

Minutes of the
NIU Board of Trustees
LEGISLATION, AUDIT AND EXTERNAL AFFAIRS
COMMITTEE MEETING
August 26, 2010

CALL TO ORDER

The meeting was called to order by Chair Cheryl Murer at 11:04 a.m. in the Board of Trustees Room, 315 Altgeld Hall. Recording Secretary Sharon Banks-Wilkins conducted a roll call of Trustees. Members present were Trustees John Butler, Manuel Sanchez, Barbara Giorgi Vella, Student Trustee Robert Sorsby, Chair Cheryl Murer and BOT Chair Marc Strauss. Not present was Trustee Myron Siegel. Also present were Trustee Robert Boey, Committee Liaison Kathryn Buettner and Board Parliamentarian Kenneth Davidson.

VERIFICATION OF APPROPRIATE NOTICE OF PUBLIC MEETING

Confirmation of Open Meetings Act public notice compliance was given by Parliamentarian Kenneth Davidson.

MEETING AGENDA APPROVAL

Trustee Sanchez made a motion to approve the agenda. The motion was seconded by Trustee Strauss. The motion was approved.

REVIEW AND APPROVAL OF MINUTES

It was moved by Trustee Vella and seconded by Trustee Sanchez to approve the minutes of the April 29, 2010 meeting. The motion was approved.

CHAIR'S COMMENTS

Chair Murer welcomed University Advisory Committee representatives Jay Monteiro, President of the Operating Staff Council, and Todd Latham, President of the Supportive Professional Staff Council.

Welcome back to another year, Chair Murer said. I agree with Trustee Sanchez that there is a sense of revitalization, renewal and a sense of awe every year. We are beginning a new period of time and have great opportunity. That truly leads into this committee, because this committee is made up of three parts. It includes the audit part that relates to compliance, and the external affairs dimension, which in the past we have not spent enough time on. I have spoken to Vice President Buettner about spending a bit more time in this area, because that is our marketing, communications and branding, basically telling people about NIU. Certainly, with the presentation made by Dr. Freeman this morning in terms of our competitiveness on a national basis, that is what we need to scream from the rooftops. Legislation is the third part of our committee, and legislation goes up and down in the intensity of our consideration. At this period of time in the summer, both national and federal legislation is a bit dormant with the legislature and Congress not actively in session. But we will see a change in that come fall, especially as it relates to elections, we will see a new dimension on the statewide forefront of legislation.

PUBLIC COMMENT

The Chair asked Board Parliamentarian Kenneth Davidson if any members of the public had registered a written request to address the Board in accordance with state law and Board of Trustees *Bylaws*. Mr. Davidson noted that he had received no timely requests.

UNIVERSITY REPORT

Agenda Item 7.a. – 96th General Assembly Report

Ms. Buettner asked Ken Zehnder, Director of State and Local Relations, to give the Board a brief summary of where we achieved over the summer with the Governor's actions on legislation passed in the spring as well as the FY11 budget, which took effect July 1, and from which we are operating at this point.

Mr. Zehnder began his report by saying: the number of legislative proposals introduced in the 96th General Assembly: 13,527; the bills that passed both chambers: 623; a summer without endless special sessions: Priceless. Out of the bills that passed this General Assembly, Mr. Zehnder reported, the Governor vetoed five. There was one special item reduction veto on the budget bill that I will expand on a little later. The Governor amendatorially vetoed 16 bills. One of those impacts us, and I will talk about several that we will be looking at, both for the Veto Session and for next session.

For House Bill 5154, the original bill provided a prohibition on the disclosure of personnel performance evaluation records. The Governor vetoed that and his veto applied the exemption only to law enforcement officials, and that is going to cause some concerns. Senate Bill 377 and House Bill 5781 create the Reciprocal Tax Collection Act. The bills set limits on the amount of service fees for collections and direct the receipts of collection efforts to the General Revenue Fund, which causes some problems for the university. We are collaborating with the other public universities to address this issue. Senate Bill 642 pertains to the borrowing bill which we have discussed previously. Since we are essentially current on the past fiscal year, the universities have had discussions about repeating the language next year in the event of a similar situation.

As a result of legislation that passed, there is an on-campus early voter registration statute. We have been working with DeKalb County Clerk Sharon Holmes and will be hosting both early registration and voting at the Holmes Student Center the week of October 18 through October 21, for students, staff, faculty and the general public.

There were several resolutions that formed committees to review certain areas of state government. House Resolution 918 is a review of the Higher Education Mandates. Chair Strauss is working on that committee, and a report is due out in October. House Resolution 919 is looking at the Procurement Code Review. There have been a lot of issues in this area, and several changes occurred this past year. Senate Joint Resolution 88 is the Higher Education Finance Study Commission. NIU is represented on that commission by President Peters, assisted by Matt Streb, and Rep. Pritchard also serves on that committee.

