Call to order / Welcome: Jim Lockard, President of NIUAA called the meeting order at 3:03 p.m. Jim shared some of his thoughts and highlights about NIUAA. He shared that there is more to this organization than just this group. We are a local chapter, one of 52 in the state. We represent the NIU community. The organization represents everyone, not just annuitants. That is important, and it is important to continue growing our organization. We are one of the strongest organizations in the state. U of I’s annuitant association has only a few hundred members more than NIUAA. NIUAA received an award this spring from the SPS council, as it was recognized for partnership working with the SPS council. Jim emphasized that NIUAA is strong, but it can still grow. It has been a year with a lot going on, with some good news and some clouds in the future.

Approval of Agenda: The agenda was approved.

Approval of the Minutes of the June 5, 2013, Annual Meeting: The minutes were in the recent newsletter. There are some name spellings that need to be corrected, but other than that, it was approved.

Recognition of Officers, Directors, and Committee Chairs of the NIUAA Board: Introductions were made and people were asked to stand if they were here. A special thank you was given to those leaving the Board: Bill, Blair, Elaine Spencer, and Pam Rosenberg.

Treasurer’s Report: Besty Hull, Treasure could not be at the meeting so Jim Lockard gave her report. It appears that there was a large profit, but that is primarily because of two CDs that matured. The report also includes the receipts taken for the travel events, but that money goes right out again. As of today, the balance in the checking account is $20,592.44. The vast majority of that will be reinvested in CDs.

Membership Report: Pat Vary & Cathy Cradduck: Pat Vary emphasized that we would really like to get that 200 new members that would put us ahead of the U of I, but the goal for this year is to reach 2000 members. Around 121 more members are needed to go to reach that goal. It is planned that this year, a new strategy will be implemented. Carol Minor will be assisting the membership chairs by following-up with members that have dropped their membership with NIUAA. Pat encouraged everyone to go on to automatic withdrawal for membership, for ease and continuity. NIUAA had a presence at the NIU Wellness Fair and had some new people sign up. Cathy Cradduck reported on ways that they are trying to get new members. Plans include targeting the Operating Staff as well as other staff. They would like to get info in the NIU Star and NIU Today. The benefits of membership need to be emphasized (NIU email, holiday parties, coffee hours, Annual Dinner, subscription to The Annuitant, etc.) Everyone in the room could help by talking to one person and invite them to an event, let them know what the Annuitants Association is doing to help them legislatively, etc.

Jim Lockard shared that out of 52 chapters, only four, U of I, NIU, U of I Chicago, and SIU have over 1000 members. We are number two. A comment was made that all of the chapters need the realization that they need to grow their chapters. There is a new state membership chair that is trying to get out more information, statewide.

Public Relations/Events: Steven Johnson was in Norway and not present. He asked Jim to remind everyone that the trips, coffee events, etc. will be posted on the web.

SURS Report: John Engstrom reported that it has not yet been confirmed if SURS will get full funding or not. An election was held recently and Fred Giertz was elected over Mitch Vogel to the SURS Board in the retiree position. There is a new Executive Director, Brian Lewis; a new Chief Operating Officer; and a vacancy for the
Board Attorney. The investment earnings for this fiscal year are approximately 4%, lower than recent years. The money from our healthcare refunds was transferred and refunds should be coming soon. There have been some changes in the reporting standards for pensions and auditing procedures, affecting both SURS and campuses.

**Legislative Report:** Jim Lockard reported that since the NIUAA meeting a year ago, there have been two major successes for retirees at the State Supreme Court. The first reestablished that health care benefits were to be reinstated without premiums for those retiring with at least 20 years of service. Along with that, the SUAA attorneys assisted in reducing the payments to down state attorneys to 2% rather than 15%. The second big success was the ruling in our favor against the pension reform law. It is important to remember that the Court put the blame for the problem on the state for not contributing to the fund for many years. The other message that came out of the Supreme Court ruling was that any further attempts to fix the pension problem are doomed if they are contrary to the State Constitution.

