AGENDA

NIU Board of Trustees
LEGISLATIVE AFFAIRS, RESEARCH AND INNOVATION
9:00 a.m. - Thursday - February 16, 2017
Board of Trustees Room
315 Altgeld Hall

1. Call to Order and Roll Call
2. Verification of Appropriate Notification of Public Meeting
3. Meeting Agenda Approval ................................................................. Action.........i
4. Review and Approval of November 17, 2016 minutes ............................................. Action........1
5. Chair’s Comments/Announcements
6. Public Comment*
7. University Report
   a. State Legislative Update ................................................................. Information........8
   b. Federal Relations Update ................................................................. Information........12
   c. Sponsored Programs Administration .................................................. Information........15
   d. Research and Innovation Initiatives .................................................. Information........18
8. Other Matters
9. Next Meeting Date
10. Adjournment

*Individuals wishing to make an appearance before the Board should consult the Bylaws of the Board of Trustees of Northern Illinois University, Article II, Section 4 – Appearances before the Board. Appearance request forms will be available in the Board Room the day of the meeting. For more information contact Kathleen Carey, (kjahns@niu.edu) Recording Secretary to the Board of Trustees, Altgeld Hall 300, DeKalb, IL 60115, 815-756-1273.

Anyone needing special accommodations to participate in the NIU Board of Trustees meetings should contact Ellen Andersen, Director of Special Events, at (815)753-1999, as soon as possible.
CALL TO ORDER AND ROLL CALL

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

VERIFICATION OF QUORUM AND APPROPRIATE NOTICE OF PUBLIC MEETING

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

MEETING AGENDA APPROVAL

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

REVIEW AND APPROVAL OF MINUTES

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

CHAIR’S COMMENTS/ANNOUNCEMENTS

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

PUBLIC COMMENT

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

UNIVERSITY REPORTS

Agenda Item 7.a. State Legislative Report

Mike Mann presented the state legislative report. I’ve been in Springfield Monday, Tuesday, and Wednesday and I really am glad to be here. I wanted to give my thanks to the students and members of the student senate who worked hard putting together a budget rally and a MAP rally here on November 3rd on the MLK Commons. Several legislators were in attendance and students from other institutions. On Tuesday I ran into a group of our students that made the trek to Springfield to meet with their local legislators to advocate for MAP and advocate for higher education. We’ve got a great group of students who are really putting a lot of time of effort into the advocacy for us. I would like to touch briefly, and
you’ve got a small chart in the handout in front of you, it talks about some of the changes in the makeup of the General Assembly due to the elections held last Tuesday. The Democratic Party lost two seats in the Senate. As you can see in the chart, the current 99th General Assembly has 39 democrats and 20 republicans. In the 100th General Assembly that will be seated on January 11th, there will be 37 democrats and 22 republicans. Senate President Cullerton will still have a super majority because 60% or 36 is required in the Senate. In the House however, Speaker Madigan lost four members. He actually lost five and then picked up another seat, but it was a net loss of four members. So his numbers have gone down from 71 to 67, which is below the level needed for an active super majority. So a little bit of change at the state level. As you mentioned, on November 10th the U of I Board of Trustees endorsed a legislative proposal that proposes a contract or a compact with the state of Illinois that would provide the flagship university – and I want to emphasize that this is not a plan for all public universities – just for the U of I which states that the university would receive five years of state funding adjusted for inflation each year. The compact also states that the university would be exempt from procurement statutes. There would be other regulatory relief regarding property control and a few other items. In return, the university has pledged to maintain their tuition at reasonable levels, increasing only at the rate of inflation. They have pledged to maintain the retention rates and the graduation rates of their students. They have also pledged that at least 50% of the new incoming students would be Illinois residents. I believe it highlights the key responsibilities that they’re willing to take responsibility for in return for five years of predictable consistent funding. There was some bipartisan sponsorship for this legislation, there is a lot of talk in the Capitol, there’s a hesitancy on the part of other universities and a cautionary note offered by legislative staff on a couple of items. One, the thought of putting metrics into statute is an issue that makes many institutions uncomfortable. Five years ago when performance funding legislation was crafted, they were very careful to keep the categories broad and the goals were very generally stated which allowed the IBHE some flexibility when they were implementing their performance funding budget recommendations. I think the greater concern however I think is very widespread is a five year funding commitment is pretty much unheard of. For the General Assembly to approve some sort of continuing appropriation for operations, it is not very likely. The thought of tying the hands of future general assemblies would be a very tough sell with the rank and file legislature as well as the administration from what we’re hearing. We are keeping a close eye on this. This week in Springfield there were so many other issues happening that this topic did not come up. We expect that U of I will try to move this in the spring and President Baker and I will continue to work with the president’s group and keep a close eye on this.

