

Minutes of the
NIU Board of Trustees
Legislative Affairs, Research and Innovation Committee
November 17, 2016

CALL TO ORDER AND ROLL CALL

The meeting was called to order at 9:05 a.m. by Chair Cherilyn Murer in the Board of Trustees Room, 315 Altgeld Hall. Recording Secretary Cathy Cradduck conducted a roll call. Members present were Trustees John Butler, Wheeler Coleman, Robert Marshall, Timothy Struthers, Marc Strauss, Matthew Holmes, and Cherilyn Murer. Members absent were Trustee Robert Boey. Also present were President Doug Baker and Board Parliamentarian Jerry Blakemore.

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 Strauss so moved and Trustee Marshall seconded. The motion was approved.

REVIEW AND APPROVAL OF MINUTES

Chair Murer asked for a motion to approve the minutes of August 25, 2016. Trustee Strauss so moved and Trustee Coleman seconded. The motion passed.

CHAIR'S COMMENTS/ANNOUNCEMENTS

Chair Murer welcomed the University Advisory Committee representatives, Dr. Kendall Thu (not present) and Cathy Doderlein, and Faculty Senate President Dr. Greg Long. Chair Murer asked for comments from the representatives. Dr. Long thanked the leadership and staff of Sponsored Programs Administration. They've been very helpful to the university and I think as will be noted in their report, to see that federal funding of awards is up compared to last year shows a lot of diligence on the part of faculty and staff in doing a good job,, even in times of very difficult budgetary considerations. So I just wanted to note that I think that's a pretty impressive feat. And would also, on your agenda, you talk about corporate sponsorships and certainly encourage greater efforts to collaborate and create corporate sponsorships for research both as an avenue for research as well as student engagement.

PUBLIC COMMENT

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

UNIVERSITY REPORTS

Agenda Item 7.a. State Legislative Report

Mike Mann presented the state legislative report. I've been in Springfield Monday, Tuesday, and Wednesday and I really am glad to be here. I wanted to give my thanks to the students and members of the student senate who worked hard putting together a budget rally and a MAP rally here on November 3rd on the MLK Commons. Several legislators were in attendance and students from other institutions. On Tuesday I ran into a group of our students that made the trek to Springfield to meet with their local legislators to advocate for MAP and advocate for higher education. We've got a great group of students who are really putting a lot of time of effort into the advocacy for us. I would like to touch briefly, and

you've got a small chart in the handout in front of you, it talks about some of the changes in the makeup of the General Assembly due to the elections held last Tuesday. The Democratic Party lost two seats in the Senate. As you can see in the chart, the current 99th General Assembly has 39 democrats and 20 republicans. In the 100th General Assembly that will be seated on January 11th, there will be 37 democrats and 22 republicans. Senate President Cullerton will still have a super majority because 60% or 36 is required in the Senate. In the House however, Speaker Madigan lost four members. He actually lost five and then picked up another seat, but it was a net loss of four members. So his numbers have gone down from 71 to 67, which is below the level needed for an active super majority. So a little bit of change at the state level. As you mentioned, on November 10th the U of I Board of Trustees endorsed a legislative proposal that proposes a contract or a compact with the state of Illinois that would provide the flagship university – and I want to emphasize that this is not a plan for all public universities – just for the U of I which states that the university would receive five years of state funding adjusted for inflation each year. The compact also states that the university would be exempt from procurement statutes. There would be other regulatory relief regarding property control and a few other items. In return, the university has pledged to maintain their tuition at reasonable levels, increasing only at the rate of inflation. They have pledged to maintain the retention rates and the graduation rates of their students. They have also pledged that at least 50% of the new incoming students would be Illinois residents. I believe it highlights the key responsibilities that they're willing to take responsibility for in return for five years of predictable consistent funding. There was some bipartisan sponsorship for this legislation, there is a lot of talk in the Capitol, there's a hesitancy on the part of other universities and a cautionary note offered by legislative staff on a couple of items. One, the thought of putting metrics into statute is an issue that makes many institutions uncomfortable. Five years ago when performance funding legislation was crafted, they were very careful to keep the categories broad and the goals were very generally stated which allowed the IBHE some flexibility when they were implementing their performance funding budget recommendations. I think the greater concern however I think is very widespread is a five year funding commitment is pretty much unheard of. For the General Assembly to approve some sort of continuing appropriation for operations, it is not very likely. The thought of tying the hands of future general assemblies would be a very tough sell with the rank and file legislature as well as the administration from what we're hearing. We are keeping a close eye on this. This week in Springfield there were so many other issues happening that this topic did not come up. We expect that U of I will try to move this in the spring and President Baker and I will continue to work with the president's group and keep a close eye on this.

