

Minutes of the
NIU Board of Trustees
LEGISLATION, AUDIT, EXTERNAL AFFAIRS AND COMPLIANCE
COMMITTEE MEETING
August 30, 2012

CALL TO ORDER

The meeting was called to order by Chair Anthony Iosco at 11:25 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 Robert Boey, John Butler, Wheeler Coleman, Robert Marshall, BOT Chair Cherilyn Murer, Marc Strauss, Student Trustee Elliot Echols and Chair Iosco. Also present were President John Peters, Committee Liaison Kathryn Buettner and Board General Counsel Jerry Blakemore. With a quorum present, the meeting proceeded.

VERIFICATION OF APPROPRIATE NOTICE OF PUBLIC MEETING

Confirmation of Open Meetings Act public notice compliance was given by Board General Counsel Blakemore.

MEETING AGENDA APPROVAL

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

REVIEW AND APPROVAL OF MINUTES

It was moved by Trustee Strauss and seconded by Trustee Butler to approve the minutes of the April 19, 2012 meeting. The motion was approved.

CHAIR'S COMMENTS

Chair Iosco welcomed University Advisory Committee representatives Mr. Todd Latham and Dr. Rosita Lopez.

Driving through campus today, it was nice to see so many of our students on their way to class this first week of school. The beginning of a new school year is charged with excitement, energy and enthusiasm. We have no greater responsibility as Trustees, faculty or staff here at NIU than to impart knowledge to our students. We have discussed the goal President Peters has set forth at the beginning of the Vision 2020 process – to become the most student-centered, public research university in the Midwest, and we are well on our way. NIU students not only learn from intellectually challenging faculty in classrooms, but they also have an opportunity to assist faculty with all types of research projects. Students set up internships with judges, lawyers, accountants, business leaders and others to further refine the skill sets needed to succeed in the world today.

One of the most exhilarating opportunities I have each year is the opportunity to mentor a student intern. I have had several interns from our NIU College of Law, and it is one of the most fulfilling parts of my job as a Circuit Court judge to be able to expose law students to the daily courtroom process and experience.

This morning our meeting agenda represents a cross-section of myriad functions under which this university operates on a daily basis that affect the lives of every student, faculty member and staff person. Decisions made in Springfield, the halls of Congress and other governing bodies like the NCAA

and the Higher Learning Commission are monumentally important to the daily fabric of this great university.

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. – Federal Policy Update

The Chair welcomed Patty Daley, from the Daley Policy Group, and Lori Clark, Director of State and Federal Relations at NIU. Patty is truly the face of NIU on Capital Hill as I can attest from my experience as both the President of the Alumni Association and a proud member of our Board of Trustees, the Chair said. Ms. Daley's firm assists NIU federal relations efforts in Washington, D.C., and I invited Patty to update us on current federal policy issues that most directly affect NIU. Lori Clark will provide a recap of the legislative activity regarding the General Assembly in Springfield.

Patty Daley introduced herself stating that she represents Northern Illinois University's interests in Washington, D.C., but also is a family member of three NIU graduates. Today, I want to give you a snapshot of the past four years in a comprehensive overview of agency funding, the history of where we are going in terms of congressional involvement and congressional directed spending versus alternatives. Then I will take you through a detailed federal update of what has happened in the last year and look at what is going to happen in the next 60 days. Also, we will look at what we may see relating to higher education in the platforms of the proposed presidential candidates.

In the course of the last several years on Capital Hill, we have gone through a change of the interpretation of what earmarks and discretionary spending are. We have been successful in securing federal funds for projects for NIU in the last decade of my involvement in representing NIU in Washington. Now there is a transition to eliminating earmarks and changing them to a competitive grant format.

Dr. Freeman has gone over the decrease in funding trends for particular agencies, and she was very succinct and specific in terms of where the decrease is in agency funding as well as Defense and non-Defense projects. Sequestration is something Congress actually proposed a year ago, spent the last ten months working on and essentially said that if they did not do this, they would impose their own across-the-board budget cuts, Defense as well as non-Defense. This is something we should be very concerned about from a university standpoint because, currently, we calculate the possible loss of \$2.7 million in federal funds to NIU if this process is implemented. We calculated this based on the funding NIU received from each agency in FY 2011. The Budget Control Act requires spending reductions. If Congress does not come to an agreement on a comprehensive spending reduction plan, automatic across-the-board cuts will be implemented. This would require approximately \$109.4 billion in across-the-board cuts in federal discretionary spending in 2013, or a reduction of roughly 8.4 percent.

