

Minutes of the  
**NIU Board of Trustees**  
**Of Northern Illinois University**  
**Special Meeting**  
October 19, 2017

**1. CALL TO ORDER AND ROLL CALL**

The meeting was called to order at 9:04 a.m. by Chair Coleman in the Board of Trustees Room, 315 Altgeld Hall. Recording Secretary Kathleen Carey conducted a roll call. Members present were Trustees Dennis Barsema, Robert Boey, John Butler, Giuseppe LaGioia, Tim Struthers, Eric Wasowicz and Board Chair Wheeler Coleman. Members absent Trustees Veronica Herrero. Also present: Acting President Lisa Freeman, Chief of Staff and Board Liaison Matt Streb, Acting General Counsel Greg Brady, Acting Vice President and Provost Chris McCord, Acting Chief Financial Officer Larry Pinkelton, Vice President of Enrollment Management, Marketing and Communication Sol Jenson, and UAC Representatives Linda Saborio, Cathy Doederlein, Barbara Andree, and Alex Gelman.

**2. VERIFICATION OF QUORUM AND APPROPRIATE NOTICE OF PUBLIC MEETING**

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

**3. MEETING AGENDA APPROVAL**

Chair Coleman asked for a motion to approve the meeting agenda. Trustee Boey so moved and Trustee LaGioia seconded. The motion was approved.

**4. REVIEW AND APPROVAL OF MINUTES OF JUNE 15, 2017; JUNE 28, 2017; AUGUST 17, 2017**

Chair Coleman asked for a motion to approve the minutes from the regular meeting of June 15, 2017. Trustee Barsema so moved and Trustee Butler seconded. The motion passed.

Chair Coleman asked for a motion to approve the minutes from the special meeting of June 28, 2017. Trustee Barsema so moved and Trustee Butler seconded. The motion passed.

Chair Coleman asked for a motion to approve the minutes from the special meeting of August 17, 2017. Trustee Barsema so moved and Trustee Butler seconded. The motion passed.

**5. CHAIR'S COMMENTS/ANNOUNCEMENTS**

Chair Coleman began by introducing members of the University Advisory Council, Linda Saborio, Cathy Doederlein, Barbara Andree, and Alex Gelman.

Cathy Doederlein commented, I could not let this opportunity pass without expressing my thanks to the university for its quick response earlier this week. There was a discovery of postings found on our campus from an organization outside of our institution identified by the Southern Poverty Law Center as a hate group. I had seen some comments and concerns expressed about this on social media and almost as quickly as I was seeing the initial expressions of concern, I was seeing members of our campus community respond to those concerns and address the issue. Thank you to the staff involved in that swift response and thank you to the president for the release of her message on Tuesday night to help insure our community knew what was going on and knew of resources available to address concerns. Also in light of recent events in the news and the extent to which the Me Too hashtag has been a stark reminder

of the number of people directly impacted and victimized by sexual harassment and acts of sexual assault and violence. I thank the members of the NIU community and the DeKalb community as a whole for their participation in last night's Take Back the Night event. It is important that we continue to bring light to this terrible issue so we are able to replace Me Too with No More. In regard to one of today's main topics of the proposed salary increment, I do want to thank President Freeman and other university leadership for their active efforts to look for ways to provide some type of long overdue salary increase. I also thank the Board for its time in considering this proposal. We know that the current provisions do not include all university employees as those represented by a union or other legally recognized collective bargaining representative will receive a negotiated increment pursuant to the specific provisions of applicable existing collective bargaining or other future negotiated agreements. We know this will affect many within faculty and operating staff and are hopeful the university and those bargaining units can come to a swift and positive agreement for our very hardworking colleagues in these groups. Another impacted constituency is our supportive professional staff colleagues and temporary classifications for less than three years. We realize that it is quite common for universities salary increase programs to not include an increment for any type of temporary employees so we appreciate those over three years being considered for it. That said, as we have already previously had the opportunity to discuss with members of Human Resources and the Cabinet, we know of some within this SPS temporary classification who are not paid from grants or other temporary sources of funding and should therefore be considered for a shift to permanent classification. We urge that this ongoing issue be reviewed in the context of this increment to make sure those people are accurately classified and fairly compensated

Barbara Andre began, I'm am the president of the Operating Staff Council. We operating staff also agree wholeheartedly with what Cathy was mentioning about the various actions that have taken place on campus and how they're being handled in a very professional way. I would like to read an open letter that was sent. It was crafted by the Operating Staff Council and was sent to the following people as an open letter regarding the 3% wage increase. On October 11, 2017 open letter to Acting President Dr. Lisa Freeman, the Board of Trustees, NIU Administration and the campus leadership of AFSME, IBEW, IAHFIAW, IUBAC, IUOP, IUPAT, MAPSMART, Teamster's, UA, UBCJA, UFA and UPI; meaning all of the unions, the bargaining unit that represent employees at NIU. "The Operating Staff Council representing Civil Service employees at Northern Illinois University would like to express our appreciation for the time and effort spent on attempting to remedy a year's long draught in across the board wage increases for our constituents. Acting President Freeman's comments on August 14th an announcement on September 20th were great steps forward. However, we are disappointed that most of our constituents will be excluded because they are in collective bargaining units. There is precedence for employers to offer wage adjustments or other benefits to those groups. We are asking that NIU administration and union leadership work together to seek a resolution before the October 19th Board of Trustees meeting an agreement to apply the 3% wage increase to our bargaining unit employees as the bargaining units see fit who are currently excluded can still be achieved and we respectfully ask that this go forward. Again, thank you for your concern and commitment to all of the employees at NIU. We know you will do your best. You will do the best you can for us and encourage you to investigate how equality can be accomplished. We are here to support our students, faculty, fellow staff, and the administration as we move forward to achieve great things in our future. Respectfully, Operating Staff Council." Thank you for the opportunity to share that with everyone.