Agenda Item 7.b. – Fiscal Year 2011 Budget Update

Mr. Zehnder reported that the fiscal budget was signed into law on July 1. Governor Quinn, with his reduction veto, cut \$155 million from the General Assembly proposal. Public universities received a 6.2 percent, \$87 million, reduction from Fiscal Year 2010. The items were designated in his Executive Order No. 10. The fiscal impacts are shown on Table 1. Note that the change in the fiscal year for this year should show an \$86 million reduction rather than a gain. The General Revenue Fund appropriation for NIU was reduced by \$6.7 million to the lowest amount since 1998. Underlying the State's fiscal problems is the continued absence of any action on the \$4 billion pension problem, and that is unlikely to be considered until after the election. The IBHE grant funds, of which the Monetary Award Program (MAP) is the largest, is funded at the Fiscal Year 2010 level. MAP receives \$403.9 million which has been appropriated; however, there is continued pressure given our current revenue problem.

One final note, the Commission on Government Forecasting and Accountability, looking at their July receipts, showed that state revenues were actually up \$107 million. But, as is typical of this year, the federal reimbursement gains in that budget were \$182 million. The stimulus monies will not be repeated in next year's state funds, and that is reflected in the 6.2 percent reduction in our appropriation.

Table 1 of the Governor's action shows no appropriation for the Pension Fund in FY11. Either the legislature has to authorize skipping the payment or authorize borrowing for the payment, but they have done neither.

I would like to be encouraging on the subject of pensions, Mr. Zehnder said. The legislature needs to take action for all segments, but they have sidestepped previous legislation. They passed a bill in the 95th General Assembly that would have stepped up pension payments, and after close to a decade, would have put us back on track. However, no action was taken on that during the last administration.

In reply to a question from a Trustee, Mr. Zehnder reported that the State sold \$1.3 billion in General Obligation certificates in July to make the last payment received by the universities. It is estimated that the state's total debt is in the neighborhood of \$162 billion, he said, but that number does not consider the normal actuarial projections for pension indebtedness.

In reply to a question regarding whether any of the monies received by the state from the federal level might become available for colleges, Ms. Buettner replied that they could. No decision has been made yet by GOMB in the Governor's Office on how that money will be dispersed. Much of the different state funding options and sources of revenue are fungible, so if they are able to potentially offset some of the K-12 funding through that mechanism for teachers and such, it is possible that some of the funding that would normally go there could be used.

If the state takes this next round and it trickles down to K-12 for teachers, Dr. Peters said, there is language there saying that both for K-12 and higher education the state must retain maintenance of effort back to the 2006 level.

Agenda Item 7.c. – Congressional Report

This summer, thanks to Dr. Matt Streb and Dr. Chris Jones, we had five congressional interns placed out in D.C., Director of Federal Relations Lori Clark reported. They had a very rich, wonderful experience. I met with them the night before I met with all the congressional offices, and I am happy to report that the congressional offices gave the NIU students A+ marks. They were very pleased with everything about the students, from their caliber to their enthusiasm. The interns were placed in the congressional offices of Bill Foster, Mike Quigley, Deborah Halvorson, Don Manzullo and John Shimkus. Having heard about the very high caliber of our students, the congressional offices are already calling about candidates for next year.

The FMAP teacher funding program was covered earlier in the meeting. We will continue to monitor that, particularly as regard to higher education and the maintenance of effort. Illinois was in the second tier of Race to the Top, even lower than the first time and there was no funding for us. I went through the reviewers comments on our application and want to offer a couple of comments about what they found as problems. They felt that Illinois had a fragmented, diverse, Local Education Agencies (LEA) structure; insufficient state capacity and resources; and a catastrophic failure of the Standard Achievement Tests introduced in 2006. They went on to point out that only 42 percent of the LEA's in the state had signed on to participate in the educational reform efforts and only about 32 percent of local teachers union leaders signed on. They felt that the lack of local union representation and sign-on indicated a strong potential for no cooperation and perhaps even resistance from local teachers unions. The Chicago Public Schools were given special treatment in educational reforms so as not to overwhelm their system, and the reviewers were looking at that. There is quite a bit more, and I would be happy to provide you with that information. In regard to higher education, they did not feel that the state presented any information on how the state is going to increase the numbers of students who complete at least one year's worth of college credit that is applicable to a degree program. That is inconsistent with an Obama goal of putting us number one. The state is retrenching and looking at possibly round three of Race to the Top. This is more K-12, but it has implications in terms of teacher certification programs, principal certification and on our College of Education.

There is also information here about a situation developing at the federal level. A Senate Committee on Education is looking at the issue of for-profit colleges. A GAO report came out that talked about the number of undercover people who were sent out and that there were many problems with fraud and overcharging, particularly targeting low-income students. Within the last week, the Apollo group, the holding company for the University of Phoenix, has come back with a very detailed report quoting statistics countering this report.

