**MINUTES**

**Board of Trustees of Illinois State University**

**May 9, 2014**

The Board of Trustees convened at 10:00 a.m. on Friday, May 9, 2014, in the Old Main Room of the Bone Student Center, Illinois State University, Normal, Illinois. Chairperson McCuskey called the meeting to order. Trustee Davis called the roll.

The following members were present.

 Trustee Bergman

 Trustee Churney (via phone)

Trustee Davis

Trustee Donahue

Trustee Kinser

 Trustee McCuskey

 Trustee Von Qualen

Absent:

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

President Larry Dietz

 Vice President for Finance & Planning Greg Alt

 Vice President for Student Affairs Brent Paterson

 Vice President 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 for a motion to approve the Agenda. Trustee Davis so moved and was seconded by Trustee Churney. Motion made, seconded and vote recorded as all members present voting aye.

**APPROVAL OF MINUTES**

You have before you the Minutes of December 14, 2013, and February 21, 2014. Is there a motion to approve? Trustee Donahue so moved and was seconded by Trustee Von Qualen. Motion made, seconded and vote recorded as all members present voting aye.

**CHAIRPERSON’S REMARKS**

Good morning everyone and thank you for coming today. It is a great day for Illinois State University. This is the day we celebrate the graduation and accomplishments of all of our students – past, present and future. 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.

Our new Student Body President is Connor Joyce. Connor is from Gurnee, Illinois and carries a double major in Human Resources and Psychology. He previously served the Student Government Association as the Secretary of College Affordability. Connor, can you please stand for recognition?

The ISU student body has elected a new Student Trustee, who will begin her service with the July Board of Trustees meeting. Ellen Schumacher is from Teutopolis, Illinois and carries a double major in Marketing and Organizational Leadership. She has previously served in student government as an East Campus Senator and President of the Assembly. Ellen, welcome to the Board, and can you please stand for recognition?

The Board met Ellen last evening when we had a dinner of Board of Trustee members past, present and Ellen being there for the future. We have had a tradition recently unlike any state university of student trustees being here for two years. Also they are all voting members having an equal voice. Ellen remarked last night that she hopes to carry on thet tradition of the last three consecutive trustees who have served two years each. I think I speak for the entire Board when I say that we have benefited from excellent student leadership over the years, and, Ellen, we look forward to working with you.

I hope everyone is making plans to attend the commissioning ceremony and commencement exercises today and tomorrow. The ROTC commissioning ceremony begins at 1:00 in the Center for the Performing Arts Theater. If you have not attended that ceremony in the past I really encourage you to do so. It is a very individualized ceremony and a very emotional ceremony. It is a very important ceremony for the students who have gone through ISU and are accepting government service in our military serving and protecting our country. One of the things that the Board has done now for many years is we will all be present at that commissioning ceremony.

The Mennonite College of Nursing ceremony will be at 4:00 p.m. today in Braden Auditorium and the College of Arts & Sciences ceremony will be at 7:00 p.m. in Redbird Arena. On Saturday the College of Education ceremony will be at 9:00 a.m. in Redbird Arena, the College of Applied Science & Technology will be at noon in Redbird Arena, the 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.

One of the things that I think is special at ISU is that many of you may be at high schools where you are told you have two or four tickets and then you have to decide who goes. We don’t have tickets – we have everyone who wishes to come present. We will probably have as we have had in the past over 30,000 people attend our ceremonies. I am on radio regularly in Champaign/Urbana and I like to tell the people there that every person that wants to come to graduation is welcome. I am certain we have more people attend graduation ceremonies here than at any state university in Illinois. This is the University’s 155th commencement and more than 3,450 students are participating as well as thousands of friends and family. Graduation is among the most important events for this University and also important to the students and their families. It’s a wonderful experience for the faculty and the extended university family, so I hope you can make plans to attend at least one or more of the ceremonies. And the thing that I also enjoy at these ceremonies is when we ask all the graduates of this year as well as prior years to stand and you see that hundreds and hundreds of people in the audience who are also graduates of Illinois State.

I want to thank the Campus Communication Committee for organizing this morning’s discussion hour. The ISU Leads Program is another excellent example of student engagement at Illinois State, and we are proud of everyone involved in this successful program.

As you know, on March 22, 2014, the Board of Trustees appointed Dr. Larry Dietz as the University’s 19th President. Today we are fortunate to move forward with President Dietz who has the full confidence of the Board of Trustees and the University community. I now turn this meeting over to the 19th president of Illinois State University Dr. Larry Dietz.

