

Minutes of the
NIU Board of Trustees
LEGISLATION, AUDIT AND EXTERNAL AFFAIRS
COMMITTEE MEETING
August 25, 2011

CALL TO ORDER

The meeting was called to order by Chair Cherilyn Murer at 10:49 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, Anthony Iosco, Robert Marshall, Student Trustee Jaemin Robertson, Chair Cherilyn Murer and BOT Chair Marc Strauss. Not present was Manuel Sanchez. Also present were Trustee Robert Boey, President John Peters, Committee Liaison Kathryn Buettner and Board General Counsel Jerry Blakemore.

VERIFICATION OF APPROPRIATE NOTICE OF PUBLIC MEETING

Second Assistant Secretary Kathryn Buettner verified that in accordance with the Illinois Open Meetings Act, as amended, timely notices of this committee meeting for the NIU Board of Trustees were timely posted and distributed.

MEETING AGENDA APPROVAL

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

REVIEW AND APPROVAL OF MINUTES

It was moved by Trustee Strauss and seconded by Trustee Iosco to approve the minutes of the May 12, 2011 meeting. The motion was approved.

CHAIR'S COMMENTS

Chair Murer welcomed University Advisory Committee representatives Todd Latham, President of the Supportive Professional Staff Council, and Rosita Lopez, a new member of UAC. Dr. Lopez thanked the Chair and stated that she is a member of the Department of Leadership, Educational Psychology and Foundations in the College of Education and happy to be a member of UAC.

I would just ask that the Board of Trustees do everything possible, Mr. Latham stated, as we go into a new veto session. There are many issues regarding our benefits and our pensions that could have a painful effect upon the employees at this institution. We ask that you remind the legislators not to be so concerned about the high end, but for those of our employees at the low end who make very little and are banking on their pensions to sustain their retirements.

Those are very profound words, the Chair said, and we look at it in an equal fashion. Every person at this university contributes on an equal basis to our wellbeing.

It is always nice to see our students coming to class for the first week of school. As each year begins, so too does opportunity abound. We are all still skimming the surfaces of technology and heard in the other committee meetings about many of the activities that are happening in terms of advancing our technology, which is exciting. The presentation on research is at the core of a great academic university. This committee looks at things that impact our ability to move forward. Part of what this committee

really focuses on, because we are dependent upon both, is federal monies, as we look to our supportive grants for what we do intellectually, and state monies for our operational sustenance.

We have come with a focus on external participation, which has been a theme of this committee over the past year, and I hope we continue to do that. It is a cliché to say that learning does not only occur in the classroom, but it certainly is true. It is really the efforts of our faculty and the deans, who have gone out to seek internships in every walk of life to give our students a practical experience to make sure that their minds are broadened so that their decision making in any career they choose will be the soundest possible.

As we talk about the mind in our intellectual pursuits, it is good to have the startup of football season, basketball season, then volleyball and all sorts of wonderful activities. These activities continue to tie the fibers of our university family together. So, we hope to see everybody at all of the games.

PUBLIC COMMENT

The Chair asked Board General Counsel Jerry Blakemore 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. Blakemore noted that he had received no requests to address this meeting.

UNIVERSITY REPORT

Agenda Item 7.a. – 97th General Assembly Report

With everyone's approval, Trustee Murer said, I would like to request that Dr. Cunningham present University Report Item 7.d. immediately following Lori Clark's General Assembly and Congressional Reports. Unfortunately, pension reform is probably one of the most important issues facing the State and overshadows all budgeting and major policy initiatives in Springfield.

I also would like to congratulate and recognize Lori, who is now officially the Director of State and Federal Relations.

It is going to be a challenging year, at both the state and federal levels, Ms. Clark said, so we will begin with some good news first. We just ended the third year of our Congressional Intern Program. Response was overwhelmingly positive from all five placement offices. This was a testament not only about the student experience, but each member of Congress is coming to us and asking, when can we look forward to hosting another intern? So, we are really delighted that President Peters had committed to this for ten years, and we are looking forward to another very successful year. This past year, legislation was introduced that would require all university income funds be subject to State appropriations. You have heard in the last two committees how well the State has handled their money matters, and I am pleased to say that bill went nowhere.