Finally, the Illinois Science and Technology Coalition, a public-private partnership involved with a great deal of research – universities, private sector businesses, national laboratories – is trying to do periodic technology briefings for members of our congressional delegation. I am very delighted to announce that Dr. Reed Scherer will be presenting for NIU at one of these technology summits for our delegation, addressing the issue of our work in climate change. We also will have future congressional briefings with this coalition in the area of the healthcare information technology and the work of Dr. John Lewis as well as the broadband work.

Chair Murer asked what future opportunity there might be for expansion of the Electronic Medical Records (EMR) grant that Dr. Freeman talked about earlier. Ms. Clark stated that there would be ongoing funding in the area of electronic information area and particularly with our Rural HealthNet efforts. That was funded through different areas, she said, and we are always looking at TeleMedicine, Agriculture and other nontraditional sources of funding for those types of programs.

Agenda Item 7.d. – Fiscal Year 2009 Summary of Audit Findings and Corrective Actions Implemented

Due to the Auditor General's release schedule for Fiscal Year 2009 state agency audits, the university's FY09 compliance audit was not made available until June 2010, Chair Murer said. Both the Government Auditing Standards and the FY09 Financial Audit were free of audit findings. The recently released compliance audit contains six findings, which are enumerated in your materials. As Chair of this committee, I have worked with Kathy Buettner and Keith Jackson and paid particular attention to the compliance audit. I want to reiterate that when we have audit findings, it is important that we acknowledge them in a nondefensive manner and creative manner. I am pleased that Mr. Jackson has taken this matter very seriously. About two weeks ago, we spent a considerable amount of time going through not only the finding, but the plan of correction. Also, Steven Cunningham deserves a great deal of credit for being creative with the difficult challenge relating to a finding of documentation on quarter-hour increments and identifying ways in which we can be compliant with this finding that has been repeated for five years.

I would like to take this opportunity, first, to thank my staff and everybody that works with my office when we do the annual audit, Mr. Jackson said. It truly is a collaborative work experience, and we cannot do it unless everyone has the same goal, which is to make sure that we try to have zero findings, and if we do have them, to come up with an implementation plan and correct them as soon as possible.

For Fiscal Year 2009, we have three audit reports issued by the State of Illinois through the Auditor General's Office. The first report is under Governmental Auditing Standards, and there were no findings. The second report is our annual financial audit, and there were no findings. The third report is the compliance audit which had six findings. Mr. Jackson then gave synopses of the findings, the departments involved, the steps implemented by the university to remediate the findings and the current status of those processes.

The first finding is a federal finding, the *Untimely Return of Student Financial Aid Refunds*. The brief description is: The University did not return refunds to the required federal program within the mandated time period of 45 days of the student's withdrawal. It is not that we did not return the money to the federal government, but because it was not done within a 45-day time window. The department involved is Student Financial Aid. This is a repeat finding from the prior fiscal year. The actions taken: The implementation of the new student information system, along with changes in internal business practices, will resolve this issue on a go-forward basis. We have spent a good deal of time making sure that the new student system and the data collected will make this problem disappear. Resolution status: Implemented. We do not expect to see this finding in the future. In response to a query, Mr. Jackson said that for the majority of students, we meet that timeframe. Of an approximately 12 percent sample they pulled, only 2 percent of a population were not returned in the 45-day timeframe. Now that we have the system with the data collection points in place, we should not have that issue again. In response to a question on whether any fines or penalties levied against the university, Mr. Jackson stated that there were no penalties levied because the funds were returned. The issue was the timeliness of the return of funds.

The other five findings are state compliance findings. *Financial Information Correction:* Adjustments were made to the beginning balances in the condensed financial information presentation required in the compliance audit. The Department is the Controller's Office. This is a new finding. The actions taken: The University and the office of the Auditor General agreed to base the compliance schedules on the audited financial reports to eliminate the finding in the future. Status: implemented. Historically, we gave the compliance information before we gave the audit financial information to the auditors so that they could do both simultaneously. If changes were made in the financial statements, those changes sometimes did not hit the work papers of the data that had already been given to the Auditor General's Office. They cited us this year, and we have a plan that will eliminate this finding in the future.

Locally Held Funds Reporting: State law requires cash and investments reporting to be filed by July 31 of each year. However, the necessary data for us to report correctly on our cash balances is not available by that time. That means I do not have market valuations of all our investments and have not received all the bank statements for our bond funds and other issues, so we make minor adjustments to the cash. Department involved: The Controller's Office. Status: This is a repeat from FY07 and FY08. Action taken: The university agreed to file reports whenever cash or investment balances change. This has been implemented. This year we have filed three times since the July 31 date, to show that every time we receive a new bank statement, we are current with this. I would like to be able to tell you that this finding will disappear. This is a technical finding to comply with the July 31 date because it is the law, but if I file by July 31, I will have met the timeliness, but it will not necessarily be accurate. The agreement we have with the special auditor is that as long as we keep filing and giving the state current information, they will drop the finding in the future.

