FACULTY SENATE TRANSCRIPT
Wednesday, January 22, 2014, 3 p.m.
Holmes Student Center Sky Room

VOTING MEMBERS PRESENT: Arado, Arriola, Azad, Bateni, Briscoe, Chen, Clapp, Deng, Feurer, Gorman, Henning, Hunt, Koren, Kostic, Lenczewski, Looney, Mackie, McHone-Chase, Millis, Moremen, Naples, Newman, Novak, Patro, Pitney, Rheineck, Rodgers, A. Rosenbaum, Sagarin, Siegesmund, Slotsve, Tonks, van Veenendaal, VandeCreek, Wilson

VOTING MEMBERS ABSENT: Abdel-Motaleb, Bisplinghoff, Bujarski, Carpenter, Chandler, Creamer, Cripe, Daniel, Downing (PTP leave), Fang, Farrell, Frank, Fredericks, Gaillard, Giese, Gupta, Hamayatsu (sabbatical), Jones, Kapitan, Kowalski, Lee, Liu, Long, Lopez, Martin, Middleton, Mogren, Mohabbat, Munroe, Nissen, Onyuksel, Plonczynski, Rollman, M. Rosenbaum, Schneider, Sirotkin, Thu, Walker, Ward

OTHERS PRESENT: Bryan, Domke, Hardy (for Haliczer), Klaper, Streb, Tollerud

OTHERS ABSENT: Armstrong, Falkoff, Gebo, Haliczer, Hathaway, Small, Smith, Thompson, Waas

I. CALL TO ORDER

A. Rosenbaum: Okay, why don't we start the meeting rather than have all you people that came on time have to wait any longer and you should definitely shun your colleagues if they show up late. Welcome to another year of Faculty Senate. I hope you all had a good break.

Meeting called to order at 3:07 p.m.

II. ADOPTION OF AGENDA

A. Rosenbaum: The first order of business is the adoption of the agenda. We have one walk-in item. The walk-in item is the written report from Sonya Armstrong who is our rep to the FAC to the IBHE. I need a motion to approve the agenda with the one walk-in item.

M. Henning: So moved.

A. Rosenbaum: And I need as second.

S. McHone-Chase: Second.

A. Rosenbaum: Okay, all in favor say aye.

Members: Aye.

A. Rosenbaum: Any oppositions? The agenda is approved.

III. APPROVAL OF THE MINUTES OF THE NOVEMBER 20, 2013 FS MEETING

A. Rosenbaum: Next we have the approval of the minutes of the November 20, 2013 Faculty Senate meeting, which by now is such a distant memory that…but I'm sure you all read the minutes when it came in the agenda packet so that refreshed your mind and you know exactly what we did on November 20. I need a motion to approve the minutes.

W. Pitney: So moved.

A. Rosenbaum: And I need a second.

J. Wilson: Second.

A. Rosenbaum: And does anyone have any corrections, suggestions, adjustment, omissions, changes? Another perfect set of minutes. I'm so pleased with this. All in favor of approving the minutes as written signify by saying aye.

Members: Aye.

A. Rosenbaum: Opposed and any abstentions? The minutes are approved.

IV. PRESIDENT'S ANNOUNCEMENTS

A. Rosenbaum: Steve Cunningham is going to be joining us in a few minutes to talk a little bit about the pension reform bill that was passed by the General Assembly. I hope you got a chance to look at that in the agenda so, if you have questions about this, you'll be able to ask Steve. Of particular interest, the reason that I wanted Steve to come in, is that there seems to be a fair amount of concern and some misunderstanding about what the implications of the pension reform bill are for current employees let alone annuitants. I've heard faculty talk about retiring prior to July 14 which is when the bill supposedly takes effect if it's not reversed by the courts by then. The question really for Steve, or one of the questions for Steve, is: What's the reality to that? Is it in our best interest, if you are near retirement age or able to retire, is it in your best interest to retire prior to July 14? Will retiring under the current circumstances be more advantageous than waiting until the bill is in place? So I think we wanted Steve to be able to address questions that faculty might have regarding this pension reform bill. So Steve will be here in a few minutes and I'm going to give him part of my time to talk about the pension reform bill, show some slides. Hopefully and usually they will allow us to make those slides available to you so we'll put that on the Blackboard site afterward if Steve is okay with that and, hopefully, you'll have an opportunity to ask questions that you might want to know about.

Okay before Steve gets here there are a couple of items that I wanted to talk about. You all should have by now gotten Faculty Matters, the latest edition. I apologize for not having that blurb about the Americans with Disabilities Act paragraph to you earlier, but we were waiting for a couple of other things that had not been finalized and before we got everything together that was the quickest we could have gotten Faculty Matters out.

Now in Faculty Matters there are a couple of things I want to call to your attention. One was the Faculty Wine and Cheese Holiday Social that we had in December. If you read the blurb in Faculty Matters, it was a little bit disappointing. And I think what was disappointing about it is that we have about 1,200 faculty that could have come to that, we have about 840-some tenure track faculty, and we had approximately 85 people that showed up for the social; free wine and cheese funded by the foundation. It was a little bit of an embarrassment. I think the foundation was very gracious about it. They didn't say, what the hell's going on here. But I think we have to try to do a little better next year. So, those of you who were there, I appreciate that you came. Get the word out so that next year…I actually thought that the foundation would say: Okay, we're not doing this anymore. But I ran into Mike Malone and saying I was a little disappointed with the turnout and he said: Well, you know, it takes a couple of years to get these things going so next year, the year after, people will start to get the idea. That was very encouraging so I thought, okay, so you're willing to go with us another year on this at least. For those who were there, it was very nice. I thought it was a very successful event and, hopefully, the new executive secretary, whoever that is, will try to create the Faculty Fund social next year and maybe it will become an annual event.

While I'm on the subject, we had a large number of forms for the Faculty Fund, itself. You should know all about the Faculty Fund. I'm not going to take the senate's time up with that, but it is a very important thing and I think that it would be a great thing if we could get more faculty involved. We have something like ten percent of faculty that are involved in the Faculty Fund. Ten percent – probably the same 85 people that came to the wine and cheese event. In foundation language, they care not so much about dollar amount as they care about percentage of people who are participating. And so I think that our faculty can do better than ten percent. Regardless of the size of the donation, if we can get larger numbers of the faculty to participate, that will be an accomplishment. I think we have the forms – there are forms at the door which you can pick up and distribute to your colleagues in your departments. And if you would, really try and push the importance of the Faculty Fund. It all goes to scholarship aid. And, if you missed the Faculty Wine and Cheese Social where we explained this, we're giving away a $9,000 scholarship that costs the Faculty Fund, I think, $2000. That's a package that includes tuition and there's money that's put into that by the university but it means for every $2,000 that we can put together from that Faculty Fund, we're giving $9000 scholarships to undergraduates. Now we have enrollment and retention issues, faculty talked about out wanting to improve the quality of students that we accept. You get much higher quality students when you can offer them a $9000 scholarship. The folks who run the Faculty Fund, Dan Gebo, has been taking a big role in it. We'd like to see that even increased. We're looking to push that. The great thing about this, again, is that none of the money is going anywhere but to the scholarships. We're not charging service fees, the foundation's not charging us, so all of this money is going to the students. It's a very good thing and, hopefully, you can be ambassadors for the Faculty Fund to your department. So pick up some of those forms, take them back with you, copy them if you want. If you don't want to copy them and you want more, call us and we'll send you more. But let's see if we can get that Faculty Fund built up. Okay enough of that.

