

Minutes of the
NIU Board of Trustees
CARL COMMITTEE
August 25, 2016

CALL TO ORDER AND ROLL CALL

The meeting was called to order at 11:47 a.m. by Chair Cherilyn Murer in the Board of Trustees Room, 315 Altgeld Hall. Recording Secretary Julie Edwards conducted a roll call. Members present were Trustees Robert Boey, John Butler, Wheeler Coleman, Student Trustee Matthew Holmes, Robert Marshall, Tim Struthers, Board Chair Marc Strauss and Committee Chair Cherilyn Murer. There were no members absent. Also present: Greg Long, Executive Secretary, Advisory Council and President & Faculty Senate, Cathy Doederlein, new elected President, SPS Council, Holly Nicholson, Representative to the CARL Committee also present were Dr. Alan Phillips and James Guagliardo.

VERIFICATION OF QUORUM AND APPROPRIATE NOTICE OF PUBLIC MEETING

General Counsel Blakemore indicated the appropriate notification of the meeting has been provided pursuant to the Illinois Open Meetings Act. Mr. Blakemore also advised that a quorum was present.

MEETING AGENDA APPROVAL

Chair Murer asked for a motion to approve the meeting agenda. Trustee Marc Strauss so moved and Trustee John Butler seconded. The motion was approved.

REVIEW AND APPROVAL OF MINUTES

Chair Murer asked for a motion to approve the minutes of the CARL Committee. Trustee Marc Strauss so moved and Student Trustee Matthew Holmes seconded. The motion passed.

PUBLIC COMMENT

General Counsel Blakemore indicated that there were no request for public comment.

CHAIR'S COMMENTS/ANNOUNCEMENTS

The agenda today continues our effort to keep the committee updated on issues within its jurisdiction while simultaneously providing an opportunity to have substantive discussion to issues which may require committee action.

There are four items which fall within the informational category of the agenda, the first item fulfills a request of the committee to provide regular updates on the Enterprise Risk Management Initiative. Dr. Phillips, Vice President for Administration and Finance will also give a summary of the state of the Universities' insurance coverage and how it relates to the Board. The third and fourth items which will be presented by our Ethics Officer, James Guagliardo. First will be a brief report on professional development and ethics related training and also the State's Guide to Employees' Political Activity. The item is of particular relevance given the up and coming National and State elections and the desire on our part to assure that our employees exercise their Constitutional Rights and comply with our legal and ethical requirements under the State Ethics Act.

Chair Murer: Certainly always like to recognize under each committee meeting the various university constituency groups and Dr. Greg Long, President of Faculty Senate, Executive Secretary of the University Council. Welcome as always and thank you for your active participation. Cathy Doederlein newly elected president SPS Council and faculty representative to the CARL Committee effective July 1.

Greg Long: I would like to start off by applauding the Enterprise Risk Management Initiative work being done there. I think it's important to look at operational issues to make sure that we're doing things in a logical and kind of risk adverse fashion. I'd also like, as part of this, to emphasize the importance of looking at the risks in the academic area as well. I know that the risk management focuses largely on facilities and operations, but the academic side of this particularly as related to accessibility, community engagement, student's field work, and supervision; a number of issues there that are potentially of concern. The other thing I'd like to say and I want to thank President Baker for this. We've had a year long discussion with regard to the University Advisory Committee to the BOT in terms of how to make our work more meaningful and we've had over the past several months some discussions with President Baker as well ourselves in a planning meeting to identify ways of taking greater advantage of the UACs knowledge and perspectives and I'm pleased to report that our work on this is leading to some better and more productive discussions. We just had a meeting in preparation for this that I think that was certainly the best I've had in my time on this. So I just wanted to say thank you for taking our role more seriously. We are happy to provide any advice and input that we possibly can.

Holly Nicholson: There's a memo in the report regarding last year's ethics training and I just wanted to take this opportunity to thank Karen Smith and Leslie Gilbert and all of their department contacts in their roles in getting all of the employees trained by the deadline. Administering the ethics training takes an incredible amount of work and we're very grateful for their efforts.