Time Reporting: The University did not require all employees to submit time sheets documenting State business in quarter-hour increments. Department: Human Resources. This is a repeat finding, starting with Fiscal 2005 through the current audit cycle. Actions Taken: The University has multiple pilot programs being tested to achieve compliance and is actively working with other state universities to reconcile the State requirements. The status is ongoing. We have not achieved full compliance as of today.

We have been trying to figure out how we can ask faculty to record what they do every 15 minutes, President Peters commented. It has been five years, and every school gets this finding every year. I do not think there is a solution, so we are going to keep getting the finding until the reporting requirement becomes more reasonable.

Inadequate Disaster Contingency Planning: The university has not assured an adequately developed and tested disaster contingency plan exists to recover its critical systems. Department: Information Technology Services. This is a new finding. The university agreed with the finding and the decommissioning of the mainframe computer is now at a point that a cohesive and consolidated disaster contingency plan can be developed with a more reasonable degree of financial investment, manpower and resource requirements. Status: Ongoing.

Wally Czerniak, Associate Vice President for Information Technology Services, stated that our system is not in any danger. The problem was the timing of this audit, he said. For almost 40 years, our disaster planning was based around a mainframe computer. At the time of this audit, we were in the last stages of eliminating that machine, but our plans were still focused primarily around that mainframe and needed to be updated to include our new way of doing business, which was a server based project. As we began to update that plan and look at our model for the next 20 years, we decided a cloud computing environment was the direction we wanted to go instead of the server base we were implementing. A large part of the reason we did not finish this had to do with hiring freezes and the state of the budget. As we were trying to change everything, documentation lagged. We have the facilities in Monsanto now and are more prepared for disaster today than we have ever been. This finding will be probably be with us for another couple of years, but we hope it will be delegated to a minor and not a major finding.

The last finding, Mr. Jackson said, is Disposal of Confidential Information. The brief description is: The University has not assured adequate disposal of confidential information. This affects all departments within the university. It is a new finding. The university, and specifically the Controller's Office, took

exemption to this finding because they were not able to cite one specific example of information that was improperly disposed of. Though we disputed the technical finding, we agree that it is good to have the university and all staff members aware of the need to control confidential information, and the university has a lot of processes in place to insure that. The status of this is ongoing because it is a training issue. Whenever there is a staff turnover, new people are being trained that this is confidential information, something that is required and not to be disclosed. This is done routinely within the university. We have standing committees that review what we consider personal information and we have different reporting requirements under the Federal Trade Commission Red Flag Rules. As an institution, we have procedures in place for this. From an audit perspective, we did not like this finding as it was written, and we tried to change the text on this, but were not successful. This will be an ongoing issue within the university from an audit perspective, because we will always be training people on what to do with data information and data elements and make sure that information is kept private. They were telling us they could not see that processes were in place that would guarantee the information was protected. As part of the review, someone went into a dumpster and literally took information out to see if we were throwing away confidential information. No examples were found. They wanted us to prove that to stop that from happening. And our response was that we do have systems in place, and we shared with them all the different oversight committees we have within the university and the training we do. That was not enough proof for this auditor. He wanted us to be able to prove that it would not happen and, technically, there is no way to prove something like that.

I was involved in most of these committees and audits to secure this data, Mr. Czerniak said. We have reviewed all of our policies and taken action to do some improved training. Our policy is solid and has been distributed to the departments involved.

Mr. Jackson stated that this was a statewide finding. This is a big issue because more institutions are sharing data electronically. The major concern is what would happen if we had a data leak, for example, and what the different issues pertaining to that would be. So all the universities were audited on this, and all universities had a related finding. Most of the other universities had very specific examples of information found by the auditor that showed where they were not in compliance. At our institution, since they could not find a single example, I did not think we should have been given a finding.

All of the universities are taking the same steps to address the problem. Basically, it is a matter of internal training, making sure that information is shredded or placed in a locked box so that no one can take the information, being sure that unauthorized people do not have access to private offices where confidential information is kept, do not request social security numbers on documents that are going to be sent through interoffice mail. All of these are part of our policies and procedures that we have had in place at this university for many years.

I can appreciate the frustrations, Chair Murer said, especially when we have unnecessary findings. But there is a true purpose to compliance audits, and there may even be benefits from auditors who perhaps are unreasonable, because it heightens our sense of awareness of these things.

Agenda Item 7.e. – NIU School of Music Internet/Internet2 Video Technology Update

Dr. Paul Bauer, Director of the NIU School of Music, gave a presentation about the integration of technology and music. I will focus on how the students and faculty's artistic achievements shared via our live HD Webcast will strengthen and extend NIU's impact in a new and exciting way, Dr. Bauer said. The School of Music continues to upgrade its multiple high-definition webcasting capabilities with new and additional equipment and refined production techniques with support from Media Services. Media Services has been instrumental in helping us get up and running, and is continuing to help us improve through the upcoming year. We have also been supported by a reliable NIU network from ITS and Media Services' flash media server. Viewers in 50 states, in Washington, D.C. and in more than three dozen countries on five continents have enjoyed live concerts from DeKalb, Illinois. We have been recording these concerts in high-definition video, and the best of this archived content is posted on our NIU School of Music You-Tube channel. Since January 2009, we have had more than 70,000 views of our videos.