Faculty Club lunches. We had two of them prior to the break. There are five more scheduled for the spring semester. The ones that we had were terrific. Those of you who were there I think can attest to that. Let's spread the word. My hope would be that the Faculty Club idea grows. We could eventually reach the point where we have our own area for the Faculty Club where it's an everyday kind of thing, like a restaurant, but we have to start getting attendance for that. So there are five of them listed. There are limitations so, if the Faculty Club is held in Ellington's, which the first two were, three of the ones this semester are in Ellington's, our limit is about 52 to 53 people, maybe 55. There are two of them that are being held in the Chandelier Room in Adams Hall. Those we have a little bit more flexibility, it can hold maybe 85. We have to get reservations. The way you get them is to e-mail Pat. So people have to make reservations. So please spread the word about those as well. Also, for the Faculty Club lunches that are in the Chandelier Room, we are taking on a little bit of liability. So, if you make a reservation and don't come, you have to pay. Please do not make a reservation if you're not going to show up. Otherwise we're going to have to figure out something. We have a very limited budget to keep.

K. Millis: Do we have the dates?

A. Rosenbaum: Yeah the dates are all in Faculty Matters. Again, if you erased it or you somehow didn't get it, all you have to do is go to the Faculty Senate home page and there is a link for Faculty Matters. And you can read any of the issues including the most recent one. So anyone who didn't get it, just go to the home page and you can click on that or if you erased or threw it out or whatever, you can get it there. But the dates are all there and also they're requiring us to give them more than a week's notice so we have to let them know numbers on the Tuesday before the Faculty Club lunch. And so you have to watch those deadlines in terms of making your reservation. Please take a look at that. Any other questions about the Faculty Club lunch? Okay good.

One more thing from Faculty Matters; as you know, this was the first semester that we were allowed to give plus and minus grades and we are assessing the plus/minus grading system from a number of different angles. And one of the angles that we are trying to get is how the faculty felt about the plus/minus grading system. There is a survey in Faculty Matters that you click on. You can fill out a brief questionnaire that talks about how you felt about the plus/minus grading system. So you can do that from the Faculty Matters, and I hope people will do that. Thus far, we have had a surprisingly low turnout, not surprising if you figure that only 85 people showed up for the holiday social. But, so far, only 40 people have completed the survey in Faculty Matters. That's not very many. You have more than that sitting in this room maybe. Of the 1,200 teaching faculty, 40 filled out the survey. That's not good. As you all know, we can't draw any conclusions from the 40; that would be a very biased sample. Again, please encourage faculty members to take the minute that it takes to complete that survey. It's very brief and everyone needs to complete that. That would be great.

Moving on, I want to update you on the searches that are going on. There are three important searches going on right now. They are for the Chief Information Officer, the Chief Financial Officer, and the Executive Vice President and Provost. These are three really critical positions for the university. These three people are going to have a lot to do with what direction this university goes in over the next several years. The Chief Financial Officer is an especially important position given our precarious financial situation. Certainly the Provost is very important. Given the dependence that we have now on Information Technology, that CIO position is also pretty important. The status of the searches I can give you:

I'm on the committee for the CIO search and I'm co-chairing the committee for the Provost search. Those searches are in the following states.

The CIO search, we have completed the airport interviews. We are bringing the three final candidates to campus. They'll be coming in at the end of January and the beginning of February. And, as soon as we have dates for the forums, we will let people know. We'll keep on NIU Today and we will also notify you about any forums that the faculty are open to attend. So we'll be bringing in three candidates. I have to tell you that we have three great candidates for this position. I've never seen anything like it but we had, I think, seven people on the short list that we interviewed, and any one of those seven would have been terrific. We had to struggle to eliminate people and it wasn't that big of a struggle, but we only had to eliminate a few of them. We invited four, one dropped out for other reasons, personal reasons, nothing to do with NIU. So three terrific candidates are left and we will be very fortunate to have any of those three as our Chief Information Officer. Those of you have interest in this, and I know our CFAC people will have a special opportunity – have they announced the time for that George?

G. Slotsve: For what?

A. Rosenbaum: For when CFAC committee will meet with the candidates?

G. Slotsve: That hasn't been announced yet.

A. Rosenbaum: Okay so we don't really have schedules yet; but, if you have any interest in this, you should make an effort to get to the open forum that are appropriate for whatever position you're in. Great candidates for that position.

The CFO search and the Provost search are both really in the same spot and that is that we have created the position description, and we have put out the advertisements. So those positions have been advertised. We will not know who has applied for those positions until early March. And in early March we will have access to the credentials of the people who are in the pool and we will select a short list for airport interviews. The finalists in that will be brought to campus. So, unlike the presidential search, there will be open forums on campus with the finalists for the Provost position. We'll keep you posted on that. Obviously we have tremendous interest in the Provost position.

[Referring to CIO search] So there's a general campus forum on January 27 with the first candidate, so it's the same for all three? Okay 11:15 to 12:15 here in the Sky Room, the first one will be on Monday, January 27, the second one on February 6, and the third one on Monday, February 10. I think February 6 is a Thursday. Monday, January 27, Thursday, February 6, Monday, February 10, the three candidates for the CIO position will be here and there's an open forum here in the Sky Room. Again, this is a very important position and it will probably be useful if you, even people who just use software, there are lots of issues that are of interest to us.

For example, cloud storage and the implications of cloud storage for researchers is an important issue; shared software and whether the university maintains certain types of software; or whether the faculty can use their own software. These are all issues for a CIO candidate so it might be of interest to you to go visit them.

Unidentified: Can you say the dates again?

A. Rosenbaum: The dates again?

Unidentified: Correct.

A. Rosenbaum: January 27, which is a Monday; February 6, which is a Thursday; and February 10, which is a Monday. Okay?

Anyway I was talking a little bit about the CFO search and the Provost search and again, we'll have more information. I don't know who the candidates even are so I can't tell you it's a good pool or a bad pool. We haven't seen any names. We won't have that until the beginning of March. At any rate, we'll keep you posted on those two searches as they go on and there will be, again, open forums for faculty to attend for both of those positions, or at least for the provost position, I'm not certain about the CFO position. I don't know if that's been decided yet since I'm not on that committee. Okay any questions or comments? Good, perfect timing.

A. Pension Reform – Steve Cunningham, Vice President for Administration

Our guest speaker today is Steve Cunningham who is the Vice President for Administration. And Steve has had a lot to do with keeping the university in the loop as far as pension reform goes. He probably knows more about the pension reform debate and bill than anyone at the university and probably most people at other universities as well. I heard him referred to as the guru of pension reform and so I've asked Steve to come in because, as I said before, there are concerns that faculty have about the implications of the pension reform bill that was passed by the general assembly. So I'm going to turn it over to Steve and we'll hopefully have time for any questions that people have when Steve is done. Thanks a lot for coming Steve, I appreciate it.

Steve Cunningham: Thank you Alan, especially for that generous introduction.

[Pause trying to find file and get slide show to work.]

A. Rosenbaum: While we're waiting, we'll continue with the meeting. So we'll save some time later and he'll either get another one sent over or whatever.

V. ITEMS FOR FACULTY SENATE CONSIDERATION

A. The Bob Lane Faculty Advocacy Award – call for nominations – Page 4
Written letters of nomination should be submitted to Faculty Senate President Alan Rosenbaum no later than noon Monday, February 10, 2014.

