your continued service on behalf of Illinois State University.

Dietz: Thank you Alex. Now, I would like to call to the podium our Director of State Government Relations, Jonathan Lackland, to provide a legislative update.

**LEGISLATIVE UPDATE**

Lackland: Good morning. This has been a very active session to say the least, besides obviously the budget discussions that are taking place. At this point at last count we have had well over 10,000 bills that have been introduced and have made through the process, either successfully or not. What I would like to do is go into some level of detail very briefly about some of the bills that are impacted the broader higher ed community in Illinois and ISU specifically.

As we heard a minute ago HB403, which was the elimination of the tuition waiver, will not proceed the session and it was a very active opportunity by all the public universities, Board of Higher Ed, and other agencies that had a hand in making sure the bill did not advance.

The next bill I would like to bring to your attention is HB3428, the advanced placement credit bill. The sponsor in the House was Representative Carol Sente and the Senate sponsor is Senator Pat McGuire. What this will basically do in a nutshell, is mandate that the public universities in Illinois must accept a score of 3 or higher on advanced placement. The public universities have worked together to try to express the concerns about the bill. There was House Floor Amendment No. 1 that was actually placed on the bill in the House. The prime objective of House Floor Amendment No. 1 was to include the Illinois Articulation Initiative, which would actually review each of the college board advanced placement exams and assign codes for transfer. Now that the bill is in the Senate we are keeping up our activity to make it known the concerns that we feel as a broader higher ed community we do have on the bill. As of yesterday we did have discussions with the co-sponsor and did at least introduce an amendment to that bill and it is still be debated. The amendment would actually say instead of it being a 3 that there could be a possibility of at least a 4 or higher on the advanced placement. Again, nothing concrete, but we do plan to have some discussions with the Senate sponsor on Monday and hope those discussions will be successful.

The last bill that I would like to bring to your attention is SB806 and it is an articulation bill. This bill has literally made its way through the legislature for the past 3 to 3 ½ years. I can tell that the broader higher ed community has had some concerns about mandating the acceptance of articulation when we know a lot of universities already have agreed upon agreements with community colleges. But the basis of this bill actually indicates that public universities must, they are going to be mandated, to actually accept community college students, especially if they have their associates degree, if they have completed 60 semester units or 90 quarter units that they would be automatically accepted. The student must obtain a minimum GPA of 2.0 on a 4.0 scale, and students eligible under this act shall receive priority over all other community college transfer students. Again, the broader higher ed community engaged with Senator Dan Kotowsky who is the Senate sponsor, and we thank him for at least talking with us and we do feel that there could be a plausible amendment, if you will, that is being discussed. Nothing introduced at this point but it is a lot more palatable than the original language of the bill.

Lastly, I want to just offer some thoughts on procurement. There has been ample discussion within the legislature about procurement and procurement relief to public universities. I can tell you that there have been several bills that have been introduced in the House – nothing has advanced at this point. We do feel that there may be a broader procurement bill that may come to light at some point. Again nothing definitive, but we are on top of it to make sure that it does offer the relief that will be needed with the public universities. That concludes my report.

Bergman: Back to this articulation bill. I am kind of familiar generally with what is going on. I know a lot of the universities in Illinois are very concerned about it. I am not familiar with amendments or discussion that recently been taking place, but do you think that there is much of a chance that it really passing in its earlier form?

Lackland: That is a very good question. If this had been three years ago I would tell you no, but now I will tell you yes. There is a lot of support for articulation and the prime reason for that is I think amongst some members of the legislature articulation is considered to be some sort of a cost savings for students once they enter our doors. So because of that and given the tight budget situation we are dealing with, I do think that there is a fair amount of success that it will pass.

Bergman: Well actually it is a cost saving measure. The problem I think we have and what I would be concerned about is in certain community colleges that may not have real high standards, if somebody passes a course there and then they come here for perhaps the next course, they are not going to be adequately prepared. But overall I think it is a good idea if it can be done the right way.

Lackland: And just to let you know we have worked very hard to make sure that message has been expressed to the Senate sponsor.

Dietz: Thank you Jonathan.

Trustee Donahue, I have one report this morning. With your permission I will proceed to that report.

**REPORTS**

Report 2015.05/1100.01: Tuition Scenarios

The University traditionally presents the Board with recommendations for the upcoming year’s tuition, fee, and room and board package at its May quarterly meeting. As you will remember, last year, due to uncertainty over the state appropriation for FY2015, the University asked the Board to defer receiving recommendations until a later date.

In June of 2014, the Board convened a special meeting, and was able to approve a package that raised total tuition, fee, room and board costs by just 1.9 percent—the second lowest package among public universities in Illinois.