**PRESIDENT’S REMARKS**

I want to begin by thanking Chairperson McCuskey and the entire Board of Trustees for the confidence they have placed in me. I also want to thank my wife, Marlene, who is in the audience – Marlene would you please stand and be recognized? Marlene has been my partner and team mate for a long time and we both look forward to this new role. I said at the last Board meeting that she has been my first lady for many, many years and she is going to be a great first lady for this institution. She is an accomplished professional in her own right. She has an MBA and has owned her own company for a while and began her career as an elementary school teacher, and we are both looking forward to leading this institution. I also want to thank the students, faculty, staff and alumni of Illinois State University for the warmth and support that has been shown to me in assuming my new role. In my 40 years in higher education, I have never experienced the depth of commitment and engagement that I see every day at Illinois State University, and I say that having served many other institutions in many other states. This indeed is a very special place. Our value of shared governance allows everyone to express their views and to play an important role in shaping the future of this University—and I am humbled and honored to be part of it.

Shortly after being appointed President on March 22, I addressed our faculty and staff regarding the changes on campus over these past two months. What I wrote then, and what I say today is that change—even turbulent change is common in the University culture. What hasn’t changed—at least not at Illinois State – is the enduring quality of our teaching, learning, research and service. These are the values that make Illinois State strong—this is the foundation that will keep Illinois State strong as we move forward.

Among my first priorities has been responding to several other administrative changes occurring at the University. As you know, our Provost and Vice President for Academic Affairs, Dr. Sheri Noren Everts, will be leaving ISU soon, after being appointed chancellor at Appalachian State University in Boone, North Carolina. Sheri has been a terrific Provost, and I am personally grateful for her wise counsel as I moved into this new position.

Late in April, I appointed Dr. Janet Krejci to serve as Interim Provost and Vice President of Academic Affairs as we prepare to launch a national search for the position. Dr. Krejci joined Illinois State in 2009 as dean of the Mennonite College of Nursing and has made a remarkable contribution to Illinois State through her leadership, teaching and example. Dr. Krejci, could you please stand and be recognized?

In addition, Dr. Dan Layzell, our vice president for Finance and Planning, left ISU earlier this year after being selected as a finance vice president for the Louisiana State University System. Greg Alt has been appointed to serve as interim Vice President for Finance and Planning. Greg has more than two decades of finance experience right here at Illinois State, so it has been a very smooth transition. Greg, could you please stand?

My transition to the Presidency created an opening in the Division of Student Affairs, and I was pleased to appoint Dr. Brent Paterson as Interim Vice President of Student Affairs. Brent has been with the Student Affairs Division for 13 years after spending 17 years in Student Affairs at Texas A & M University and was at the University of Denver prior to that and has many good years of terrific experience, so we also give him a warm welcome. Dr. Paterson, could you please stand and be recognized?

Along with Vice President for University Advancement, Erin Minné, and the rest of our administrative Cabinet, I believe we have an excellent team in place as we look forward to a busy summer and the 2014-2015 academic year.

I also want to congratulate and thank Maureen Blair, our director of University Housing Services. Maureen is retiring after 25 years of service to Illinois State University, and we will miss her leadership and collegiality. When it comes to ISU housing, Maureen is one of very few people who has seen it all and has done it all. She has been through housing construction, demolition and renovation. She has worked professionally and compassionately with thousands upon thousands of students—many of who were leaving their homes for the very first time. Maureen—you are an Illinois State University treasure—so please stand and let us recognize you.

I am also pleased to tell you that Stacey Mwilambwe has been appointed as the new Housing director. Stacey has been with Illinois State for 17 years and in many aspects of Housing, and she will be ready to assume her new role June 1. Stacey, could you please stand and be recognized?

With just over a month and a half remaining in FY2014, Illinois State remains in stable financial condition. Our most recent payment from the state brings us up to $48.2 million or 65 percent of our FY2014 appropriation. We expect to receive a total of 75percent of the appropriation by the end of this fiscal year.

Illinois State is routinely recognized for its many academic qualities and the success of our faculty, staff and students. The University is also receiving high marks for the manner in which it manages its finances. Moody’s credit agency recently reaffirmed our A3 credit rating, and S&P followed suit with an A+ rating. Both rating agencies considered ISU financially stable and re-affirmed our status with the second highest rating among Illinois’ public universities. The benefit of the University’s positive credit rating was recently demonstrated in the very successful sale of our 2014 Certificates of Participation sold competitively in the financial market on April 29th.

Seven broker dealers and three commercial banks submitted bids. JP Morgan Chase was successful in acquiring the shorter term series and PNC Capital Markets was the successful bidder for the longer term series. The combined blended rate for both series is 3.86 percent, which is very competitive for a 20-year municipal issue.