A. Rosenbaum: The next item is the Items for Faculty Senate Consideration and I want to announce this for you. This is the Bob Lane Faculty Advocacy Award. We give this out some years. We don't give it out every year. The idea of this began many, many years ago. It's had a number of different names. Last year, I think, we changed the name to – what the year before? When did we change the name? Last year? Within the last year or two we changed the name to the Bob Lane Faculty Advocacy Award to represent the fact that relationships between faculty and the administration have been a bit less contentious in recent years. We're good to go? Alright, I'll just finish the Bob Lane Award and then we'll go to your presentation. So anyway, originally it started out as an award that recognized a faculty member who had been a thorn in the side to the administration which was seen as a positive thing. That continued for many years, but more recently we haven't had so much of that and we hadn't had nominees for a couple of years. And so we changed the name to recognize faculty who have been advocates for the faculty and not so much at the expense of the administration. So our award is the Bob Lane Faculty Advocacy Award. We are taking nominations for that. Written letters of nominations should be sent to me. You can e-mail them. You should get them to me no later than noon on Monday February 10. If you have a particular faculty members in mind that has, in your opinion, gone above and beyond in the service of the faculty, then nominate them and send them to us. And, however many nominees we have, we'll present them to the senate, we'll vote on it and we'll either award a faculty member or not. Some years we do, some years we don't. It's not a requirement but we if have someone we want to nominate, we can. Okay so any questions about the Bob Lane Award? No. If you go back, we have the history of it somewhere. It's on the agenda? Page four? There you go. This doesn't quite have the history, but it does give the names of the people who were given the award, so there you go. All right, excellent.

A. Rosenbaum: Now we're back to Steve Cunningham who has his slides and we're all set for his presentation. Steve.

[Return to IV. PRESIDENT'S ANNOUNCEMENTS]

A. Pension Reform – Steve Cunningham, Vice President for Administration

S. Cunningham: Great thank you. Sorry for the technical difficulties. Thank you, Pat, for working it through. I'm here sort of to give a brief, but somewhat more detailed perimeter on the pension reform bill that passed. There's a lot of speculation about the bill. It passed by very narrow margins in the legislature earlier at the special session. As you know, we've been working with this for two-and-a-half years really with the state legislature. The bill that they had passed, which we are going to review, is among the most drastic pension reform bills that we dealt with. We opposed this very same legislation, or various elements of it, consistently across the legislative sessions and with some success until this special session was convened and it went through in record time. What happens now, as we'll discuss, as it moves into the judicial venue – and there are several class action suits being prepared or already prepared – and I'm going to talk about a few of those as well.

Why don't we start just with this slide here with, next slide. And there are several major provisions and there are different effective dates. Some things go into effect June 1 and other things go into effect July 1 and thereafter. Probably the most significant reform is in the cost of living allowance and this measure goes into effect for all personnel, all participants whether they're already retired or become future retirees and basically if [inaudible] was currently a three percent compounded COLA, the pension calculation and the annual annuity pursuant to the pension code is three percent compounded. A $100,000 annuity, to make the math simple, would have a $3,000 compounded annuity and then that would become $103,000 pension the next year and so forth. What this provision does is convert the amount of pension that's eligible for the three percent annuity to a calculation of $1,000 multiplied by the number of years of service. A 30-year employee would be eligible for a COLA, a three percent COLA, on the first $30,000; a five-year employee, the first $24,000; a 40-year employee, the first $40,000. Of course, we know that most 30-year employees, for example, have pensions that greatly exceed $30,000. More of an average pension under SURS is in the $40,000 range, $42,000 or so, but for participants at 25, 30, 35 years of service, the average pension is much higher. So, when we look at a $30,000 limitation on the applicability of the COLA, and that's a severe cut and that's why this provision, alone, accounts for the majority of savings in the pension reform bill.

Now as of January 1, 2016 that $1,000 times years-of-service calculation gets increased slightly by the Consumer Price Index per year. So let's say in 2016 CPI was three percent and a participant had 30 years so they were at a COLA limit of $30,000. Well that would then go up to $30, 900. Three percent on 900 is $27. They would increase their cost of living by only $27. This factor would allow for some increase in the pension that's eligible for the cost of living, but it's going to grow at a much slower rate than will inflation for the personnel who have that many years of service. This is a very substantial amendment. We think probably there's no predicting what may happen with respect to the judicial hearings and decisions, but this one is probably one that is more at risk of being sent back to the general assembly for further action. And, if so, then we'll be right back where we were with our negotiations with leadership and so on. But right now this is law and this particular provision would be effective for cost of living allowances paid January 1, 2015. January 1, 2014 the last three percent compounded COLA was applied and then the next one would be up January 1, 2015, and there will be some blend of the traditional cost of living plus this one which takes effect as of June 1, 2014. Before we leave that, any questions. I'll just ask as we go through each section if there are any questions that are sort of specific to this particular item.

I should also note the [inaudible] system is [inaudible] and we'll talk a little more about that as we go through this. So there are a lot of aspects to this that we don't have the answer for yet. No one does and we're working with the SURS to implement rules as we go through the rule-making process to implement these various provisions. For example, how will the 6/1 effective date reduce COLA, blend in with the three percent COLA that technically was effective until June 1 of this year? A little additional change with respect to the cost of living this time for only unretired 01 employees. This is also effective June 1, 2014. Retirements after that date for personnel whether over age 50 for example, and most are, what we'll see the next table. But there would be a one-year cost of living skip so the COLA would be paid for 1/1/15 but the 1/1/16 COLA would not be applied and then the COLA would be applied every year thereafter. There are more skipping, three skips between age 47 and 50; four skips between 44 and 47; and five skips for age 43 or older. So that has less cost savings obviously than the substantial change in basic COLA, but this too contributes to the [inaudible] cost savings.

Unidentified: What is a Tier 1 employee?

S. Cunningham: A good question. Tier 1, Tier 2 became effective January 1, 2011. So personnel who were hired after that date are technically in Tier 2 of the retirement system which isn't affected by this legislation except for a small piece of it. Tier 1 is the traditional benefit plan which is basically a formula of 2.2 percent times the high four-year salary average times years of service. There's also a money purchase annuity component which we'll talk about here in a minute and that would apply to all levels of income in Tier 1. Tier 2 is limited to the social security limit mainly. It also has higher vesting restrictions and several other limitations that Tier 1 does not have. If you were employed prior to January 1, 2011 then you would be a Tier 1 person. I think I got that date right. We've got a lot of dates here. These amendments pertain to Tier 1. Tier 1 is where most of the uncovered liabilities exist. Tier 2 is so scaled back that it actually subsidizes Tier 1. So Tier 2 is barely the same as social security in terms of the actuarial costs. Tier 1 is the plan that has the [inaudible] by far the unfunded liabilities for the retirement systems because contributions weren't made over the years.

The next change is to adjust the minimum retirement age. For personnel who are age 46, you can see the pie chart that's 61 percent of our Tier 1 participants are older than 46, there's no change in the minimum age to retirement which is 55 years with a penalty if you have seven or more years of credible service or age 60 with no penalty. We could talk about what the penalty is, but it's basically age 60 that the minimum age is. So, if you're age 45, it delays that by four months and it goes on down. It's a fairly complex scale. In the end these increments are so narrow that this is not a big – this will have a big effect unless you're really young and you were thinking you that were planning on 60 so it phases that in over time. There's plenty of – the maximum delay is 60 months by years and that gets implemented for our very youngest Tier 1 personnel.

