CALL TO ORDER AND ROLL CALL

The meeting was called to order at 10:30 a.m. by Chair Barsema in the Board of Trustees Room, 315 Altgeld Hall. Recording Secretary Cathy Cradduck conducted a roll call. Members present were Trustees Boey, Holmes, Struthers, Wasowicz and Barsema. Also present President Doug Baker, Vice President for Research and Innovation Partnerships Gerald Blazey, Trustees Butler and Coleman, Board Parliamentarian Gregory Brady, University Council President Greg Long and UAC representative Cathy Doederlein.

VERIFICATION OF QUORUM AND APPROPRIATE NOTICE OF PUBLIC MEETING

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

MEETING AGENDA APPROVAL

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

REVIEW AND APPROVAL OF MINUTES

Chair Barsema asked for a motion to approve the minutes of February 16, 2017. Trustee Boey so moved and Trustee Holmes seconded. The motion passed.

CHAIR’S COMMENTS/ANNOUNCEMENTS

Chair Barsema introduced the UAC committee members and asked for comments. Cathy Doederlein thanked the Board and said, as we continue to have our concerns about the state budget, I’m thankful that we continue to have so much to celebrate. As Trustee Coleman mentioned earlier, this past weekend was our commencement which was of course a wonderful experience, and also we’re moving into a season that I always get particularly excited about - summer internship season. Students are doing internships all year round, but the summer is our most robust participation and that ties in nicely with the corporate partnerships that we’re going to hear about today. They create opportunities to support research and help our academic side of the house, but also help outside of the classroom experience as well. Not only do we have the amazing space for Discover but also it is very good for recruiting our students for internship opportunities. IDEAL is not only a great partner for things like their entrepreneurship program but also mentoring, practicing their views and providing internships. Greg Long added, I want to say just a couple words in support of research at the university. When we think of budgetary times and think about how to save money, we might look at research as an area of ‘oh well let’s cut that because universities should just be for teaching’. But what distinguishes a university from a college is the highlight and emphasis on research and artistry. If we’re going to continue to recruit the best and brightest faculty and students I think we encourage continued support for, and emphasis on, research. None of us are doing research entirely by ourselves. We get students involved, supervise good engagement for them and good career training and so just wanted to put in a final note that we need to continue that as part of the university experience. Chair Barsema thanked the UAC representatives for their comments.

PUBLIC COMMENT

General Counsel Brady indicated that there were no request for public comment.
Agenda Item 7.a. State Budget Update

Mike Mann presented the state budget update. On May 16 it was announced that the state's backlog of unpaid bills has surpassed $14 billion and there are only 13 days left in this legislative session. Any action taken past May 31st would require a super majority of votes and so there is incentive for the General Assembly to get their work done. There is also incentive to reach a super majority on legislation because if there's not bipartisan support for these pieces of legislation and the budget pieces, it's very unlikely that the governor will actually sign off on the bills. The Illinois Senate continues to work aggressively on the Senate Grand Bargain. Yesterday they took up several different bills and actually approved several pieces of the Grand Bargain. They approved SB 6, which is the budget piece. I would caution though that they did not pass the Budget Implementation Bill that's required to enact the budget bill and they also didn't address the Omnibus Tax Bill and it looks like work will continue. I would like to point your attention to Table 1, the budget item. It shows in the blue line that for FY15 we were at $91 million. The stop gap budget we received in FY16 is only $26 million. For FY17 to date we've received $48.3 million. The Grand Bargain as you'll see the two green columns, the grand bargain bill and the budget bill actually includes funding for us to close out FY17 and well as including funding for FY18. For FY17 it includes $42.8 million dollars which for FY17 would get us back up to the FY15 funding level, and then for FY18 it includes $77.4 million, a 15% budget cut. That's in line with the Governor's budget recommendation. I would also note that at the bottom of that column you'll see a $60 million recommendation for performance funding. That is an opportunity for public universities to potentially earn back 5% of their funding. So in other words we're cut 15% depending on the metrics and how we're viewed and evaluated, we could cut that to a 10% loss based on the IBHE formula and implementation of that formula. The General Assembly passed SB 4 yesterday, which is the borrowing bill to pay down debt. When this legislation was first drafted, $7 billion would have almost wiped out the debt at that time. The debt is now $14 billion but it would still go a long way toward paying down the mountain of bills that the Comptroller is sitting on right now. I would like to point out that even though most of our discussions here in front of this committee are budgetary items, I would like to note that during this legislative session we have been tracking, taking positions on and monitoring approximately 35 to 40 substantive bills, non-budget related. There's only a few of those that are currently in play right now at the end of the session. I would like to note that SB 888, which was the bill that would have granted the authority to community colleges to offer a four year baccalaureate degree in nursing, failed in committee seven votes to six and the sponsor has announced that he is done. He will not pursue procedural attempts to revive it. The Senate Criminal Law Committee will be hearing HB 3142, which is a bill that prohibits universities from asking prospective students if they've been convicted of a felony. Universities are opposed and we're tracking it and working on it diligently. There has also been action taken to uncouple some bills. Previously, each one of them had to pass for any of them to be put into law, but there have been amendments offered that have stricken that language so each of these could stand alone. Of course the budget piece and the budget implementation piece and the revenue piece are the three key ones that have to be approved for this to go anywhere. If minimum wage doesn't go through that doesn't mean the whole package is sunk. Table 1 shows the lifeline bill, HB 109. If for some reason the Grand Bargain would stall, there would be a potential, there's HB 109 on the 3rd reading in the Senate. It has passed the house. It provides us with $12 million in operating funds for this year and it provides about a 75% MAP appropriation for this year which would be about 75% of the $18 million that our students are waiting on, that the state owes them for their MAP awards for student financial need.