Chair Murer: I would like to reiterate that when we open these comments to you it's very important. It shows the integration of the Board with the Faculty Senate and its representatives and it's a visible confirmation of shared governance. So your comments are not only welcome, they're valued. So thank you. A few comments, the agenda today continues our effort to keep the committee updated on issues within its jurisdiction while simultaneously providing an opportunity to have substantive discussions of issues which may require committee action. We deal with the world of compliance and risk and legal matters which is so critical to our viability as a university. There are specific items which fall within the first informational category of agenda. The first item fulfills a request of the committee to provide regular updates on the Enterprise Risk Management Initiative and Dr. Phillips has done an extraordinary job in leading this endeavor and we have been again not only appreciative but enlightened by your comments and look forward to seeing how the progress is moving forth. Also I believe you'll give a summary of the state of the university's insurance coverage and how it relates to the board? The third and fourth items will be presented by our Ethics Officer, James Guagliardo, who will give a brief report on professional development ethics related to training, a state guide to employee political activity. This is quite important to iterate and reiterate at this time of the year as we move into full swing in a presidential election. So these are very important issues as we represent a public university; and our legal and ethical requirements under the state ethics act. We've got a lot of things to talk about. A lot of things that are really critical to our compliance and we'll begin with Dr. Phillips.

UNIVERSITY RECOMMENDATIONS/REPORT

Information Item – 7.a. – Regular Committee Update on Enterprise Risk Management Initiative (Dr. Alan Phillips)

Alan Phillips: Madame Chair, Trustees, as is normal it's my opportunity to provide you an update as to where we are with our enterprise risk management effort and where we are and how we're going to be moving forward. We've reached an important milestone in this effort. We have in fact as you know over the last several months been underway to identify our risks and prioritize those risks because we're now to a point where we have established an inventory of our current risks and have gone through the rather

challenging effort on prioritizing them in a way that we can now start to look at those which are our most serious challenges and determine the best ways to deal with them. So the initial goals and objectives of the effort were to create a culture of risk awareness where all employees understand and consider risk in decision making and as a part of this effort we had over 100 members of the staff and faculty involved from all aspects of the university and that's helped us to clearly indicate that risk is very important and I'm very happy to say that everyone was very engaged and took this effort very, very seriously. The ultimate goal is to reduce surprises and losses and this will help us to do that. It will increase our capacity to leverage opportunities. Part of this process is develop a decision making process and a program where we do this on a regular basis and certainly to improve the efficiency and effectiveness of our efforts. Just briefly the effort of the team was actually being led by David Stone. He has since departed for greener pastures. He is now in Michigan filling an assistant provost and research position. So we are in transition, La Vonne Neal, who is my Associate VP for Operations will be picking this up and moving this forward. She's already met with the team. We've already had several conversations and I predict that this will be a very seamless transition and we will continue to move this forward. As you know from several of the other discussions, she's been very involved in reengineering efforts, has been very involved with all aspects of the university, has been involved in risk management and insurance and our intent is to move this forward without there being a gap or an issue associated with the transition of the leadership. The full ERM team as a core team, plus as you can see a number of vice presidents and people throughout the rest of the institution. The project phases, there were seven phases. The first four I believe we've completed and we substantially have completed the last three. However, there still remains more work that needs to be done with designing the action plans, timelines and resource needs. We are still working to communicate those needs and proposed action plans and timelines to the board. In other words, one of the things we're working on is developing the reporting format where we will come back to the board on a regular basis and provide that information. And of course, one of the goals is to design dashboards and set timelines so that we can monitor our progress going forward on a regular basis. Our progress to date, we've identified the risk identification assessment as I said over 100 faculty and staff were engaged. We identified 188 risks and once again that's the start. We've had several discussions. There may be a few things that we missed and we're circling back around to make sure we have captured all the risks that we are aware of or that we know exist. We have a draft of the final enterprise risk management report and our goal is to present that to the board at the board meeting in September. It's in draft, it's under review, it needs a little bit of work. But we are now to a point where we've completed I would say the first phase of the effort which is the identification of the risks and the prioritization of those risks and now the challenge is to take that and put it in a program where we directly start to address and deal with those risks in the various ways. Our strategic imperatives; this was one of our guiding tenants. One of the first things we did was to identify the strategic imperatives for the university. I won't go through and read those. And then we took a look at what the broad risk categories would be. So the committee's effort resulted in ranking the top three tiers of the most serious risks. There were 32 total risks based on final risk scores and when you take those and combine them together we came up with roughly five areas that the risk fell into; state funding, deferred maintenance, lack of endowment support, personal and administrative infrastructure, and compliance and training. If you look at what that looks like, we went through each of these areas and by category we listed the top three just so you can see what that looks like. You will note down at the bottom we have the mode 1, 2 and 3. Of the top 15 risks in the different areas, 10 of them actually are risks due to a state of vulnerability many of which are tied to the availability of resources and funding. Those are going to be a challenge to deal with in the current environment, the budget environment that we're in. We then took the full risk inventory. These or the 188, these are the top 20. They cross a number of different lines so as you can see there were quite a number of criteria that we used to evaluate these and to establish those priorities. The color coding is associated, if you look just to the right, with the risk area be it finance, facilities, enrollment, foundation, advancement, student affairs and they're color coded in that way. The work that still needs to be done is to go back and make sure that we have not missed any of these particular issues, most specifically in the area of academic affairs and IT challenges. We're going to go back and take a look at all the risk areas to make sure that we adequately covered all the risk that we are aware of. And the next steps are actually to use the final report as the foundation for the development of a program. We had a core team and a full team to go back and take a look. That's what we used to get to the point where we have a risk inventory are those the right people to take this forward and implement a program more long term,