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

Dr. Baker said one of the reasons the state board is opposed to this is that the baccalaureate program for RN to BSN’s is largely online at most of the universities in the state and there is capacity in those programs, so to change the missions of the community colleges to become four year when there's
capacity in the existing system it seems silly. I think that's why the state board is going to vigorously oppose this.

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

Agenda Item 7.b. Federal Relations Report

Anna Quider, Director of Federal Relations called in from Washington, D.C. On November 8th all members of the U.S. House of Representatives, one-third of the U.S. Senate including one Illinois seat, and the U.S. presidency were up for election. The Republican Party swept the White House as well as both chambers of Congress, although the margin for the Republican Party shrunk in both chambers. Donald Trump is our president-elect and will be sworn in on January 20th. In terms of the Illinois Congressional delegation, NIU’s own alumna Congresswoman Tammy Duckworth is now our senator-elect, replacing Senator Mark Kirk. Mr. Raja Krishnamoorthi will replace Congresswoman Duckworth in the Illinois 8th district. Also, Mr. Brad Schneider will be replacing incumbent Bob Dold in the Illinois 10th. Where that leaves us is in Illinois, we will have two democratic Senators, eleven House democrats, and seven House republicans. Every day we are learning a bit more about the leadership positions in the administration as well as the new Congress. It is difficult to comment on the impact on specific federal agencies at this point because we are awaiting notice of who their leadership will be with the cabinet positions that are going to be appointed and other senior administrative roles. However, and a piece of good news for NIU’s priorities, the director of the National Science Foundation is on a six term appointment so she’s expected to remain in place during the Trump administration. Throughout all of this change, we have the federal system of check and balances in place and that’s an important chapter despite the fact that we have one party control of Congress and the White House. The Speaker of the House and the Senate Majority Leader have both already indicated that they’re interested in pushing a more traditionally conservative legislative agenda than President Trump ran on. However, if the Trump administration and the majority leadership in Congress are able to work together, we could see some relief from legislative gridlock. This past Congress has been one of the least legislatively productive in history so that could work in NIU’s favor. However, the Senate minority as well as the conservative House caucus are both expected to continue to delay the legislative process as they see fit which they have done during the current congressional session. Getting to the impacts on NIU, it really depends on how these policies and the legislative agenda shape up for Congress and the Trump administration. One interesting area that could be great for NIU is infrastructure spending. The Trump administration ran on a platform of spending up to a trillion dollars on infrastructure. And we’re having conversations among myself and my colleagues about how we can insure higher education and science benefit from a robust spending on infrastructure. But that level of infrastructure spending is not in line with the more traditional conservative principles of the House and the Senate leadership so it remains to be continued. Other issues that we could work together on are educating the 21st Century Workforce, economic development spurred by innovation and research, and focusing on our role in creating jobs through the advanced manufacturing enterprise we have at NIU. Regarding the federal funding landscape, NIU priorities in higher education and research are unlikely at this point to be top priorities for the Trump administration and the next Congress. Therefore I anticipate that the traditional lines that we’ve relied on for our funding sources will receive similar or less funding than in recent years. As a result, we have to be more creative in thinking about how we can align NIU to benefit from the changing investment areas in federal government. In the immediate term, Congress needs to act by December 9th to maintain fiscal year 2017
funding. If they don't act, then we'll be facing a federal government shutdown. However, it's looking likely that Congress will delay enacting a full FY2017 budget until March of 2017. And at that point they're looking at maybe even just doing a full year continuing resolution. In fiscal year 2018 looking to this next fiscal year, there's a schedule of 2.3% cuts to discretionary spending which includes the science and the education budgets that NIU relies upon. Depending on how the new administration and the new Congress apply those, it could have an outside impact on NIU priorities. I'll close by saying that I'm seeking opportunities to appropriately position NIU and our federal priorities for success in this new environment. I'm working closely and in coordination with our coalitions whose members include higher education institutions, scientific societies and the private sector. I'm also working in collaboration with our faculty and administration to be creative in how we think about NIU's place in this dynamic environment.