This coming year, we are going to be dealing a great deal with pensions. We have heard that the pension issue will come up in Veto Session, which I am sure Dr. Cunningham will tell you more about. The other thing you are going to hear a lot more about is performance-based budgeting. A law was passed and signed by the governor that requires the State of Illinois to use performance-based budgeting beginning in the upcoming budget year. That requires coming up with metrics for performance. The Board of Higher Education appointed a Performance-Based Funding Steering Committee that met for the first time last month. University Relations Vice President Buettner has been charged with setting up a web site to answer questions in this area, and in the course of these committee meetings, more information will be available. This will impact everyone at the university. As I understand it, this performance-based committee is going to first come up with statewide metrics. Following that are going to be sector-based performance metrics that will recognize whether different metrics have to be used when evaluating a community college versus a four-year university versus a medical university. By November, they will have institution-based metrics. As soon as we have information on how that might

impact us and what percentage of that might happen, we will put it up on the web site. The question is how much of the budget will be impacted by that.

While we are finalizing the Vision 2020 document and looking at our performance indicators in that regard, there are a handful of items set out in the statute, Trustee Strauss commented. He asked if there is consistency between what is set out in the statute with respect to what the State is going to look for and what we are looking at in Vision 2020. Ms. Clark replied that she believed they will be consistent. There appears to be a lot of continuity in what we are doing with Vision 2020 and what they are going to be looking for.

Two questions, Trustee Murer said, did we have input in any way in the determination of what those standards would be?

This is a piece of public policy that came to the legislature and the IBHE through legislation sponsored by Senator Maloney from the Higher Education Committee on the Democratic side, and Bob Pritchard and Chapin Rose on the Republican side, President Peters said. They became interested in the performance-based funding that is becoming quite common among the states. There are 11 or 12 states that already have performance funding, and it means something different in every state. That was the genesis of it, then the law passed, and the law configured what this committee will do and what the metrics will be. Whatever they come up with will be focused on the IBHE Public Agenda, which is a heavy dose of access and trying to help with the national goals of Race to the Top. They want to help more high school students receive a postsecondary credential. That means it is not just public universities but also community colleges. It is going to be sectorized and there will be different aspects of these metrics depending on whether you are a community college, a four-year and so forth. The committee consists of public four-years' represented by Elaine Maimon, Convener of the Public University Presidents; Rita Chang, Chancellor at SIU; and Wayne Watson, President of Chicago State. They informally report to the other presidents and seek input. We are monitoring it very closely along with Lori Clark and Virginia Cassidy. We will probably augment that with a group that grows out of Vision 2020 that will monitor step-by-step what performance funding is and meld it with development of our own measures so that when they ask us for input, we will have it.

Senate Bill 59, sponsored by Senator Ira Silverstein, is being pushed by the Community College Presidents Association. At the time, SIU, in particular, was taking the lead for the public universities. From Northern's perspective, we are way ahead of all the other public universities in terms of our articulation agreements and our work with community colleges. But some of the publics were concerned about the transferring of credits, particularly in very technical areas such as pre-med and the level of expertise. It is my understanding that the publics, largely led right now by SIU, are having a conversation with Senator Silverstein. There will probably be more pressure in terms of having a smooth, unduplicated transition between community colleges and the public universities as a cost-effective and a public goal.

Trustee Strauss asked if there would be any follow-up required from the Board of Trustees regarding Public Act 97-0045, Senate Bill 1668, the sale of liquor. Ms. Clark stated that the Board of Trustees would be required to come up with recommendations on what the university's implementation policy should be within six months, and then it has to be published. Some requirements in that law state that liquor cannot be used in anything related to student activities and there has to be awareness of the over-21 crowd, the under-21 crowd, and access and control. Those are issues that the Board of Trustees will be dealing with. Ms. Buettner informed the Board that administrative meetings were being held on this policy to begin to tackle these issues, and a proposal should be available in mid- to late-October, before the November committee meetings, and on the full Board agenda in December.

President Peters stated that he had a longstanding conservative position on alcohol at universities, particularly around students. I can assure you that anything I approve will be within the law, he said, but tough.