On November 15th the Illinois Labor Relations Board declared a 5-0 vote that contract negotiations between ASME and the Governor's administration were at a full and total impasse. The Labor Relations Board will issue this finding in writing within the next couple of weeks, at which point ASME is expected to appeal that ruling. In the meantime, as it stands with this ruling, this allows the Governor's administration to implement contract terms on the collective bargaining agreement on their last, best and final offer, which could have implications on a wide variety of things for all state employees, particularly health insurance, which is the issue being discussed most often right now. There is an appeal expected and this issue could take several months to unfold. Finally, yesterday I attended a hearing in the Senate Higher Education Committee. Senate Bill 2243 is legislation that proposes allowing community colleges to offer bachelor's degrees in nursing and there were 15 proponents and ten or 15 opponents there testifying. On the opponent side of course all public universities including Northern as well as the Board of Higher Education and the Illinois Association of the Colleges of Nursing. This bill is not expected to move into veto session, but the sponsor is expected to try and move this in the spring so the debate will continue. Something that was not made clear to the committee yesterday that I'm sure will be made clear to the sponsors, that the Board of Higher Education is opposing this legislation and ultimately they have the authority to approve new degree programs. There's a chance this item could be tabled at some point. Again, I'll keep you apprised of the progress of this legislation.

Dr. Baker said one of the reasons the state board is opposed to this is that the baccalaureate program for RN to BSN's is largely on line at most of the universities in the state and there is capacity in those programs, so to change the missions of the community colleges to become four year when there's

capacity in the existing system it seems silly. I think that's why the state board is going to vigorously oppose this.

Mann continued, another key point is there's an acute shortage of nursing educators and universities. I failed to mention that the Federation of Independent Colleges and Universities were also opponents yesterday and their key point was they're having trouble hiring faculty to teach these courses now and this type of legislation could make that problem even more. It could almost create a bidding war with faculty, PhD's in nursing. Trustee Coleman commented about the Student Association and their activism as it relates to the budget and MAP program. He commended the speaker of the Student Association, Christine Wang, for being aggressive in leading that effort. She's not here today but we want to encourage them to stay active and continue to protest and voice their concerns about the lack of funding from Springfield.