Trustee Strauss asked if there has been any discussion yet as to whether the ban on earmarking is going to be continued in the new Congress or if there potentially will be a modification of that policy. Dr. Quider stated that the ban on earmarks was scheduled to be revisited by the house leadership but Speaker Ryan withdrew a vote on whether or not the house would continue to ban them. He thought that this would not be a great option considering the platform that President Trump ran on. He has promised that they will revisit the issue of earmarks early in the next Congress even promising a vote on them. However from what I’m hearing from my contacts on the hill it looks unlikely that earmarks would return. Trustee Strauss asked to hear the assessment for the availability of Pell grants during FY17 and 18. Dr. Quider responded that the Pell grant program generally brought bipartisan support because it's a program that touches districts across the country. What we're looking at is for FY17 we have been pushing hard in our coalitions and community and DC has been pushing hard to reinstitute year-round Pell and to get a modest increase to the maximum amount for Pell. That is looking like it has a reasonable chance of success. It really depends upon how things shake out with whether we do a full year continuing resolution, in which case we won't be able to add anything new like year round Pell into FY17. The bigger concern with Pell I think is that Congress is really eyeing the Pell surplus. There's like a $7 billion surplus in the Pell account and they're eyeing that to redirect it to other priorities within that appropriations bill, the labor, health and human services and education appropriations bill. One place where Congress is looking to redirect about a billion and a half of the Pell surplus is to the National Institute of Health. The position of the higher education community is that the Pell surplus should remain exclusively for the use of Pell. So we're encouraging Congress to use it to fund more Pell grants or higher maximum through the Pell grant or year round Pell. That's the status of Pell at the moment. Trustees Strauss then asked if the FY17 Pell grant funding in the same status as the continuing resolution that would have an expiration in December or it that authority is contained someplace else. Dr. Quider answered it is likely already stated somewhere else. Trustee Marshall asked for a description of the coalition that will be writing the white papers for the transition team. I wanted to find out what composes a coalition, some of the points of view that we'll be looking at in the future that will be going to Washington, Are they geographical? Is there a regional component? Where do we stand in the mix?

The coalitions NIU has been participating in are primarily in the science and research side of things. This would be the Coalition for National Science Funding, which is a group of 130 higher education and scientific societies that represent faculty and students around the country. That's a white paper that we're working on for the national science specifically to address priorities for the National Science Foundation. The Coalition for National Security Research similarly is a group of higher education and science societies and also industry that focuses on robust funding for the Department of Defense's science and technology enterprise. That particular enterprise represents about 50% of federal funding on research and development. That's another paper that we're contributing to. The Association of Public and Land Grant University is working on their own transition document both on education principles as well as research investment. We're contributing to that. I'm also in conversation with the Illinois University delegation and having us come together as a set of Illinois universities to perhaps not exclusively a white paper per se from the Illinois Universities, but certainly organizing some broad Illinois higher education meetings early in the next Congress, the next administration, to insure that we're delivering the message that's important for Illinois.
Trustee Murer asked if Dr. Quider has heard any names being floated for Secretary of Education. Dr. Quider responded she has heard some names, but would preface this by saying that the President-elect Trump ran on a platform of eliminating the Department of Education. It remains to be seen what that means and how that could look. A name that I’ve heard is a business man named Carl Paladino. We’ve heard Michelle Rhee, who is a Washington D.C. superintendent of education for K-12. We have heard the possibility of somebody from the DeVos family in Michigan; Luke Messer, a Congressman from Indiana; and Bill Evers, who is a K-12 expert. The challenge facing the next Secretary of Education could be great if President Trump does want to follow through with his campaign statements to scale back or even possibly eliminate the Department of Education. That said, many of the programs that we rely upon are legally mandated, so it’s unclear how eliminating the Department of Education would affect the programs within it that the federal government is required to carry out.