Agenda Item 7.b. – Congressional Report

It will continue to be a very challenging time at the State level, and it is going to become even more challenging as we look at the debt ceiling and what's happened with that at the federal level. There will be more of a trickle-down with fewer and fewer dollars coming through to the State, which makes it even more competitive, and we have been working very closely with Lisa Freeman. The diminishment of those federal R&D dollars, tends to hurt regional universities like NIU unless we partner with other organizations. Looking at the peer-reviewed work, many times it is going to be the long-time flagship universities or the Harvards or MITs, so we need to look at partnership opportunities. We need to look at where we have those strengths and really maximize and grow them. The broadband is a perfect example of where we grew a seed and made it blossom. We have to look at working with agencies and understanding where they are going and try to be prepared to fill spots in that. It is going to be very challenging at the state and federal levels. Regarding performance-based funding, in those meetings the Governor's Office has made it clear that right now they have not identified any type of new revenue to use as an incentive, so they are not sure if it is going to be part of our base budget or just how they may configure it. Right now, they are talking about phasing it in at a small percentage level.

As we continue to stipulate, Chair Murer said, we know we have no more earmarks, we know that federal funding is dropping. I look to Dr. Freeman and perhaps we need to think about research monies that may come from the private sector, and patents are a potential source of revenue. Partnerships with private industry that have a need for research outsourcing to universities may be a direction that we could look at aggressively, because that may be our only salvation in the next five to ten year period.

That could operate to our advantage, Ms. Clark commented, because, increasingly, we are seeing the federal government look at having private sector partners as part of the mix because they are interested in commercializing and getting that technology out as well, as a regional approach. We have so many great connections in the Northern Illinois region, and those are the things that we are trying to take advantage of.

Agenda Item 7.d. – State Universities Retirement System (SURS) Fiscal Year 2012 Pension Fund Status

Dr. Steve Cunningham, Vice President for Human Resources and Compliance, gave a brief slide presentation on the Pension Fund status. As President Peters indicated in the Academic Affairs, Student Affairs and Personnel Committee meeting, as President of the Supportive Professional Staff Council Todd Latham mentioned earlier in this meeting, and even farmers deep in southern Illinois with whom I was meeting yesterday, everyone has concerns about the State pension fund and the State budget. There really is no bigger issue among our employees right now in terms of their career plans to stay here and potential employees whom we are trying to recruit from the various labor markets. There are three major issues. One is recruitment and retention of our human resource investments. The next is the simple retirement, welfare and security of our employees and the retirement commitments that have been made to them. President Peters, who was the keynote speaker at the Illinois State Universities Annuity Association meeting this year, talked about the ethical contract, the reliance that our employees have with respect to our pension system. Finally, and maybe most importantly, the extreme effect the pension funding has on our State budget process, which affects all of higher education and State operations generally.

In your Board reports is a description of the current situation leading to the legislative proposals we are going to discuss today. The State Fiscal Year 2012 contributions as part of their financial obligations are outlined there. The State Universities Retirement System is about 10 percent of payroll. I should mention that higher education employees and teachers in the Teachers Retirement System do not participate in Social Security; so, pensions, technically, are the only State obligation to these employees. Unfortunately, over the years the State has not paid the normal costs on a yearly basis, as is done in most states. That has led to Illinois now being the leader, nationally, in unfunded liabilities for its State pension programs. We have an annual unfunded liability mortgage payment to our pension systems that exceeds the normal cost of running those pensions, which is 13 percent. The Self-Managed Plan is the

defined contribution plan that was enacted for SURS in 1996, and about 10 percent of employees participate in that. The State match for that plan is about another one percent of payroll. This leads us to a 24 percent State obligation annually to fund the SURS pension contributions. Breaking this down, we subtract the 13 percent mortgage payment for contributions that were not made in past years and should have been made. That takes it down to about 11 percent of payroll. Then the State does not have to make the 6.2 percent Old Age Security and Disability Insurance (OASDI) payment to the Social Security Administration. Most public sector employers in other states pay Social Security concurrently with State pension programs, and all private sector employers pay Social Security contributions. Now, if we back out that 6.2 percent OASDI, we are down to about 5 percent of payroll that the State pays to SURS for the retirement benefit. That is very consistent with private sector obligations for 401(k) plans and so forth.

As for State Contributions as a Percent of Payroll, in 1995, a funding plan was developed to bring the State retirement systems to a 90 percent actuarial funding ratio over a 50-year period, concluding in 2045. As of 2011, we reached the top of the ramp and 2012 is actually 24 percent. That now is sustained for the remaining 34-year period of the funding plan across all of the State systems. It will vary from 24 to 28 percent of payroll, which is a significant issue in terms of sustainability, viability of the pension plans and retirement security. Will the state sustain a 24 to 26 percent of payroll level of State contribution for the next 34 years? It looks like the General Assembly questions that and, therefore, we are seeing proposals, two of which are outlined in Lori's report.