Agenda Item 7.b. Federal Relations Report

Anna Quider, Director of Federal Relations called in from Washington, D.C. On November 8th all members of the U.S. House of Representatives, one-third of the U.S. Senate including one Illinois seat, and the U.S. presidency were up for election. The Republican Party swept the White House as well as both chambers of Congress, although the margin for the Republican Party shrunk in both chambers. Donald Trump is our president-elect and will be sworn in on January 20th. In terms of the Illinois Congressional delegation, NIU's own alumna Congresswoman Tammy Duckworth is now our senator-elect, replacing Senator Mark Kirk. Mr. Raja Krishnamoorthi will replace Congresswoman Duckworth in the Illinois 8th district. Also, Mr. Brad Schneider will be replacing incumbent Bob Dold in the Illinois 10th. Where that leaves us is in Illinois, we will have two democratic Senators, eleven House democrats, and seven House republicans. Every day we are learning a bit more about the leadership positions in the administration as well as the new Congress. It is difficult to comment on the impact on specific federal agencies at this point because we are awaiting notice of who their leadership will be with the cabinet positions that are going to be appointed and other senior administrative roles. However, and a piece of good news for NIU's priorities, the director of the National Science Foundation is on a six term appointment so she's expected to remain in place during the Trump administration. Throughout all of this change, we have the federal system of check and balances in place and that's an important chapter despite the fact that we have one party control of Congress and the White House. The Speaker of the House and the Senate Majority Leader have both already indicated that they're interested in pushing a more traditionally conservative legislative agenda than President Trump ran on. However, if the Trump administration and the majority leadership in Congress are able to work together, we could see some relief from legislative gridlock. This past Congress has been one of the least legislatively productive in history so that could work in NIU's favor. However, the Senate minority as well as the conservative House caucus are both expected to continue to delay the legislative process as they see fit which they have done during the current congressional session. Getting to the impacts on NIU, it really depends on how these policies and the legislative agenda shape up for Congress and the Trump administration. One interesting area that could be great for NIU is infrastructure spending. The Trump administration ran on a platform of spending up to a trillion dollars on infrastructure. And we're having conversations among myself and my colleagues about how we can insure higher education and science benefit from a robust spending on infrastructure. But that level of infrastructure spending is not in line with the more traditional conservative principles of the House and the Senate leadership so it remains to be continued. Other issues that we could work together on are educating the 21st Century Workforce, economic development spurred by innovation and research, and focusing on our role in creating jobs through the advanced manufacturing enterprise we have at NIU. Regarding the federal funding landscape, NIU priorities in higher education and research are unlikely at this point to be top priorities for the Trump administration and the next Congress. Therefore I anticipate that the traditional lines that we've relied on for our funding sources will receive similar or less funding than in recent years. As a result, we have to be more creative in thinking about how we can align NIU to benefit from the changing investment areas in federal government. In the immediate term, Congress needs to act by December 9th to maintain fiscal year 2017

funding. If they don't act, then we'll be facing a federal government shutdown. However, it's looking likely that Congress will delay enacting a full FY2017 budget until March of 2017. And at that point they're looking at maybe even just doing a full year continuing resolution. In fiscal year 2018 looking to this next fiscal year, there's a schedule of 2.3% cuts to discretionary spending which includes the science and the education budgets that NIU relies upon. Depending on how the new administration and the new Congress apply those, it could have an outside impact on NIU priorities. I'll close by saying that I'm seeking opportunities to appropriately position NIU and our federal priorities for success in this new environment. I'm working closely and in coordination with our coalitions whose members include higher education institutions, scientific societies and the private sector. I'm also working in collaboration with our faculty and administration to be creative in how we think about NIU's place in this dynamic environment.

Trustee Strauss asked if there has been any discussion yet as to whether the ban on earmarking is going to be continued in the new Congress or if there potentially will be a modification of that policy. Dr. Quider stated that the ban on earmarks was scheduled to be revisited by the house leadership but Speaker Ryan withdrew a vote on whether or not the house would continue to ban them. He thought that this would not be a great option considering the platform that President Trump ran on. He has promised that they will revisit the issue of earmarks early in the next Congress even promising a vote on them. However from what I'm hearing from my contacts on the hill it looks unlikely that earmarks would return. Trustee Strauss asked to hear the assessment for the availability of Pell grants during FY17 and 18.

Dr. Quider responded that the Pell grant program generally brought bipartisan support because it's a program that touches districts across the country. What we're looking at is for FY17 we have been pushing hard in our coalitions and community and DC has been pushing hard to reinstitute year-round Pell and to get a modest increase to the maximum amount for Pell. That is looking like it has a reasonable chance of success. It really depends upon how things shake out with whether we do a full year continuing resolution, in which case we won't be able to add anything new like year round Pell into FY17. The bigger concern with Pell I think is that Congress is really eyeing the Pell surplus. There's like a \$7 billion surplus in the Pell account and they're eyeing that to redirect it to other priorities within that appropriations bill, the labor, health and human services and education appropriations bill. One place where Congress is looking to redirect about a billion and a half of the Pell surplus is to the National Institute of Health. The position of the higher education community is that the Pell surplus should remain exclusively for the use of Pell. So we're encouraging Congress to use it to fund more Pell grants or higher maximum through the Pell grant or year round Pell. That's the status of Pell at the moment. Trustees Strauss then asked if the FY17 Pell grant funding in the same status as the continuing resolution that would have an expiration in December or if that authority is contained someplace else. Dr. Quider answered it is likely already stated somewhere else. Trustee Marshall asked for a description of the coalition that will be writing the white papers for the transition team. I wanted to find out what composes a coalition, some of the points of view that we'll be looking at in the future that will be going to Washington, Are they geographical? Is there a regional component? Where do we stand in the mix?