finalize the forms, the dashboards, the reporting format. One of the things that came up repeatedly at many of the meetings was a policy library associated not with just risk management but this would benefit everyone across the entire institution and once we have this a little further along, our next challenge is to take a look at compliance. While compliance is a part of risk management, it is significant enough I think to merit its own effort and so we will be looking into the challenges associated with all the areas at the university that we have to remain compliant with the various regulations, statutes, and other requirements. Last but not least, we want to develop a process. So that on an annual basis we know exactly what has to happen when. We know how we developed the list. We review the list. We refine the list. We update the list. We track progress during the year and report that back to the trustees so that you can tell at what point we're making progress, what are challenges are, what the issues are that we're wrestling with so that you have a much better understanding of how we're – what the risk is at the university across the entire enterprise, and how we are going about effectively managing that risk.

Marc Strauss: Thank you for work and also thanks to your team. The remaining issues are making sure that we have an institutionalized process that we come up with the dashboards and that we create a culture of compliance.

Alan Phillips: Correct.

Marc Strauss: I am concerned that we do those things with dispatch. How many of those are we going to be prepared to discuss on September 15th when the final report is issued and which of these are going to need additional time.

Alan Phillips: We will have some of the framework. We've developed some of the reporting format for how we will do that. The challenge is with 188 risks to try to figure out rather than give you stack of forms. How we synthesize that in a format that would be most appropriate to provide to you in terms of laying out exactly what's going on. I don't anticipate we'll have all that ready in three weeks as we're still going through and cleaning up some of the detail. It is certainly my effort by December that we would have that nailed down and we would have a report, a regular report format, that we would provide the board at that time.

Marc Strauss: Certainly I would be happy to participate in giving you feedback as to whether the proposed format is acceptable. I can't speak for the other members, but I know many are also interested in the completion of this project and I suspect they would be happy to help you too. So whatever we can do to expedite this process, I would certainly appreciate.

Alan Phillips: I will make this a point of an agenda item when I meet with the various trustees and many of whom I do on a regular basis and I also will defer to Madame Chair also for her guidance as to what she would expect that we would bring back before this committee.

Chair Murer: I do have just a couple of comments. One, I certainly think I speak for most of the committee in thanking you and being very impressed with your professionalism and the way you responded to this assignment which was an incredible task. So thank you very much for that. In keeping with a couple of specific issues on the same vein as Chair Strauss, I would like to see us present an executive summary. In the executive summary I'd like narrative analysis, not just statistical analysis and I think that would really help the board and I think in collaboration with the president. Give us your opinion and give us your perspective or prioritization and if it's possible, and I don't know if this is possible, to identify what some of the commonalities are with our cohorts on the same areas of risk and how collaboratively perhaps we can address some of these problems. I think that that would be not only helpful, but I think it would be very prudent to do that. I think the other issue that I wrote down that we really have to include in the executive summary is a narrative description of the accountability systems that we're putting forth. And again, not – I always get concerned with just statistical analysis. I think the accountability mechanism should address timeliness issues, how to preempt the board in addressing issues not just in a rote manner, but how do we respond to issues that arise and how do we deal with some of these very critical aspects that, how are we going to know that. What is that accountability

