

The discussion held in executive session has not been approved for release to the public and has thus been deleted from these minutes.

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SPECIAL MEETING OF THE BOARD OF TRUSTEES
OF THE
UNIVERSITY OF ILLINOIS

October 3, 2009

This special meeting of the Board of Trustees of the University of Illinois was held in the Pine Lounge, Illini Union, Urbana, Illinois, on Saturday, October 3, 2009, beginning at 9:00 a.m., pursuant to call by the chair of the board. The secretary of the Board gave notice of the meeting as prescribed by the *Bylaws* of the Board of Trustees and by Illinois Statute.

Chair Christopher G. Kennedy called the meeting to order and asked the secretary to call the roll. The following members of the Board were present:

Dr. Frances G. Carroll, Ms. Karen Hasara, Mr. Christopher G. Kennedy, Dr. Timothy N. Koritz, Mr. Edward L. McMillan, Mr. James D. Montgomery, Mr. Lawrence Oliver II, Ms. Pamela B. Strobel, Mr. Carlos Tortolero. Governor Pat Quinn was absent.

Mr. Bogdan V. Zavorotny, voting student trustee from the Chicago campus, was present.

The following nonvoting student trustees were present: Mr. Derek R. Felix, Springfield campus; Mr. Matthew M. Reschke, Urbana campus.

INTRODUCTION OF UNIVERSITY OFFICERS AND SENATE OBSERVERS

Mr. Kennedy asked President White to introduce the University officers and senate observers. President White introduced the following: Dr. Mrinalini Rao, vice president for academic affairs; Dr. Avijit Ghosh, vice president for technology and economic development; and the officers of the Board, Mr. Walter K. Knorr, comptroller (and vice president/chief financial officer); Mr. Thomas R. Bearrows, university counsel; Mr. Lester H. McKeever, Jr., treasurer; and Dr. Michele M. Thompson, secretary. The president also introduced: Mr. Michael B. Bass, interim executive director designate for governmental relations; and Mr. Thomas P. Hardy, executive director for university relations. In addition, the following persons were also in attendance: Ms. Marna K. Fuesting and Ms. C. Ellen Foran, both assistant secretaries. President White then stated that the following persons were joining the meeting today: Ms. Kathryn Eisenhart, associate professor of legal studies, Springfield, and chair of the University Senates Conference, representing the University Senates Conference; and Dr. Joyce Tolliver,¹ associate professor of Spanish, and chair of the Urbana Senate; representing the Urbana-Champaign Senate.

OPENING REMARKS FROM THE CHAIR OF THE BOARD

Mr. Kennedy thanked the Board members for rearranging their schedules in order to attend this meeting and said that it was important that the Board meet to discuss certain

¹Professor Tolliver joined the meeting at 9:30 a.m.

personnel matters. He also thanked the staff for preparing materials for the meeting and expressed appreciation to the press for being present on a Saturday morning.

MOTION FOR EXECUTIVE SESSION

At 9:05 a.m., Chair Kennedy stated: “A motion is now in order to hold an executive session to consider the following subject: University employee matters.”

The motion was made by Mr. Tortolero, seconded by Dr. Carroll, and approved.

EXECUTIVE SESSION ADJOURNED

At 10:40 a.m., there being no further business, the executive session was adjourned and the Board meeting resumed in regular session.

ACCEPT RESIGNATION OF B. JOSEPH WHITE AS PRESIDENT AND ACCEPT REVISED EMPLOYMENT AGREEMENT

Mr. Kennedy announced that the Board had discussed several personnel matters in its executive session and now was ready to take action on the first item in the agenda for today’s meeting, “Accept Resignation of B. Joseph White as President and Approve Revised Employment Agreement.” Before asking for a motion for this recommendation, Mr. Kennedy said that this recommendation presented an unpleasant task to the Board members and that it was with regret that the Board would act on this today, for he and his colleagues had the highest regard for President White and his service as president and

they also had deep respect for him and his decisions that placed the University first. Mr. Kennedy then asked for a motion to approve this recommendation. The item follows:

Accept Resignation of B. Joseph White as President and
Approve Revised Employment Agreement

(1) On September 23, 2009, President B. Joseph White submitted his resignation as President effective December 31, 2009. Dr. White's resignation was accepted on September 23, 2009, by Chair Christopher G. Kennedy for consideration by the Board.