Unidentified: [inaudible]

S. Cunningham: If they are currently less than 32 years – and let's go back to that pie chart – you'll see that's 1.8 percent or no under 11 percent of the current Tier 1 population is below age 32 and it's a four month multiplier. So 60 months at age 32 then at age, for example, 33 it would be 56 months and it would go backwards from there or forward. So for most of our personnel, it's not going to have a big effect.

Now, pensionable earnings is another very large amendment and it's very significant for higher education. Our concern is that all of these provisions taken in whole, especially this one and the cost of living allowance, will really make Tier 1 non-competitive. And we're very concerned about retention of our Tier 1 personnel in higher education throughout the state especially in our market. Our market is among the pension systems B market but it has greater salaries because we have to participant in actual markets, the faculty, professional, and managerial employees. It's much different than federal agencies and schools. This one would freeze what we call pensionable earnings. Remember we talked about the general formula which is 2.2 percent times years of service times a high four-year average salary. So you pick the highest four years in your salary history. That then becomes the base upon the 2.2 percent times years of service is a factor against. What this would do is basically for personnel currently making more than the 2011 social security wage base, which is about 108.6 – and we have a substantial number of personnel that do make more than that, especially faculty with summer appointments and so on – and freeze that pensionable income and not allow it to grow any further. It would be frozen as of the earnings that went in effect as of June 1, 2014. We'll talk about that a little more. For personnel that are not yet making total wages at that social security wage base limit, then it would continue to rise up to that limit and then be frozen at that limit. From what I read, that really does affect a large number of faculty and professional employees. And many personnel they start working and think, golly, if I ever make $108,000 a year, I'm okay with that. But for careers in the last 30 years, 25 years, 35 years, many of the professions and disciplines, that doesn't hit the limitation. It's hardwired, it doesn't go up so that's a wide – U of I, for example, has publically announced that they're working on several more employer funded plans to help offset that, which will be a new obligation, of course, for the universities [inaudible]

So we see this as a key issue because this is not treated quite the same in the pension code as something like the COLA provision. You know the story about past judicial scrutiny will see, but Matt [inaudible] again it's only Tier 1 that this applies to. Tier 2 is already capped at the social security base and it's basically moving Tier 1 and converting it to Tier 2 pension income limitation except for those personnel earning more than the current six figure wage base.

Now the issue of June 1, 2014 is interesting. We've had several conversations about his because, especially for faculty, who have been department chairs or have a role overload, their high four-year salary might have been two years ago. It might not be what they're earning as of June 1, 2014. Does that mean the monthly salary as of June 1 or does it mean if I already had a high four years two years ago that's what counts? These are the types of things we're still seeking out. We don't have the answer to that. That's creating a lot of questions but that's exactly the way it's written in this statute, June 1, 2014.That's part of what rule making [inaudible] we'll keep you informed as we know more.

A. Rosenbaum: Steve, so if I understand what's it's saying, if we hire someone new, let's say next year, and that person is hired at a salary that is above the social security wage base, we would have to tell them that their pension is going to be based on the social security wage base. So we're hiring them, let's say at $140,000 or whatever, and we're telling them that their retirement is going to be based on $108,000. Is that correct?

S. Cunningham: Partly correct. If we hire them right now, they would then be a Tier 2 employee, so they would be limited at that anyway unless they went into the self-managed plan which does still exist and that's why more and more new personnel are electing to go into the self-managed plan if they're expecting a little higher income history during their careers. It's a one-time election and that is capped at 240 basically, but it's defined contribution, it's not defined benefit. It's a whole different type of animal and there is no guarantee. Plus as more people, new people, go into that, we begin to grow funding going into the defined [inaudible] system which further underfunds [inaudible]. But as Alan said, if the individual was hired in, let's say 2010 at a salary of $140,000, then this is saying we'll let you keep the $140,000 that's between your [inaudible] as of June 1, but no further increases [inaudible].

Unidentified: What about the contributions (inaudible)

S. Cunningham: Those. Contributions would – once you've reached the limit of the contributions – stop and they're going to go down from eight percent to seven percent which we'll cover in a moment. So this provision is also effective June 1, 2014. And as we were just talking – it's a good segue – the rate of contributions to the pension system will be reduced by one percent of earnings from eight percent to seven percent. I believe this is effective July 1, 2014. Again, this is part of what's called the consideration theory. We're okay we're going to change your benefits and you can have a career of 25, 30 years, whatever, but going forward you pay one percent less than the state and less consideration and that's [inaudible] next slide. I think most of us would be happy to pay one percent more.

Then we sort of get into a complex area, I will try to cover this very quickly. The Tier 1 benefit plan has a general formula that we were just talking about. It's 2.2 percent times high four-year average times years of service. It also has an alternative money purchase plan. Most of you probably already know about this. A money purchase plan is: Basically, it takes all of the stream of state and employee contributions over the years, applies the rate of interest for each that is determined by the retirement system, and then sums those up, big number divides that by the annuity factor which is based on age, and then that comes up with an alternative pension calculation compared with the general formula. If it's higher, the Tier 1 is higher, then the person automatically gets that pension contribution. Over the years, the average rate of return for retirement system up until about 2008 or so was eight percent. That's basically risk free money. That was driving a large number of retirements at a very young age because there's no age penalty under the money purchase and so that was really pushing the system in terms of unfunded liabilities and greater liabilities and [inaudible] serves in an actuarial review and adjusted those [inaudible] factors back in that was in 2012 and that caused a lot of people to think about whether they should retire with that window, because that alone greatly changed the money purchase formula.

But what this will do, that rate of pensions that's applied to is called the ERI or the Effective Rate of Interest and it's determined by the state comptroller and this would – it's apparently 6.75 percent by the way – this would adjust the methodology to determine that as being benchmarked on the 30-year U.S. Treasury bond plus 35 basis points. It would be equivalent to about 4.5 percent right now. And so going forward, not going backwards, going forward, that rate of return for service years as of June 1, 2014 in the future would be limited to this new ERI calculation which, over time, will begin to reduce the number of personnel to go out on a money purchase. It will not have any immediate effect on the money purchase. In fact, unless the person has a guarantee that personnel or at least qualify for whatever that money purchase calculation would have been as of June 1, 2014. So it's sort of a stop loss provision.

But the effective rate of interest has other implications which I'll talk about briefly while we're at this slide. There are often excess refunds. The long term employees actually receive a refund when they retire because their total account is over-valued in terms of what's required [inaudible]. And that effective rate of interest also applies to [inaudible] fund. It's a one-time calculation. That would add 4.5 percent instead of being 6.75 percent. Maybe not a big deal depending on how much that excess contribution is, but other employees liquidate their accounts and take cash. Some employees are in an affordable plan and they liquidate their accounts and forward it to a TIAA/CREF account or some other form of annuity. We think this ERI will greatly affect those types of calculations. Again, the rule making is not complete especially for affordable plan in terms of what that effect will be. There's more coming out on that. I know there's a lot there and many of you are pretty familiar with the money purchase. The legislation also calls for, this was really something written in at the last minute, for constituents who were really interested in having a pure defined contribution plan. You may recall some of those proposals we've talked about a couple of years ago and again what they agreed to was to say that: Well okay we'll have one of these but no more than five percent of eligible Tier 1 employees will be eligible to participate. The program has to qualify into social security and it has yet to be developed and SURS says that at a minimum it will start July 1, 2015. They think it's likely to be later than that. We'll provide an optional DC rollover probably for Tier 1 participants beginning July 1, 2015, rules yet to be determined, probably first come, first serve, only five percent allowed. This doesn't have a lot of import to most participants. Currently, a lot of personnel have asked about this, when to use sick leave and go towards service credit. A lot of long-term personnel have hundreds of hours of credit of sick leave that are unused and most of it is no longer payable either so that can be converted to service credit. You can sometimes add up to a year of additional service credit. Same thing with vacation. Vacation, many personnel have vacation that are eligible for payout upon retirement and that actually goes on that income base, so that's a big deal if you've accrued vacation. And so, for current personnel, that will be no effect. It's only new hires after June 1, 2014 that will no longer be eligible to apply those benefits to the pension calculation. However, we go back to pensionable income as of June 1 that vacation is not going to be in, if you retire after that, is not going in your calculation. So we think there will probably be a loss of that – eligibility of that payment after June 1 but we're still finding out about the rule making process.