mechanism up and down? So you can present that to the board, but how do you impose an accountability system to deans and faculty and students in many ways too when we're looking at risk issues. I think your timing is appropriate. I didn't want to say good, bad or indifferent. It's appropriate. I think if we can make great strides for September and come to conclusion in December and initiate fully in January, that's probably okay. We all want things yesterday, but we have to be realistic about it. So you've made great progress and also I think that you've been able to work very well in this transition of chair and so that was most appreciated.

Alan Phillips: I must say there was an incredible amount of work that went into this and quite a number of very lengthy meetings that included some of the significant leadership at the university. This was taken very seriously. They worked very hard to get us to this point and probably the most satisfying part of the whole effort was that people took this seriously and they're very interested in the outcomes. Some of the challenges include the management of those risk that require resources. One of the challenge of the committee, and it's the same challenge we have at program prioritization, is the determination of the process how this fits into the budget process and how we identify those things that are absolutely critical and we have a way to account for those in that process. So we'll be working to determine that as well as we go forward with this.

Chair Murer: Maybe that answer though lies equally with the president and the board. This isn't a job that the committee has to do by itself. The committee identifies the problems but I think it's our job as the board and the president and the cabinet to help resolve these issues.

Wheeler Coleman: So first of all, I also agree with my colleagues that this is great work and very important work. I think it's important that we do not get lost in 188 risk, potential risks, to the institution. Personally, I would like to see the top 32 broken down. In fact 32 is still a lot even though I know you've got them in two categories here. But I'd love for us to focus as an institution on the top risks that we're facing. Let's put our resources even our collective vines and focus on the top risks versus all the risks. It's just too much to absorb and I don't think we'll be as effective.

Alan Phillips: We have several categories. The primary focus is on the top risks. In categories, there are 22 levels, but the top three is where we're going to focus I think most of our effort. You get below that and they're not as serious. Some of them are mitigated and that's part of the issue. You have a risk, but has it been mitigated? In my next conversation I'll talk about insurance and how we're better integrating that into this process and so where we have risks now that we've started with a much larger effort, we're now tying the insurance policies and reviewing all those in light of some of these risks that we've identified and I'll talk about that in a little bit. But I agree with you, there's no way we can focus on 188. The real critical ones are the ones at the top of the list and in our reporting format we will probably report on the top 20, the top 40, but probably not the rest.

Douglas Baker: I want to reiterate a point that Al made earlier and that is as we look at these decisions on risk, they're really ultimately a resource allocation decision and you know when do we need to do that. So we're going to look through a risk lens at those decisions, but we have to look at it through a couple other lenses in addition. One of them is resource availability and so we've got to do our budget planning and be square with how many resources we have to allocate to risk as well as everything else in the institutions, although risk is something that covers the whole institution but it's one lens. Another lens is our program prioritization process that we just spend two years working on and they've given us a prioritization of places we need to spend resources and well as move resources. As we make these decisions it will be an amalgamation of multiple lenses looking at these issues and then making what we hope are the optimal allocation decisions in the short term to get us going on the longer term.

Information Item – 7.b. – State of University Insurance Coverage (Dr. Alan Phillips)