This year, the University will again ask the board to defer approving rates until a later special meeting. As I mentioned earlier, the state appropriation picture for FY2016 has yet to come into focus. Unlike last year, we do expect a substantial cut in next year’s state appropriation. We do not know if it will be of the magnitude proposed by Governor Rauner, and we may not have full information before rates must be set. Still, we must prepare for a substantial cut in state higher education appropriations from last year.

We cannot and we will not recommend offsetting state appropriation cuts solely by raising revenue through tuition, fee, room and board increases. Most offsets will come in the form of spending reductions at the University level.

Earlier, the University presented the Board with several budget scenarios that reduce spending in a variety of categories, including eliminating positions, and reducing expenditures for facilities maintenance, equipment, deferred maintenance, travel and other operating expenses.

Still, depending on the severity of state funding cuts, we are contemplating scenarios that, combined with significant university spending reductions, would modestly raise total tuition, fee, room and board rates for new students.

Under one scenario, tuition would be raised 4 percent and fees 1 percent, but room and board rates would be not be increased, bringing the combined increase to just 2.1 percent over last year. The chart that you have in your materials and is displayed on the screen shows where this would project Illinois State among other Illinois public universities. This scenario represents a recommendation we might propose to the Board should we believe appropriation cuts might come in lower than anticipated.

The second scenario contemplates the possibility of a more severe appropriations cut. In this scenario, tuition is raised 6 percent, but again, room and board rates are not increased, bringing the entire package to an increase of just 3 percent.

I remind you that these scenarios would only impact new students to Illinois State. Under the Truth in Tuition Law, tuition rates set for students remain in effect for four years. Similarly, under Board policy, fee rates remain in effect for four years.

Again, we may not know the exact amount of the appropriation cuts before we make final recommendations to the Board in late May or early June. What we do know is that the brunt of the cuts must be reflected in University spending reductions and cannot be balanced on the backs of students and their families.

I do not envision a circumstance where we would recommend a tuition, fee, room and board package higher than what is presented to you today in either scenario. I would be glad to answer any questions you might have but we are not asking for any action today.

Donahue: Thank you President Dietz. I can tell you the Board is taken this responsibility this year very seriously. We started back in September, we have held special meetings, we have a special committee that has also spent time on this, so I appreciate the staff presenting this and I also appreciate the recognition that we will not be balancing this budget hole on the backs of incoming students. With that said, we don’t have a lot of tools in our tool box. It is raise revenue or cut expenses or do both, and it appears from these scenarios as you said the viable option is to do both, but more on the expense side and less on the revenue side. Is that an accurate statement?

Dietz: Yes, that is accurate. I have seven resolutions for Board consideration today. With your permission, I will move to those resolutions.

**ACTION ITEMS**

Resolution 2015.05/12: Authorization to Spend FY2016 Appropriations

This is an annual resolution that allows the University to honor its financial obligations between July 1 and the October 2015 meeting where the Board will review the University FY2016 operating budget. I ask your approval for this resolution.

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

Resolution 2015.05/13: Pharmaceuticals

In 2007, HD Smith was the successful bidder of a 10-year contract to provide pharmaceuticals to the University’s Student Health Service Pharmacy.

This resolution asks your authority for a 2016 blanket purchase order with HD Smith of $1.25 million, the same as last year’s amount. I ask your approval for this resolution.

Donahue: Do I have a motion to approve this resolution? Trustee Louderback so moved and was seconded by Trustee Schumacher. Is this the 10th year now, if so, I assume next year we will be going out for bid?

Dietz: Yes.

Donahue: Do we expect this amount $1.25 million to be higher, lower if we go out for bid – do we have any idea on what the market is as of right now?

Paterson: At this point we don’t have any gauge as to what the pharmaceuticals market will be like next year. I think implications of insurance are going to affect to some degree what those prices may be. We will go out for bid next year and obviously try to get the best bid that we can.

Donahue: Is it a common practice to have a 10-year contract – it just seems long. By not testing the market for 10 years are we confident that this is the best for us?

Paterson: It is fairly common when we go out for bid that there are five with five-one year renewals. Part of that is that we are part of a consortium and we regularly check what those rates are so we know that they are within expectations. If they were outside that and we felt we were paying much higher, then we can always go out for bid. That is the importance of that one-year, year-to-year rollover after the first five.

Donahue: That relieves me that someone is looking at this – not just renewing the contract. Motion made, seconded and vote recorded as all members present voting aye.

Resolution 2015.05.14: Authorization to Renew Lease at Uptown Crossing

In July 2009, the Board authorized the University to lease approximately 31,000 square feet of space at the Uptown Crossing building, located at 100 South Fell in Uptown Normal.

The space currently houses Facilities Planning, Research and Sponsored Programs, units reporting to the Comptroller’s Office, College of Education grant-supported activities and the Workforce Data Management Project. Second floor space provides four conference rooms utilized by other University units.