As we look to FY2015, the state budget picture has yet to come into focus. In preparation for Illinois State’s April 3rd House Appropriation Hearing, we were asked to address the impact of a possible 12.4 percent reduction in state funds, which would result in a $9.2 million revenue loss to the University. As we explained to House Committee leaders, a cut of that magnitude would impact nearly every aspect of university operation, including deferred maintenance projects, the number of academic course sections we could offer, access grant supplements to the state’s Monetary Awards Program, as well as other areas.

It would also impact the tuition rate the University would recommend to the Board. Under the scenario of a $12.4 percent state appropriation reduction, the University would be forced to ask this Board to consider a 4 to 6 percent tuition increase for the 2014-2015 academic year. We do not want to take this step—in fact—we planned to request authority for a very modest increase of about 2 percent. While we are optimistic the state will not cut public university budgets at such a severe level—we won’t know details of our state appropriation until closer to the May 31 legislative adjournment date.

It is for that reason that we have removed the annual tuition, fee, room and board proposal from this meeting’s agenda. Today, I am informing the Board that once the budget picture becomes clearer, I may ask the Board to convene a Special Meeting in early June to consider tuition, fee, room and board rates for the 2014-2015 school year. We will send out projections next week based on the 2 percent scenario, but will need you to be aware that depending upon the final state allocation, we may have to sharpen that a bit.

One thing we do know about the next academic year is that we have a robust pool of applicants from new freshman and transfer students. Freshman applications for this coming fall set a new record of almost 15,400. Our Admissions and Enrollment Management had an outstanding recruiting year, so I want to thank Troy Johnson and Stacy Ramsey and their staffs for all of their hard work. As Stacey moves into the Enrollment Management Office, I would like to welcome Jeff Mavros as our new Admissions director. Jeff is a graduate of Illinois State and we look forward to his leadership in the Admissions Office—Jeff, can you please stand?

Another person that is leaving the University and leaving the Provost office to take a dean’s position at St. Louis University is Mardell Wilson. Mardell, we wish you well and would you please stand and be recognized?

As of right now, we have more than 3,900 enrollment deposits from freshmen of high academic quality—that is up more than 800 from this time last year, which is an amazing increase. We know that there will be some melt from that number to use an enrollment management term, but it is not going to be an 800 melt, so that has a positive aspect for the budget and it has some other considerations for housing and course scheduling and all those kinds of things, but being up is always a good thing. The ACT average for currently enrolled freshmen is near 24 with a Grade Point Average of 3.35. Enrollment deposits for freshmen from underrepresented groups are running ahead of last year, also with strong academic quality.

A few notes from Athletics—three Illinois State student-athletes have highlighted ISU’s spring season by garnering All-America recognition thanks to impressive performances at their respective NCAA Championships, including diver Wenting Zhang, along with track and field athletes Curt Jensen and Akil Mills.

Zhang became the first diver in school history to advance to the NCAA Championships with her second-place score in the 1-meter competition at the NCAA Zone C Diving Qualifier. The China, native went on to earn sixth place in the 3-meter competition at the NCAA Swimming and Diving Championships.

Meanwhile, Jensen earned All-America accolades after placing eighth in the shot put at the NCAA Indoor Track and Field Championships. His teammate, Mills, also received All-America honors by earning sixth place in the NCAA Championships weight throw competition.

Illinois State is scheduled to host its fourth and final conference championship of the spring, when the Missouri Valley Conference Softball Championship is held at Marian Kneer Softball Stadium, May 8-10. Illinois State earned the tournament’s No. 2 seed after finishing second in the MVC regular-season standings. The Redbird baseball team is also currently in second place – one game out of first – with six regular-season conference games remaining.

Along with the Missouri Valley Conference Softball Championship, Illinois State Athletics also hosted the men’s and women’s MVC Team Tennis Championship and the MVC Men’s Golf Championship. The Redbird men’s golf team finished second, just three strokes behind the winning squad. Meanwhile, both of ISU’s tennis teams advanced to the MVC semifinal round.

That concludes my initial remarks. I now invite Lois Soeldner to the podium for a Campus Communication Committee report.

**CAMPUS COMMUNICATIONS COMMITTEE**

The Campus Communications Committee wishes to thank Erin Thomas for the excellent presentation at this morning’s coffee hour. We were pleased to learn about the ISU Leads programs and the outstanding leadership opportunities it provides our students.

We are delighted to welcome Dr. Dietz to his first Board of Trustees meeting as our new university President. This is also the first meeting for interim Vice President Alt and interim Vice President Patterson. The committee wishes you well as you adjust to your new duties.