In the last five years, the funding ratio trends improved slightly in Fiscal Year 2011, but given the recent market declines and retirement activity, it is now about where it was at the conclusion of Fiscal Year 2010. The problem there is twofold. The first is the sustainability of our retirement systems to pay benefits at these funding ratios. Secondly, when the fund becomes this thin it cannot earn its way out of this deficit through compounded rates of return when market recoveries do occur. So the funding ratios have fundamentally corrupted the ability of the plan to operate as a pension plan should because of the unfunded liabilities, which is reflected in the funding ratios.

Next is the Relative per Participant Unfunded Liability Ratios for the Retirement Systems. There has been a great deal of discussion, especially in previous gubernatorial administrations, about the State Universities Retirement System versus the other retirement systems. It led to legislative outcomes which were detrimental for higher education. However, with all of the retirement formulas in place for SURS participants, the SURS, per capita, is the lowest contributor to State unfunded liabilities among the retirement systems. That is important to note as we talk about competitive compensation in higher education compared to other markets.

These trends caused a set of unavoidable alternatives for us, and the first is on the funding side: options to establish alternative fund sources to reduce what is increasingly an unsustainable burden on the State budget. The next option is on the expense side: going after benefits, both for current and future participants. This seems to be the direction being taken at the moment, to reduce benefits for employees to reduce long-term State obligations. Thirdly, and related to that, would be a constitutional amendment to the Pension Protection Clause, Article XIII of the Constitution. This brings in a legal dimension to any efforts to reduce benefits as a means of addressing State obligations.

As of January this year, one measure to address the State's contribution burden was to establish a Tier Two system, which is a very much reduced, defined benefit program for new employees, those who have never participated in the pension funds prior to January 1. Ninety-one percent of our employees participate in Tier One, where there is a defined benefit formula and two alternative formulas. The General Formula is 2.2 percent of the higher four-year average per year of service. The defined benefit alternative formula is the Money Purchase Formula that takes the value of the employee's account with imputed State contributions and divides that by an annuity factor. Those two calculations are compared at retirement and the employee receives the greatest of the two. Then there is the alternative defined contribution, Self-Managed Plan, where there is no formula-driven benefit as an alternative. Those are the primary Tier One components.

Now we will begin to talk about legislative proposals. First, in 2005 the Money Purchase option was eliminated for new employees hired as of July 1, 2005 and thereafter. It is important to note that 70 percent of current retirees retire under the Money Purchase option, so that was a significant benefit for higher education. Then, as of this January, Tier Two was implemented for new employees. In essence, it significantly reduces our competitive position in retirement benefits in national labor markets.

In the spring session, Senate Bill 512, jointly sponsored by Speaker Mike Madigan and Minority Leader Tom Cross, really destabilized retirement system expectations of employees because the legislative leadership sent a message that it is prepared to go in and force employees to migrate out of Tier One despite the constitutional and legal issues that might involve. It would require an option to be made between three different options: Traditional Defined Benefit Plan, Tier 1; Revised Defined Benefit Plan, Tier 2; and Self-Managed Plan. If Option One, the current plan, is maintained, the employee contribution rate would go from 8 percent to 15.3 percent. That would be readjusted thereafter as the State phased all the normal costs to the shoulders of the employees. If not legally challenged, this would force a rapid migration out of Tier One that would close Tier One and result in a collapse of the funding model for the current Tier One benefit. In terms of the State unfunded liabilities, it is hard to imagine a proposal that would do more harm to the existing structure.

In the spirit of Mr. Latham's initial comments, Chair Murer said, we all understand the severity of the situation. You are one of the most knowledgeable individuals in this regard, so perhaps you could give us a summary on where you think things are going.

Our policymakers are under a great deal of pressure, both budgetarily and through public opinion to make changes to State employee benefits because of the scope of this crisis, Dr. Cunningham said. Because of that, we are likely to face continuing proposals similar to Senate Bill 512 and other proposals that have been out there regarding retiree health insurance. We are working through Kathy Buettner's office, and President Peters has been a big leader statewide, to continue to put other options forward in working with our policymakers. It will be never more important than it will be over the next 12 months in my opinion.