Alex Gelman added, I, ever the optimist, prefer to think that the 3% increase will take place. It will affect everybody it needs to affect and soon be behind us as an accomplishment. But in the time honored tradition of what has he done for me lately, I would encourage all not to forget the issue of compression and find a way for that to be the next hurdle for us to find to overcome. I'm personally aware of a number of associate professors, that would be people who have played by the rules, did all the work that was expected of them in order to achieve a promotion and tenure and because of compression their salaries are equal to and sometimes lower than those first year assistant professors who've come to join this university. Somehow this suggests that what they've accomplished has been disrewarded. I understand the reasons behind it, but making certain that that's a priority and one of the highest priorities is once the 3% increase has been accomplished I think would make a great difference on campus. Thank you.

Chair Coleman thanked everyone for their comments and continued, at this point in time normally the chair would make a few comments and I am going to defer me comments for now other than to say good morning to everybody and welcome to our board meeting. It's great to look out and to see so many people here and listening and have interest to the topics that we're about to discuss today. At this point, I would like to yield my comments, my formal comments, to the president to make a few opening statements.

President Freeman began, thank you to all of the trustees for agreeing to hold this special meeting and thank you to all the members of the university community who turned out to take advantage of this forum to express their opinions. When I accepted the acting president position I did so knowing that addressing our employee's compensation would be a top priority and I knew that it wouldn't be easy because our financial situation remains challenging meaning that this priority would push other priorities down the list. There are complexities of having multiple classifications of employees some of which currently are in open contracts and that this requires we navigate specific pathways for each. Despite any challenges though, our employees are worth it and investing in them is not only right, but it's important and essential for our university's future. Working with members of NIU's leadership team we met, we set goals, we established eligibility, and analyzed both the financial and legal implications. We concluded with the recommendation of an increment program that provides 3% for eligible employees and I asked the Board of Trustees to hold today's special meeting to review and approve the increment guidelines. For those employees who are represented by a labor organization, I have deep respect for your right to be in a union and for the process that it entails. That means wages, hours, and working conditions become subject to negotiations when a collective bargaining unit and its exclusive representation is properly established under the law. In regards to this increment program it means that we will work with each collective bargaining unit to follow the negotiation process. NIU has been in negotiation with many of our collective bargaining units and it's a matter of public record that NIU has presented increment agreements that parallel today's increment guidelines. Progress is being made. Some have resulted in closed contracts within the past few weeks, others remain in negotiations. Today's action is a first step. As shared in the State of the University Address we know that there are longer term issues that need to be addressed including pay compression and inequity. I just want to be clear; NIU is committed to bargaining in good faith and remains committed to all of our employees. I look forward to our consideration of the matter under agenda item 7.a.1.

## **6. PUBLIC COMMENT**

Acting General Counsel Brady indicated that there were four requests for public comment.

Derek Van Buer: Today I want to talk about NIU's reply to a request for review with a public access counselor which looks at Open Meeting Act violations and FOIA requests that have been denied. Tom O'Grady wrote the reply and in it he wrote, "Mr. Van Buer uses the contract with Oracle as a red heron wherein totally disregarding the contractual obligations the university has with the Foundation, the contract with Oracle does not change ownership of the Foundation's records to the University. In essence Mr. Van Buer would like the university to reach into the PeopleSoft system and turn over information in records owned by the Foundation that would similar to the university raiding the Foundation offices or any other private entity and going through their private records merely because they are stored on the university property." This is not true. The university has a contract with Oracle, right, and I talked about it the last board meeting. Regarding the use of PeopleSoft system Mr. Van Buer has emailed his concerns over the Oracle contract to the General Counsel's office several times. The contract is between the university and Oracle. Nothing in the contract changes the fact that the Foundation is a separate entity. The next two slides is from the Legislation, Audit, External Affairs Committee dated March 6, 2017. Back then, I don't know if a lot of you remember, but Napster was a very popular program. They were discussing the Recording Industry Association of America going after 13 universities, one being NIU. The thing I want to show at the bottom is that the board was very concerned about being a contributory infringer. Because again software programs are copyrighted such as the Oracle contract between

Northern and Oracle which restricts Northern's use of the program. The next slide, because again NIU is a big generator of IP, they have an intellectual property policy. The only thing I wanted to show on that again you can see that literary works pamphlets and computer programs are under copyright. So again, knowledge and Northern wants to protect it. The next slide is the last slide and it's the IT Department's copyright and file sharing policy. What I want to just highlight in that is the civil and criminal penalties associated with copyright infringement. So what Mr. O'Grady is arguing is the Northern Illinois can write a contract between it and NIU Foundation grant an access to a copyright program to use anyway they want. That is totally not true. They have to abide by the conditions that they received using the copyright program. So this is the position that they presented to the Attorney General's office. My reply is due today. It's going to go out after this meeting. I have about 9 pages on copyright, access, who has access to the information, the whole procurement department does. Eighty-four percent of the people who have access to the information don't work in any form, are not assigned to the Foundation. So if they are doing things that are pertinent only to the Foundation, that is clearly copyright infringement. The state should not reward, and they usually don't reward that behavior. Thank you.