Dr. White serves as President pursuant to an Employment Agreement executed January 8, 2005, which includes the right to return to a tenured faculty position in the College of Business, Urbana. In order to clarify the terms for Dr. White's transition to the faculty, a Revised Employment Agreement (attached hereto) was drafted and executed, subject to approval by the Board.

It is hereby resolved that the Board accepts Dr. White's resignation as President, and further approves the Revised Employment Agreement.

The Board action recommended in this item complies in all material respects with applicable State and federal laws, University of Illinois *Statutes*, *The General Rules Concerning University Organization and Procedure*, and Board of Trustees policies and directives.

[Execution Copy]

REVISED EMPLOYMENT AGREEMENT

This Revised Employment Agreement ("Revised Employment Agreement"), by and between The Board of Trustees of the University of Illinois ("Board" or "University") and Dr. B. Joseph White ("White"), is being executed for the purpose of specifying the terms and conditions of White's continued employment with the University.

WHEREAS, the parties executed an Employment Agreement on January 8, 2005 ("Initial Employment Agreement"), pursuant to which White agreed to serve as President of the University through January 31, 2010;

WHEREAS, pursuant to Section 11 of the Initial Employment Agreement, White possesses the right to return to the faculty as Professor of Business Administration on indefinite tenure in the Department of Business Administration, College of Business at Urbana;

WHEREAS, during the past several months, the University has been dealing with various admissions-related matters, including the Report and Recommendations of the Admissions Review Commission, which have distracted personnel and resources from the University's core missions;

WHEREAS, White has advised the Board of his intention to resign as President effective December 31, 2009 in order to enable the newly appointed Board to select University leadership; and

WHEREAS, White has further advised the Board that by resigning effective December 31, 2009 he is forgoing the retention bonus otherwise payable to him January 31, 2010 in recognition of the University's difficult financial situation and the sacrifices being made by faculty and staff; and

WHEREAS, the parties wish to allow for an orderly transition in leadership in the office of the President, for White to continue assisting the University in several areas, as requested, including completion of advancement efforts in the Brilliant Futures campaign, and to confirm the terms and conditions of White's continued employment by the University;

NOW, THEREFORE, for consideration of mutual covenants contained herein, and other good and valuable consideration, the sufficiency of which is acknowledged, the parties agree:

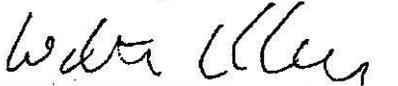
1. White hereby resigns as President effective the close of business on December 31, 2009.
2. Beginning on January 1, 2010, White will return to the faculty as Professor of Business Administration at Urbana, on indefinite tenure, as provided in the Initial Employment Agreement. White's salary, benefits and support will be as described in Section 11 of the Initial Employment Agreement. In recognition of the University's request for White to assist the University in significant areas where White's on-going involvement is important, including the successful completion of the \$2.25 billion

Brilliant Futures campaign, White's teaching load will be two courses per year effective January 1, 2011, and three courses per year effective January 1, 2015.

3. White's resignation as President in no way constitutes an admission that any basis exists for the Board of Trustees to terminate White as President for any reason with or without cause.
4. White acknowledges that no amount is payable to White under the severance package provisions of the Initial Employment Agreement upon his resignation effective December 31, 2009. White and the Board of Trustees also acknowledge that upon resigning as President effective December 31, 2009, White is intentionally foregoing the retention payment to which White would otherwise have become entitled on January 31, 2010. White is also releasing any claims related to employment as President beyond December 31, 2009.
5. When executed by both parties, this Revised Employment Agreement will constitute a binding agreement amending the Initial Employment Agreement to the extent the provisions hereof differ from the provisions of the Initial Employment Agreement, subject only to its subsequent approval by the Board of Trustees. Except as so modified, the provisions of the Initial Employment Agreement shall remain in full force and effect, except that the provisions of Sections 7, 8 and 9 shall cease to apply following White's resignation as President effective December 31, 2009.

This Revised Employment Agreement, which may be executed in counterparts delivered via facsimile, pdf or other electronic means (which taken together shall constitute a single agreement), is made as of this 23rd day of September, 2009.