Agenda Item 7.b. Federal Relations; 7.c. Sponsored Programs Administration; 7.d. Corporate Partnerships

Chair Barsema introduced Dr. Blazey to give three reports: 7.b. Federal Relations; 7.c. Sponsored Programs Administration; 7.d. Corporate Partnerships. In the interest in saving time today, Dr. Blazey began, I am just going to give the highlights of our sponsored programs, federal relations, and innovation report for the
last quarter. I will note that Assistant VP Little, Director Quider, and Assistant Director Bredberg are all present and can take some questions if needed. With respect to Sponsored Programs Administration, I think the top line message is that our faculty productivity as measured by quantity of sponsored programs remains on par with FY16 which, is really an excellent outcome given the state and federal funding pressures that we’re under. Total funding to date is slightly above our FY16 level at $17 million, and research funding is up 14% relative to FY16 at $6 million. This research funding is dominated by Department of Defense, National Science Foundation, Department of Energy, Department of Education, and the Department of State. It’s always nice to consider a few highlights because they show the quality and excellence of our faculty as Dr. Long and others have referred to earlier today. One of them is that we have received an NSF sponsored research experience for undergraduates. This is a highly sought award because it promotes both research and the experience for undergraduates which helps with recruitment and retention and the attractiveness of our programs. We also received a Small Business Innovation Research award, or SBIR, in Computer Science, which speaks to the innovative nature of our faculty where they go into a partnership with another small business to promote research and marketing their efforts. As a third example I’d like to note that one of our faculty received a National Endowment for Humanities award in History. As you can imagine, funding in these areas is very, very restricted, extremely competitive. The fact that our faculty are able to get an award from NEH speaks very well of them. Now I’d like to turn to the federal relations report. In the first week of May, President Trump signed the bipartisan bicameral FY17 Omnibus which funds the federal government through the remainder of the fiscal year. This was actually quite important for NIU priorities nearly all of which all were maintained or increased relative to FY2016 which is just amazing given the climate. Highlights of the bill are that it reinstated year round Pell Grants and includes $2 billion in new funding for the National Institutes of Health. Looking into the future, neither the House nor the Senate has passed their budget resolutions, which would set the overall budget levels for FY18. The Senate and House Appropriations Committees are proceeding with FY18 top level funding values from the Bipartisan Budget Act of 2015. In March 2017, NIU weighed in with the congressional delegation on our FY18 appropriations process by submitting our programmatic request for 11 agencies that encompass our portfolio. With respect to federal engagement, in March President Baker, Dean McCord, Professor Sciammarella and Alumni Association Assistant Director Smith met with Senators Duckworth and Durbin. Here at NIU in April we hosted the Ambassador of the Republic of Trinidad and Tobago Anthony, W. J. Phillips Spencer, at a retirement celebration for Professor Cliff Alexis. Last week Senator Duckworth spent a good part of the day with us here presiding over the commissioning ceremony for NIU ROTC cadets. She also dined with members of the Senior Cabinet and Student Association leaders and that was a very productive and frank discussion about NIU interests and the state of politics in Washington D.C.