Chair Coleman thanked Mr. Van Buer for his comments and noted that the university would not comment since we are in legal procedures with the Attorney General's Office.

Sara Dorner: Good morning. This is such a beautiful room, I've never been in here. I've been a staff representative for employees of NIU for three years and I've never been in this room. This is a beautiful room, a beautiful building, and I think we all agree we have a beautiful campus here at NIU right? We do, we do, and we appreciate the swiftness that administration took taking down flyers from a hate group; and we appreciate the way they've tried to uphold our campus and uphold NIU. It's really a treasure to our state. I grew up in Rockford, Illinois and NIU was always a treasure to us. For those of you that don't know me, my name is Sara Dorner and I am a union representative with the American Federation of State, County and Municipal Employees, AFSCME, Council 31. In particular I represent the building service workers, housing and dining, and health services employees of AFSCME Local 963 and the administrative professional, paraprofessional and clerical support staff with AFSCME Local 1890. And while I did come today to discuss the 3% increase with you, I also wanted to give you the Board of Trustees people who genuinely care about the state of our university and the future of higher education of Illinois, insight as to the agreement that we have been working on with Local 1890 for almost two years. As when that agreement is signed, your name will be on the cover. It will say this is a collective bargaining agreement between AFSCME Local 1890 and the NIU Board of Trustees. It's being done in your name. A lot of people think that workers form a union solely for wages. It's a common misconception. Well wages are critical especially for this Local 1890 who has not seen a wage increase in over seven years. In fact the average wage increase with a 3% raise would be 44 cents an hour. It's not much, but it's a start. But a lot of people think that people form unions to get money. It's a big misconception. People actually form unions to have a voice and that's something that people have not felt, at least not the employees that I represent at NIU for a very long time. Our unit Local 1890 is predominately female. So we're very excited about the first female president of NIU. But, as a predominately female unit support staff, we felt consistently disrespected. Let the secretary's bargain at night. We bargain at 5:30 if we often start late. We end at midnight many times; ten, eleven. Just send one guy to bargain with the secretaries, management has no team. They send one guy by himself. Now he brings an assistant. The proposals are often confusing. The university has bargained regressively. We've filed charges and we await a complaint. In fact today NIU is supposed to issue their plan for implementing their response to the labor board's issuance of a ruling that the university did not bargain in good faith over parking. A common misconception is that this is normal. An initial contract takes two years, this is normal. Well I would like you to know please I have bargained several initial agreements and this is not normal. Breaking the law should never be normal. And in Illinois Educational Labor Relations Act is the law. More importantly, day in and day out our voices are consistently disregarded. When it comes to layoffs I have sat at the table with NIU representatives who have said we tried everything, we looked into every possibility, we tried everything we could to prevent these layoffs. But you didn't ask the employees. You didn't ask the people who do the work day in and day out, hey what do you think we could do? How do you think we could save this job? How do you think we could serve the students? We know what's good for the secretaries. That's how we felt. We know what's good for the

janitors, team cleaning. That's how we felt. People form unions to have a voice and be at the table and we need to be heard. Now in regard to the 35 increase, after the announcement on September 20th we did have negotiations with Local 963 and we did ask the employer representative about the 3% increase and we were told that the university is not ready to discuss it. As far as Local 1890 goes, we did sign off on increases for fiscal year 2019. When I say we signed off both me and the employer representatives signed a tentative agreement agreeing to the fiscal year 2018 increases and we believe, I came here today to ask you, to implore you, to please implement these increases at the same time we do campus wide. There's no need to wait for an entire collective bargaining agreement. We have done our part. We have come to sessions at night, like I said we bargained until midnight, we have done everything we can to bargain a fair agreement and we have not asked for anything more than what other people have, what other agreements with NIU have. So as we work to get an initial collective bargaining agreement that will have your names on it, we ask that you please as a sign of good faith, as a sign that you listen and care about the employees, as a sign that you recognize and stand by what you said about dire need of wage increases. Please implement these wage increases in December the same time as you do everyone else campus wide. Let's move forward together; let's fight these attacks on higher education in Illinois and in our country together. Thank you.

Chair Coleman thanked Ms. Dorner for her comments and noted the university is in negotiations and therefore will not comment at this time.