This morning, the Elgin Chamber of Commerce is learning about a new partnership announcing the Artists and Hospitals Program in Elgin later this fall. This program will include live musicians from the

Elgin Symphony Orchestra and the NIU School of Music performing in the brand new Sherman Hospital facilities. There is an additional part of the program more specifically related to video technology. The hospital currently has 65 television channels. A new channel, Channel 66, will be dedicated to content from the program partners, NIU School of Music and Elgin Symphony, and will be available in 255 patient rooms. The content will initially come from the archived performances that we have been webcasting and will continue to collect through the coming year. This channel will provide continuous 24/7 programming delivered from NIU. Particularly exciting is that we will start with Channel 66 with concert performances, but additional channels could easily be added. Channel 67 might include faculty content, such as the award winning documentaries by distinguished teaching professor Jeffrey Chown. Channel 68 might feature special student projects. The channels will be provided with technical support from NIU Information Technology Services via the NIUNet, I-Banded with fiber link to the hospital. Building on this concept, it will be possible to expand the NIU channels to other hospitals. A list might include the more than 80 hospitals being provided high bandwidth fiber connections from NIUNet and its Illinois Rural HealthNet project partners.

Utilizing the technology that we have through RuralNet is fantastic, Chair Murer said, but now bringing the soul of NIU, the music part, to not only hospitals but possibly other healthcare facilities, we become the musicology therapy for hospitals and health systems. On whether or not any revenue would be generated from this venture, Dr. Bauer said that they are working out the business model with the Elgin Symphony, which has funding available to provide support for this. Ultimately, he said, I would expect there would be a subscription involved. We are aware of other hospitals that are interested once it is up and running. This channel is being added at Sherman Hospital at an infrastructure cost of about \$200, so the cost to physically add this to the hospital systems is minimal.

Agenda Item 7.f. – University Relations Update

That segues into the external affairs discussion I wanted to focus upon today. We think about marketing when we look at a term such as branding, branding is to make sure that people know the name of NIU the impression of NIU is with them not only in name recognition but also certain dimensions of what we do, and that is what we call marketing communication. We often think of marketing communication as whether or not we have a website or we have written materials, but this website is as valuable to NIU as a homepage that talks about the services we provide. I was personally thrilled one day while traveling to O'Hare, when I looked up and saw a big black billboard that said "Northern Illinois University, 22,000 Strong." It is very difficult to read billboards because we are going 55-plus miles per hour, and only have a second or two to get the message. This billboard was absolutely exceptional. When I called the Alumni Association to tell them what a great job that was, they said it was really under Kathy Buettner's new department. So, I would like to say that the efforts that Kathy and her department have made are exceptional. This really is the manifestation of a vision Dr. Peters has had since he came here. The enhancement of communicating what we do is very important. It annoys me when I hear that NIU is the best kept secret in Illinois, because it is our job to make sure it is not a secret anymore. Under Kathy's leadership, her new department has taken the talents of individuals who have always been here and brought them together in a cohesive team, and that is going to bring us better recognition.

We are constantly in a time crunch, and I apologize for that, the Chair said. There are three other things we really wanted to address this morning: a synopsis of our advertising/marketing; an update on strides and efforts in response to the domestic partner issue; and a quarterly report on Freedom of Information Act (FOIA) requests.

I will go very quickly through a series of slides, Ms. Buettner said. I want to draw your attention to a process begun in the last six months, taking a lot of the branding and marketing data we have been collecting as a result of our branding process, which of course is still underway. We felt that rather than wait until the branding process finished we should get our staff together and start marketing and advertising the great things at this university, such as the School of Music community involvement, and pushing that message out aggressively in our region.

The first thing we did was work into the late spring on designing a brand new homepage for the university's website. It is basically the front door to the university. To date this year, we have had

40 million hits on our homepage website, so it is very critical to portray what is happening here in a snapshot and to try to make as many things as possible just one click away from the homepage.

The second thing we did was build up a layered, alternative level of notifying people about things happening on campus that perhaps are construction related, weather related, anything along those lines. We have our normal text alert system, which is used if something is imminent or life-threatening to the campus community. But we really had no mechanism to alert people if we were going to shut a road down for construction, or a building flooded, or we were going to rotate classes out of a building because there was a problem with a power failure or some other reason. So we have set up an advisory mechanism where we are encouraging people to sign up to receive an advisory e-mail, and we also will be putting up advisory messages on an emergency information link accessible right off our homepage.