Sadly, we say good-bye to Vice President and Provost Everts. Illinois State was fortunate to have Provost Everts leading the charge to enhance the academic experience for our students. We wish her much success as Chancellor at Appalachian State University. And we welcome the incoming interim VP and Provost Janet Krejci. Congratulations.

The University has been through a tumultuous period. The Committee, which represents shared governance, would like to acknowledge the role of the Board of Trustees and their commitment for a solution to a difficult situation. We also recognize the students and faculty who have participated in civic engagement. Their conduct has been appropriate and respectful while making their opinions clearly known.

The Committee wishes to recognize our campus community for its immediate response when a tragic accident left student Michael Collins in very serious condition. The creation of a Twitter account, #MCStrong, allowed individuals on campus and surrounding communities to give financial help to Michael’s family for his medical expenses. A few days later, Michael passed. As an organ donor, Michael lives on affecting the lives of over 200 recipients. A Facebook page was created named Pay It Forward for Michael Collins. The postings on the site give an amazing array of acts of kindness that are being enacted by students, faculty, staff and Bloomington-Normal residents.

Over 8 million viewers watched 2012 Finance graduate Mike Shannon and 2013 Marketing graduate Kasey Gandham on ABC’s Shark Tank. With help from the George R and Martha Means Center for Entrepreneurial Studies, the former students founded their start-up business “Packback” while completing their degrees at Illinois State. Their business is something like a “Red Box for textbooks” and redefines the textbook industry allowing students to save money on books through long and short term digital rental. Their pitch on Shark Tank was well received by Mark Cuban who gave the pair $250,000 in exchange for 20% of the company. They were also able to secure nearly one million dollars in additional venture capital funding for their company, Packback. Their digital books are already being used by thousands of college students across the country and prospects for high growth look very bright.

We were pleased to know that President Dietz joined with presidents and chancellors of every Illinois public university to send a letter to Governor Quinn and the legislative leaders to request timely measures to correct legislation wording errors in the recently passed pension reform law. These errors result in misleading information about “money purchase annuities” and confusion regarding reduced pension benefits for retirement-eligible employees working beyond June 30, 2014. The Committee urges continued vigilance over our legislators and continued sharing of information affecting so many on campus.

This weekend will see nearly 3,500 students participate in commencement. Almost one–third of Illinois State students will graduate with no college debt. And those leaving with loans will most likely have thousands less to repay than the national average. These points are mentioned because of the impact they can have on families of our future students. We hope you will spread the word.

Thank you and please enjoy a wonderful commencement weekend.

Dietz: Thank you Lois. As we recognize the Campus Communications Committee, I also want to recognize our Academic Senate. The newly elected chair of the Academic Senate is Susan Kalter who has been at ISU for 14 years as a member of our English faculty. She assumes the chair role after serving on the Senate for eight years. So Susan could you please stand and be recognized? I would also be remiss if I didn’t say a brief word about Dan Holland who couldn’t be with us today. Dan has been the chair of the Academic Senate for many years and has done a stellar job. So if you see him on campus, please congratulate him on his move into the head of the Physics department. Now, I would like to call to the podium Mr. Louie Mossos, to provide a legislative update.

**LEGISLATIVE UPDATE**

Mossos: Thank you. We are almost at the end of the regular legislative session, which ends on May 31. This is a very important election year. The constitutional offices are up as well as all the House of Representative seats and about 1/3 of the Senate’s seats, so that is kind of overshadowing what is going on in Springfield these days.

Let’s start off with the FY2015 budget. The Governor gave his budget address on May 26 – he had to push it back five weeks later than previously scheduled, probably to do it after his primary election. Due to the expiration of the income tax increase this year, his speech spoke of two possible realities for Illinois – the budget with an extension of the income tax increase, and then the budget if the income tax increase is allowed to expire. So if the income tax increase is made permanent the FY2015 introduced budget includes a total general revenue fund investment of about $3.4 billion for higher education. This is an increase of almost $141.8 million over FY2014 appropriations, but please note this entire increase is going to be directed to State University Retirement System (SURS) payments and it is also going to go towards the Governor’s initiative of increasing MAP funding by $50 million. In general, if we are to get the income tax increase extended, the universities are going to have level funding. Our introduced level of $74,073,000 is the budget that was suggested by the Governor for this year and that is assuming we have an income tax increase extension. That is $16,000 less than we received last year but for all purposes in Springfield it is considered level funding.

If the income tax increase is not extended ISU is slated to receive $64,865,000 for a decrease of about $9, 208,000 or a 12.4% decrease from our FY2014 appropriation. As you all know the real budget doesn’t really get set until the last waning hours of the legislative assembly so we won’t know more until that time. President Dietz and his team did a great job of appearing before the Senate and House budget committees. He spoke about ISU’s budget request and some of the pressures we have been feeling regarding deferred maintenance and other items. Prior to these hearings we met with the chairman of these committees and key legislators and we were very well received.