To illustrate the possible impact sequestration would have, it would force the National Science Foundation (NSF) to fund 1,650 fewer competitive basic research grants which support nearly 20,000 researchers, teachers and students. National Institutes of Health (NIH) would fund 2,300 fewer awards. When funding is cut, the competition increases.

In the interest of time, I just want to illustrate, through example, the type of activity the federal agencies are doing. The new reality illustrates the fact that as a public university, we have to work hand in glove with everyone here, the fiscal, the academic and the outreach areas, to obtain funding for these comprehensive programs. At the same time we are seeing some of the federal agencies collaborate, for

example, the Small Business Administration, the Economic Development Administration, the Department of Labor putting funding towards a project. That means we are dealing with all sorts of different rules and regulations, so it requires collaboration among the various public institutions in projects such as the one we have in Rockford which involves community colleges, local economic development and regional planning. The federal government is looking for increased collaboration, so we have to be prepared to accommodate these changes. There has been an increasing emphasis on collaboration regionally, and an increased emphasis on commercializing technology, getting it out of the labs into the marketplace. That requires looking at intellectual property, how we manage it. The patent office also is undergoing some significant changes. Processes, decision making and timeframes that we may have dealt with in the past have now changed significantly. We, as an institution, need to have relationships with the necessary partners that will allow us to form collaborations, to be able to launch these initiatives.

Congress should move soon on the Continuing resolution (CR), which will keep the federal government funded through March 2013. One of the biggest problems we are dealing with right now is the Congressional Budget Office (CBO) report that came out recently predicting some changes and looking at the possibility of another recession come January.

We cannot predict November 6, but we can look at the candidates' platforms issues on education. With the Obama education platform, a higher college degree attainment rate by 2020 is one of the main emphases in almost every speech he has given. He has worked with his education staff as well as the federal agency to indicate this is his number one priority. Increased transparency on student loans is specifically addressed by both candidates. The Obama administration wants to look at increased funding for student loans and not privatize. This is the one agency that he has focused on to increase funding. Another issue you are all familiar with is the \$1 billion program, Race to the Top for Higher Education, to incentivize and improve productivity and keep college affordable. The President is also talking about encouraging innovation and technology based learning. Currently, legislation is at a standstill until after the election.

The Romney campaign believes in strengthening and simplifying student financial aid and avoiding duplication and complexities. An interesting fact is that this first point in his platform was exactly what Bill Clinton proposed in his second term as President of the United States. One of the things that Former President Clinton did and was advised by the CBO, a nonpartisan research agency in Washington, D.C., was to sift through the federal agencies, look at the duplication in each agency and develop cuts in order to increase productivity in the agencies. Governor Romney is currently talking about welcoming private sector participation in the educational environment, specifically in the student loan market. Another platform plank involves replacing burdensome regulation with innovation and competition, encouraging market entry by innovative new education models. We do not know what the funding level would be, how that would be implemented or how he would restructure the agency itself to comply with this particular objective. Lastly, he has put an emphasis on skill attainment and supporting R&D. Again, he is proposing no numbers for R&D, innovation or any of his proposals right now. This is simply a platform in which there is a broad percentage of what he is looking at in terms of the federal budget that would be allocated to education, but no specific breakdowns in each of these platform objectives.

What we really need to do to maximize federal opportunities is to review NIU's internal policies and procedures so that we remain consistent with what is happening in Washington. In regard to building relationships with the federal agencies, it is projected that the next election will lose over 35 to 45 percent of agency staff brain drain in all federal agencies.

Agenda Item 7.b. – Illinois General Assembly End of Session Legislative Recap Report

There are a lot of issues that are very critical to the university currently pending in the General Assembly, Lori Clark, Director of State and Federal Relations reported, so I want to give you a recap on what has transpired in the last session.

Higher education sustained a 6.2 percent reduction. Many of the State agencies saw cuts between eight and nine percent. The State continues to have a very serious structural deficit problem since there is not enough revenue and there is a high demand on it.

The only good thing about Pension reform is I have had the opportunity to spend a lot of quality time with Dr. Cunningham. Luckily, Trustee Butler was also down in Springfield quite a bit this spring, so I had the opportunity for company down there.