This committee has had a great deal of involvement in the Freedom of Information Act. That is now housed in my area, and we have created a website for university information requests. We have tried to put the more commonly requested documents on line so people can click on them. On this website, we are also encouraging people that read it to please call us before filing a FOIA request, because there is a tremendous amount of paperwork and administrative time required in filing and completing a full FOIA request. We encourage people to call first because we may be able to provide the requested documentation quickly and easily without going through the more lengthy or complex FOIA process.

NIU Today is a new online publication that our Media Relations and Internal Communications and Web Communications people have been working on all summer. Basically, we took our faculty/staff newsletter which came out weekly and, frankly, was not being read very extensively, and tried to create a blog-type format wherein people can find a calendar. They can find out about the university. You can read about sports issues. There are faculty opinion and expertise, community sections. There is an alumni section. Subscriptions are free, so all faculty, staff or students are automatically subscribed. New content is added daily, and we encourage the Board to subscribe as well, because it will give you a strong sense of the vibrancy and dynamism that occurs on this campus on a regular basis if you read it periodically. It is done only once a week, so you will not be inundated with e-mail, but you can look at it every day and see some new content. We look at this as both an internal communications device as well as an external communications device.

Right now, we have four billboards on various highways around the Chicago area. One is "Northern Illinois University, 22,000 Strong." "The Power of Education" is on I-90. "The Power of Education" with the teacher and her student in the elementary grades is found on 294-South. Although this one is a little is, it was deliberately designed that way because it is on the Eisenhower.

There is a fifth billboard, which we are keeping under wraps for now, but it will go up on I-88 about the third week of September. We tried different boards this time on purpose to evaluate comment on them, to see which ones were more responsive, more comment generating and more well-liked, because as we go forward with our branding campaign next year and the following years, we need to know what draws in different alums, parents and students and prospective students.

We have almost 11,000 fans on Facebook. A power tab was just added on Facebook in the last week. Since we are very pressed for time, if you have a chance, go to Facebook and click on the power tab. We had many people working on this, and it is designed for prospective students primarily and students. It is a lot of fun and very different than anything we have seen before.

We have a new hire publication that is being mailed out to 2,500 presidents, chancellors and provosts across the country this week. It features all of our new deans, vice presidents and program directors at a senior level, and things we want to highlight across the campus. We are in the process of putting four major publications together that really focus on the Power of Education, Power of NIU theme. This one, called "Dream, Discover, Do," is a 20-page publication that will reflect a general perspective of the university. That will be mailed to 8,000 campus leaders across the country, as well, to share the NIU vision and experience.

We do not have time to show you these today, but I will send the link to the Board members. These are copies of our brand new institutional PSA's. They are 30 second clips, and you will be seeing them on

our television programming for sports and on our Comcast programming for different shows throughout the fall season. They are designed for student recruitment purposes, as a result of much surveying and efforts we have undertaken with our students to determine what exactly they respond to in terms of marketing and communication. They are different than what has been done before. The students have told us this is what they like, so, we are trying to move in that direction. Ms. Buettner recognized her leadership team: Carlos Granados, head of Publications; Jennice O'Brien, head of Web Communications; Jay Orbik, head of Media Services; and Brad Hoey, head of Media Relations and Internal Communications. It is these people and their staffs that have been working 12, 15 hour days to get this done.

This has been Dr. Peters' vision for up to 10 years ago, Chair Murer said, and asked him to make a few comments. I am overwhelmed, President Peters said. It is modern. We have to keep up with technology, social communication and networking. The investments we have made have been significant. But the real power of it is the talented people we have at NIU who have been given free rein to create. I am really impressed because we are close to our constituents, we are listening to prospective students, we are listening to our current students, we are listening to our alums, and we are watching our competitors.

Agenda Item 7.g. – Benefit Provisions – Domestic Partnership (Update)

I want to preface my comments by saying we take this matter extraordinarily seriously, Chair Murer said. We want to continue to address this issue and come to resolution on it. She then asked Dr. Steve Cunningham to give the Board a quick update. This slide presentation was actually prepared for the April committee meeting but was deferred to today, Dr. Cunningham said. In April, I reported that we were in the process of updating the Human Resources website, and that it would include an information page about policies and benefits for domestic partners, which it now does.

I will briefly touch on what we reviewed previously at our August 27, 2009 and February 4, 2010 meetings. In February, we discussed a long-term history of policy development and actions taken by our committees on campus with respect to domestic partner benefits, and we proceeded to do a comparative study of policies and benefits among the Illinois public universities. We found that Northern's policy structure and relevant benefits were consistent with our peer universities in the public sector in Illinois, and applicable Board *Regulations* and statutes. Some of the universities, generally, do not use the phrase "domestic partnerships," but do cover these benefits under procedures related to family benefits in general. All of the public universities in Illinois administer state-provided benefits on the basis of how they are provided by the State of Illinois. With respect to university-provided policies, Northern was actually consistent with or ahead of most of the other public universities. One exception is that Western, Southern and ISU extend the dependent tuition waiver benefit to documented children of domestic partners. In benchmarking the information, we summarized the status of state-provided benefits that are the same as NIU beginning with health insurance, life insurance and the retirement system and continuing to the dependent care and medical care assistance plans and tuition waivers. One difference is that there are no spousal tuition waiver benefits whatsoever among the Illinois public universities.