The coalitions NIU has been participating in are primarily in the science and research side of things. This would be the Coalition for National Science Funding, which is a group of 130 higher education and scientific societies that represent faculty and students around the country. That's a white paper that we're working on for the national science specifically to address priorities for the National Science Foundation. The Coalition for National Security Research similarly is a group of higher education and science societies and also industry that focuses on robust funding for the Department of Defense's science and technology enterprise. That particular enterprise represents about 50% of federal funding on research and development. That's another paper that we're contributing to. The Association of Public and Land Grant University is working on their own transition document both on education principles as well as research investment. We're contributing to that. I'm also in conversation with the Illinois University delegation and having us come together as a set of Illinois universities to perhaps not exclusively a white paper per se from the Illinois Universities, but certainly organizing some broad Illinois higher education meetings early in the next Congress, the next administration, to insure that we're delivering the message that's important for Illinois.

Trustee Murer asked if Dr. Quider has heard any names being floated for Secretary of Education. Dr. Quider responded she has heard some names, but would preface this by saying that the President-elect Trump ran on a platform of eliminating the Department of Education. It remains to be seen what that means and how that could look. A name that I've heard is a business man named Carl Paladino. We've heard Michelle Rhee, who is a Washington D.C. superintendent of education for K-12. We have heard the possibility of somebody from the DeVos family in Michigan; Luke Messer, a Congressman from Indiana; and Bill Evers, who is a K-12 expert. The challenge facing the next Secretary of Education could be great if President Trump does want to follow through with his campaign statements to scale back or even possibly eliminate the Department of Education. That said, many of the programs that we rely upon are legally mandated, so it's unclear how eliminating the Department of Education would affect the programs within it that the federal government is required to carry out.

Agenda Item 7.c. Sponsored Programs Administration – written item only.

Agenda Item 7.d. Corporate Sponsorship

Dara Little said RIPS is pleased to assess ways that we can support engagement at the university. To start it is important to take stock in what we are already doing and to use this information as a springboard to assess opportunities for additional industry collaborations. This morning's brief presentation will provide a descriptive inventory of our corporate sponsored funding portfolio as well as some other industry collaborations that are occurring in four of our colleges. We want to thank the Colleges of Business, Engineering & Engineering Technology, Liberal Arts and Sciences, and Education in helping us to prepare for this morning's report.

Before we look at some of the corporate funding metrics I want to provide a quick reminder of NIU's total sponsored funding portfolio over the last four fiscal years. Of our total sponsored funding portfolio, corporate sponsorship is about 10% of that total per year. You can see that a bulk of the corporate funding is for instructional programs. These are programs like the executive MBA courses and the College of Business Experiential Learning Center. We are receiving around 90 corporate awards per year. This accounts for about 30% of total sponsored awards. At corporate funding levels of around \$2.5 million a year, the average corporate grant or award is around \$25,000. These grants encompass a few larger engineering research type awards and then a lot of instructional awards. Most of our awards are under \$25,000 from our corporate sponsors. This suggests to us that we are serving targeted, specific needs of our industry partners. Much of our corporate funding is right now through the College of Business and again that's for a lot of the instructional awards and then Engineering and Engineering Technology with more of the research awards. The College of Business we know has had a very long tradition of providing MBA courses to area companies. They've noted to us that they have been expanding their reach internationally as well in recent years. Again, about 70% of our corporate funding is associated with the educational courses through the College of Business. A lot of the programs in the College of Business offer opportunities for student engagement; again such as the experiential research center that I mentioned. That pairs student teams with corporate sponsors to work on problems of mutual interest. The College of Engineering also conducts some instructional courses with area corporations, namely certificate courses for things like OSHA training, but it is a much smaller share of the instructional awards. CEET does account most of our industry sponsored research, again much of it with local companies for process engineering and student design type projects. Particularly, through the Engineer and Residents program. That's a program that has students working on real world applications with area companies and does provide a nice career pathway after graduation. Faculty in the College of Liberal Arts and Sciences are also starting to make inroads into industry funding. Our chemists and students are working with a local corporation here called Flavors of North America to develop a novel flavor delivery system. Apparently that is what this diagram is here. I'm going to trust that. Psychology, those corporate sponsorships are mostly for their student's clinical training. But our Geology Department is active in working with industry partners, ConocoPhillips and Exxon Mobile for student led research and faculty research. They're actually in discussions right now about very preliminary discussions about building a research consortia that would bring together academic partners in corporate industry. We recognize that