Obviously, this is a sobering presentation, Trustee Strauss remarked. I would like to make clear that there is nothing about the pension process that this Board has an involvement in directly. We are both blessed and cursed by having this be an obligation that is picked up by the state legislature. It is important that we have the opportunity to be advised of the serious implications that it will have on our employees, and I hope that there will be communication back to us if there is anything we can do to further a solution.

We are in a time of uncertainty, President Peters said, and something has to be done with the pension system. They will probably pass something that will be challenged immediately in the court, and then we will probably have two, three, four years during which there will not be any contributions to the system, which will sink it. But, going forward and as part of Vision 2020 and sustainability, particularly the part that has to do with the reward and regard of our faculty and staff, we will have to design a system of benefit packages that is competitive with our peer group and equal to keeping and retaining our best faculty, and the Board will have to be involved in that.

In the same vein, as we had the discussion in regard to the indebtedness of our State to our university, I want to remind us of two things, Chair Murer said. It is not solely upon the shoulders of NIU. That is a solace because we have to believe that the great State of Illinois will rise again and be the great State of Illinois. The fact that this is something statewide implicates all public employees. Also, I think I speak for my fellow Trustees, we all encourage our administration, Dr. Peters and Vice President Buettner and her staff to continue to be as aggressive in making the position of the university known and to continue to be as informed as we are through Dr. Cunningham. We appreciate being kept apprised of the situation.

Agenda Item 7.e. – Intercollegiate Athletics Report

Intercollegiate Athletics Director Jeff Compher gave a presentation on the athletics program. I describe our mission as a three-legged stool, Mr. Compher said. Our mission is to develop champions in the classroom, in competition and in life. In order to have a stool that is stable, all three of those legs have to be very solid.

In the classroom, all 17 of our Huskie teams have surpassed the NCAA APR, the standard set by the NCAA several years ago, for five consecutive years. We had 55 student athletes graduate this past year. Another rate the NCAA set is our graduate success rate, and we are two points above the national average for all of our student athletes in that regard.

In the classroom, we had two Academic All-Americans last year, Kyle Knotek from our men's soccer team and Kristin Hoffman from our volleyball team. Kristin returns to us this year. Kyle graduated last year and has been playing professional soccer in Australia. We are the third highest team in the country in our academic progress rate for football, which places us ahead of schools like Duke, Ohio State, Rice and Air Force.

In competition, last year we played in two Mac championships, volleyball and football. Obviously, our football team did well in the Humanitarian Bowl where Chandler Harnish was named First Team All-Mac. Also, Chad Spann won the Vern Smith Leadership Award, which is really the MVP of the Mac. And freshman Lauren Wicinski from Geneva, whose mother and father both attended NIU, is an All-American on our volleyball team, and she begins her sophomore year with us this year.

In life, we have nearly 4,000 hours of community service donated locally from all of our student athletes. We work with three charity partners, the American Cancer Society, American Red Cross and the Salvation Army. There are nearly 100 other service projects that our teams have worked with throughout the region.

This year is a busy year for us. In the spring, we are hosting the women's tennis championships women's gymnastics championships and men's golf championship, and this fall we are hosting an NCAA regional cross-country event on the North 40. We kick off against Army next weekend, You all know about our Soldier Field event coming up in a few weeks, and we will be back at Soldier Field with Iowa in 2012.

Several facility improvements and upgrades have been implemented for our teams. A Mercedes van was donated to transport our men's and women's golf teams. It is state-of-the-art and has really helped our teams when they travel long distances because it has satellite TV, satellite radio, satellite Wi-Fi and other things to help them study while they are on the road. Our tennis courts were recently resurfaced and there are some other upgrades in progress.

The university has given us authority to move forward with talking to leadership donors about an indoor practice facility. This has been very well received by many of the donors who contributed to the Yordon Center and some others. We are excited about our prospects for building this facility sometime soon.

Several new coaches have joined us this year. Associate Head Coach Ryan Ludwig was promoted in wrestling. Greg Hipp was recently hired as our cross-country coach. Sam Moriali, who was an assistant with gymnastics was promoted. Most of you know Dave Doeren in football, and I will introduce our new men's basketball coach in a few minutes.

Athletics has many media partners that we work with. Many of these are national, and we appreciate our partnership with them and how they work with us as well as the MAC.

We have many Bowl partners as well. The Bowl scene, as the President can attest, changes very frequently. Last year's Humanitarian Bowl will now be the Famous Idaho Potato Bowl this coming year.