We also looked at university-provided benefits and general policies enacted by the universities. Again, NIU is at least as comprehensive as all of the other universities or more so with the exception of the dependent tuition waiver benefit. We extended our benchmarking to look at the Mid-American Conference and looked first at the policies at each university. Unlike comparing the Illinois public universities, when we move into the MAC, we are crossing state lines and dealing with different underlying state statutes, state programs and board regulations. However, with respect to referencing domestic partnerships in policy specifications at the university level, NIU was actually somewhat ahead of the MAC. At Akron, it is only extended to negotiated faculty under their union contract. Ball State requires documentation, same-sex only. Bowling Green is implementing a policy which will go to their board in October. Kent State is more like NIU, as is Miami. Apparently, state statutes in Michigan do not allow the universities to reference domestic partnerships specifically, so at Central Michigan, Eastern Michigan and Western Michigan they use other terms. For example, Western Michigan has "designated eligible individuals," but we could not confirm that these are both same and opposite sex. These policies are all very similar to NIU.

The survey was extended further to cover the same menu of benefits that we looked at across the Illinois public institutions. Here, there was a little more differentiation. Generally these benefits cover what we in Illinois work with as state-provided benefits. We see more of these types of benefits with the exception of MCAP/DCAP, which is a federally regulated program to extend coverage to domestic partners in the Mid-American Conference. Policies that are university related in the MAC are very consistent with benefits offered for domestic partnerships at NIU and the Illinois public institutions.

Dr. Cunningham's final slide indicated general reference as to whether or not a university policy referred to or covered domestic partners in some way. It showed trends across the full benchmark peer groups with a gap across the Illinois institutions. That gap represents a set of benefits that are controlled by State of Illinois policies for our institutions, he explained. In the MAC, more of those are implemented at the university level where the system levels are not as constrained as is Illinois at the state level. But the second half of the chart demonstrates a general consistency with university provided benefits, and NIU is fairly consistent with the offerings of the other institutions with the exception of the tuition waiver benefits.

You and your department have done a comprehensive analysis, Chair Murer said, and I believe a request was made at our last meeting to look beyond the State of Illinois, which is what you did with the MAC Conference. Please give us a brief summary of where are now.

We are somewhat constrained as a State school in Illinois with respect to the core state-provided benefits such as life insurance, health insurance and various assistance plans that are governed by State programs and State statutes, Dr. Cunningham replied. The State of Illinois program offers medical insurance to same-sex domestic partners. With respect to university-provided benefits, we are on par or ahead of most of the other universities in the survey with the exception of the tuition waiver area, which is not authorized by State statute.

This does not quite go as far as what was requested by the Board at the February committee, Trustee Butler stated. In looking at the minutes, in particular, I read that Chair Strauss, for example, asked if we could clarify what we actually could do, not what is controlled by the State or what is under the current status quo control of the State, but what would NIU be legally permitted to do if it chose to. That has not been presented at this point. I understand that these are benefits that are controlled by the State or offered by NIU because the State offers them or allows us to offer them. But that is not the same as whether NIU could offer its own comparable benefit in regard to tuition waivers and so forth. Chair Strauss mentioned as well what would the cost be of providing those benefits? This does not answer that question either. With respect to the presentation, and with respect to the Chair's efforts in this regard, we are a year and a half from the original request that I made, which is, (1) what specific amendments could be made to our Board *Regulations* so that we would be consistent with what we are doing? We have not talked about that in 18 months. And (2) what would it take for us to become fully equitable in the distribution of our benefits? I mentioned at the February meeting that there was a whole laundry list of things that were not offered to employees with domestic partners that had actual monetary value, compensation value, that were offered to employees in legal marriages. What would it take for us to create the equitable coverage? So I think we have a very good inventory now of where we compare with other universities. But we still have not answered those fundamental questions, and I guess I am wondering why.

Those are substantive questions, Chair Murer said, consisting of two elements. I would look to Mr. Davidson and the General Counsel's Office, because there are legal matters related to modification of language in the Board's *Bylaws* or *Regulations*. The quantitative question in terms of the amount of money it would take to equalize parity should simply be imposed again. I do not believe it has been a situation of not addressing or ignoring this issue. There have been some crises that have taken some time, and it is a prioritization on some of the financial issues in that analysis. The Chair asked Dr. Cunningham what it would take to look at that and be responsive to Trustee Butler.