Virginia Naples: Good morning everyone and thank you all for giving me an opportunity to speak. I hope that what I'm going to say will not result in the messenger being murdered because I'm going to present a message that people will probably not enjoy hearing. I'm starting off with a headline from the Northern Star February 4, 2016 and there were two headline areas there. The free tuition initiative fails. You may recall that they wanted to have 6,000 students attend each of the six home football games and were unable to achieve that. If each student had been present for each of the complete games, they would have been entered into a lottery and there would have been one semester of free tuition awarded. That number was not achieved and the free tuition semester was not awarded. I understand there was some other award provided, but I don't know the details on that. If I can go to my next slide. And so those were the requirements and the problem is that many of our students do not live here seven days a week. The traditional method of having students come to a university is to come in the fall semester and probably not go home until Thanksgiving. Unfortunately that has never been the case at NIU. We are both a commuter school and a suitcase campus. However that is something that we can embrace, but it does mean that our students have different needs and different interests. And no matter how cool our campus is, we cannot compete with the entire greater Chicago area because students have many areas of interest that they can indulge on weekends and they can get to go home and they can get to see their students or see their families. Many of our students because of the cost of higher education work and they have to work on weekends because they want to attend classes at least Monday through Thursday and the problem is that if they can't do that, they can't have a job that is located conveniently in DeKalb. There are just not enough jobs available for university students. So they wherever they can get work and so they often go home. Just as an example of the tuition burden, it has been climbing tremendously, and up until recently we had approximately 5,700 of our students that were dependent upon MAP grants. So that is an awful lot of financial burden for them to assume. Many of them are the first time that a student from a family has attended a four-year university. And one of the other things that is a problem that I'm going to get to is that there is nearly \$1,000 a year in athletic fees and this leads to the perception the high tuition and the high fees leads to the perception and it's only a perception it's not a reality, but that is what the world sees is that NIU is not a good value for the dollar spent. And that is what is driving, in part at least, the great decrease we have seen in enrollment. When the newspaper headline I showed you was put out, they said that was the first time in 34 years the enrollment at NIU had been less than 20,000 students. I understand we're somewhere around 17,000 and we're trying to turn that around, but we have yet achieved that. This is the other headline that I want to point out. The total NIU budget was listed as \$48.3 million in the article. It's actually \$483 million. They put decimal point in the wrong place and that excluded about \$100 million in reserves. The reserves have been growing over the last ten years or so. They are not necessarily where we would like to have them, but we do have some reserves available. It's not a good idea to expend your reserves entirely or to a great extent. Chicago State

University is a good example of those kinds of problems. One of the things that this presentation showed however was that 21% is spent on instruction. And what I also want to point out is we have a mismatch in our mission because what is happening is that nearly 7% of that total budget is also spent on athletics and that is not sustainable. That was something that was put into the presentation by Dr. Howard Bunsu who was the author of this particular graph. If you look at these areas, and I don't know exactly in which of these categories the \$7 million approximately, not 7 - \$29 million approximately or 7% of the budget is, but it is a higher amount than most of the little categories here. So what NIU I'm asking to do and I'm hoping the Board of Trustees will see that they need to alter our direction and refocus on the academic mission. All of us need to work together and we have had that beautifully pointed out by several of the previous speakers. We are a community and the financial priorities need to align with the core mission. It's one of the things that I took away from the program prioritization process that perhaps other people didn't think of. People were looking at what programs are cut or to be reduced or eliminated and what I saw that it pointed out the strengths of a wide variety of both our academic and administrative programs. Those need to be supported and applauded and they also need to be given the wherewithal they need to be able to move forward in a positive manner. One of the things I mentioned before and I have mentioned this previously, is that regardless of what we do we are under intense scrutiny in the eyes of the public and what we need to do is to convince the public that we are heading this university in the correct direction. One of the things that I think would be very well received by the public is that we are refocusing on the employees who are a true resource for this university and so I'm asking for the United Faculty Alliance which is the tenure and tenure track faculty. I'm the president of that organization. I care about all of the fellow unions, but this is my particular constituency and of present we are not included in the 3% raise. The faculty haven't had a raise for approximately 10 years with a few minor exceptions and so I'm asking and I'm counting on the Board of Trustees to move forward with great speed to award this 3% raise. It's not where we need to be, but it is a wonderful start and it will send the right message and it will send the right message to the public which is what we also want to do because it is the public that determines whether their children are going to be students at NIU. Thank you for the opportunity to speak to you.

Chair Coleman responded, Dr. Naples thank you for your comments today. I have to say, I had a chance to read the article in the Northern Star and there was a lot of data that was incorrect and that's unfortunate. We also need to realize that athletics plays a major role in most universities. We've got our core mission and we're going to hold true to our core mission, but we also believe that athletics plays a major role in our university and our community. I will tell you that we're going to move forward in terms of carrying out the true mission of the university and the reality is that we still have to make some tough financial decisions. Giving 3% increase also means that we've got to find ways to reduce costs to accommodate those increases. Also, the \$100 million in reserves is an incorrect figure. We need to protect those reserves because we don't want to be a Chicago State or a Northeastern that had to issue furloughs to their employee base. This university made a decision that we're going to find a way to give raises, but we also know that we've got to make reductions in other places. So we're not through the tough times.

David Valentiner: Thank you for letting me talk today. My name is David Valentiner. I'm a faculty in the Psychology Department. This is my second Board of Trustee Meeting. I'm in my 22<sup>nd</sup> year of service at NIU. I'm a full professor in the Department of Psychology. I have some comments, some notes that I made, but I just wanted to say a few things about this information that's available about NIU finances. One of my colleagues recently told me he went to the web page of the Chronicle of Higher Education and there he found a database that he was able to query and found taking a look at all the MAC schools that the NIU subsidy to the athletic program is far and away the highest in our congress. Not even close, we're an outlier. So if there is misinformation out there I think you should consider contacting the Chronicle of Higher Education and correcting that and also making that other information available; the information we have is that there is a \$100 million reserve and although you didn't specify what the reserve is, there is no transparency and the information we have is what we have to go with. I came to speak about compensation. In 2014/15 the salary data that I was able to access showed that full professors in the Department of Psychology are underpaid relative to the industry standard to the tune of \$30,000. My wife is also a professor in the department which means that in 2014/15 we would have had