The Uptown Crossing facility has become an important resource for the University in housing academic support offices as well as accommodating space needs that arise from renovation projects and grant sponsored activities. We have a demand for what they call surge space and that has really provided a lot of that as well.

This resolution asks your authorization to renew the lease for five years beginning in June, at a total five-year cost not to exceed $4 million. I ask your approval for this resolution.

Donahue: Do I have a motion to approve this resolution? Trustee Louderback so moved and was seconded by Trustee Churney. Any discussion?

Dobski: With a five-year commitment, with future development of our campus or facilities and office space, would any of that new down the road be able to take the place of some of this and minimize this?

Alt: Well that would definitely be our preference to host our own space rather than leasing. What this space provides us is its proximity to campus – so at this point we don’t have any available space that has been identified, but we will look through these next five years of any opportunity for that.

Dobski: So we are committing to five-year – would a three-year be better?

Alt: Well we can renew it annually I believe and if we did find some space in the interim we could do that. We have the procurement authorization to do five but we have the right to just renew it annually.

Bergman: The University has been between 20,000 – 21,000 students now for probably ten years. Five years ago we found that we needed another 31,000 feet and spending roughly $700,000/yr for rent. I guess what I am wondering is why do we need the extra 31,000 sq. ft. when our student population nor faculty has gone up in size – is it that we used some space for something else that previously housed these offices?

Alt: It is primarily that we have used this space that these other units have used for something else. A good example is in Hovey Hall a lot of the support functions of accounting and payroll were relocated in this facility to make that space available for the Financial Aid offices that have now filled that to make them in conjunction with the Admissions office, to make a better service to the students. Some of the other ones are from new initiatives that are going on, some of the grant work that is being done that we have had to provide space for. It has been used as search space. I know it housed the Mennonite College of Nursing for a period of time until their space could be renovated. But primarily it has just been expansion of services.

I also want to clarify that it is not all rent. Part of that is we contract the maintenance and the janitorial and utilities are part of that cost as well. So it is cost that we would pay for somewhere else, but the base rent is the biggest part of it.

Donahue: Is part of the issue the lack of steady capital bill. That we are not able to have capital funding to build these buildings ourselves – so in essence we are robbing from our operating fund because we don’t have the capital funds to build these buildings?

Alt: That is the primary cause because we haven’t had any capital funds to develop new space so we have to lease space. So if we had more capital funding from the state we would have a lot more potential to create ourselves.

Donahue: I have heard talks of a potential capital bill in Springfield – I am hearing horizontal – maybe we need to push to make sure vertical is part of that bill. To JD’s point $700,000 a year that could be going into the operating, tuition waivers, lowering cost to students instead of having to rent space. If there is a capital bill hopefully we can do our part to make sure we are part of that.

Dietz: The only add-on I would have to that is that I couldn’t agree more about the capital bill. The units that are occupying the space that is on the resolution today primarily are administrative spaces and a lot of the capital bills are going to be targeted much more to academic offerings and less to administrative space – so there is always that push and pull.

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

Resolution 2015.05/15: Bone Student Center Revitalization Project, Phase I Construction

This resolution concerns the exciting Bone Student Center revitalization project that we discussed in some detail during our board work session last month. I remind you that most of the funding for this $32.9 million project is already in hand—it utilizes no tuition or taxpayer appropriated revenue, and it will not require a new or increased student fee.

We have displayed here today the visuals we presented at the work session showing the scope of the project includes relocating the catering kitchen from the second to the first floor, renovating the area vacated by moving the catering kitchen, reconfiguration of the loading dock on the north end of the building, constructing new entrances on the west and northwest and the creation of a new area to welcome students, their families and guests.

In addition, the project will accommodate offices for Campus Dining Services and allow for the relocation of the Barnes and Noble Bookstore.

The source of funds for the project includes Campus Dining Services, Bone Student Center Reserves, Private Contributions, the Dean of Students Office and a new revenue bond issue. The new revenue bonds would be issued in 2017 or 2018, following the time in which the current bonds related to the initial constriction of the Bone Student Center are paid off, resulting in a reduction in annual debt service requirements. Before I ask your approval of this resolution might I also take a minute to say thanks to the planning committee that has worked very hard over the last year and a half and to the architects for designing this. It opens up that entire area in front of Milner Library in a whole new welcoming way for students and prospective students, and gives a space for those prospective students to meet, to gather and for programming to occur on that. It’s a very exciting project and I ask your approval for this resolution,

Donahue: Do I have a motion to approve this resolution? Trustee Schumacher so moved and was seconded by Trustee Louderback.

Schumacher: I would just like to say that since it is the Bone Student Center, as a student I have seen the plans and I wish I could stay here longer so that I could get to enjoy the student center as a student.

Bergman: This building would be considered by the Board of Higher Education as an auxillary building. If it were a brand new building it would need to have Board of Higher Ed approval. In this case it is a renovation and addition to a building – I don’t know if it needs Board of Higher Ed approval, but as such I am going to abstain from this vote.