But the pension reform issue still is out there, and Dr. Steve Cunningham and Trustee John Butler joined me on several occasions to speak on this issue. As many of you know, on August 17, the Governor called a special session of the General Assembly, which yielded no activity on pension reform. Concern remains about the State's credit rating. Yesterday, Standard & Poor's did downgrade Illinois, but not to the extent that was anticipated. We do not believe anything will happen on pension reform until the January lame duck session. There is some talk about the veto session, and what is happening with the credit ratings will determine whether or not we are called back to Springfield to deal with this issue. Regardless, something is going to have to be done. I want to commend Dr. Cunningham and Dr. Ghosh from the University of Illinois. They have been the faces at the table during all of these negotiations, and they have done a yeoman's job in representing us and our interests.

This week, the Governor vetoed the gaming expansion legislation. Many thought this would be a new source of revenue. The other two things I wanted to mention are a result of legislation that was passed and signed into law this past spring. One requires the creation of a Monetary Award Program (MAP) Eligibility Task Force. During numerous General Assembly and committee hearings and the floor debates, there were a great many questions about MAP funding and the fact that many believe that it is not sustainable on the path it is on in its current form, much like the arguments we have seen regarding the Pell Grants. The task force, which met for the first time last month, has been charged with looking at various ways to change the MAP program, everything from interjecting a merit based component to tying it into accessibility for institutions that demonstrate progress towards an educational attainment from their students. They are meeting again this morning, and we are following the issue very carefully to make sure nothing goes into effect that will hurt the large number of our students who take advantage of MAP. During the discussions concerning elimination of the General Assembly Scholarship program, there were a lot of questions about the level of tuition and fee waivers that were granted by the public universities. They mandated a legislatively created task force, which is charged with doing public hearings and doing a big investigation to understand how universities award fee waivers. They want to look at the institutions' justification of the need for each of the programs, of their intended purposes and goals, of their eligibility and selection criteria, and of the program's costs. They are required to come back to the General Assembly with a report by April 15. This task force will be chaired by Senator Ed Maloney, who has been a very strong advocate for higher education in the Senate, and it will be co-chaired by Representative Fred Crespo. He was a sponsor of the bill to do away with the General Assembly Scholarship, and is also very interested in higher education. We will be attending those meetings and working with the task force to help them better understand the tuition and fee waivers.

College Report Cards was a contentious issue. K-12 now does a report card, and the bill sponsor, Senator Kim Lightford, liked the one page report that showed performance and various statistics in a very consumer friendly way that allowed parents and students to make informed decisions. There were questions about some of the original legislation. One concern was that universities and community colleges already do so much reporting that we did not want to have to do yet another report, so an agreement was reached that we would do one-page report cards based on performance statistics and the results that are currently reported through the Illinois Board of Higher Education, which is consistent with the way IBHE is working with performance-based funding.

Agenda Item 7.c. – Emergency Notification Protocols and System

NIU is in the process of implementing a new emergency notification system that will be fully operational later this fall. Brad Hoey, Director of Communications and Marketing, and Jennice O'Brien, Director of

Web Communications, briefed the Board on the capabilities of the new notification system and its implementation timeline.

The university has a two-tiered Emergency Notification Protocol, Mr. Hoey said. NIU Text Alerts are deployed when there is an imminent and verifiable threat to the lives and safety of the general campus community or general campus population. For instance, if we had an active shooter or a tornado bearing down on campus, the NIU Text Alert system would be deployed from the Department of Police and Public Safety. The other notification component is NIU Advisories. These are timely notifications of potential emergency activity on or near the campus. For instance, if there is a safety concern on campus, a power outage that would affect campus buildings or the residence halls, severe weather in the area, those types of situations, weather situations, particularly, an NIU Advisory would be issued.

NIU Alerts are sent to all NIU Alert subscribers via text message. This is an opt-in system to which you have to subscribe. Currently, there are between 12,000 and 13,000 subscribers consisting of students, faculty, staff, parents, cousins, extended family and essentially anybody who wants to subscribe to our NIU Text Alert system. These Text Alerts are posted to the NIU Homepage and Emergency Information page. They are also deployed on our various social media venues, such as our Facebook and Twitter pages, and they are sent to public address systems in our campus buildings. We test this system on a periodic basis, Mr. Hoey remarked, and more buildings are coming online with this system every year. It is displayed on Internet Protocol TV (IPTV) and it is deployed through the GroupWise system at our computer labs throughout the university. Those alerts are followed by an All Clear message signaled by the Police Department once the imminent danger has passed, and that All Clear goes out via text message as well.