For The Board of Trustees
of the University of Illinois

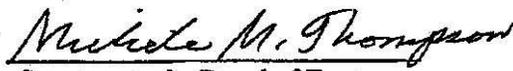


Comptroller

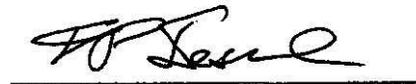
B. Joseph White



Attest:

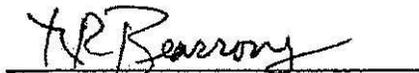


Secretary to the Board of Trustees



Attorney for B. Joseph White

Approved as to legal form:



University Counsel

On motion of Mr. Tortolero, seconded by Ms. Hasara, this recommendation was approved.

Mr. Montgomery then expressed appreciation to President White for his leadership, which he said he as a trustee had enjoyed for two and one-half years.

Mr. Montgomery stated that he regretted that the Board found itself in the position of accepting President White's resignation today, as it would have been to the University's benefit to have retained President White's service as its leader for a longer period of time.

Mr. Montgomery added that, on the other hand, he recognized that it was important that the public controversy be resolved and it was that fact that brought the Board to this day and this decision, initiated by President White out of concern for the well-being of the University. Mr. Montgomery praised President White for his selfless decision, which included significant personal financial sacrifice. In closing, Mr. Montgomery stated: "Thanks Joe."

Mr. Kennedy said he concurred completely with these remarks and stated that President White would continue to be helpful to the University in the future in several important roles.

APPOINT INTERIM PRESIDENT

Mr. Kennedy stated that the Board had engaged in much discussion earlier in the day about a choice for an interim president. He said that the Board sought a person with excellent academic credentials, a national reputation, a network of connections in order to

assist the Board in the search for a new president, and given these criteria had considered several individuals and had converged on the recommendation that Dr. Stanley O. Ikenberry be asked to return to the administration of the University as interim president. Mr. Kennedy then asked for a motion to approve agenda item, "Appoint Interim President." The item follows:

Appoint Interim President

(2) Due to the resignation of President B. Joseph White, to be effective December 31, 2009, the Board has considered various individuals who might provide necessary continuity of leadership for the University after President White's departure from the presidency. The Board now wishes to appoint an Interim President to serve until a permanent president is named and available to take over all responsibilities of the position.

Accordingly, the Board of Trustees hereby appoints as Interim President, Dr. Stanley O. Ikenberry, President Emeritus; Regent Professor of Educational Organization and Leadership, College of Education, Urbana; and Senior Fellow, Institute of Government and Public Affairs, University of Illinois. Dr. Ikenberry served as President of the University from 1979 to 1995, and is uniquely qualified to resume this vital role on an interim basis.

Because the Interim President serves at the pleasure of the Board, the Board intends that the term of this appointment be from January 1, 2010, until August 15, 2010,

or until a successor is appointed and available to take over all responsibilities of the position.

Dr. Ikenberry shall receive an annual compensation rate of \$450,000 on a twelve-month basis.

The Board action recommended in this item complies in all material respects with applicable State and federal laws, University of Illinois *Statutes, The General Rules Concerning University Organization and Procedure*, and Board of Trustees policies and directives.

The Chair of the Board recommends approval of this appointment.

On motion of Dr. Carroll, seconded by Mr. Montgomery, this recommendation was approved.

Mr. McMillan then spoke and stated that the University was fortunate, indeed blessed, to have someone of Dr. Ikenberry's stature to step in to this role at this time. He said that Dr. Ikenberry's strong reputation will be a help to the University in the months ahead. He also noted that President White and Dr. Ikenberry have established a relationship that will be helpful in the transition.

APPOINT INTERIM PRESIDENT DESIGNATE

Mr. Kennedy stated that the Board thought it important to have Dr. Ikenberry available immediately to work with President White until December 31, in order to effect a smooth transition; therefore, he would entertain a motion to approve agenda item, "Appoint

Interim President Designate.” He indicated that this appointment would commence on October 3 and conclude on December 31, 2009. The item follows:

Appoint Interim President Designate

(3) Due to the resignation of President B. Joseph White, to be effective December 31, 2009, the Board wishes to appoint an Interim President Designate to serve until December 31, 2009, to permit an orderly transition of leadership and to recognize the significant time commitments that will be required during this time period. On January 1, 2010, the Interim President Designate shall become the Interim President, and will serve until a successor is appointed.