Alan Phillips: This is just an update of our current insurance policies. This is very similar to the presentation that I provided a year ago and is pretty straight forward. We have a number of different types of insurance coverage. We have property insurance, general liability, educators, legal liability, crisis response and management, liquor, crime, and coverage for our staff and faculty and students that are in other countries. Property insurance, everyone is pretty much aware, protects against damage to real and personal property to include business interruption insurance in the case of perhaps a power outage or something where the institution sustains damage because of something that happens and interrupts our daily processes. We have a one billion per occurrence limit; \$100,000 deductible. We have a separate occurrence for Fine Arts. The insured value as you can see in 2016 or last year was just under \$2 billion of property that's insured. This year it has gone up slightly. One of the things that we have done since last year is we have established a rotation. So what we did was we took all of our facilities, some had not been appraised in a number of years. Some of them probably needed a relook in terms of the valuation because one of the challenges is making sure that you're properly or appropriately insured. You don't want to be over insured, you don't want to be under insured. We certainly don't want to pay for insurance that exceeds our needs. So what we've done is we have started a five year rotation for 57 vehicles, vehicles, I've been talking about vehicles a lot this week because they need to be replaced too. But we've looked at the last appraisals, we have building values. We spread the high cost buildings across a number of years. We also took the physical locations. Each year we will get one of the outreach centers, so we spread those out. We put the twin sister building together to get an evaluation and here's actually what that looks like. As you can see, the red gable in Graham and Stevenson and Grant are sisters. Then you have Naperville, Hoffman Estates, Rockford, and Lorado Taft spread out over different years. And then our expensive buildings and those would be between 50 and 100 million dollars in value are Holmes and primarily the library and Stevenson. Most of our buildings actually are in the, 25 to 50 million dollar range. Last year we did year one, this year we are working on appraisal for year two. Some of our buildings went up in value, some declined, but at least we have a current assessment of all of our buildings and that's part of our annual plan as we implement this to go through and do that so we're properly insured. We access general liability. The number on the left is the per event or occurrence. The number of the right is the total amount of coverage. Self insured retention otherwise known as the deductible is \$350,000. This insurance covers trustees, faculty, staff, volunteers, students, and other additional insurers where covered by contract. Educators legal liability; it protects against damage against alleged wrongful acts. An act of terror or an admission by a person the policy identifies as being covered. The limit is 10 million. Once again a \$350,000 deductible. This also covers trustees, faculty, staff, volunteers and students. The coverage is on employee practices; directors and officers. You can see that it protects against things such as discrimination, retaliation, tenure denial, Title IX breach of contract and others. Crisis response and management; provides assistance in catastrophic crisis and reputational management in the immediate aftermath of a crisis event. This certainly would have come into play had the tornado last year been a little bit closer to campus. Limit \$50,000 and covers public relations. This is primarily for public relations and media management services. We have insurance that covers above this for those, but this would be the first coverage we would use. Then our additional policies we have coverage against host liquor liability for private NIU events primarily to cover Holmes, Barsema, and Convocation Center catering. We have coverage for crime; that's employee theft, robbery, money and securities, forgery and fraud and as I said before, we have foreign coverage that covers employees performing duties in another country. It also includes emergency evacuation for political unrest, worker's comp, auto coverage, and other miscellaneous coverages for those that are overseas or in another country. As I said before, in light of the risk management effort we are looking at doing a better job of linking our insurance coverage to help mitigate some of the risks that we have identified and we'll continue to do that and look at all of our policies to insure that we're covered appropriately and we also have the right amount of coverage so that we're not over insured or under insured.

Wheeler Coleman: Where is cyber security addressed?

Emily Hochstatter: We do purchase a cyber security policy. It's actually a group effort between myself and it's usually Drew Bjerken and Brett Coryell and each year they purchase it separately and it's not a part of any one of these because these are actually mostly the IPEC purchases that we make for our group insurance collaboration and cyber is something that each institution has decided to pursue on their own. But we do have it. I think it is one million per occurrence and it provides coverage for network security breaches, things of that nature, and it's important to differentiate between cyber and crime. If someone were to hack into our systems and take money from the institution, all we would be provided under crime is credit monitoring notification which can cost \$1,000 a person and it's not just for the individuals who are currently in the system, it's for anyone who has ever been in that system. It gets tricky because it also applies to what laws are in place in the state in which that person now resides. So if you have anybody living out in California their coverage requirements for a breach of their data might be different than what they are in Illinois. But if any money was stolen then we have our crime policy which goes up to 10 million. So one million sounds a little low for cyber, but we have the 10 million in the event that an actual financial information is taken or funds are taken.

Wheeler Coleman: You know I'm curious to find out what other institutions, how much other institutions have in place for their cyber security, one million sounds extremely low to me especially when an average breach – I mean if you think about all the people that we come in contact with and information that we may have in our systems because you know you're right protection, notification, a lot of that has to occur as well as possibly law suits that could be filed against us, we probably should reevaluate the amount that we have as it relates to cyber security and compare that against other institutions.