Regarding this income tax increase, at the moment it doesn’t seem like there are the votes to pass it. In the Senate, President Cullerton has indicated he does have enough votes but he doesn’t want his members to vote on it unless the House is able to pass it, so he has asked that the House pass the extension of the income tax increase first. Speaker Madigan in the House says he doesn’t have enough votes. He might be able to get enough votes if the income tax increase is tied to a capital project. If that were to happen I know we do have some capital needs and we are very well positioned to bring those up in Springfield.

Pension reform is also still very relevant. The legislature passed P.A. 98-599, which made changes to four of the five state pensions – the ones affecting state universities, state employees, teachers and the General Assembly. They left the judges retirement system unaffected for the time being. There are currently five law suits that were filed by employee groups. Four of these have been consolidated arguing that the pension reforms are unconstitutional. The Illinois Supreme Court has said that those cases will be heard together in Sangamon County. More recently it has come to a lot of people’s attention that there might be an ambiguity in one of the laws that were passed regarding the SURS money purchase calculation. Apparently it appears that the language of the statute and the legislative intent are different. Yesterday the Board of SURS voted to proceed with the legislative intent and not the plain language of the statute, so that will protect state university employees. Otherwise they could have lost almost a year of contributions toward their annuities. This is developing pretty quickly. The vote was taken yesterday and there is also an injunction that has been filed and we are continuing to monitor this.

MAP funding is a very hot topic these days. The Governor organized a MAP Matters Day rally on April 30th to raise awareness for his plan to double over the course of five years funding for the Monetary Award Program. Hundreds of students and educators participated from across the state. The state currently allocates $373 million for MAP grants that benefit more than 140,000 state students. In his FY2015 budget the Governor has called for an increase of almost $50 million, which will give 21,000 more students access to grant funds. About 58% of MAP recipients have no available resources to pay for college.

Another big issue in Springfield is the minimum wage. There are various proposals to raise the minimum wage. One wants to raise it by as much $15/hour. The more realistic proposal will raise it to $10.65/hour. State Senator Jim Oberweis, who is running for US Senate against Democrat Dick Durbin, recently unveiled a proposal to increase the minimum wage to $10/hour, but only if you are 26 years of age or older. Again it doesn’t appear this minimum wage has legs in this election year either. The Speaker of the House has suggested putting a non-binding referendum on the fall ballot to ask voters if they support this issue.

There are over 100 bills that affect ISU and higher education in general and we could be here all day, but you have a big weekend ahead of you so I would like to touch on just a handful. HB3944 with regard to future capital appropriations for new construction gives the Board of Trustees the authority to set up to 10% of any new appropriations to the side and use those for capital renewal or deferred maintenance as you see fit. HB5385 sought to eliminate certain university tuition waivers. Along with the other institutions of higher education we opposed that and the bill has stalled for this session. HB4559 requires all uniforms and athletic apparel that is used in practice and in games be made in the USA. After researching further we found that 90% of the items used aren’t manufactured anywhere in the U.S., and it would also raise the cost by millions of dollars, so that seems to have stalled for the moment. And SB2202 creates the smoke-free campus act and it basically codifies what ISU is one of the first to do, a statewide smoking ban. So in this regard you are pioneers and Springfield in codifying what you have been doing for a while. Thank you.

Dietz: Thank you Louie. I also want to say thanks to your team that ably took our new team down to Springfield and showed us the rope. You did a great job and the information was terrific.

I have one other introduction to make. Leslie Root, our Assistant to the Vice President for Finance and Planning, has taken on the new role of Director of State Government Relations. Leslie has been with the Finance and Planning Division for two years after spending a decade working in the Illinois Senate and for the General Assembly’s policy research arm, the Legislative Reference Unit. Leslie will be our main university conduit to state government, and will also work closely with our McGuire Woods consultants on state legislative matters. Leslie, can you please stand for recognition?

Trustee McCuskey, I have no Reports this morning, but there are six resolutions. With your permission, I will move to those.

**ACTION ITEMS**

Resolution 2014.05/10: Authorization to Spend FY2015 Appropriations

This is an annual resolution that allows the University to honor its financial obligations between July 1 and the October 2014 meeting where the Board will review the University 2015 operating budget. I ask your approval for this resolution.