Accordingly, the Board of Trustees has considered individuals who might serve in this role and hereby appoints as Interim President Designate, Dr. Stanley O. Ikenberry, President Emeritus; Regent Professor of Educational Organization and Leadership, College of Education, Urbana; and Senior Fellow, Institute of Government and Public Affairs, University of Illinois.

Dr. Ikenberry’s service as Interim President Designate is effective immediately upon approval of this item. He will receive an annual compensation rate of \$250,000 on a twelve-month service basis.

The Board action recommended in this item complies in all material respects with applicable State and federal laws, University of Illinois *Statutes*, *The General Rules Concerning University Organization and Procedure*, and Board of Trustees policies and directives.

The Chair of the Board recommends approval of this appointment.

On motion of Dr. Koritz, seconded by Mr. Montgomery, this recommendation was approved.

Mr. Kennedy asked the Board to welcome Dr. Ikenberry and invited him to assume a seat at the Board table.

COMPOSITION OF SEARCH COMMITTEE

Mr. Kennedy asked President White and Dr. Ikenberry to comment on the function of a search committee for a president.

President White stated that searching for a president is very important for community building for the University; therefore, a search committee must be broadly representative of the constituencies of the University.

Dr. Ikenberry emphasized the need to “do things right” in composing a search committee. He indicated that the structure of the committee as enunciated in the Board item is similar to that of other search committees except that the search committee recommended for this presidential search includes three trustees, which he said was an important addition and very wise for attracting prospective candidates for the position. He said that the committee structure recommended has a sound framework and that the distribution of membership is good.

Mr. Kennedy asked for a motion to approve agenda item, “Approve Composition of the Search Committee to Assist in the Selection of a President, 2009.”

The item follows:

Approve Composition of the Search Committee to
Assist in the Selection of s President, 2009

(4) By State statute, the Board of Trustees is directed to “...elect a regent who shall be charged with the general supervision of the educational facilities and interest of the University. Said regent shall be known as President of the University and his term of office shall be at the pleasure of the Board of Trustees.”¹

In fulfilling this responsibility, the trustees wish to have assistance from essential constituent groups of the University. To provide this assistance, the Board hereby establishes a **Search Committee to Assist in the Selection of a President**, to include the following members:

1. Three members of the Board of Trustees.
2. Eight faculty members from the broad, diverse, and engaged faculties of the University’s three campuses-- Urbana-Champaign, Chicago, and Springfield. These members shall be selected by the Board from candidates suggested by the respective campus senates, and referred to the Board by the University Senates Conference.
3. Three students, one from each of the University’s three campuses. These members shall be selected by the Board from candidates suggested by the coordinated efforts of the student government organizations of the respective campuses, in consultation with the student trustees. Consideration shall be given to undergraduate, graduate, and professional student involvement.
4. One member of the academic professional staff. The Professional Advisory Committee at each campus will be

¹110 ILCS 305/4, University of Illinois Act.

asked to submit names of nominees to the University Professional Personnel Advisory Committee (UPPAC), which shall forward names of candidates for consideration and designation by the Board.

5. One member of the civil service staff. The Staff Advisory Council at each campus will be asked to make nominations to the Employee Advisory Committee which shall forward names of candidates for consideration and designation by the Board.
6. One administrative officer, who shall be selected by the Board after consultation with the president and chancellors.
7. One member from the University of Illinois Alumni Association. This member shall be selected by the Board of Trustees from candidates suggested by the Board of Directors of the Alumni Association.
8. One member from the University of Illinois Foundation. This member shall be selected by the Board of Trustees from candidates suggested by the Board of Directors of the University of Illinois Foundation.

On motion of Mr. Montgomery, seconded by Dr. Carroll, this recommendation was approved.

PRESENTATIONS BY EXECUTIVE SEARCH FIRMS

Mr. Kennedy asked Ms. Strobel to comment on the presentations by executive search firms scheduled for today.