an additional \$60,000 of income if NIU was paying the industry standard. My wife and I we have four kids. You may know one of these. Sarah was born without a right hand. She was adopted into our family when she was four. She plays the violin and she's featured in a video that Doug Baker would often show to the community when he was doing fundraisers and such. She had a prosthetic made by Dr. Sciammarella's lab, 3D printing lab, thank you to Dr. Sciammarella in the Engineering Department as in other departments I'm sure that those faculty are also grossly underpaid. I value his contribution. My two oldest children are in college. We have tried to live frugally. Saved for their college. I drive a 1998 Subaru Legacy. We don't take expensive family vacations. We live in a home that's nice, but it's relatively modest by faculty by university professor standards. We saved aggressively as aggressively as we could for their college. We spent down the college savings we had for my two oldest. We've exhausted most of our savings. We've dipped into retirement accounts. We're taking out student loans. We have two more coming up. Remember Sarah she plays the violin and her younger sister, they're coming up through high school. I don't know how we will pay for their college. This morning I stopped and I was talking to a custodian in our department, Josh, and I reminded him that a few weeks ago when I was coming into the building, I come in around 7:15, I like to get the good parking and he likes to clean the floor before there's a lot of people around. And one day I was coming in and he was cleaning the floor and I was half apologizing as I was coming in and he kind of waived me off. He said no, no problem he said something to the effect of that's why I clean the floor, that's why I do it. And so this morning I reminded him of that and he said, I told him that I was touched by that, I thought it showed a presence of mind and he said floors are made for walking. Reserves are made to protect the university mission in times of crisis. We've had two years of a hurricane. It's a rainy day fund that protects nothing. Or if it protects something I'm afraid to think of what it protects. Is it protecting the university mission or is it just some kind of crazy bookkeeping hobby, a very expensive one? I urge you to not protect the athletic subsidy at the expense of the university mission. The university faculty we're the ones who make the secret sauce that makes this whole thing work. We are at the core of the mission and I ask you to look up from the spreadsheets, look up from the floor, do not protect the reserves at the expense of the mission.

Chair Coleman responded, thank you for your comments. I will say that we've heard some great comments this morning. You know I also would like to tell you that this Board of Trustees and the administration is doing all we can to be transparent and to make sure that we spend the resources for the university appropriately. We will continue to carry that out as one of our core duties. We will look into our administrative spend. That is something that we've been doing. There's additional information that we'll continue to look at. One thing is for certain is that this university has a ton of great people working for us that have made sacrifices such as yourself and your wife. Sarah we know the university have a ton of great people from secretaries to janitors that want to be here at NIU and they've made a decision to work for us. The university has been through several years of tough times. We started program prioritization out of an effort to say let's understand where's our spending, where are we getting additional value, where do we need to invest, and where do we need to compress. We will continue to look at opportunities to make sure that we're spending our money appropriately and that we're taking care of our people as best as we can. We cannot make up in one year, seven years of salary compression. It won't happen and it can't happen. But what we can do is make a good faith attempt to try to take care of our great employees of this university and we're going attempt to do that.

## **7. PRESIDENT'S REPORT 118**

Chair Coleman asked Acting President Lisa Freeman to present item 7.a.1, the fiscal year 2018 salary incremental allocation guidelines.

### **Items Directly from the President**

#### **Agenda Item 7.a.(1) Fiscal Year 2018 Salary Increment Allocation Guidelines**

Acting President Freeman began, this is an internally funded plan to provide increments for fiscal '18 to faculty and staff despite our resource constrained environment in accordance with board regulation

2.c.2.a. Annual salary increment guidelines are approved by the Board of Trustees. The recommendation from the university is that the university recommends approval of the fiscal '18 salary increment guidelines effective November 16, 2017.

Chair Coleman asked for a motion. Trustee Boey so moved and Trustee Wasowicz seconded the motion.

Trustee Barsema commented, I think that we have gone through multiple years of a storm financially and believe me as a new trustee I think I can speak on all of the trustees we have a very precise view of the impact that it's had on everybody on this campus including all of those in this room. We have empathy and sympathy for it. This is one step in what we hope will be many steps. The reserves are very important to us. You will be very upset with us if we sit here three years from now and we have no money left to run the university if the state gets back to where it was before. If anybody in this room feels that we will have a state budget next year, you're optimism may be a little misplaced. You know I think we're at risk of getting right back where we were before. So it's a fine balancing act that we have between maintaining enough reserves for the university so that we can continue to function given where this state might be or where we might continue to go. At the same time, looking to reward the people, all of the people on this campus, who make us the great university that we are. And trust me when I say that the Board of Trustees has great empathy and great insight into that and that is when we do talk that is the main topic. As I said, this is one step. It's the first step. It's a great step and I applaud Dr. Freeman and the cabinet for doing this and I'm in full support of it.

Chair Coleman added, early on when Dr. Freeman became our Acting President, the two of us sat down and we had a conversation about employees and employee salaries. At the time, I want everyone to realize that our budget for fiscal year 2018 was already approved and they had no raises in there. Dr. Freeman and I talked about this and we walked away from that conversation saying we have to find a way to put raises into our budget. We've got to find a way. I happy today that we've got this proposal in front of us to attempt to provide up to a 3% raise for our employees. We leave it up to the administration to do whatever negotiations they need to do and to implement this in the best way they see fit. But I think today is a great day because we've decided to go back, to fix our 2018 budget or to adjust our 2018 budget to accommodate raises.