As we have looked at how we administer these benefits at NIU and what our benefits are compared to the other universities, Dr. Cunningham said, NIU provides fewer obstacles, such as documentation requirements and somewhat lengthy affidavits, to qualify for the benefits we do provide. We rely on employee indications, employee signatures, just as we do for other benefits. Also, where we can, we extend the benefits to same-sex and opposite-sex domestic partners. We have taken the broadest

possible coverage with respect to the benefits we offer. In one of our other presentations, we talked about the history of the medical insurance coverage issue for domestic partnerships where NIU went through RFP procedures some years ago, and the State of Illinois plan implemented a domestic partner coverage provision. That is the provision we operate under, and it covers medical care, vision care, and so forth. We are already providing bereavement leave, FMLA, parallel benefits in pretty much everything except the dependent care tuition waiver, and, there might be a cost factor associated with that. Things like life insurance are our issues. They are not provided elsewhere in the public institutions in Illinois, but they are provided outside of Illinois as supplemental benefits, generally, for employees.

Certainly, this committee wants to be responsive to each member of the committee, Chair Murer said. I want to stipulate, though, that there has been full intent to be responsive. The comparison outside the State of Illinois, which was another question that had been posed, in particular, has been more than adequately addressed. It appears from your chart that one of the outstanding areas is in tuition waivers. For qualified dependents, Dr. Cunningham said, the State plan offers a dependent a four-year tuition waiver program for employees with seven or more years of service for their dependents or adopted children who are less than 21 years of age.

That is one area we can look at to quantify financially, the Chair said, but I imagine it is quite involved because you have to look at not only whether the person is identified as a domestic partner, but also what the tenure is of that individual's partner as far as eligibility, and the projection of the anticipated number of children for which this might be applied. So we would have to develop an algorithm to be able to project that, and we can continue to ask that of Dr. Cunningham. We have been trying to be responsive, and if the answers are not coming quickly enough, I think it is because it is complex. But I ask Dr. Cunningham to continue to keep this high on his agenda because I want to be responsive to Trustee Butler's requests. If we could, at the next meeting in November, I would like to have developed the algorithm that will be necessary for the projection of the financial implication as well as to try and initiate the determination of what that might be. Chair Murer asked Trustee Butler if that would be satisfactory to him. In addition to that, Trustee Butler said, I would like this committee to consider what it would take for our Board *Regulations* to reflect our current university practices. The only way we can say for sure, as a Board, that we want these things to continue, no matter what happens in the future, is to put them in our Board *Regulations*.

Mr. Davidson agreed to advise the committee at the next Board meeting on the question of State laws and statutes and whether or not the Board *Regulations* or *Bylaws* could be modified to reflect the requested changes.

That would be very responsive to the initial questions that I had on this issue, Trustee Butler said, but I also want to comment on some very subtle language that I have sensed in some of the dialogue here. It is true that I, as an individual human being and as a Trustee, have raised this issue, but I think the report that we have received as a Board in prior committee meetings, documented a 17 year process in which hundreds of people have expressed a desire to see this codified in the university *Constitution* and Board *Regulations*. I would just like us to keep in mind that while I may be the only Trustee at the table voicing these concerns and on a primary level asking these questions, I am not the only person concerned about them. Because I am the one that referred to you, I should respond, Chair Murer said. My comments did not reflect that this was only your concern, but you are the Trustee who asked the questions, and I want to assure you that due respect will be given to you in this regard.

In summary, the Chair said, what we are asking is that the General Counsel address the language issue. We are asking Dr. Cunningham to work with perhaps Dr. Williams' office to develop an algorithm to make actuarial projections related to tuition waivers, one of the major issues. Also, we need to put that in the context of this period of time relative to other objectives we might have on this Board, which is to mitigate increases in tuition. There is not just one issue but a scale of multiple issues, because we are facing fiscal pressures that perhaps we were not facing 17 years ago. I ask Vice President Buettner, who helps in formulating this agenda, to make this item first on the agenda at the November 11 meeting so that we have sufficient time.

Let me make a final closing comment, Trustee Butler said. I just want to make very clear, and to have in the record, that I may appear to be dissatisfied with the direction of this conversation. I am not at all. I

have a great deal of respect for my colleagues on the Board and, in particular, for Cherilyn Murer. I think you have managed this issue very well. I want to move us in a more precise direction, and to do that, I have asked more precise questions. But over the last 18 months, I have been very careful to allow this discussion to happen at the speed that it has happened. I just do not want these more precise questions to be lost. I have great respect for you and the work that you have done here, and I appreciate it personally. I think that the people in the university who are concerned with this issue also appreciate it.

NEXT MEETING DATE

The Chair announced that the next meeting of the Legislation, Audit and External Affairs Committee is scheduled for Thursday, November 11, at 11:00 a.m.*

ADJOURNMENT

Chair Murer asked for a motion to adjourn. Trustee Sanchez so moved, seconded by Trustee Strauss. The meeting was adjourned at 12:39 p.m.

Respectfully submitted,

Sharon M. Banks-Wilkins
Recording Secretary

**This time was subsequently changed to 10:00 a.m.*