Ms. Strobel stated that Mr. Kennedy had sought her assistance in reviewing and identifying search firms that might meet with the Board and make presentations about how the firms might assist in the Board's search for a president. She explained that

Mr. Kennedy asked her for this service based on her experience as a chief executive officer who had conducted searches and her past work with executive search firms for the corporate sector, as a member of corporate boards, as well as her experience in recruiting leaders for other types of organizations including several nonprofit organizations. She noted that she had been involved in four searches for corporate chief executive officers.

Ms. Strobel told the Board members that the University has contracts in force with many well regarded and well credentialed executive search firms. She stated that there are many search firms and many are specialized in such areas as higher education. She said that the three firms selected to meet with the Board today and make presentations are exemplary of such firms. She also commented that the three firms had been responsive in preparing materials for the meeting today and were very interested in assisting the University in this search. She observed that the Board was embarking on the most important work a board can undertake, the search for and selection of a president, and that it is important to select a search firm that will develop a close working relationship with the search committee and the Board.

Ms. Strobel said that the three firms that will make presentations to the Board are: The Hollins Group, Inc.; Isaacson, Miller; and Korn/Ferry International. Ms. Strobel explained that in order to choose the order of presentation she would draw the first two names from a hat. She drew Isaacson, Miller first and the Hollins Group second. Thus the order of presentations was established as follows: Issacson, Miller; The Hollins Group, Inc.; and Korn/Ferry International.

Ms. Strobel indicated that the representatives of each firm were waiting in separate rooms in the Illini Union. She asked that the staff escort the representative from Issacson, Miller to the meeting room.

At 11:15 a.m., Ms. Strobel welcomed Dr. Michael A. Baer, representing the firm of Issacson, Miller to begin his presentation. Dr. Baer summarized his firm's approach to assisting with a search for a president stating that he found it important to meet with the various constituency groups of a university at the start of a search to learn what the stakeholders were seeking in a leader. He said that the fall season was an important time to launch a search and added that the University would need to move swiftly to make the top candidates aware of the search. He also assured the Board that the stature and reputation of the University of Illinois would make the presidency very attractive to strong candidates. He said that the model of a strong presidency would be important to attracting outstanding candidates.

Dr. Baer told the Board that recent presidential searches conducted by Issacson, Miller included: the University of Virginia, Texas A & M, and North Carolina State University. He stated that the firm's practice is with mission-based organizations and that one-half of the practice is in higher education. He stressed that for every search the firm seeks a diverse pool of candidates and that the firm has a network of contacts to assist it in assuring a diverse pool. He reported success in placing both women and people of color in leadership positions in higher education. He also stated that the firm of 21 partners is diverse, with ten women and three people of color.

Dr. Baer told the Board about his own background in higher education, stating that he had served as a dean at a land-grant university and as a provost at an urban university, then as senior vice president at the American Council of Education when Dr. Ikenberry was president of that organization.

In discussing the process that Issacson, Miller follows in assisting with a search, Dr. Baer described the major phases in this process beginning with a review of descriptive facts about the institution in order to identify the right pool of prospective candidates. He also said that it would be important to establish a secure website for the search committee's use for transmission of documents related to candidates for the committee's review. He said that the next phase would be a meeting mid-course with the search committee to assess the candidate pool, then to narrow the pool after consultation with the committee. He described the next phase as personal interviews with potential candidates before referring them to the committee for its interviews in order to inform the committee of more information about the prospects and to ensure a match with the needs of the University. In addition, he said that the firm would assist with the committee's interviews with prospects. Further, he indicated that the firm would conduct background checks regarding the prospects identified for possible reference to the Board for interviews. He stressed the importance of confidentiality at all phases of the search and cited breaches of confidentiality as one of the main reasons that candidates withdraw from searches. He stated that the other most common reason for candidate attrition is reluctance of the candidate's family to make a move. To mitigate this, he said that the firm conducts thorough interviews to ascertain whether a candidate and the candidate's

family are actually ready to make a geographic move and take on a new set of responsibilities.

Following Dr. Baer's presentation the Board, members posed questions about the firm and the search process. Ms. Strobel asked if the firm was currently assisting in searches for presidents of institutions similar to the University of Illinois. Dr. Baer responded that the firm was not engaged in presidential searches for similar institutions. Ms. Strobel then asked what past searches for presidents were for institutions comparable to the University of Illinois. Dr. Baer responded that the search for a president of the State University of New York system was somewhat similar, though it is a much larger system, and that the search for a president of the University of Connecticut system was perhaps more comparable to the University of Illinois in that this system has a flagship campus and a medical center campus.