NIU Advisories are posted to the NIU Emergency Information website. It is also deployed on our NIU Today News and Information blog, our NIU Facebook page and our Twitter page. It is sent via e-mail to all students, employees and subscribers. Again, this currently is an opt-in, subscription based system. Advisories are separate from alerts, so you must subscribe to each notification system.

The new Emergency Notification System that we will be migrating to later this semester is called the Everbridge System. We have looked at several emergency notification providers and, after a thorough investigation and review, decided on the Everbridge System. With additional ways to communicate with students and employees, it is an enhancement and an upgrade to the system we currently use. The Everbridge System is state of the art – better capacity, redundancy, speed and reliability – and it does not require special proprietary software or hardware to issue the notification, which makes the notification process faster and more efficient. The transition from the old system to the new system will be virtually seamless. The new system will undergo small- and large-scale testing beginning in a few weeks and will be ongoing. The old system will not be decommissioned until the new system is 100 percent operational, and that is anticipated to happen by the end of the fall 2012 semester.

Amenities of the new Everbridge System include voice and text-to-speech phone calls to mobile phones, home phones and parent phones. We are developing a new Twitter page explicitly for our NIU Alerts, and we will have an NIU RSS feed for our NIU Alerts. Additional amenities include security, multiple data centers and no scheduled downtime or maintenance windows. Also, this system is used by many of our peer institutions, Virginia Tech, University of Michigan, University of Chicago, as well as other institutions throughout the nation and private entities such as the American Red Cross. Everbridge has a dedicated higher education department that provides ongoing training.

Something we will be transitioning to with this new system, Ms. O'Brien explained, is tying every student into it. The new notification system will be linked to the Student Information System. When they go into MyNIU, they will be prompted to update their emergency contact information, which automatically enrolls them in the Everbridge System. Students are already putting their mobile phone numbers into MyNIU, and we have contact information for about 18,000 students currently. It was noted that this system will include students at all of the NIU campuses.

Vice President Buettner stated that the primary driving factor behind changing to this new system is to go from an opt-in program to an opt-out program so that students are automatically enrolled in the program and can only be removed if they make a request to be removed, or opt-out, of the program. There is a great deal of programming work with our various back up systems, whether they are staff driven or student driven, that ITS is working on and will be completing this semester.

Agenda Item 7.d. – Board of Trustees Conflict of Interest and Compliance Policies

Each year, NIU and the other public universities undergo an external financial and compliance audit managed by the Office of the State Auditor General, Chair Iosco said. During our April meeting, the Board received an update on the financial audit for Fiscal Year 2011. The Auditor General has now completed the compliance portion of the FY11 audit, and Keith Jackson, NIU's Controller, presented the findings. Board members received a copy of the full compliance audit earlier this summer. The FY11 Compliance Audit was released by the Auditor General in late May, Mr. Jackson reported, and it contained four compliance findings.

Agenda Item 7.e. – Board of Trustees Conflict of Interest and Compliance Policies

- (1) – Recent University Policy Updates**
- (2) – Board of Trustees Conflict of Interest Policy Options**
- (3) – Revolving Door Prohibitions Briefing**

Due to time constraints, Chair Iosco asked Mr. Blakemore and Dr. Cunningham to defer their presentations of the compliance related agenda items to the November 8 meeting.

NEXT MEETING DATE

The Chair announced that the next meeting of the Legislation, Audit, External Affairs and Compliance Committee will be Thursday, November 8, 2012, at 11:00 a.m.

ADJOURNMENT

Chair Iosco asked for a motion to adjourn. Trustee Strauss so moved, seconded by Trustee Murer. The meeting was adjourned at 12:40 p.m.

Respectfully submitted,

Sharon M. Banks-Wilkins
Recording Secretary

In compliance with Illinois Open Meetings Act 5 ILCS 120/1, et seq, a verbatim record of all Northern Illinois University Board of Trustees meetings is maintained by the Board Recording Secretary and is available for review upon request. The minutes contained herein represent a true and accurate summary of the Board proceedings.