Now one relatively positive aspect of this legislation is the funding plan. It does reamortize the funding plan and saves the state a lot of money. Our discussion about that was re-amortize it, actuaries, people who have careers, actuary careers, will tell you there's no magic about 100 percent funding ratio as target. Ninety percent is great; 85 percent is fine, having a target and having a funded plan that's pretty locked down to get you there. But they continue to go toward the 100 percent goal and took the current debt, amortized it over 30 more years and now we are going out to fiscal 2045, but the important aspect here is that there are pretty good guarantees in the bill for disappearing fund. It makes pension funding prevalent to bond payments [inaudible] sequencing of payments from the state. So that's a good aspect in terms of [inaudible].

Just a couple more slides. Again, as we discussed, the cost of living amendments combined with the limitations in pensionable income we think really have an effect on our committed status in the higher education sector especially for many of our mid-career, long-term personnel. And, as we reported previously, we've had a great amount of turnover at this university, and the other universities in Illinois, over the last three or four years. We're approaching 40 percent over four years. It really is hard on faculty and career development and maintenance of our infrastructure.

Again, new hires, vacation, sick time, go over applied pension benefits it also has an effect on the Tier 2 and that compares in the market as well. In terms of the financing, it will reduce the SURS portion of the state contribution by about $200 million. The SURS is about $1.2 million and that's what was expected so it's [inaudible] and system wide it will save about $1.4 billion across all pension systems. That's beginning into the next funding cycle especially with the expiration of the tax increase. That's worth more like $5 billion, and even with this depth of reform, it's going to be about $1.4 million in savings. The SURS again, the 30-year savings are around $29 billion and again there's a savings, 4.225 for fiscal '15 and we're in the budget process for that right now. Substantial savings to the state, but again, in terms of scale, we hear a lot about pension reform and it's not real comparable to what the tax increases were.

I think that's close to being it. We have some challenges that have already been filed. These are listed here at the top and it relates to the Teachers Retirement Systems. The middle one, the CRS, the bottom one is on behalf of all of the systems. There are several clauses and the reform bill will generally have the effect of being that if a court determines that the cost of living provision, for example, is unconstitutional for the CRS, that hearing will also apply to the other funding for retirement systems as well. We're expecting class action challenges coming from the We Are One labor coalition soon. They are working on it as well as the State Universities Annuitants Association. Very important and I don't know SUAA is really well situated to litigate this on behalf of participants so we want to watch that carefully and we'll continue providing evidence.

That's it in a nutshell. Sorry to be the bearer of bad news. There's not much good news in here.

G. Slotsve: Just one quick question, Steve. I know with some of the plans that are to be considered over the last couple of years, there was some concern that the normal costs and possibly some other costs could get chipped into the university. Is any of that happening under this reform? Is the university in [inaudible]?

S. Cunningham: Good question and, no, the normal cost shift is not part of this bill. I would say that it's still out there. Leadership still continues to have interest in that especially on the house side and so we're watching that carefully especially with the reduction in benefits. The less competitive universities are probably going be in position following the court challenges anyway to have a need of supplementing base retirement benefits anyway. So that is a cost shift of a different type. That particular aspect was not intimated.

J. Novak: Are these decisions and changes something larger than Illinois? Is it typical only to Illinois? Because I'm noting about people who are reviewing the workforce and I see the new plan, it doesn't look very enticing or equitable. I'm wondering the impact it would have on incoming people into the state.

S. Cunningham: We think it will have a substantial impact. We have looked at comparative studies for example and in most other states there – it's a large distribution now because over the last decade or so many states have converted to pure defined contributions, self-managed type plans for new employees, grandfathered in current employees, and not changed the grandfathered plan anywhere near the scope this one was changed by this legislation. Before this was enacted even, we were looking at Big Ten studies and comparing all the employers' contributions and pensions we run, Illinois was on the low side. We were about at the bottom of the Big Ten because we and other institutions had Social Security and then they'll have supplemental pension plans on top of it and in Illinois this is a replacement for Social Security which puts us just even to start out with at somewhat of a competitive disadvantage. It's made worse by the Social

Security federal offset if one of us retires and also has social security. All that put together, yes, it has a big effect, we think, on our competitive status.

E. Arriola: About the lawsuits, I'm assuming that they're filing for preliminary injunction. Do you have any dates on the hearings and have they been filed in federal court?

S. Cunningham: I don't know of any filed in federal court and…

E. Arriola: Because there's a combination of civil and federal claims and I'm assuming that they could file in federal court but, because there are the separate federal constitutional claims, and I am wondering about the timing since they would be seeking preliminary injunction presumably to have [inaudible]

S. Cunningham: Put a stay on it. I think probably that is part of all of them, but I don't have that information. We're going to put together kind of a group of university attorneys to begin helping us follow these and I'm pretty good at the legislative side, and I'll tell you what, when it gets to the judicial side, that's where we're going to watch it carefully. The retirement systems are thinking about requesting a stay themselves because of some of the issues we talked about. There's not sufficient language in the statute to adequately interpret a lot of these provisions. That's an issue for the retirement systems and the benefit…

E. Arriola: And it would also raise some other complications if the stay were granted as to the timeliness to whether or not whatever SURS is doing to implement or in other words what happens with the timing of the stay? But I have a separate question also. There is a current retiree benefit with respect to health insurance, the premiums, and I was just wondering, I guess it's sort of related to an earlier question, whether or not that is in the picture at all as part of the cost saving measures.

S. Cunningham: It is not with respect to this statute. That was implemented last year. It became effective more recently as a fiscal forte and the court, the Illinois Court, did find that it was not barred by constitutional issues. So that was allowed to proceed and those cost savings are not incorporated into this. They are small compared to this. They're in the hundreds of millions, $300 or $400 million per year. But, there again, that was the health insurance provision that a university employee would get a five percent credit toward their health insurance cost per year of service, so theoretically the 20-year employee plus would get free fully paid lifetime health insurance. That was amended and done away with to allow Central Management Services to bill retirees basically as they thought it was necessary to do which resulted in a one percent [inaudible] applied for those who were coordinating Medicare and two for those who were not. And that's still being sort of worked out but that was a bill that was enforced in my understanding. Again it wasn't hardwired in the constitution like the pension issue so it's a little different type of issue.

A. Rosenbaum: Toni.

T. Tollerud: Steve, I am wondering if you have a sense of when the information will come down as to the legality of this for those of us who are on the fencepost on retirement – if it's supposed to start in June of 2014 or July of 2014, any sense of when we'll know if this is going to a problem or not?