Mr. Oliver asked how the firm was able to develop diversity in placements. Dr. Baer stated that the firm started out with a commitment to diversity and that it has found that working with women and minorities early in their careers and preparing them for higher level administrative positions is important.

Mr. McMillan said that he had counted 18 steps in the search process. Dr. Baer described and asked what the firm's timetable would be like for completing a search. Dr. Baer assured the Board that there was high probability of having a president selected by early May 2010. He added that six months is the usual timeline for the firm to complete a search.

Ms. Hasara stated that the University of Illinois has certain circumstances that have provided the impetus for a search for a president at this time and asked if Dr. Baer had experience with similar situations. Dr. Baer provided examples of political difficulties in the search for a president of the State University of New York system, and of internal difficulties encountered in the search for a president of Gallaudet University, both searches with which the firm had assisted.

Mr. Kennedy asked Dr. Baer how he would get cooperation from faculty members in nominating prospective candidates. Dr. Baer described meetings he would like to conduct with faculty groups and a website for this purpose. Mr. Kennedy also asked how many prospective candidates the firm is prohibited from approaching about the presidency of the University of Illinois. Dr. Baer stated that the firm will not approach those individuals it has placed within the last year. However, he said that the search committee or others may nominate these individuals.

At 11:35 a.m., this presentation and discussion session concluded.

At 11:45 a. m., Ms. Strobel welcomed representatives of The Hollins Group, Inc.--Mr. Lawrence Hollins and Dr. Charles Taylor. Mr. Hollins spoke first and said that Dr. Taylor directs the nonprofit and higher education division of the firm. Mr. Hollins stated that the firm has 23 years of experience, maintains offices in New York, Atlanta, Chicago, and works with organizations in 36 countries.

Dr. Taylor reported that he had conducted 28 searches for presidents of higher education institutions and that the practice focuses on searches for vice presidents and presidents. Dr. Taylor stated that confidentiality is a prime concern for the firm and

he told the Board that he and two associates are the only people in the firm permitted access to candidate's files. He assured the Board that the firm had experience in providing confidentiality for the search process and all records. He remarked that most search firms follow the same process in identifying candidates and collecting information about those candidates.

Mr. Hollins indicated to the Board that the timeframe proposed for the search was acceptable to the firm.

Ms. Strobel invited the Board members to ask questions.

Mr. Oliver asked the representatives what set their firm apart from their competitors. Mr. Hollins responded that the firm is small, with 12 members, and that all work closely to choose searches to pursue for the firm. Dr. Taylor shared that he had been a college president twice and a trustee of higher education institutions twice and that he had led the Standard Oil Foundation, all of which had provided him a network of relationships with higher education leaders that had proved helpful to him in carrying out searches for higher education leaders. Dr. Taylor said that he tries to match candidates with the wishes of an institution and cited the example of recruiting Dr. Walter Massey from the University of California to the presidency of Morehouse College.

Mr. McMillan asked if either Mr. Hollins or Dr. Taylor had had experience in recruiting a president to an institution that had experienced a controversy similar to the admissions controversy from which the University of Illinois was emerging. Dr. Taylor said that in such a case it might be good to look for an administrator who had experience with admissions procedures, because there will probably be a future review of what the

University of Illinois has done to address the problems that brought about the controversy.

Ms. Hasara asked how many of the 28 presidential searches the firm had conducted in the last three or four years. Dr. Taylor said that the firm conducts two presidential searches per year.

Ms. Strobel asked the representatives to pick one of the firm's past searches for an institution similar to the University of Illinois. Dr. Taylor referred to the search the firm had conducted for president of the Indiana Community College system and the search for a president of Florida A&M University. Dr. Taylor explained that the firm had considerable experience in recruiting presidents for smaller colleges; however, it had not been afforded the opportunity to conduct searches for larger universities, though the firm has the skill for assisting with searches for larger institutions and would like to work more in that arena.