You are all familiar with the Little Caesar's Pizza Bowl and the Go Daddy.Com Bowl, but we also have secondary partnerships with the Gildan New Mexico Bowl and the BBVA Compass Bowl in Birmingham, Alabama.

Even in these tough economic times, we continue to grow. The numbers for our Huskie Athletic Support Fund (HASF) continue to grow both in numbers of donors and in dollars raised. Each year, we take a picture of all of our student athletes and hang it over our performance center at the entrance to the weight room. You will notice an athlete because on the backs of their shirts it says WMW, which stands for "Watch Me Work," a saying our Student Athlete Advisory Committee came up with because they want everyone to know how hard they are working on behalf of the Huskies. On the backs of everyone else's shirts it says "Pride." The shirts this year are red, and the Trustees will receive very similar shirts.

Last year, when we made a change in the leadership of the men's basketball program, we knew that we were looking for someone who could come in and help establish ties in the Midwest, help get into the Chicago market and turn around a program that we so desperately want to win for the Huskies. We were very fortunate to find somebody who was at the top of my list as far as potential candidates very early on. He has had 14 years of experience as an assistant, was an All-Conference Player at Michigan State, played professionally in Europe, and coached 10 years with Tom Izzo. To do that, understand and assimilate what that program has meant and how Tom's leadership has moved and shown as an example to Mark, I think you will see that our program is going to head in the right direction for all the Huskies. Without further ado, I will introduce our new men's basketball coach, Mark "Monty" Montgomery.

Thanks for having me, Coach Montgomery said. Jeff said they are handing out shirts and I am looking to bring a few more players in this year, so if you still have eligibility, we are looking for guys with more size. Speaking with Dave Doeren, we are not really looking for money right now; we are just looking for you and your loud voice.

I feel honored because as Jeff said, I have been doing this for 14 years as an assistant and spent another eight years playing. So I am actually doing something I love to wake up to and be a part of. I love what I do, I love mentoring, coaching and teaching. Definitely, here at NIU, I wear a lot of different hats, which is part of the coaching profession. But I am very excited to be the head basketball coach here at NIU and I am definitely looking forward to building a program. Right now, we have five returning players: two seniors, Tim Toler and Tyler Storm will both be graduating in the spring, which is good. But other than that, we have a very young team. We have brought in seven freshmen, and five of those are from the Chicago area. Through some of my relationships with high school coaches, AAU coaches, we had a chance to do that. We are looking forward to those young players participating and playing this year. We are definitely looking forward to football season, and we were right there at 6:00 a.m. when classes started on the twenty-second, lifting weights, doing individual workouts, doing strength and conditioning. So our guys are getting prepared just like the last 10 years at Michigan State. I arrived here April 1, right after the Final Four, and for the players at State, it was kind of like Boot Camp One. So I decided to bring Boot Camp One here, which means you are up early in the morning, working, sweating, then you shower, get to class, become a student, and then you come back and do some extra work. So now we are in the season, we are in Navy Seals II, because I think they are tougher than the Boot Camp. We are looking forward to the season which officially begins with our first game on November 11 at Purdue. Purdue is in the top 15, so it will be a great challenge and a great experience for our young men. NIU's first home game is the November 14 against Wisconsin-Milwaukee, another very good program that actually won the regular season last year in Horizon. We all know that Butler, from the Horizon, went to the national championship game again. But we are definitely looking forward to the season and the different challenges ahead of us.

Chair Murer welcomed Coach Montgomery home to the NIU family and said we all look forward to a great season of equal time for all sports.

I wanted to note that I had seen you out in the community a couple of times, once up in Rockford, again in Belvidere, Trustee Strauss said, and the same for Dave Doeren. I want to applaud those efforts to get

our coaching staff as well as the people from the department out in the community. If we are going to be successful, particularly at building crowds at the convocation center, that activity is really important and I hope it will continue. I second Cheryl's welcome, and Jeff, thank you.

When you were named, Trustee Boey remarked, my wife said to me, "You people finally did something right." When I asked what that was, she said "You finally got a coach from Michigan State." My wife Doris is a Michigan State graduate. So, we welcome you. There are a few members on this Board that attend the basketball games through the years. We are really looking forward to the games and to your association with us.