S. Cunningham: We think that all these cases will be expedited for that reason. We don't have a date, that I know of anyway, jury dates and so on established yet. That's something that we'll check on, but we do think it will be expedited because of the nearness of the effective date and the deep effects this would have on people in making that decision.

A. Rosenbaum: Steve, if this were to go into effect as it's written now, would there be an advantage for people to retire before a certain date and, if so, what would that date be?

S. Cunningham: Well, that's a tough question. You know, disclaimers, I can't provide a time. The SURS is the agency that is charged with answering those questions for personnel so we're very careful about it. And we're waiting. This is the problem. On some very key issues, we're waiting for SURS' interpretations. We had a conference call last week with SURS. I'm on a committee that's working with them about this and, gosh, they're a long way from getting that. We had this discussion about whether it would be – we would encourage the retirement to seek a stay until this rule making process is completed. We can't be completed at least well in advance of June 1 because that's the date that some of these things can become effective. And when you look at things like the impact of the vacation payout, whether that would apply to this high four-year earnings or not. Most employees when they retire they're in their four high years into their career, not all employees, so it varies case by case and we talked about the affordable plan. So someone might be considering affordability. It's a very important issue that would affect this would actually have on the calculation of how much account would be eligible [inaudible]. I don't have a good answer for that.

A. Rosenbaum: Okay. I'm going to assume that when that becomes clear we'll have a mechanism for making sure that people are aware of that?

S. Cunningham: We will. Now we have scheduled – and thank you, Alan, that reminds me to put out announcements about this – SURS is going to be coming to our campus on April 24 for a pension reform presentation where they're going to answer a lot of these questions. That gives us some sense of timing. By early April, mid-April, it looks like SURS is planning on having most of these questions answered because that's when they're scheduling regional campus forums. One of them will be here. It will be in the Sandburg the morning of the 24th. We're still working on whether there'll be more presentations or opportunities for counseling. We're still working on all that. We do have them scheduled here for April 24 so that's probably an important date to keep in mind. We will be sending out campus wide announcements about this.

A. Rosenbaum: Okay, we'll keep you posted on that as well. Yes, Milivoje?

M. Kostic: I'm not sure that I understood your question. If I [inaudible] benefits at any time are they punishable if I stay on one more year? [inaudible] Is this what you meant that I retire on June 1 and then, if I don't, I can have a lower pension than otherwise?

A. Rosenbaum: Not exactly but, yes, in part.

M. Kostic: You said that with respect for what?

A. Rosenbaum: Right, but there is a second question that I think that you're asking which is: Will this for everybody that's already in place a two-tiered system. In other words, whatever you've earned so far is protected in some way and then whatever changes there are apply to everything going forward, right?

M. Kostic: I assume what I [inaudible] and then I might be on the new system at a lower rate but not being punished in a sense that if I stay longer to work my pension would be lower than before. I am I right?

A. Rosenbaum: Right, that's the essence of the question.

M. Kostic: Will we be punished by staying to work longer?

A. Rosenbaum: Right if you don't retire before the date that this goes into effect. That is the question.

M. Kostic: Did we get any answer?

A. Rosenbaum: Well, he's saying that we're not really sure at this point because there is some undetermined language that has to be clarified.

S. Cunningham: Generally, the public act does have the effect, for example, of money purchase formula and so on of preserving benefits earned as of the effective date. There are marginal issues that are at play: vacation payouts. What is this effective rate of interest going to mean for employees who want to liquidate or have affordable option with COLA skip? A retirement after June 1 will have a COLA skip no matter what your age is. Now it's $900 if you're over age 50. Should you adjust your retirement plans, working another year and you're going to make more to make up for that probably so the differences are somewhat marginal. But they're not non-existent [inaudible].

A. Rosenbaum: Yes.

Unidentified: I think that was the question I was hearing. I happen to be following the SURS about exempt in TRS and SURS that makes a difference should I kick out TRS now or because that money purchase plan. But the question that was more interesting, I asked TRS and I thought I asked SURS and I guess maybe I should ask [inaudible] but the question of the high end money, if you're over that 110, 108, 110, if they use the four years then or if they say, well since your base amount and the amount that you have started working at can [inaudible] and what you're saying is they can decide that your high is 108 or am I reading that incorrect? Because that's what SURS would say, no you would have your four years but maybe they didn't what you were asking.

S. Cunningham: We think that the interpretation would be that whatever the high four years has been established prior to June 1 will still be locked in for those who were making more than that Social Security limit. But the public action that says in effect as of June 1 so we have to get an interpretation on that and it's encouraging that SURS is telling people to call and know if you've got hired somewhere else that that will prevail. That's very encouraging and that's what we're asking them to do.

Unidentified: Well, I know it was TRS because I was talking to both of them.

S. Cunningham: It's good to hear. That's positive.

A. Rosenbaum: Okay, any other questions? Okay I'm sure we haven't heard the last of this. Steve, I want to thank you for coming and also for everything that you've done or tried to do for university employees with regard to the pensions. So thank you very much for that.

S. Cunningham: Thank you.

A. Rosenbaum: Okay there are two small items, one I can mention while Steve's here as well is that you know there are faculty service awards and there are also service awards for SPS and Operating Staff Council. And the Operating Staff Council awards and SPS awards start at what five years?

S. Cunningham: They get a certificate at five years but the actual service award is ten.

A. Rosenbaum: But faculty awards begin at 25 years and, the way things are going, we might not have any faculty members that stay around for 25 years. I think starting this year, we're going to be giving faculty service awards beginning at ten years, right? Do you want to just mention that briefly, what that involves?

S. Cunningham: Yeah, we, in fact, earlier today at a meeting with Alan and Andy Small, Deborah Haliczer, to talk about some new initiatives we're working on in coordination with President Baker and the services award programs and it's kind of silly to wait until 25 years, that any kind of service award for again this is years of service, it's not merit-based or anything, it's just years of service for our faculty and SPS. So the idea would be to move to start at ten years like we do with the operating staff and then so we'll have a larger section of our faculty and SPS workforces eligible for recognition at our annual event which is coming up I think on the 28^{th} of April and we'll probably move back to a more standardized award program that's more NIU oriented. There's a plaque, a barometer, a blanket, a rocking chair, things like that instead of this award choice plan which has turned out to be very expensive and people are getting blenders and coolers and it's great but I think with some consensus we'll go back to more or less a standard NIU-oriented token of appreciation for service.

A. Rosenbaum: All right, so I'm assuming we're going to catch up with everybody that's been here more than ten or more than fifteen years?

S. Cunningham: Well, I don't know about that.

A. Rosenbaum: The unspoken part. Anyway, we appreciate that and so faculty service awards starting this year beginning at ten years of service so that's a welcome change and I forgot what the other thing was.

S. Cunningham: Well a more standardized type award program. We're going to keep it during the noon hour.

A. Rosenbaum: Oh yeah, there will be a little party. Since faculty show up – about 8.9 percent of faculty show up for anything – so we'll have about 80 faculty there to receive their awards.