Dr. Carroll asked if the search the firm conducted for Southern Illinois University was for a campus leader or for the system. Dr. Taylor said it was for the chancellor position, which is the system leadership position. Dr. Carroll commented that it was clear that the firm has not had the opportunity to work with large institutions in conducting searches.

Dr. Koritz asked how the firm would involve faculty groups in the search process. Dr. Taylor said that the firm considers everyone inside the university as important as well as groups outside the university. He said that the firm would seek as much input as possible for identifying prospective candidates for the position.

At 12:00 p.m., this presentation and discussion session concluded.

At 12:05 p.m., Ms. Strobel welcomed representatives of Korn/Ferry International, Mr. Ken Kring and Ms. Madeleine Condit, and invited them to begin their presentation. Mr. Kring stated that he had 25 years experience in executive search and Ms. Condit said she was a senior consultant in the firm's Chicago office and chose those searches in higher education on which she wished to work. Mr. Kring referred to the materials sent by the firm which the Board members had received (material filed with the secretary). He then stated that of the last 28 searches for university presidents conducted by the firm, 13 had been filled by women and minorities. He also said that 60 percent of the firm's work in higher education is with public universities. He said that the firm provides a customized plan for each search and that the firm has 30 years experience in recruitment of higher education leaders.

Ms. Strobel posed the first question, and asked how the firm would approach the search for a president of the University of Illinois. Mr. Kring responded by saying that timing was important and that it is already late in the academic cycle for a presidential search to commence. He said that he would hold meetings with the main stakeholders in the search first, then work to develop a position description which would require input from the various constituencies of the University. He said that the core competencies required for a president would be identified first for the position description.

Mr. McMillan asked what recent searches the firm had conducted that were similar to the University of Illinois' search for a president. Mr. Kring said that the firm

had not conducted any recent searches similar to the University of Illinois' position. He then added that the firm had conducted the search for the head of the University of Maryland's Baltimore campus, a single campus leadership position.

Dr. Carroll asked about diversity among the firm's staff and in the recruitment of candidates for positions. Mr. Kring said that globally 38 percent of the firm's staff were women and minorities and that in North America, 34 percent of the firm's staff were women and minorities. In response to the matter of diversity in placing candidates, he said that in the last two years, 40 percent of the candidates placed in leadership positions were women and minorities and that in the last five years, 33 percent of the candidates placed were women and minorities. He said that the firm had conducted 292 searches in the last four years.

Mr. Kennedy asked how the firm would enliven faculty interest in the search. Mr. Kring said he depends on the search committee to do this; however, to aid in encouraging faculty members to make nominations he holds meetings with faculty groups and also works with the search committee to develop interest among faculty members in supplying nominations of prospective candidates. He added that the search committee should consider how to get the faculty members engaged and that the composition of the search committee should take this into account in terms of the size of the committee and the construction of the membership of the committee. He noted that it is very important to get input and avoid cynicism in soliciting help from faculty members.

Mr. Oliver stated that there are a limited number of potential candidates for a position such as president of the University of Illinois, and asked what value Korn/Ferry would bring to building the candidate pool. Mr. Kring answered that Korn/Ferry's value would be in its access to candidates for the pool that the search committee would consider. He said that the firm is not in competition with any other firm in searching for candidates. Mr. Kring said that the firm knows everyone who might be qualified because of the vast body of work the firm has done. He said that the challenge for Korn/Ferry is in deciding who to call for suggestions of nominees. He also referred to the firm's database which would be an asset to a search. He added that this is a fascinating time in higher education and finding the right individual for an available position requires a pool that is broad and deep. He said that the firm's representatives would act as emissaries for the University of Illinois in recruiting appropriate prospective candidates.

Ms. Condit added that Korn/Ferry offers a leadership assessment program that deals with leadership dimensions and makes observations about areas that are important in selecting leaders. She also said that the firm has a tool known as a candidate dashboard that is helpful for a search.

Mr. Kring concluded the presentation by stating that Korn/Ferry offers technical expertise, access to prospects, and confidentiality of all processes.

At 12:20 p.m., this presentation and question session was concluded.