Agenda Item 7.c. – University Communications Fall 2011 Initiatives

This morning I just wanted to show the committee, a few of the things we have been hard at work on over the spring and the summer, Ms. Buettner said, not only in preparation to welcome the students back to campus this fall, but also with Admissions where we have begun augmenting their traditional recruitment plan for high school juniors for next two fall seasons. Everything I have tried to do over the last couple of years in this position has been based on research. We try not to make educated guesses because our marketing dollars are so precious, and we need to make absolutely certain that we achieve maximum impact with every dollar we spend.

One of the things I wanted to tell you about this morning is a brand new study that came out from Noel Levitz on recruitment of students, their parents and how the students are differing. The most important thing that has come out of this is we have had to analyze our processes and change the way we do things, both in the Student Affairs and Admissions side as well as in Communications because of the growth in social networking and the growth of mobile access to the web, which is growing exponentially year by year. This chart highlights a couple of points that high school students are looking at in a college, and what the parents of those students are looking at in a college. What is interesting is how involved the parents are in the students' college search process. Of the students polled, 59 percent that they are researching college with their parents. Of the parents polled, 66 percent of the parents polled said they are looking at colleges with their students. That means almost two-thirds of every potential high school recruit have parental involvement in their search process. Most of our activities and most colleges and universities now are using a direct approach to the students.

We have put a great deal of energy into certain things that are really critical going forward. First of all, one in five students have said that they removed a college from their list of potential colleges because of a bad experience on the college's web site. One in five, that is a startling statistic, so we have been trying to put a lot of attention into the design, the structure and the navigability of our web site. Another thing that this study and others have pointed out is that when both students and parents first come to a web site for a college, they tend to click on the links related to academics and programs of study. We have developed a reputation and rankings page, and the colleges are beginning to send us regular updates. We have tried to be very intentional and really work on the academic sites and the programs. We have terrific programs, but if we cannot describe them succinctly and in an entertaining and engaging manner, people will not want to learn more about those programs. Another interesting fact is that over 95 percent of our students said that they connect with colleges through emails. Roughly 25 percent of parents say they provide email addresses to colleges posing as a student to see what would happen and the type of communications they will get.

We have worked with that and designed some new programs with Admissions, two of which I wanted to tell you about, and the rest I want to quickly show you. One is a direct marketing recruitment program that we will start in a couple of days. We have identified and built lists for guidance counselors in our region, as identified by the Admissions program, for high school teachers, academic advisors at the junior college level and community college professors. Therefore, as Dr. Hemphill mentioned earlier, that software you voted on earlier this morning now allows us to directly target current high school juniors even some sophomores for two years from now. We have begun a pilot program with targeted markets in each one of these sophomore, junior and senior areas with Admissions. In the high schools where the

Admissions staff has identified, we need to either do better or increase our yield rates from certain high schools. We have now targeted this program and are beginning a direct marketing component, which will be print and email driven and include the ability to collect data for a two-year pilot period where we're going to communicate at least once every two to three weeks with the parents, guidance counselors and high school teachers to educate them and make them aware of all of the tremendous opportunities and programs available at the university. I am proud to say that we are doing all of this in-house. We have our Document Services unit, which is run by Wally Czerniak and the ITS Department. They have developed the capability over the last two years to integrate not only the print side and the mail-house side, of all this, but also the electronic side, and develop and integrate a metrics system to measure and evaluate our success as we go forward in these areas. We are beginning that program and I believe we will see the effect on our recruitment and retention as early as next fall.

A new program for us this fall is an opportunity to partner with B96 Radio, which is what you might call it a high school- and college- oriented radio station in the city and the suburbs and plays a lot of music that appeals to that demographic. We have set up a program where they take their disc jockeys on the road to two high schools in the region every Friday afternoon. Most of them are throughout our Chicagoland region, which, of course, is our home turf. The station does a live remote and they promote the high school games. NIU is one of the sponsors of that and the only academic institution in the postsecondary category that is a sponsor of this particular effort. Our first remote was in Highland, Indiana, last Friday night. This Friday night, B96 will be onsite at Neuqua Valley and at Naperville North. Our Admissions people are going out and our orientation guides are partnering with the Admissions staff. It is a tremendous opportunity using Admissions, Marketing, Communications working together to get into a high school in a different venue rather than an Admissions counselor coming in traditionally and sitting down over a lunch hour. That will happen every Friday night through the beginning of December, and we will be all over the northern Illinois region at different high schools. It gets us into almost 32 of our target high schools with a very large presence. Leading up to it, there is a tremendous buzz in those high schools where the B96 program is taking place that particular week, and the university's name is very wide spread through that. In addition, students register for drawings and such, and the Admissions Office captures all of that data from B96 every week, which we will begin to follow-up directly into the target market.