Chair Coleman called for a vote to approve the motion. The motion was approved.

### **Agenda Item 7.a.(2) Collective Bargaining Agreement**

Acting President Freeman continued, as we've heard a number of times this morning, salary increases and other terms, conditions of employment for bargaining unit members are subject to negotiation with the final agreement submitted for approval to the Board of Trustees. Agenda item 7.a.2. is a collective bargaining agreement that was reached between the university and the International Union of Operating Engineers Chapter 399 representing approximately 40 employees in the classifications of Assistant Chief Operating Engineer, Lead Plant Stationary Engineer, Stationary Fireman and Stationary Fireman Helper. The university's recommendation is that the terms and conditions of the achieved agreement are consistent with university policies and guidelines. The university recommends approval of this collective bargaining agreement by means of the president's report to the Board of Trustees for approval at its meeting today October 19, 2017.

Chair Coleman asked for a motion to approve. Trustee Boey so moved and Trustee Barsema seconded. The motion was approved.

### **Agenda Item 7.a.(3) FY19 Out-of-State Tuition Recommendations**

Acting President Freeman continued, next agenda item is 7.a.3 fiscal 19 out-of-state tuition recommendations. This item presents recommendations to revise the university's tuition structure specifically recommending approval of a rate structure that sets out-of-state tuition for domestic students at the equivalent of the in-state tuition rate, sets an international tuition rate equivalent to two times the



in-state rate effectively preserving the out-of-state rate for international students. Sets an international rate equivalent to one and a half times the in-state rate for students enrolled in partner institutions or sponsored by a government agency through which NIU has an agreement to deliver academic programs at the university and eliminates the Midwest regional rate which has become irrelevant. The recommendations were developed with the goals of increasing access and addressing affordability concerns of non-resident and international partner institutions which will enhance the institution's enrollment and national reputation without negatively impacting the enrollment of Illinois residents. The recommendations do not propose at this time the actual tuition rates for fiscal '19. Those will be proposed in the December 2017 meeting of the Board of Trustees. Rather today we're proposing to change the overall rate structure. We're doing this today so that the new structure can be brought forward to recruit out-of-state students during the height of the recruiting season. So in summary, the university's recommendation is that the Board of Trustees approve the recommended fiscal '19 new domestic tuition structures which eliminate out-of-state tuition rates as well as reducing tuition rates for certain international students via strategic partnerships as described in this item. This change would include all new and returning students beginning with the fall 2018 term and I know we have in the audience today our Vice President for Enrollment Management Marketing and Communications Sol Jensen and Acting Executive Vice President and Provost Chris McCord and both of them are available to answer questions from the Board if there are any.

Chair Coleman asked for a motion to approve the fiscal year '19 out-of-state tuition recommendation. Trustee Wasowicz so moved and Trustee Barsema seconded.

Trustee Barsema commented this is something long before I became a trustee that I've been asking us to look at and to do. We've been playing with one hand tied behind our back for a long time with other universities coming into our state and stealing our students with a like program. To get a student to come to NIU from out of our state they would have to pay at least 40% more if not 100% more than what an in-state student would pay. This is something that I'm fully, fully in support of. We've talked a lot about here this morning cuts and reserves and everything else and like everybody in this room and on this board who has ran companies, you can't cut your way out of a problem. You need to make budget cuts where you need to make them and you need to be fiscally responsible, but you cannot cut your way out of a problem. You've got to look at new sources of revenue. You've got to look at new sources of income. To me this is one of those programs where this is now going to allow us to look at new sources of income. I am confident that Sol will develop the marketing programs to go after students from outside of our state and get them to come to our great university and take advantage of the great programs that we have here that those students should have access to and haven't because of the increase that they've had to pay. This is a great program to help us as a university to level the playing field, the competitive playing field that we have with other universities, not only in the states that surround us, but anywhere in the country and I'm just very, very pleased to have this. So thank you to Dr. Freeman. Sol thank you and to the rest of the senior cabinet that made this happen. Thank you very much.

Trustee Butler added, I want to say thank you also for the work that went into developing the recommendation. Two things I want to point out about it. First is I really appreciate the detail of the item itself. This is the kind of presentation that I would hope for in just about every case when we're about to make what is a relatively controversial and in prior years would have been a very difficult decision. I think and the second point I would make is we're making this decision in the context of a kind of unprecedented state fiscal environment in which we have had to think differently about our obligations as a board and as a university to properly position the university in a competitive context. This is a very difficult decision and it's a decision that's difficult because it goes against some basic principles about state subsidized higher education. We might take some heat for this. We might have to defend this when we talk with law makers and people who allocate state funds to higher education and to Northern. Similar to that is the action we just took. We also may take heat for that. These are two significantly difficult steps that we're taking but I think and they're also steps that would have been unlikely in years past. I've been on this board for ten years. I can't believe that I'm saying that. You know what that's like to be on the board for a while I suspect, but I'm almost the senior member of the board, but this would be an action that I would not imagine us taking in prior years. I think this is testament to the situation we're in,

the context we're in, and the different way this particular board views that challenge and I hope people understand that these are bold moves. They may seem intuitively simple, of course you would do this, but they're tough moves for a lot of reasons and I'm grateful to see them and I appreciate the work that went behind them.