the activities highlighted here for the College of Education are not centered on traditional industry funding, but Vice President Blazey did want to include it into the report. The College of Education is very well versed in delivering content and training for Illinois Educational systems and they have a very rich relationship with our local school districts and we believe that that could form an excellent platform for some corporate work or an opportunity to engage in corporate support for some local education programs. To wrap up, in summary, corporately sponsored programs currently account for about 10% of the universities total sponsored funding portfolio. Again, that has generally held steady over the last few years. The majority of our corporate funding right now is for instructional type projects. As for next steps, I'm going to take this information and identify and focus on current relationships that have the potential for growth and to develop a more strategic approach to our industry partnerships.

Vice President Blazey has begun some preliminary work with the colleges to identify their research plans as part of the overall institutional research strategy. These discussions will look at ways to leverage existing industry partnerships or to potentially build them out further. We believe that we have done this well with our area national labs. We know that we still have a lot to learn, but our strategic collaborations with the labs in recent years have shown that we can leverage common areas of interest to build out research programs, to enhance our personnel and expand personnel, and to optimize resources. In terms of resources our relationships with the labs means that our faculty and students have access to very high tech instrumentation that we might not otherwise have access to do our research. This inventory was a good step and we thank you again Chair Murer for prompting the discussion and getting us to think about how we can diversify our sponsored funding portfolio. And we again appreciate the help of the associate deans in the colleges in preparing for this morning's report and inventory.

Trustee Strauss said there may be good reasons for why you would want to engage in this activity whether or not it made a contribution in terms of income to the institution. You focused on revenue items, I'm wondering whether any of this activity does demonstrate a profit and what would be the expense side of this equation? Ms. Little replied that we do fully cost out the work that we do with our industry sponsors to be sure that we're not subsidizing corporate work. Trustee Struthers commented that he looks at this from a strategic perspective that's about less than 1% of the revenue of the university and while it's exciting and I think there's potential, I would encourage us to take that bigger view of kind of is this a strategic sort of initiative of the university. We've been flat for five years, so it tells me we're just kind of chugging along giving it some attention. I would encourage further discussion.

Provost Freeman responded agreement with the comments made by all of the trustees. I think as we start to look at the relationships of private sector with the university, we need to put even the data that Dara Little presented today in the context of our overall corporate engagement, including the money that comes into the Foundation through corporate and foundation relations to support innovative activity on the university campus; the money that comes in through places like Athletics where we take the care to negotiate in those contracts; student experiential learning opportunities; the money that comes in through vendor agreements with the Division of Outreach, Engagement and Regional Development which are in some ways also contract research. I think that the trustees would appreciate this is a very small percent of our overall revenue, but it's also a pretty small percent of our overall corporate engagement if you look university wide. I think an inventory is exactly the right place to start to figure out where our best opportunity is. You see the corporate foundation and university engagement arms doing the same thing. Large organizations often don't know everything that's going on and if you want to develop a strategy to have fewer, deeper, more meaningful engagements the first thing to do is to look at what you're already doing and where the opportunities for growth is. I agree completely, aligning it with the university strengths and strategic priorities that emerge from program prioritizations is an important step. I look forward to supporting Vice President Blazey and my colleagues in RIPS in any way possible to prepare for the next drill down and to help develop strategy.

OTHER MATTERS

No other matters were discussed.

NEXT MEETING DATE

The next meeting of the Committee is tentatively set for February 16, 2017.

ADJOURNMENT

Chair Murer asked for a motion to adjourn. Trustee Strauss so moved and Trustee Marshall seconded. The motion was approved. Meeting adjourned at 10:00 a.m.

Respectfully submitted,

Recording Secretary
Cathy Craddock

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.