Emily Hochstatter: Sure and I can say ISU we relate to them pretty closely on a lot of these policies and they also have one million, I think they've upped theirs to 3 million, but that was also as a result of a recent situation they had to deal with.

Chair Murer: Why don't we do this, I think Trustee Coleman is addressing something that's quite important. So Dr. Phillips perhaps we can do a deep dive on this subject matter and certainly confer with Wheeler who's had unfortunately direct experience I think in this matter with his previous employer. I think this is an area that needs some investigation.

Alan Phillips: One of the challenges is which piece of this is covered with which type of insurance and so what we will do we will go back and take a look at this. My guess is that like I said we'll look at it. Much of this is covered with our existing policies, we have to take a look and see what the cyber security actually does cover and what other things are covered by other policies and then to your point reassess if we have the proper amount and deal with it accordingly.

Chair Murer: I think it's a very important question and one that would leave us vulnerable if we were not able to quickly respond to it. I think a deep dive on this subject is probably good.

Alan Phillips: Absolutely.

John Butler: Just on the issue of cyber security and I imagine that this relates to all of the policies, but in addition to a deep dive on that issue, perhaps some sort of assessment of whether the policy presents any exclusions that could be problematic and whether or not we've had those policies assessed in any manner by someone who would know how those policies would get tossed around in a particularly high litigation scenario if insurance companies wanted to exercise certain exclusions because I know that's a generally new area of insurance where the policies are being written in interesting and complex ways. Some are very good, some are very problematic.

Alan Phillips: One of the challenges is to make sure that you do have coverage, and to your point, to very specifically understand what policy covers what under what circumstances and then to identify those gaps and make sure that we do have coverage because it's not as simple as you might think. In some cases we have multiple coverage, in some cases we don't. In some cases we have coverage that sits above other coverage so that doesn't start until you've exercised the coverage below that. I will say Emily

has done a tremendous job as our Director of Risk Management in managing that and working with our insurers to ensure that we do have all of our gaps covered. This certainly deserves a more in-depth look and we will do that.

Timothy Struthers: Could you briefly share with me how we go about the buying process? Is this a free market or are you utilizing government?

Alan Phillips: Most of our insurance is purchased through a consortium. It's the same consortium used by I think all the public universities. We have conferences and discussions in concert with our partners with the other universities because since we buy it in bulk, for lack of a better term, we get better rates. Our insurance is generally consistent with that of all the other public universities in the state because we buy most of our insurance together. If there's a separate risk that we need to cover, we then can go out on our own and purchase additional insurance, but the vast majority of our insurance is negotiated with the vendors and because we are in this with all the other universities, we get a much better price on our insurance and we work that pretty hard too.

Information Item – 7.c. – Professional Development and Ethics Related Training

Chair Murer: We're going to hear from James Guagliardo who is our Special Counsel and Ethics Officer and this is an update on professional development and ethics related to training and an OEIG guideline for state employees to follow for the upcoming elections.

James Guagliardo: Thank you Madame Chair, members of the Board. Thank you for having me here today. I'm going to start with a few words on Ethics Training. Basically just to go over really quickly the three types of ethics training that we do here at the university. One is the Board of Trustee training. This is given annually and covers the issues that board members are most likely to encounter in their course of duties. The second type we give is new employee training and that must be taken within 30 days of an employee's start date. It's an introduction shorter than annual employee training; and the third type of training we do is the annual employee training given to all non-board employees each year no matter how long those employees have been here. This year I've gone through the sample of the annual employee training. It is quite long. It's longer this year than ever before. I took a sample, a test, it's actually training not a test but they do ask a lot of questions. Took me about an hour and twenty minutes. It sounds long but you can do it in several sittings. It's online so employees can log in and log out and come back to get it done. This year's training has a lot of varied scenarios, more than prior years which I think employees will appreciate and find very helpful. On top of the board training, new employee training, and annual training, this year we've also done, the Ethics Office recently provided additional ethics training for the new deans here at the university and took questions from those new deans. And the Ethics Office also will be likewise meeting with all of the department chairs in the near future to give additional training and to take questions as well. Real quickly I want to kind of expand, I know Holly Nicholson made a reference earlier to all the sheer number of ethics training that is done here on campus. I want to fill in some of the numbers. Last year the university administered annual ethics training to 7,632 employees. In addition to this annual training, the university administered new hire ethics training to 5,218 employees. Thus far in 2016, so far the university has administered new hire training to approximately 2,000 new employees. That number is going to go up quite a bit this next month with a lot of new employees on campus this week as classes begin. The annual ethics training period for 2016 is going to run from October 17th through November 15th of this year and again we expect the training between 7,000 and 8,000 employees. Those are types of training and that's what we've done and that's what we plan to do this year.