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

Agenda Item 7.d. Corporate Sponsorship

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

Before we look at some of the corporate funding metrics I want to provide a quick reminder of NIU’s total sponsored funding portfolio over the last four fiscal years. Of our total sponsored funding portfolio, corporate sponsorship is about 10% of that total per year. You can see that a bulk of the corporate funding is for instructional programs. These are programs like the executive MBA courses and the College of Business Experiential Learning Center. We are receiving around 90 corporate awards per year. This accounts for about 30% of total sponsored awards. At corporate funding levels of around $2.5 million a year, the average corporate grant or award is around $25,000. These grants encompass a few larger engineering research type awards and then a lot of instructional awards. Most of our awards are under $25,000 from our corporate sponsors. This suggests to us that we are serving targeted, specific needs of our industry partners. Much of our corporate funding is right now through the College of Business and again that’s for a lot of the instructional awards and then Engineering and Engineering Technology with more of the research awards. The College of Business we know has had a very long tradition of providing MBA courses to area companies. They’ve noted to us that they have been expanding their reach internationally as well in recent years. Again, about 70% of our corporate funding is associated with the educational courses through the College of Business. A lot of the programs in the College of Business offer opportunities for student engagement; again such as the experiential research center that I mentioned. That pairs student teams with corporate sponsors to work on problems of mutual interest. The College of Engineering also conducts some instructional courses with area corporations, namely certificate courses for things like OSHA training, but it is a much smaller share of the instructional awards. CEET does account most of our industry sponsored research, again much of it with local companies for process engineering and student design type projects. Particularly, through the Engineer and Residents program. That’s a program that has students working on real world applications with area companies and does provide a nice career pathway after graduation. Faculty in the College of Liberal Arts and Sciences are also starting to make inroads into industry funding. Our chemists and students are working with a local corporation here called Flavors of North America to develop a novel flavor delivery system. Apparently that is what this diagram is here. I’m going to trust that. Psychology, those corporate sponsorships are mostly for their student’s clinical training. But our Geology Department is active in working with industry partners, ConocoPhillips and Exxon Mobile for student led research and faculty research. They’re actually in discussions right now about very preliminary discussions about building a research consortia that would bring together academic partners in corporate industry. We recognize that
the activities highlighted here for the College of Education are not centered on traditional industry funding, but Vice President Blazey did want to include it into the report. The College of Education is very well versed in delivering content and training for Illinois Educational systems and they have a very rich relationship with our local school districts and we believe that that could form an excellent platform for some corporate work or an opportunity to engage in corporate support for some local education programs. To wrap up, in summary, corporately sponsored programs currently account for about 10% of the universities total sponsored funding portfolio. Again, that has generally held steady over the last few years. The majority of our corporate funding right now is for instructional type projects. As for next steps, I’m going to take this information and identify and focus on current relationships that have the potential for growth and to develop a more strategic approach to our industry partnerships.

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

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

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

No other matters were discussed.

NEXT MEETING DATE

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

ADJOURNMENT

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

Respectfully submitted,

_____________________
Recording Secretary
Cathy Cradduck

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.
STATE LEGISLATIVE UPDATE

This item provides the Committee/Board with information regarding state budget proposals and legislative issues.