Donahue: Duly noted and we will find out if we need that approval. Motion made, seconded and vote recorded as all members present voting aye with one abstention.

Resolution 2015.05/16: Campus Recreation Improvements at Gregory Street—Phase I

This resolution represents an opportunity to enhance the quality of life for students by educating and encouraging active participation in recreational opportunities that develop leadership skills, reinforce healthy behavior and support academic programs.

Again, we have some visuals that show the scope of the project to include construction of a facility for the Outdoor Activity Center, a high ropes course, a boat rental pen and a parking area. The project is to be located on Gregory Street, the former site of the University Farm. It conforms to the *Gregory Street Land Usage Plan,* presented to the Board in 2005.

The total cost of the project is not to exceed $2.15 million with the source of funds being Recreation Facility Reserves and Student Activity Fees. I ask your approval for this project.

Donahue: Is there a motion to approve this resolution? Trustee Davis so moved and was seconded by Trustee Dobski. On student activity fees – is this current fees or is there a proposal for fees to be slightly bumped up to cover this?

Paterson: Actually it is reserves that have been saved over the past few years for this project, so it will not result in any increase in student fees.

Dietz: I might add also that the high ropes course of this is very popular among students and the president will not be participating in that part of the project.

Paterson: We would like to offer the Board the opportunity to be the first to use it.

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

Resolution 2015.05/17: Connect Transit Agreement

This resolution represents our continuing relationship with Connect Transit to provide campus and community transit services to students, faculty and staff members. By presenting their ISU Redbird card, students, faculty and staff can ride on any Connect Transit route free of charge.

Last year, ridership was over 650,000 and ridership is expected to show an increase for this year. The cost for this service for FY2016 is not to exceed $520,000 with the source of funding being student fees and parking revenues. I ask your approval of this resolution.

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

Dobski: How does this number compare to last year’s cost and when I talked to Greg Alt regarding fuel costs – with it coming down considerably over the last couple of years, has there been a savings on that?

Alt: Yes, the cost for this year is $495,000 – so this would represent an increase of about 4.8%. It is negotiated every year and part is based on ridership and so that is one reason for the increased cost, as well as just the operating costs that Connect Transit Authority has. I think some of their funding is impacted by a downstate grant and I think sometimes that goes down and their operating costs they have to bear themselves a little bit higher as well goes into this. But we do negotiate it every year and so if we ever got to the point that we believed it would be more economical for us to run our shuttle then we would have that option to look at. But at this point it is a more economical way to provide that service than we could ourselves.

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

Dietz: Thank you very much. That concludes the resolutions and I turn the meeting over to you Trustee Donahue.

Donahue: Thank you President Dietz. Trustee Schumacher, before I ask for approval of this resolution, I just want to say that on behalf of the entire Board, it has been a pleasure to work with you over this year and get to know you. You have earned the respect and admiration of your student peers, your Board colleagues and the entire University community. I know the people you served with have appreciated your input and advice, and I know that the University has benefited from your participation in all aspects of University governance.

The service of the student trustee is not always very exciting—but it is always very important—and I want you to know how much we appreciate the excellent work you have done on behalf of the University.

From President Dietz’s earlier comments, it is entirely possible you may be coming back for one more Special Board meeting, but today, we celebrate your service to the Board, the University and the State of Illinois.

Ellen, if you will please come forward, and I am going to ask Betty Kinser to come up here as well because Betty has taken on a very active role in mentoring Ellen and I know they have a special relationship. So Betty if you wouldn’t mind, I will present you with a token of our appreciation as I read Resolution 2015.05/18.

Whereas, Ellen Schumacher was selected by her constituents at Illinois State University

to represent their interests as a member of the Board of Trustees of Illinois State University,

and

Whereas, Ellen Schumacher ably discharged that responsibility, while at the same time

 keeping in mind the interests of all of the people of the State:

Therefore, be it resolved that the Board of Trustees of Illinois State University expresses

 its deep appreciation to Ellen Schumacher for her service on the Board and for her success

 in all future endeavors.

Is there a motion to approve? Trustee Davis so moved and was seconded by Trustee Louderback. Motion made, seconded and vote recorded as all members present voting aye.

Ellen—do you have any final comments?

Schumacher: I would like to say that it has been an honor and this past year I have learned so much more than I could have ever imagined and I have enjoyed working with every single person on this Board and I will cherish this memory forever.

Thank you, Ellen. 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.

That concludes our business for today. Thank you all very much for your attention.

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 Louderback for approval, and was seconded by Trustee Schumacher. Motion made, seconded and vote recorded as all members present voting aye.

We will now move into Executive Session. At the close of Executive Session, the Board will reconvene in public session only for the purpose of adjournment.