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

Resolution 2014.05/11: Approval of Campus Wireless Upgrade

As you may remember, in 2010, the Board approved a resolution for a campus-wide wireless coverage project. The goal of that project was to extend wireless network coverage across the entire campus. Since then, there has been a demand for additional coverage due to the dramatic increase in the number of devices that connect to wireless resources. Our original wireless infrastructure is no longer able to handle today’s demands for wireless bandwidth—so this resolution requests authorization to proceed with the upgrade. The three-year upgrade plan will require an expenditure not exceeding $2.1 million—and we already have $900,000 in unspent funds from the initial 2010 project. I ask your approval of this resolution.

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

Von Qualen: I would just like to stress how important this upgrade is to the student body. I think every student in this room will agree with me when I say with the number of devices increasing for students in their daily activity on campus, this is very necessary and also for the faculty and staff who go from place to place on campus. It is very important that they have wireless accessibility whenever they travel. So I would encourage the Board to support this resolution.

McCuskey: The Board of Trustees has one employee – the president. The president has approximately 3500 employees. That is part of shared governance, so the Board of Trustees has a limited function under the legislation. One of the limiting functions is we only receive resolutions for expenditures that exceed $500,000. So on a daily basis the administration could spend $499,999 at will and the Board would never see those expenditures. So these come to the Board when they exceed $500,000 so that is what we are talking about today. This one is not to exceed $2.1 million for the necessary hardware, software and related costs to upgrade the wireless coverage in underserved locations throughout the campus.

Bergman: While the Chairman is correct that the Board has to look at specific expenditures and contracts of over $500,000, the administration just can’t spend anything anywhere – it has to be within the overall budget.

McCuskey: And the first resolution was for the authorization for the administration to proceed with the budget, which will be well over $400 million. I think the average person thinks we sit here and review all expenditures, but that is not true. Motion made, seconded and vote recorded as all members present voting aye.

Resolution 2014.05/12: Authorization to Contract for Campus Backup Solution

A critical piece of the University’s disaster recovery strategy is the ability to backup critical data and technology systems, including all major system components. Our current backup system is capable only of addressing on-site backup and recovery functions—so today we seek authorization to acquire a comprehensive backup solution to ensure both on-site and off-site backup strategies are in place. The cost of the contract is not to exceed $750,000. I ask your approval for this resolution.

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

Resolution 2014.05/13: Authorization to Purchase Janitorial Supplies
As you might imagine, Illinois State University purchases janitorial supplies—lots of them. In order to keep costs as low as possible, we purchase the supplies through the Illinois Public Higher Education Cooperative. This gives us a lot of leverage as we buy in volume with other campuses. For the past several years, AmSan LLC of Peoria has been the successful low bidder—so today, we ask approval to continue with the contract for Fiscal Years ’15, ’16 and ’17 at an annual cost not to exceed$700,000 annually. I ask your approval of this resolution.

McCuskey: Do I have a motion to approve? Trustee Davis so moved and was seconded by Trustee Churney. I remember the first meeting I was at where all of a sudden we were spending a little over $500,000 to Normal for the fire protection of Manchester/Hewett and other dorms around campus and it’s like, where does this come from? I was reminded that it has been here for many, many years but just finally exceeded $500,000. This is one of those expenditures here. You notice we put a cap on these things.

Bergman: Some of you who have been around here for while remember Professor Freed. He was a retired history professor that when we had the 150th anniversary wrote a book about ISU. A few years ago I was walking thru campus and happened to meet him. I asked him how his research was going and he said pretty good. At that time he was looking at the minutes of the board meetings and 1904 or 1906 the board voted to spend an amount slightly over $100 for toilet paper for the entire year.

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

Resolution 2014.05/14: Planning for Bone Student Center Revitalization, Phase 1
At last May’s meeting, the Board authorized an expenditure of $2 million to plan Phase I of the Bone Student Center Revitalization project, which involves appointing architects and developing design and construction documents for the project. The original scope of the Phase I project included relocating the catering kitchen, redesign of the loading dock, renovations to the space created by moving the kitchen catering area, and improvements to entrances.

Today, we seek authorization to expand the scope of Phase I to include providing space for Campus Dining Services administrative functions, and to create a Welcome Center. While adding these elements will ultimately add cost to the overall project—it does not add to the cost of the architectural and design work—so the $2 million you previously authorized will still cover architectural and design work, and we are seeking no additional funding authorization today. Today, we are simply seeking authorization to expand the scope of the project. Once the full scope and budget for the project are designed, we will then return to the Board for consideration of a project budget. I ask your approval for this resolution.