Summary
- **Senate “Grand” Bargain.** During the brief lame duck session of the 99th General Assembly, January 9th and 10th, the Illinois Senate introduced an aggressive plan aimed at addressing a number of significant issues and producing a budget for the remainder of the current fiscal year. The members of the 100th General assembly, sworn in on January 11th, continue to work on this legislative package. The 13 components of the plan are provided below. Each piece of legislation contains language that states that the measure only becomes law if each and every one of the other components passes.

  - **SB 1: Education Reform.** Amends the School Code; makes a technical change in the construction section. More substance is expected here in the coming weeks.
  - **SB 2: Minimum wage.** The minimum wage would increase from $8.25/hour to $9.00/hour on July 1, 2017, then increase by $.50 each year until July 1, 2021, when it becomes $11.00/hour.
  - **SB 3: Local Government Consolidation.** This legislation provides authority and language that addresses local government consolidations, township mergers, referenda and other related topics.
  - **SB 4: Borrowing to pay down debt.** The legislation would allow Illinois to borrow $7 billion, by selling bonds, to pay down the backlog of bills currently estimated to be nearly $11 billion.
  - **SB 5: CPS Pension Pick-up.** This measure would require the state to pick up the cost of Chicago Public Schools teachers’ pensions in the amount of $215.2 million in FY2017, $221.3 million in FY2018, and the calculated “normal cost” in state FY2019 and beyond.
  - **SB 6: FY2017 Budget.** Provides supplemental funding for the second half of FY2017. As seen in Table 1, this bill includes $42.8 million for NIU operations and nearly $365 million for the Monetary Award Program (MAP) for FY2017 awards (fall 2016 and spring 2017 awards).
  - **SB 7: Gambling expansion.** This plan would create a land-based casino in Chicago and add several riverboat casinos. This gaming proposal would also impact internet, electronic & video gaming, slots, horses and track gaming.
SB 8: Procurement. This legislation repeals the 12/31/16 expiration date that would have eliminated certain higher education procurement exemptions. These exemptions include, but are not limited to, purchases related to athletic, artistic, or musical performances and events; sponsored research activities; subscriptions and database licenses; and food used for commercial resale.

SB 9 (SA 2): Omnibus Tax Bill. Initially the sugar-sweetened beverage tax of $.01 per ounce; this bill has been amended to eliminate that proposal and replace it with a more comprehensive tax increase package that would increase the personal income tax rate would increase from 3.75 percent to 4.99 percent, increase corporate taxes from 4.8 percent to 7.0 percent, and implement a 7 percent tax on cable and satellite television. The measure does increase the education expense credit. This legislation also includes a proposed sales tax on various services and an “opportunity” tax placed on employers based on the size of their payroll.

SB 10: Local Government Borrowing. Allows a home rule municipality to enter into an agreement to assign, sell, transfer, or otherwise convey its interest in all or part of any revenues or taxes it receives from the Comptroller, State Treasurer or Department of Revenue.

SB 11: Pension Reform. Offers Tier I employees “consideration” by giving them a choice between the current 3% COLA or the use of future pay raises in in the calculation of pension benefits. Eliminates the General Assembly Retirement System for future lawmakers. (Note, an additional proposal being considered would shift pension cost for employees making more than $180,000 to the employer, university, or school district.)

SB 12: Workers Compensation. This legislation adds a section to the workers compensation act which restricts claims when injuries result from accidents, and address fraudulent and false claims, and penalties for such claims.

SB 13: Property Tax Freeze. This legislation would result in a 2- year property tax freeze; specifically restricting increases to 0% for tax years 2017 and 2018.

Additional Issues:

Term Limits. The administration has urged the General Assembly to consider/adopt term limits as part of any overall budget and legislative package. On January 11th, the Illinois Senate approved new rules placing term limits on the leadership positions of the chamber. The new rule change would limit both the President of the Senate and the Minority Leader of the Senate to five two-year terms.