Discussions continue with Discover Financial about the on-campus internship program in the lower level of Founders Memorial Library. Up to 30 undergrads, mostly from computer science, will be hired per year as interns to develop web and mobile software applications. On April 17th a draft agreement was sent to Discover and is still under their review. They will be visiting us on June 1st where a number of issues will be discussed. We’re getting down to the details, implementation and how to start building out the library. We anticipate Discover will request about 5,000-5,500 square feet and the lease will generate approximately $100,000 in revenue per annum for the university, sufficient to cover cost, plus the space can be used for other initiatives. I’d just like to note this has been a great team effort involving the Office of General Counsel, Facilities and Operations, the College of Liberal Arts and Science, NIU Foundation, Division of Information Technology, and the Division of Research and Innovation Partnerships. We thank the Board for their support and advice. Turning to a second corporate partnership, the IDEAL Industry & NIU Intrapreneurship Advisory Board has selected 15 students for the program’s second cohort. The good news there is IDEAL thought the first reason was a great success and wanted to go into the second year. The two teams have already started working on their projects for IDEAL. One of the nice things this year is that the students are from various disciplines including not only just from the Colleges of Business and Engineering & Engineering Technology, but there are students from the departments of Political Science, Economics, and the School of Art and Design. It was always our ambition to reach out to all disciplines and engage students from all the colleges and we’re getting closer and closer to that. Both teams from the first cohort were successful in their business plan pitch and are finishing their semester as paid interns. They
are in the early phases of product development for their project and IDEAL has filed a provisional patent on one of their technologies. So the students are getting jobs, patents are being created. Chair Barsema asked what NIU is doing on both the Discover and the IDEAL Industries to replicate those with other companies. Right now we are forming a small team with Karinne Bredberg and Jerry Blazey from RIPS and Chad Glover from Academic Affairs to start putting together a program centered on innovation. At 71 North, located in Founder’s Library, we will scale out to develop a spectrum of opportunities for businesses. One end of the spectrum is IDEAL where they do everything with their resources, and the other one is Discover where we’re collaborating and using our resources to support their efforts. So we’re building a spectrum of opportunities that will be housed in the library to engage business. We also plan to build out a programmatic effort to provide information to students who want to get involved in innovative activities that will supplement those internship opportunities that we hope to put in place in the library area. Part of our thinking is to really jump start an innovation effort for our students. Chair Barsema asked and was given confirmation that the Foundation and April Arnold are involved in these discussions. Eric Wasowicz added that he would suggest marketing and public relations get involved in promoting the innovation center. Trustee Barsem asked that the most important check that a customer writes you is not the first check but it’s the second check, because that means they liked what they got the first time and the fact that IDEAL Industries is in the process of writing the second check, I think that says wondrous things about the program, so it sounds to me like we have something that’s repeatable. Dr. Blazey continued saying that in fact one of the topics for the Advisory Committee today is ‘how do we ensure that this program is robust and can continue for many years’. It is something of a burden or a burden of love for the faculty who get involved, but we are concerned that we have to find a way to be sure that they stay involved and new faculty step up and just that ability to sustain is one of the topics for the IDEAL NIU Advisory Board. Chair Barsem concluded saying this is also an area where alumni can get involved from a mentorship standpoint by mentoring the teams and also giving us leads on companies, including some of their own companies that we can partner with.

**OTHER MATTERS**

No other matters were discussed.

**NEXT MEETING DATE**

The next meeting of the LARI Committee will be Thursday, November 16, 2017 at 9:00 a.m.

**ADJOURNMENT**

Chair Barsema asked for a motion to adjourn. Trustee Wasowicz so moved and Trustee Struthers seconded. The motion was approved. Meeting adjourned at 11:00 a.m.

Respectfully submitted,
Cathy Cradduck
Recording Secretary

_In compliance with Illinois Open Meetings Act 5 ILCS 120/1, et seq, a verbatim record of all Northern Illinois University Board of Trustees meetings is maintained by the Board Recording Secretary and is available for review upon request. The minutes contained herein represent a true and accurate summary of the Board proceedings._