McCuskey: Do I have a motion to approve? Trustee Churney so moved and was seconded by Trustee Donahue. I am going to make a comment here about the food service that comes out of Bone Student Center – on certain days you just can’t imagine how hard the work is. The last Saturday of April the Illinois Basketball Coaches Association has come here for years and it brings 1,500 people for a dinner – it exceeds the Brown Ballroom and goes into what we used to call the Circus Room. On that April 29th there was another dinner in this building for the pre-law students. The same day there were reunions around the athletic fields for baseball and football teams and that is all just a usual day out of the Bone Student Center. I don’t know how they do those April 29th days but they do it just like today all of the people who make Commencement work. The hours they put in just amazes me. This is really a necessity.

Donahue: I just want to commend President Dietz or whoever had the foresight about the welcome center. I know from recruiting standpoint that is one of the issues that makes us competitive to other schools – Iowa and Missouri – that welcoming center was something that from surveying said that we lacked and Trustee Von Qualen was actually briefing me on some project he was involved in going to other open houses at other universities to see what they do and what we can do better. One of the things he was telling me was that we need a welcome center.

Bergman: First of all I am totally in favor of a welcome center. We need one and should have had one in year’s past. People thought that white elephant that we have north of town was going to be one but I always thought it was the wrong place at the wrong time. My question is as I am looking at item 5 – design and construct an addition to Bone Student Center of 4,000 ft. for dining services. Number 6 – design and construct an addition to Bone Student Center for a welcome center. I am somewhat familiar with the building and within the building right now there is a lot of unfinished area. It might not be in the correct space but there are places in this building that were never finished, yet we are talking about putting two additions onto the building. I am wondering if anyone has looked at the cost of finishing some of the unfinished areas of the building and if it were practical in their locations?

Paterson: As we started to look at what our needs were with the student center and part of that is engaging the architects and engineers to go through the space and there is a meeting scheduled later this month to see how we can best use the space. So if there are possibilities of using current space in the building without having to do additions or without changing the programs or services that we provide to students we are certainly open to that. I am not exactly familiar with what spaces you are referring to answer more directly.

Von Qualen: I think this project is going to improve the functional nature of the building. I think it is very apparent that these are needs that we have on campus. – the campus dining services being in a more centralized location on campus is a benefit. The welcome center as Rocky mentioned. I did do a project where I went to competitor institutions and I was able to see the way they attract potential students and it was very apparent early on that we are really lacking a welcome center. Many institutions had a great room or a facility where the students could see the traditions of the institution, the legacies that alumni have had and it is just a great recruiting tool.

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

Resolution 2013.05/15: 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 2015 blanket purchase order with HD Smith of $1.25 million, the same as last year’s amount. I ask your approval for this resolution.

McCuskey: Is there a motion to approve? Trustee Churney so moved and was seconded by Trustee Von Qualen. The trustees have all commented going through the university student health service and seeing all the doctors and nurses and the facilities it is just stunning thinking back on what it was like in the 60s and 70s, so every time I see this I know why it is such a large amount. It is a necessary expenditure of giving the students here the kind of health service that we didn’t have in the past.

Kinser: I just want to say too that the staff and the director of the health center are just fabulous and it just like being in a hospital in a small area. I really was very impressed with the health center.

Von Qualen: I have attended and I appreciate the services that the student health service offers to our students. Part of what I want to do is thank the staff for spending time with me and going through the benefit that this has for the student body. It is very impressive and I think we are ahead of many state institutions, many of our competitors in-state or out-of-state. So, again what a great resource that we give to our students.

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

Trustee McCuskey, I will turn it over to you for the final resolution.

McCuskey:Thank you President Dietz. Trustee Von Qualen, 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 the past two years. You are the third student trustee on this independent governing board to serve two terms, and you have earned the respect and admiration of your student peers, your Board colleagues and the entire University community. I know the Presidents and Board members 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 exciting—but it is always 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 on a day when you celebrate your Master’s degree completion, it is also entirely appropriate to celebrate your service to the Board, the University and the State of Illinois.

Aaron , if you will please come forward, I will present you with this token of our appreciation as I read Resolution 2014.05/16.

Whereas, Aaron Von Qualen was selected by his constituents at Illinois State University to represent their interests as a member of the Board of Trustees of Illinois State University, and

Whereas, Aaron Von Qualen 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 Aaron Von Qualen for his service on the Board and for his success in all future endeavors.