You have all seen our billboards. They started going up about two weeks ago. In another week we will have eight billboards up in the region. We are pushing the Open Houses. This is another sample of some of the artwork, and you will see that our new logo is prominent. The new logo is now on the web.

We did a slight facelift with *NIU Today*. That is turning out to be a major source of daily communication for not only our university but also for prospective students and their parents and families. The mobile phone app you have seen before. That has actually been updated, and we are working on Phase II to bring the convo center and some other particular opportunities available to that to the students. We put a lot of time and energy into social media in the last two years. Basically, all of the social media channels the university has configure through what we call Smash-Up, and I want to introduce Holly Nicholson, who is our Social Media Specialist, to the Board today.

This is a 30-second commercial showing the kind of advertising we are doing under the Learning Today, Leading Tomorrow tag.

Video:

Female Student: I'm in the Honors program here at NIU. The Honors House is a place where Honors students can live together. I lived in the Honors House as a freshman, so I got to meet people right off the bat. I was with students who were in the same kinds of classes as me. So living in the Honors House was when I had that group to start off with. Living with other Honors students made all the difference in my experience, so why go anywhere else?

Narrator: Northern Illinois University, Learning Today, ...

Female Student: ... Leading tomorrow.

There is a series of those involving different programs that will be running this fall. When the students came back to school this fall, they were all given a flash drive with the new logo, *niutoday.info*, and it was loaded with all kinds of information about emergencies, how to download the NIU mobile application and maps and such, to help them get around.

We have two billboards pushing the Soldier Field tickets that are located on 294 going toward O'Hare. Banners have been made for every college and went up about two weeks ago all over Soldier Field. They are also all over the museum campus. We will have exposure at three home games for the Bears. They will be there over the Labor Day weekend, exposed through the Air Show, etc. Signs in the parking garage are also pushing our Open House information. End Zone banners will be up for our Soldier Field game also. Soldier Field has been terrific. We could not have done the Soldier Field marketing, in particular, which is extensive and huge for us, without the support of the Foundation. The Foundation paid for all of the Soldier Field banners and marketing. These banners will be up for five weeks, then we are bringing them back to campus to be hung all over the campus in time for Homecoming. I know several of you sit on the Foundation Board, and I wanted to thank you all publicly because they have done a terrific job.

OTHER MATTERS

Agenda Item 8.a. – Freedom of Information Act Requests for June 1, 2010 – August 15, 2011

The Board approved a change in *Regulations* at of May 2010 meeting designating Kathy Buettner as the university's chief FOIA officer, and our committee should receive periodic request updates, Chair Murer said. The university has an "Information" website, the URL is in your agenda item, that provides requestors with links to existing reports and an on-line submission form for official FOIA requests. This is very much in keeping with the spirit of transparency. So, I encourage you to look at what is on the web site.

When we asked for the periodic information on the FOIA requests, Trustee Strauss commented, it was an effort to make sure that the delegation we made was working. We have now received several reports, and it appears that this is working without incident. I wonder whether it is the sense of the committee that we continue this reporting requirement or whether we can just assume that it is working the way we intended. I would like to propose that we suspend the requirement for this report. The Trustees unanimously agreed to discontinue the FOIA request reports.

We thank you for your diligence in that effort, the Chair said, and the fact that we have put all of this on the web site has been very positive and in keeping with the spirit of transparency. I want to mention that this is the Legislation, Audit and External Affairs Committee. I met with the Auditor and that audit is now proceeding and data gathering. President Peters mentioned that we recently received notification that the last audit was accepted by the Legislative Audit Commission without comment.

NEXT MEETING DATE

Chair Murer announced that the next meeting of the Legislation, Audit and External Affairs Committee will be Thursday, November 10, at 11:00 a.m.

ADJOURNMENT

There being no Other Matters, the Chair asked for a motion to adjourn. Trustee Strauss so moved, seconded by Trustee Iosco. The meeting was adjourned at 12:12 p.m.

Respectfully submitted,

Sharon M. Banks-Wilkins
Recording Secretary