Calendar:

- **January 11, 2017.** The members of the 100th General Assembly were sworn-in on January 11th. The House now has 67 Democratic members, 4 fewer than the previous General Assembly. The Democratic Party also lost 2 seats in the Illinois state Senate, but still has a super majority with 37. A super majority requires 60% of the members, or 71 in the House and 36 in the Senate.
PREVIOUS, 99TH General Assembly
House: Democrats 71  Republicans 47  Total 118
Senate: Democrats 39  Republicans 20  Total 59

CURRENT, 100TH General Assembly
House: Democrats 67  Republicans 51  Total 118
Senate: Democrats 37  Republicans 22  Total 59

• **February 8, 2017.** Illinois Coalition to Invest in Higher Education, Budget Rally.

• **February 15, 2017.** The Governor unveiled his FY2018 budget proposal on February 15, 2017. Staff will update the Board on the key components of that budget plan at the meeting.
## Illinois Higher Education Budget

**FY 2017 Higher Education Budget Development**

**GRF and EAF Appropriations for Public Universities and MAP**

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<td>48,293.0</td>
<td>42,799.7</td>
<td>91,092.7</td>
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<td>Western Illinois University</td>
<td>51,445.2</td>
<td>14,911.4</td>
<td>31,389.0</td>
<td>8,397.9</td>
<td>11,658.3</td>
<td>51,445.2</td>
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<td>Southern Illinois System</td>
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<td>57,482.2</td>
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<td>11,305.1</td>
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<td>University of Illinois System</td>
<td>647,186.4</td>
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<td>350,599.0</td>
<td>296,587.4</td>
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<td><strong>Total</strong></td>
<td>1,201,776.6</td>
<td>350,059.1</td>
<td>645,859.0</td>
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<td>538,918.1</td>
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<th><strong>ISAC/Monetary Award Program</strong></th>
<th>364,856.3</th>
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<th>-</th>
<th>364,856.3</th>
<th>NA</th>
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* SB 2047 passed by the General Assembly and signed by the Governor on June 30, 2016.

** $20 million emergency budget for essential operations allocated by IBHE on 11/23/16. Not shown is a $3.0 million allocation to community colleges.
FEDERAL RELATIONS UPDATE

The Office of Federal Relations (OFR) is staffed by Dr. Anna Quider who is based full-time in Washington, D.C. with regular visits to NIU. Federal Relations serves as the university's official liaison with the federal government and national organizations. This report covers the period from mid-November 2016 to mid-January 2017.

Trump Administration

President Trump was inaugurated on January 20, 2017. Of his twenty-one Cabinet or Cabinet-level nominees, of particular relevance to NIU is Betsy DeVos, nominee for Secretary of Education. Her Senate confirmation hearing was held on January 17 and her confirmation vote is scheduled for January 31. Her experience is primarily in K-12 education. During his first week in office, Pres. Trump signed a number of executive actions relating to healthcare, immigration, infrastructure, and border security that, as written, are not expected to directly or significantly impact NIU equities. OFR is closely monitoring actions taken by the Trump Administration.

Congress

Fiscal Year (FY) 2017, which began on October 1, 2016, is operating under a continuing resolution (CR) through April 28, 2017. The CR includes a 0.19 percent across-the-board cut for all accounts with some exceptions, including a $352 million increase for the NIH Innovation Projects account. It is unclear whether Congress will pursue an omnibus appropriations bill or another CR for the remainder of FY17. Looking forward, there is considerable uncertainty regarding the FY18 appropriations cycle in terms of timing, structure, and priorities. The House and Senate committees overseeing education have expressed interest in continuing to work on reauthorizing the Higher Education Act this year.

Recent authorization legislation affecting NIU priorities includes:

- **21st Century Cures Act**: Signed into law on December 13, 2016. It provides $4.8 billion in discretionary funding for a special “Innovation Projects” account to support specific initiatives at the National Institutes of Health (NIH) over the next ten years, including $1.8 billion for the Cancer Moonshot; $1.564 billion for the BRAIN Initiative, and approximately $1.5 billion for the Precision Medicine Initiative.