Von Qualen: I am so thankful to have served this great institution in the last two years as the student trustee. I couldn’t ask for better colleagues than my fellow trustees and appreciate their collegial approach to the Board. It has been an exciting ride in the last two years but I know that we all have made decisions with ISU’s best interest in mind. I thank Dr. Dietz for stepping up to the plate in a tough time and I know he will do a great job as Illinois State’s President. I also would like to thank the student body who elected me twice to serve them on this Board, and everyone that I have consulted with about issues that we were facing in the past two years. Thank you for your advice and I know you all have Illinois State’s best interest at heart as well. I would like to thank the Vice Presidents for their help and service along the way as well as Jay Groves, Julie Barnhill and Jackie Snelling. Thank you for everything you have done for me and this Board, I know I can speak for all of us when I say we appreciate everything you do. So thank you for the past two years and making me feel like I was a part of this team, this experience is something I will never forget and will always be thankful for. Thank you all and I look forward to hearing about how great Ellen is doing after she is sworn in. Thank you all.

McCuskey: Thank you Aaron. In addition to public comments made at each quarterly meeting by the Campus Communications Committee, the Board of Trustees also invites public comment from members of the University community and greater local communities. The process for making public comment can be found through a direct link from the Illinois State University Board of Trustees Website, which is linked to the Illinois State Homepage at [www.IllinoisState.edu](http://www.IllinoisState.edu).

We have a request for comment this morning from Tomi Mick and Ashley Anderson—both ISU students. Tomi and Ashley, you are invited to the podium to make a statement.

We also have a request for comment this morning from Andy Manno, an Illinois State alumnus and former Student Body President. Andy, you are invited to the podium to make a statement.

We also have a request for comment from David Brown. David, you are invited to the podium to make a statement?

I also want to take a few moments to address some of the changes that have occurred at Illinois State over the past year.  On May 10, 2013, the Board of Trustees appointed Timothy Flanagan as Illinois State University’s 18th President.  His began his duties on August 15.

As you know, Dr. Flanagan was one of four finalists chosen after a national search. The search process was extensive. We engaged a nationally recognized search firm, formed a search committee, conducted background checks and on-and-off list reference checks. Dr. Flanagan as well as each of the other finalists met with a variety of campus groups, and spoke at a campus and community open forum toward the end of our national search process last year.

I think it is important to point out that three Illinois public Universities conducted presidential searches last year—and Illinois State was the only University that conducted an open search—inviting students, faculty, staff, alumni and community members to meet the candidates, read their vitae, ask questions and provide evaluations to the search committee.  The other two Universities conducted closed searches—meaning that if you weren’t a member of their governing boards or search committees—you never learned who the finalists were, and you never met the person who would be selected as president until that individual was publicly introduced.

I think it is also important to point out that the contract offered to Dr. Flanagan was the most financially modest of any of the three universities.  Dr. Flanagan was not offered tenure—which is the case in many, if not most presidential contracts, and that is why he will not be back teaching at ISU this fall. The contract is one that served the University well under President Bowman, and presidents before him.  The issues and outcome of Dr. Flanagan’s circumstances had nothing to do with his contract.

On March 22, 2014, the Board accepted the resignation of Timothy Flanagan and approved a release agreement.  As part of that agreement, Dr. Flanagan received a one-time payment of about $480,000—which reflected the final months of FY2014 plus one additional year.

The source of the payment was a pool of locally held University funds that are used for contingencies, and are comprised of revenue collected from transaction fees of companies that do business on campus, and from a few other sources.   None of the funds came from state appropriated taxpayer resources—none came from student tuition or fee resources—and none came from privately raised funds contributed by alumni or other university stakeholders.

Clearly, the funds used for the payment could have been better used for something else on campus—there is no question or argument about that.  But I can also tell you that Illinois State’s annual budget is in excess of $400 million annually—and whenever the Board or University authorizes a large expenditure—there is never a shortage of people who believe the funds could have been better spent on something else.  Whether it is faculty and staff salary increases, classroom or residence hall renovations or University funds that supplement what the state MAP grants doesn’t cover for our neediest students—there are those who believe that in this economy funds can always be better directed elsewhere.  While the Board was also unhappy that this expenditure had to be made—we are at least satisfied the funds did not come from taxpayer, tuition payments or donated funds.

The terms of the release agreement—the amount of the payment and the fact that the Board and Dr. Flanagan’s attorneys agreed not to make any statements regarding his resignation other than what were contained in the press release—has been the source of considerable disagreement.  What I do hope no one will disagree with is the fact that a change needed to be made and that it needed to be made quickly. The Board considered at considerable length the options that were available with respect to Dr. Flanagan and chose that option that we determined was in the best interest of the University. This was a very difficult situation that required some difficult decisions.

We accepted Dr. Flanagan’s resignation on March 22, 2014 and appointed Dr. Dietz as President that same day.

Good people can and have disagreed with our decisions. We understand and appreciate the arguments.  Of all places on earth—a University should be an environment where students, faculty and staff can openly question and challenge governance decisions.

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 Churney so moved, and was seconded by Trustee Donahue. 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.