Trustee Wasowicz commented, I echo everybody's comments here and I would say to add on to that that I feel like we've been playing with one hand tied behind our back and I heard a statement here when I first came on to the board that if we ever got our act together that people in Indiana and Wisconsin and Iowa would be upset because we'd been easy pickings. So this is a first step toward doing that. The payback on this is pretty quick. I'm also was pretty surprised that the state universities that already have something like this in place.

Sol Jensen added, currently in the state, Western Illinois, Eastern Illinois, Illinois State University and then Southern Illinois Carbondale and Southern Illinois Edwardsville all have programs like this currently. We did a lot of data analysis and literally for the last few weeks we've done considerable analysis on that. We really wanted to make sure that what we were bringing forward was not just something that again seemed intuitive but we actually put data analysis behind that and we want to look at how many additional new students will we need to enroll at a lower rate to offset the loss of the revenue that's currently in so that's in your packet so you have that information. We do feel like we're confident that we can make up that ground by certain marketing plans and additional recruitment to out-of-state students. We feel that there are many benefits to the state of Illinois as well in addition to Illinois residents who would be attending NIU.

Trustee Barsema asked, will this apply to existing out-of-state students beginning in the fall of '18?

Sol Jensen responded, this would apply to returning students from out-of-state.

The motion was called for a vote and approved.

#### **Agenda Item 7.a.(4) Founders Library – Café Renovation – Capital Project and Franchise Agreement Approval**

Acting President Freeman presented Agenda item 7.a., the Founders Library, café renovation, capital project and franchise agreement approval. We've heard a number of times this morning that we can't expect to cut our way out of our financial situation, that we need to explore opportunities for revenue growth and we've also heard about the efforts that the university has but in trying to become more efficient and to continue to be very student centered. And when we've surveyed our students about food on campus what we've heard from them is a desire for a mix of national and unique local food brands across our campus and to have these options integrated into the dining plan. The item here revitalizing the existing café area in Founders Memorial Library with a national brand franchise is an important step towards those ends helping us to enhance the environment in the library and also to improve retail food options in the center of campus. In addition, establishing this upgraded food options in this point in time will provide an important dining alternative for the entire campus as the existing food operations in the Holmes Student Center cease during the renovation phase that's anticipated to begin around May 2018. To summarize, the recommendation is that the Board of Trustees approve the request for authority to #1, execute renovation efforts for a total initial capital investment not to exceed \$467,500 and 2, enter into a franchise agreement with a selected firm for a term not to exceed ten years where the overall magnitude of this agreement will depend on the actual sales volume.

Chair Coleman asked for a motion to approve. Trustee Boey so moved and Trustee Wasowicz seconded.

Trustee Barsema added, I understand the cost in terms of the build out and the other fees that go along with that. I do believe we have a return on investment analysis as well in terms of recouping this investment and how long it's going to take us to recoup this investment and then going forward can somebody comment on that?

Larry Pinkelton responded, based on our pro forma analysis we predict that the payback will be between four and five years. Understanding of course that the firm that we're currently looking at is not officially under contract.

Trustee Barsema continued, I understand that's a pro forma. So once we get to the point where – and I think the analysis that I saw was as you say somewhere between four and five years, once we get to that point then on a percentage basis what is the return on investment on an annual basis? I know relative dollars you don't want to commit to likely, but in terms of the revenues that we take in are we going to be returning 10%, 15% in terms of profit on the top line?

Larry Pinkelton responded, the estimate is about 15%.

Trustee Barsema commented, that's pretty good for food franchise. That's really good. Good. Thank you.

The motion was called for a vote and approved.

### **Agenda Item 7.a.(5) NIU Presidential Priorities – Fiscal Year 2018**

Acting President Freeman continued, our next agenda item is 7.a.5 currently titled NIU Presidential Priorities Fiscal Year 2018 and I'm going to ask that the Chair of the Board of Trustees present this item.

Chair Coleman asked for a motion to approve the change the title of the action to NIU Presidential Goals Fiscal Year 2018.

Trustee Wasowicz so moved and Trustee Barsema seconded. The motion was approved.

Acting President Freeman began, it's actually my pleasure to talk about the process that the Board and I have been engaged in to set presidential goals that are in alignment with the priorities with the Board of Trustees and reflective of the institutional mission. Since I was appointed as acting president, we've been having conversations about what would form the basis of the board's expectations for me and what would form the basis of my annual evaluation and the goals that are listed in this item reflect those discussion. We're still finalizing the specific metrics and indicators of success deliverables that will signify the expectations and outcomes associated with these goals and those will actually be posted with these goals on the president's office website after the metrics are approved at the November Committee Meeting and a subsequent board meeting that day. The recommendation from the university is that the Board of Trustees approves the 2018 Presidential Goals so that the approved goals can be posted online linked to the NIU president's office homepage. And the reason for us taking these goals forward today was because the Board is also presenting their priorities today and we thought it would be important for the university community to see how the president's goals cascade from the Board's priorities and to make you understand what will be expected of me and how I will be evaluated in the position of acting president.

Chair Coleman asked for a motion. Trustee Boey so moved and Trustee Barsema seconded.