- **American Innovation and Competitiveness Act** (formerly the America COMPETES Act): Signed into law on January 6, 2017. It updates some programs at the National Science Foundation, National Institute of Standards and Technology, and Department of Energy and includes measures to reduce research regulatory burdens and improve the commercialization of university discoveries. This bill does not include funding authorization levels.
• **Bar Removal of Individuals who Dream and Grow our Economy (BRIDGE Act):** Introduced in January 2017 by Sen. Durbin and Rep. Gutierrez. It would provide temporary relief from deportation and employment authorization to individuals who are eligible for the Department of Homeland Security’s Deferred Action for Childhood Arrivals (“DACA”) program, which includes some NIU students.

**Federal Engagement with NIU**

OFR is working to develop high impact engagement opportunities with federal officials in Congress, the federal agencies, and the Administration for 2017. These opportunities represent the breadth of the NIU federal enterprise. These engagements include congressional receptions as well as visits to congressional offices and federal agency offices.

The target audience for the congressional receptions described below includes Members of Congress, congressional staff, and federal agency officials. OFR looks forward to providing more details as they become available.

- **March 14:** Organized in collaboration with the NIU Alumni Association and Foundation. Congressional poster session and reception featuring federally funded faculty, President Baker and campus leadership, students, and alumni. Invited speakers include NIU alumni Senator Duckworth, Congresswoman Kelly, and Congressman Bacon (NE-02). While in DC, faculty would also participate in federal agency meetings as described in the next section.
- **September 26:** Congressional reception featuring MAC universities. Organized in collaboration with the MAC.

Recent and upcoming NIU visitors to DC include:

- **January 10-11:** Professor Beth Gaillard and Professor Mike Eads. They met with staff from nine IL congressional offices (including five members of Congress serving on science-related committees) to discuss the significance of federal funding and regulations for their research, including Fermilab and Argonne National Lab, and to offer their expertise to congressional staff.
- **January 27:** Associate VP Rena Cotsones. She met with staff for Rep. Bustos to discuss opportunities for partnering with Rep. Bustos, including amplifying the NIU@RVC program in Rockford. She also met with staff for Sen. Duckworth to inform them of NIU’s regional collaborations and programming, especially those supporting manufacturing and addressing the skills gap, and the role of federal support for these activities. With both offices she discussed possible forthcoming legislation on these topics.
- **March 12-16:** Annual NIU Spring Break Trip to Washington, DC. 18 undergraduate students will participate in an intensive five-day, four-night, hands-on seminar in government and politics led by Profs. Scot Schraufnagel and Matt Streb. We anticipate tours and meetings with officials at the U.S. Capitol, Supreme Court, Library of Congress, and Pentagon, attending the NIU congressional poster session and reception on March 14th, and other career development opportunities. Organized in collaboration with the Political Science Department.
- **March 13-15:** Faculty Visits to Federal Agencies. Five federally funded faculty are expected to attend meetings with relevant federal agency officials while they are in DC for the March 14th congressional poster session and reception. Agencies targeted for meetings include the Agency for Healthcare Research & Quality, Department of Defense, Department of Education, Department of Energy, National Institute of Standards and Technology, National Institutes of Health, and National Science Foundation.
• **Spring 2017: Delegation of Mechanical Engineers to Federal Agencies.** Federal Relations and Prof. Federico Sciammarella, the Interim Chair of Mechanical Engineering, are in the early stages of planning for a delegation of mechanical engineers to visit DC and meet with research program managers from Department of Defense and National Science Foundation.
In the second quarter (October 1 – December 31) of FY 2017, 23 faculty and staff received sponsored awards totaling $2.3 million. Total funding to date for FY 2017 is slightly higher compared to this time last year (figure 1) with almost all NIU’s funding continuing to come from federal and state sponsors (figure 2). This is typical for NIU’s sponsored funding portfolio. Primary sources of federal and state support in the second quarter are through the U.S. Department of Energy/Argonne and Fermi National Laboratories and the Illinois Departments of Education and Children and Family Services.