Ralph Matiri, Center of Budget and Tax Accountability, has said for years that the problem is not the pensions themselves, it is a problem with the debt that the state has caused because of not paying their portion. Pensions and benefits account for 10% of the debt that has incurred. The problem is not going away. Solutions are needed for the problem - debt. That solution is revenue enhancement. Revenue enhancement could occur through increasing the income tax, taxing more services in the state, taxing retirement income, keeping payments of pension bonds in a fund after the bonds have been paid off, and a millionaires’ tax. Other suggestions include reamortizing the debt and developing a level payment to get the system healthy, going back to the issue of the annual increment, shifting costs to the direct employers, and passing a constitutional amendment to remove the pension protection clause. There may be other attempts to change the health care benefits to provide a lesser plan than what is currently given.

SUAA has also been to the forefront of the fight regarding the issue regarding tuition favors. SUAA has been firmly behind retaining the waivers.

There are two major challenges ahead: the debt problem is real and has to be solved; the other is the negative image that has been created by media.

We have won two battles that have cost two million dollars. The legal fund has been depleted. There are battles ahead and the legal fund must be replenished. People might consider giving a part of their health care refund to the legal fund.

**Election of Officers and Directors:** Jim Lockard presented the slate from the nominating committee: Joe Grush, president; Lynn Neely, vice-president; Nancy Kasinski, secretary; Betsy Hull, Treasurer; Farrel Bryan, Director; Sarah Clayton, Director; Michael Gonzalez, Director; Dan Wunsch, Director. There were no nominations from the floor. Motions were made to close nominations from the floor and voters approved. Motions were made to approve the slate of new officers, the vote was taken, and the officers were approved.

**Presentation of Appreciation Award:** Jim Lockard & Lee Ann Henry presented the NIUAA Appreciation Award to John Engstrom for his years of service to SUAA and for many years of service to the NIUAA.

**Introduction of Special Guests:** Jim Lockard introduced NIU President Doug Baker, then Representative Bob Pritchard, followed by John Kearsing.

**President Doug Baker** thanked Jim Lockard for all he has done. President Baker’s report and Power Point focused on budget, revenue, expenses, enrollment, and retention. Forty three percent of the General Funds Budget of the FY2015 State of Illinois Budget was allocated for education, but if you break that out further, only 1.2 billion was for Higher Education. Part of the way through the year, the Governor called for a reduction and
over 2 million was given back. The governor is calling for a large reduction for FY16. Looking at the NIU Budget by revenue, shows the necessity in increasing tuition and fees in order to compensate for cuts by the state over the years. The largest drop in FTE enrollment, by state, is Illinois. Since 2003, enrollment at NIU has dropped 15%. NIU retention rates of freshmen have dropped noticeably.

How do we get out of this? President Baker presented a triangular model (Students, World, and Academics with Supporting Services in the middle) as a proposed means of getting out of the retention and enrollment problems. NIU has been focusing on linking up alumni with students to get this model going, through research and engagement. There have also been changes in marketing to better get out information about NIU. Much of the marketing is happening through various social media channels. There has been significant growth in international enrollment.

Rep. Bob Pritchard presented a Springfield update. There is a real struggle for control in the state. Madigan has had control for thirty years. The new governor is in direct conflict with Madigan. The governor presented a list of items he wanted addressed. Madigan presented bills that people did not support. It is now after June 1. Two thirds of the legislature must approve bills now. The proposed budget is 4 billion dollars over revenue. Something different must occur. Revenue has to be part of the solution. Governor must negotiate now to get some of his reforms. Democrats don’t want to negotiate on reforms until the budget is settled. If there is not a budget approved by July 1, the state cannot spend dollars (there are some exemptions). It continues to be a battle between the two sides (Madigan and Rauner). Rep. Pritchard feels that there is a need to look at the management of the state.

Pritchard gave kudos to SUAA for what they have done. He encouraged us to do what others have said: recruit members, join, contribute to the legal fund, etc.

How do we deal with the prioritization of Higher Education in the budget mix? We need to look at how the universities are operating. There is a need to prove that universities are spending money effectively. It is necessary to show that there is fiduciary responsibility. A legislative caucus has been formed (SUAA is a part of it) and they will help provide this information to the governor and the legislators. Rep. Pritchard feels that we will all have to face some pain so that our state can get better.

John Kearsing, Division of Information Technology, provided information about the migration of Groupwise. He is the project manager for the e-mail change over. He gave an overview of the migration to Office 365 that will begin June 8 at 8:00 a.m. Cindy, Manager of Training for O365 continued the presentation with more specifics of using O365.

There was a motion and a second to adjourn. The meeting was adjourned at 5:30.

Respectfully submitted,

Nancy Kasinski, Secretary