Chair Coleman commented, when I first joined the board five and a half years ago, we didn't have presidential goals and Trustee Butler and a few other trustees that chaired the university when we hired Dr. Baker we started implementing annual goals. It was a process and what you're seeing in front of you is kind of a refined process where we try to clearly articulate the goals for the president, for the university, and what you will see later on is also some of the priorities that we started with. I want to go through the six goals quickly so you can hear them. But I am really, really excited about the energy and the effort that each trustee went through to help us craft these goals working with Dr. Freeman and I would call this a divide and achieve kind of work where we assigned different goals to a pair of trustees to work with Dr. Freeman to really identify the measurements that's going to be associated with these goals. Goal number one is to grow our student enrollment and success. That's a top priority for the

university. Enhance fiscal sustainability of NIU. If we don't keep our financials in order there will be no NIU. Implement program prioritization. This was great work that was started a couple years ago. We've got to continue it. We've got to complete this effort. We've got to engage in phase 2 of program prioritization. Foster an organization of culture that is ethical and accountable. Increasing transparency in all the processes that we engage in. Increase capacity of research innovation in regional engagement. Enhance student experience. So those are goals we're excited about. We will be posting those goals as Dr. Freeman mentioned on the website. We will be monitoring those goals every quarter. Dr. Freeman will speak to the goals as it relates to the executive committee and so we're really excited about it. At year end when we assess and Dr. Freeman and her performance, we will post those results online for the campus to see.

Chair Coleman called for a vote on the motion. The motion was approved.

## **8. CHAIR'S REPORT 83**

### **Agenda Item 8.a. NIU Board of Trustees Priorities – Fiscal Year 2018**

Trustee Coleman noted the last item on the agenda is 8.a. NIU Board of Trustees priorities for fiscal year 2018. The priorities for the Board of Trustees have not been formally published before that I am aware of. As you know there's a lot of things that the university is engaged in. Each one of our priorities have been assigned to a trustee that is over a committee and their number one focus is to make sure that these priorities are addressed as we have our monthly, quarterly committee meetings. I want to quickly go over those priorities and then I will seek a motion to approve them. Priority number one, develop and execute a thoughtful and a strategic presidential search. Some of this activity has taken place as it relates as it related to shared governance in getting input. From there, clearly this priority will carry over based on the decision we made to not conduct a search until the summer/fall or 2018. But this is a top priority to make sure that we have a very thoughtful and strategic presidential search. Grow our student enrollment and enhance student success. That's a two part - we don't want to just increase enrollment and not have student success. We want our students to graduate. We want our students to become meaningful members of society and contribute to the local economy. Another priority for the board is distinguishing NIU among the Illinois public universities by advancing our mission and this is a top priority for the Board of Trustees. Achieve a stronger more self-sustainable financial model by supporting the university efforts to generate more revenue and to become "less dependent on the state". We have to plan. At some point we may find ourselves in the situation where the state is not providing the appropriate funds for us and therefore we have to find a way to make sure that we're still viable. Priority number five is foster a culture of operational, fiscal, and ethical excellence. In doing so we believe that we've got to create a university level compliance program, hire an ethics officer to help us implement that make sure it is part of our DNA. Those are the high level priorities for the board. Those priorities were used to help us shape and craft the presidential goals and from this point forward what we intend to do is use the priorities as our guidepost as we oversee and run the university; and then at the same time leverage and measure the presidential goals accordingly.

At this point, can I get a motion to accept the board priorities as stated. Trustee Struthers so moved and Trustee Barsema seconded. The motion was approved.

## **9. OTHER MATTERS**

No other matters were discussed.

## **10. NEXT MEETING**

Board of Trustees Meeting December 7, 2017. Board Committee Meetings will be November 16.

## 11. CLOSED SESSION

Chair Coleman asked for a motion to close the public meeting to conduct an executive session to discuss the following subjects authorized by the Illinois Open Meetings Act, as amended: personnel matters as generally described under sections 2(c)(1)(2)(3) and (21) of the Open Meetings Act; collective bargaining matters as generally described under section 2(c)(2) of the Open Meetings Act; litigation and risk management matters as generally described under sections 2(c)(11) and (12) of the Open Meetings Act; and closed session minutes matters as generally described under section 2(c)(21) of the Open Meetings Act. Trustee Wasowicz so moved, seconded by Trustee Barsema. A roll call vote of the Trustees to recess to Closed Session was as follows:

Trustee Robert Boey: yes	Trustee John Butler: yes
Trustee Veronica Herrero: absent	Trustee Giuseppe LaGioia: yes
Trustee Tim Struthers: yes	Trustee Eric Wasowicz: yes
Vice Chair Dennis Barsema: yes	Board Chair Wheeler Coleman: yes

The meeting is now closed and will re-open at the conclusion of the closed session. The Board adjourned for closed session at 10:27 a.m.

The Board of Trustees of Northern Illinois University reconvened on October 19, 2017, at 2:28 p.m. Chair Coleman announced they were reconvening after the closed session and asked for a roll call.

Present: Trustees John Butler, Giuseppe LaGioia, Tim Struthers, Eric Wasowicz, Board Chair Wheeler Coleman. Absent: Trustees Dennis Barsema, Robert Boey, and Veronica Herrero.

## 12. ADJOURNMENT

Chair Coleman asked for a motion to adjourn. Trustee Struthers so moved and Trustee Wasowicz seconded. The motion was approved. Meeting adjourned at 2:30 p.m.

Respectfully submitted,

Kathleen Carey  
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.*