Funding for research and research training projects has increased slightly over this time last year (figure 3). Research projects were funded this quarter from federal, public, and foreign sponsors and the federal government continues to be NIU’s main source for research funding. Awards this quarter support a wide range of research projects including a federally funded collaboration with a local small business to develop proton radiography systems and a privately funded study to understand the mortality of public pension plans.
Public service programs remain a significant portion of NIU's funding portfolio with the university contributing its human capital and expertise to support community needs (figure 4). Programs funded this quarter through the State of Illinois promote academic success for foster children, assess outcomes for early childhood development, and bring the arts to the local DeKalb community.

![Figure 3](image.png)

**Research Funding to Date**

![Figure 4](image.png)

**All Funding to Date**

Faculty in the College of Liberal Arts and Sciences (CLAS) continue to secure most of the university's sponsored funds (figure 5). CLAS holds the largest portion of sponsored funding this year, consistent with the institution's overall funding portfolio due to the scope and disciplines in the college. Almost all the university's research funding rests in CLAS with this quarter's funding through the departments of Anthropology, Chemistry, History, Mathematical Sciences, Physics, and Statistics.
FY 2017 Funding by College/Division to Date

Figure 5
RESEARCH AND INNOVATION INITIATIVES

The Division of Research and Innovation Partnerships (RIPS) is pursuing internal and external initiatives to expand and support research and innovation. These initiatives have been developed within the framework of Program Prioritization. Internal initiatives will expand direct support for our faculty and improve RIPS processes and practices. External initiatives involve increased engagement with national laboratories and corporate partners.

In response to Program Prioritization recommendations, RIPS has proposed enhanced faculty and administrative support to grow and strengthen research and innovation across the University. Entirely internal to RIPS, through reorganization an electronic records group has been convened to improve grant administration and compliance. The recently charted Research and Innovation Advisory Board has been working to identify policies and practices impeding scholarship; their recommendations have already had beneficial impact on the research enterprise. To ensure shared responsibility for research, the Division has participated in discussions with the Colleges as they develop local research strategies. These plans include support for individual faculty and concentrations of research excellence (CRE). CREs, are well-established strategies for increasing research intensity. The College plans will help ensure that RIPS resources for scholarship and innovation are optimally aligned across the University.

In partnership with the Colleges, RIPS has aggressively pursued broadened partnerships with the National Laboratories. These partnerships increase opportunities for our students and faculty, which enhances their recruitment and retention. The accelerator science CRE represents a deepening collaboration between the College of Liberal Arts and Science (CLAS) and Fermi National Accelerator Laboratory. The NIU investment has been matched by Fermilab and has led to substantially increased external funding from the National Science Foundation and the Department of Homeland Security. Through the CRE, NIU has one of the largest university accelerator science programs in the country. Looking to Argonne National Laboratory to extend laboratory collaborations, RIPS is working with CLAS, the College of Engineering and Engineering Technology (CEET), and the College of Visual and Performing Arts for potential concentrations and collaborations in chemistry, computer science, process engineering, and data visualization.

NIU has many highly successful corporate partnerships, primarily instructional and in the College of Business (COB) and CEET. Two initiatives, facilitated by RIPS and led by faculty, show great promise for increased corporate collaboration. AY2015-2016 saw the beginning of the IDEAL Industry, Inc. “intrapreneurship” program. Student teams, mentored by COB and CEET faculty and IDEAL staff, develop business plans for IDEAL intellectual property. The proposals offered by the two inaugural teams were well received by IDEAL management and the students hired as interns for further development. As a measure of success, IDEAL and NIU are now assembling a second cohort. Another nascent, partnership involves a computer science internship program with a firm developing software for customer service. The partner has shown an interest in investing in NIU infrastructure to enhance the program.

“71North”, a campus space in Founders Memorial Library designated for entrepreneurship and innovation, has potential to become a focal point for corporate engagement. Besides possibly housing internship program, 71North is the home of JobsPlus which provides professional development for on and off-campus interns and includes sessions on innovation and entrepreneurship.
The space is also available for the IDEAL teams and other programs promoting entrepreneurship. RIPS has embarked on a study identifying national models and best practices for entrepreneurship and innovation to inform recommendations for student, faculty, and alumni opportunities at 71North.