S. Cunningham: That's if we go to ten years.

A. Rosenbaum: Thank you.

S. Cunningham: Thank you.

VI. CONSENT AGENDA

VII. REPORTS FROM ADVISORY COMMITTEES

A. FAC to IBHE – Sonya Armstrong – reports:
December 13, 2013 – Pages 5-6
January 17, 2014 – walk-in

IBHE Faculty Fellows Program information

A. Rosenbaum: Okay, we are getting late so we're going to eliminate as much as possible. We have reports from our advisory committees. Sonya Armstrong sent us a written report only. She is on a sabbatical this semester so we'll only be getting written reports from Sonya. She especially wanted me to call your attention to the fact that the IBHE has a Faculty Fellows program which is a year. Your salary is paid by the university not by the IBHE, but if anyone has interest in understanding more about how the IBHE works, you can apply for this Faculty Fellows program and there is a link in the agenda packet, the electronic agenda packet, that was mailed out. And so if you have interest in the Faculty Fellows program, Sonya speaks very highly of it, if you have interest, it would probably be worth your while to contact Sonya, I would guess by e-mail, and she can tell you how to get in touch with her and then she can give you information about that.

B. Student Association – report

A. Rosenbaum: Moving along, the Student Association report, hopefully brief. We have Dillon Domke with us. Dillon is the Speaker of the Student Senate, so Dillon let's have your report.

D. Domke: Just a couple of things that will be brief. I just want to let everyone know that this Saturday, the 25th, Rebecca Clark who is the Director of Academic and Governmental Affairs for the Student Association, will be hosting the Illinois Board of Higher Education Student Advisory Council Conference this weekend. There's a big amount of student leaders that are going to be going out to that event to learn more about the IBHE and the things they do.

We also are currently looking at possibly changing election procedures for the senate side of the Student Association. Other than that, that's the only reports that I have to give today. Thank you.

A. Rosenbaum: Any questions for Dillon?

C. University Benefits Committee – Deborah Haliczer, Chair;
Therese Arado, FS-Committee on the Economic Status of the Profession Liaison
– no report

A. Rosenbaum: Next we do not have a University Benefits report

D. Computing Facilities Advisory Committee – George Slotsve – no report

A. Rosenbaum: George, anything on CFAC? He's not here.

E. BOT Academic Affairs, Student Affairs and Personnel Committee –
Dan Gebo and Andy Small – no report

F BOT Finance, Facilities, and Operations Committee – Alan Rosenbaum – no report

G. BOT Legislation and External Affairs Committee –
Deborah Haliczer and Rosita Lopez – no report

H. BOT Compliance, Audit, Risk Management and Legal Affairs Committee –
Deborah Haliczer and Alan Rosenbaum – no report

I. BOT Ad Hoc Committee on Sponsored Research Activity and Technology Transfer –
Greg Waas – no report

J. BOT – Alan Rosenbaum – report – Page 7

A. Rosenbaum: You have my report on the BOT meeting. I'm not going to read it to you so, if you have any questions about that, I'll take questions on the BOT report which was a December 5 meeting. Okay, you can read it at your leisure. If you come up with a question after you've read it, give me a call. I'll be happy to talk to you about it.

VIII. REPORTS FROM STANDING COMMITTEES

A. Faculty Rights and Responsibilities – no report

A. Rosenbaum: Next are reports from committees. First, we have no report for Faculty Rights and Responsibilities but I would like to tell you that Brad Cripe who was the chair of that committee has moved up to the University Council as an alternate to replace somebody who has left the University Council. We want to thank Richard Siegesmund for agreeing to step in as chair of Faculty Rights and Responsibilities, so thank you to Richard.

B. Academic Affairs – Sarah McHone-Chase, Chair – report

1. Revisions to "Repeating a Course" policy in the NIU Academic Regulations – Pages 8-9

A. Rosenbaum: Academic Affairs next, Sarah McHone-Chase.

S. McHone-Chase: So the wording of this change is actually quite minor. If you look at pages 8 and 9, you'll see that we changed from "a D or F" to "lower than a C" and, because we do not have a C- right now, this is an unsubstantial change at the moment.

A. Rosenbaum: Right now the change is nothing?

S. McHone-Chase: The change is nothing. It allows for a possible addition of a C- at a later time, but for now it means the same thing as a metaphor, so the language has changed but the meaning is the same.

A. Rosenbaum: So this is the Course Repeat Policy and what happened was, when we proposed the plus/minus grading system, it did not have a – it had a C- and an A+, the Faculty Senate version that was sent up. The Undergraduate Coordinating Council APASC modified that. They eliminated the A+, they eliminated the C-. The reason they eliminated the C- is because there are a number of programs, including the education programs, where if you have less than a C- in certain courses, you cannot be certified as a teacher and so, if you have less than a C, excuse me, you cannot be certified as a teacher. So it was a concern that, if someone got a C-, they would not be able to be certified as a teacher. Of course, their concern wasn't that that rule was stated that people with less than a C should become teachers. So we decided we wouldn't have a C- to get around that.

Nevertheless, one of the ways to correct that is to allow students to repeat courses in which they get anything lower than a C. If we have that rule in place, we can then argue for the inclusion of a C- and consequently we could also throw in the A+ because I think that's something the students have been concerned about as well. So there was an article, I think some of you might have seen, in the Northern Star. Students were in the opinion that the lack of an A+ was unfair to our strongest students. If we approve this, it would take away the argument against the C-. It doesn't do anything for the A+, of course. And we would then at some future time be able to increase the grading system by adding the C-, at least, if not the A+ as well. Essentially, right now, nothing is changed by this because there isn't a C-. Whether you say you can only repeat a course in which you get a D or an F or you can only repeat a course in which you get less than a C, no change. So that's the nature of this wording change and would you like to make it as a motion?

S. McHone-Chase: I would.

A. Rosenbaum: So our committee on Academic Affairs is moving this change in the grading system. Keep in mind, at this time, Faculty Senate doesn't have policy-making power, so this would then be sent with our vote the Undergraduate Coordinating Council which would then have the power to either make that policy or not. So we have a motion, I need a second.

D. Domke: Second.

A.Rosenbaum: Second, okay and we can have discussion. Any discussion on this question? Would anyone like to say something about it? No? Okay so clickers, voting members only. One, you are voting yes. That will change the wording to allow students to repeat anything in which they get lower than a C. If you vote 2, that would be a no vote. Three would be an abstention. So 1 will approve the wording change; 2 will disapprove the wording change; 3 is an abstention. Are we ready to go, Pat? One is yes vote, 2 is not vote, 3 is an abstention. Press it once if you want to change it you can still change it until we close the voting. Okay giving you another moment. Anyone need more time? Okay closing the voting. Pat, what's the vote?

YES – 28
NO – 3
ABSTAIN – 1

A.Rosenbaum: So we passed this by 28 to 3. So we will pass that along to the Undergraduate Coordinating Council for their approval. Very good. Thank you to the committee for working this through.

C. Economic Status of the Profession – George Slotsve, Chair – no report

D. Rules and Governance – Robert Schneider, Chair – no report

E. Resources, Space and Budgets – Jim Wilson, Liaison/Spokesperson – report – Pages 10-12

A. Rosenbaum: Okay, what's next? Resources, Space and Budgets, Jim.

J. Wilson: You will find in the agenda a three-page list of all things we've been discussing. We've met twice since the end of last semester and also with president. And we've been talking also with our Interim CFO, Nancy Suttenfeld, about the development of the Policies and Guiding Principles for Annual Budget Development and Multi-Year Financial Planning. At that time, it was currently in draft form and it should be pretty much finished now and ready to be implemented.

The report that we have here, I'm not going to talk in detail, but it's basically divided into two parts. The first part is going over the goals, objectives of the budget document. And the second part is a number of questions and clarifications that we had with regards to the new policy and principles. We didn't have too much argument with the substance. Again, we were seeking clarification on various points. Along with this, we are starting to develop, we are developing currently an agenda for our next meeting with the president which is next week, and along with that in parallel with that we are starting to develop over the next month our next statement of budget priorities which will kind of mirror the kinds of things that we've been talking about this year with the new budget and so forth so I'll leave it at that.