Information Item – 7.d. – OEIG Guide to State Employees' Political Activity

James Guagliardo: Prohibitive political activity is the next topic. I think there's a handout that I gave or a pdf that should be coming up pretty soon. Up on the screen is a document put out by the Executive Inspector General's Office, they've called it the 2016 Guide to State Employees' Political Activity. I'll go through some of the highlights, but the bottom line is basically this, when it comes to prohibited political

activity; political activity of a state employee is entirely appropriate as long as it's on your own time and with your own resources, period. That's basically what it comes down to; if you're on your own time using your own resources, you're fine. State employees do not give up their first amendment rights. They can certainly support candidates, support political parties, support ballot initiatives, volunteer for a candidate or a political party, sign and circulate candidate petitions, attend a candidates rally, distribute campaign literature; can do all those things as long as you're on your own time using your own resources. But on the flip side, the Inspector General handout says the problems arise when state employees mix politics and work. Pretty simple rules, if you're on compensated time, you're here at work, doing work, no campaign activity. None of the things I just mentioned. No handing our candidate petitions, candidate literature, not attending fund raisers. If you want to step off the clock, get supervisor permission or not be paid for that to attend a rally off of campus you can do that, but not while you're on the clock. You can't be involved in campaign activity. Up to now I've been talking about work time, but this also applies to physical state resources as well. Even if you're off of work time you can't use physical state resources to help a candidate or a political party or a ballot initiative. For some reason, in Illinois this e-mail seems to trip up a lot of employees. But an example, say you're off the clock, say you're at home at night, at home on a weekend, you still can't use your email even though you're not working, you're not on the clock, you can't use your NIU e-mail to forward campaign literature or to ask for campaign contributions on behalf of a candidate. Same for phones, e-mail, copy machines, paper, ink, what-have-you. If an employee is not working, comes in on a weekend, wants to do campaign work, can't do it using the building, using the state resources. I think I gave a couple headlines of two different cases and they're quite different. This first case was just a slip up, a mistake, not a big deal it was a technical violation but not fatal. The state panel says U of I faculty violated ethics laws and what happened was three faculty members at U of I used e-mail to discuss campaign activity with a congressional candidate. Afterwards one of the faculty members said something I think was quite insightful, he said "Look, upon reflection I realize I shouldn't have done that, but at the time I didn't really think about it." And that can happen, no question. We all space out. We make mistakes unintentionally. The goal which brings me back to ethics training which is one of the goals of ethics training is so we identify the issues and we think about them to the best we can. This was not a big deal. They're all still professors there at U o I, they slipped up. The next case was a little different. It says a manual transition team member resigns. This individual was pretty high up in an Illinois state government agency and she used office e-mail, phone, and her staff to spend much of many days working on Obama's 2008 presidential election. She planned her trip to the 2008 democratic national convention at work using staff, using phone, using e-mail. She did fund raising for Obama at work using phones, using e-mail, using staff. That was a different matter. That was kind of more of an ongoing callous disregard of state resources and she had to resign. So different headlines, two different degrees of violation; one a slip up, a mistake, wasn't thinking about it. That happens. Another one was an ongoing pattern and callous disregard which led to a resignation. I'll be glad to take any questions about prohibitive political activity or ethics training.

OTHER MATTERS

No other matters were discussed.

NEXT MEETING DATE

The next meeting of the CARL Committee is scheduled for November 17, 2016 at 10:00 a.m.

ADJOURNMENT

Chair Murer asked for a motion to adjourn. Trustee Marc Strauss so moved and Trustee Wheeler Coleman seconded. The motion was approved. Meeting adjourned at 11:35 a.m.

Respectfully submitted,

Julie A. Edwards
Recording Secretary

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