A. Rosenbaum: Any questions for Jim? Okay I just want to add a couple of things to that. Number one, it appears from everything that I've seen and been told, that we have an unprecedented level of transparency on the financial side of the university. So more information is available to us now than has ever been available to us. And Nancy Stuttenfeld, who is sort of the person who is the interim CFO and who has been drafting these guiding principles, is making an effort to present this to different groups and to collect input. And the senate may be one of those groups. So this is not done. This is not a revised version. She's already spoken to the Council of Deans and a number of other groups. She will be coming to the University Council next Wednesday and she will, I think, be presenting at the senate although we have not gotten that confirmed. So she is very interested in getting feedback, getting input and also in making sure that she understands concerns that the faculty have and in communicating with us. So this is an amazing encouraging turn of events that has come along with the new administration. Is that consistent with your sense of it, Jim?

J. Wilson: Yeah, I don't think I could have said it better myself.

A. Rosenbaum: And this is really a great thing for us I think, that it's a new world out there. And everybody that interacts sort of has, it's kind of interesting, this reaction when they tell us some information it's like really? Like we're all dumbfounded. It's like yeah you want to know that? Sure.

J. Wilson: Part of that, there's one item in there about the database warehousing that will sort of move in that direction toward transparency and also getting the ability for us all to maybe take a look at the data. She's very much – we spoke with her teleconferencing last week and instead of mind numbing tables and data and information, she's very much trying to approach this from – she's more an economist I guess basically than a more graphical and visualization type of approach so that everybody can get a pretty good grasp of what is going on with the budget.

A. Rosenbaum: Great, excellent. Any other questions? Yes, Rosemary?

R. Feurer: Does that include like salaries [inaudible].

J. Wilson: [inaudible].

A. Rosenbaum: And, in fact, every time I talk with the president about needing certain data or wanting certain data, his response is always, well, of course, you can have that. You couldn't get that in the past? It's really, it goes right to the president who's trying to set this model of transparency and putting all his cards on the table. And its dramatic for those of us who are used to the previous administration, it's a dramatic change.

G. Slotsve: Just wanted to say this also goes to the new CIO potentially because of the big data initiatives and that and consolidating the data across campus and what needs to be done there and that will help with some of this.

A. Rosenbaum: Right, the data warehousing notion is one of the big items that comes up in our discussion with the CIO candidates. They are all on board with that. They're all aware of the issues. And another thing that I'll just point out here, every time we do one of these high level searches, it always amazes me how little difference there is between some of the things that we have going on here and what's going on at other universities. So the idea that there are silos and one computer doesn't talk to another, we thought that was a pure NIU phenomenon. But, in fact, half the candidates we talked to talked about having those similar kinds of problems at their universities and the big talk now is all about data warehousing, big data, ERPs , this is the language that they're using and all the universities are now moving in this direction. They're all implementing these ERPs which apparently are ways of coordinating what's going on in student accounts, what's going on in the registrar's office, sort of having one system in which you could access all that data. And, interestingly, while we're on the topic it also creates tremendous security problems. And so one of the things that was pointed out to us in this search was that we hear about Target and Neiman Marcus and how their databases are compromised when, in fact, the university has the most sensitive data. We have all of the data that those places have. We have charge account numbers, we have birthdays, we have Social Security numbers, we have names, we have all this information and yet we have a fraction of the resources devoted to security than at places like Target and Neiman Marcus. And yet with all of their security they've been compromised. So this notion of data warehousing also brings along with it this question of data security and how do we protect this data. And, again, it's just one more thing that many universities had a chief information security officer. We don't have that, but many universities now are seeing the need for someone like that to sort of make sure that the data is secured and I'm not just talking about research data, although it does involve research data as well. And as we're moving towards cloud storage, there are questions about security of individual faculty research data and things like that. There are all of these major issues that the CIO has to deal with so it's a very important position.

F. Elections and Legislative Oversight – Stephen Tonks, Chair

1. Selection of a committee for the evaluation of the Executive Secretary of University Council and President of Faculty Senate – see Faculty Senate Bylaws, Article 7 and NIU Bylaws, Article 13.6.3.10 – Pages 13-14

A. Rosenbaum: Okay we've been here a long time. I appreciate you all staying. Are there any issues that anyone would like to bring up before we adjourn? Oh yes, oh my goodness. How could I have forgotten that? Elections and Legislative Oversight, Stephen.

S. Tonks: Okay, it's my privilege to run a lottery to select members of two committees that will do their work this semester. The first one is the committee for the evaluation of the Executive Secretary of the University Council and President of the Faculty Senate, Alan. And we can see on page 14. So we've got a bunch of envelopes. We're going to choose names. I'll read the names out. You don't have to be present to win so that raises your chances that you won't be selected. First off we have two people from University Council and then one alternate. Our first lucky winner is Robin Moremen from Department of Sociology. The next lucky winner Melissa Lenczweski from the Department of Geology. And now an alternate from the University Council is Charlotte Rollman from the School of Art. And next we have two members from Faculty Senate who are not on University Council who are not elected members of University Council. First we have Timothy Ryan from the Department of English. Next we have, cross your fingers, Rebecca Hunt from ETRA and then our alternate is Leonard Clapp from the Department of Philosophy. And now we have one student member from the University Council, Mike Theodore, from the Student Association and one alternate and that is Jacob Ferguson, SAC rep to the University Council.

2. Selection of a committee for the evaluation of the Faculty and SPS Personnel Advisor – see Faculty Senate Bylaws, Article 7 and NIU Bylaws, Article 13.6.3.10 – Pages 13-14

S. Tonks: Finally, three people from the Faculty Senate to make up the evaluation committee for the Faculty and SPS Personnel Advisor, that's Toni Tollerud. First we have Hamid Bateni from the School of Allied Health and Communicative Disorders. Rosemary Feurer from the Department of History and Mark Rosenbaum from the Department of Marketing. And there's one alternate. Ibrahim Abdel-Motaleb from Electrical Engineering is our alternate. Thank you for your attention.

A. Rosenbaum: Okay and members of those committees, I will meet with you to explain the duties at some convenient time. So Pat will get in touch with you and we'll meet and we'll talk about the process.

IX. UNFINISHED BUSINESS

X. NEW BUSINESS

XI. COMMENTS AND QUESTIONS FROM THE FLOOR

XII. INFORMATION ITEMS

A. Minutes, Academic Planning Council
B. Minutes, Admissions Policies and Academic Standards Committee
C. Minutes, Athletic Board
D. Minutes, Campus Security and Environmental Quality Committee
E Minutes, Committee on Advanced Professional Certification in Education
F. Minutes, Committee on the Improvement of Undergraduate Education
G. Minutes, Committee on Initial Teacher Certification
H. Minutes, Committee on the Undergraduate Academic Experience
I. Minutes, Committee on the Undergraduate Curriculum
J. Minutes, General Education Committee
K. Minutes, Honors Committee
L. Minutes, Operating Staff Council

M. Minutes, Supportive Professional Staff Council
N. Minutes, Undergraduate Coordinating Council
O Minutes, University Assessment Panel
P. Minutes, University Benefits Committee

XIII. ADJOURNMENT

A. Rosenbaum: Oh, people are adjourning already. Motion to adjourn? Second? All in favor?

MEMBERS: Aye.

Meeting adjourned at 4:45 p.m.