DISCUSSION OF SEARCH FIRMS

Following the three presentations, the Board discussed them as a group and informally ranked them. Ms. Strobel began by observing that the three firms exhibited a breadth of resources and experience, and that based on this she would eliminate The Hollins Group because it lacked the experience needed for the search for a president of the University of Illinois. Thus, she said she would rank Issacson, Miller as first, based on the presentation by Dr. Baer; Korn/Ferry second, and The Hollins Group as third.

Mr. Kennedy said he would have a slightly different ranking based on the number of constituency groups that would be involved in the search, and he found Korn/Ferry's diversity numbers for staff and for placements low, suggesting that this firm would not be able to produce a diverse pool of candidates. Therefore, his informal ranking would place Isaacson, Miller first; The Hollins Group second; and Korn/Ferry third.

Dr. Carroll said she would rank Korn/Ferry as first, and The Hollins Group as a 1.5. She did not assign a ranking to Issacson, Miller. She also urged the Board to move quickly on the search process.

Dr. Koritz stated that the search for a president would be a national, perhaps an international search and noted that Issacson, Miller did not have international experience as Korn/Ferry did. He asked the administration for comments.

President White stated that he knows Dr. Taylor and Ms. Condit and that both are strong professionals. He said that he had set high expectations for the

presentation from Korn/Ferry and that the presentation was weak. He said that he knew Dr. Taylor when he was president of Wilberforce College, and said that Dr. Taylor also has other experience in higher education. President White urged scrutiny of the past searches of The Hollins Group and said that the firm probably needed to build up a little more before taking on a search such as the search for a president of the University of Illinois. With regard to Issacson, Miller, President White said that personal relationships need to be taken into account and that sometimes these can be helpful and sometimes they can perpetuate an old boy network. He then stated that in the case of Issacson, Miller that this firm would never let the University of Illinois down.

Dr. Ikenberry said that the fact that Dr. Baer is a past associate has both positive and negative aspects. He said he does not want to be seen as influencing the selection of the search firm because of past associations. He stated that Dr. Baer is hardworking and possesses absolute integrity. He said that his personal knowledge of Dr. Baer's work is one plus factor, but it ought not be seen as a determinative factor.

Mr. McMillan said that he was disappointed in the presentation made by the representatives of Korn/Ferry and impressed with Dr. Baer's presentation, as it lived up to his expectations.

Mr. Oliver also said that the presentation by Dr. Baer of Issacson, Miller was impressive and that Dr. Baer seemed thoughtful about his remarks.

Mr. Montgomery stated that he would rank the Issacson, Miller firm as first, based on the presentation. He added that he was impressed by The Hollins Group's presentation and was moved by the representatives' comment that the firm had not had a

chance to conduct a search for a major institution such as the University of Illinois and wanted to say that sometimes it is necessary to “give a guy a chance.”

Based on these comments, Mr. Kennedy asked for a motion to approve agenda item, “Award Contract for Services to Assist in Selection of a President,” to engage the services of Isaacson, Miller. The item follows:

Award Contract for Services to Assist in Selection of a President

(5) The Board of Trustees wishes to employ the services of an executive search firm to assist with the process of searching for a new President of the University to replace President B. Joseph White, who has announced his resignation effective December 31, 2009.

In 2008, the University participated in a Request for Proposal (RFP) process in conjunction with the Illinois Public Higher Education Cooperative (IPHEC) and in accordance with applicable Illinois procurement laws to select and contract with several vendors capable of assisting with professional personnel searches. Through this RFP a total of 15 firms were selected and approved as qualified to provide search services to IPHEC institutions. The Board has now received and considered presentations from three of these firms: The Hollins Group, Inc., Isaacson, Miller, and Korn/Ferry International.

The Board hereby awards a contract to Isaacson, Miller to provide services to the University in identifying prospective candidates for the position of President of the University and assisting in the selection of a new President. These services will include

generating a pool of prospects, reviewing background information for many of these individuals, assisting the committee with myriad tasks including interviews with prospective candidates, making reports to the committee and to the Board, if requested, during the search process, and providing logistical assistance as needed to arrange meetings with prospective candidates. The total contract amount may be more or less depending on the final cost of candidate travel expenses. The Board hereby authorizes and empowers the Vice President/Chief Financial Officer and Comptroller and other officers of the Board to make, execute, and deliver all such instruments and documents on behalf of the Board as may be by them deemed necessary or appropriate in connection with this action and which are in conformity with its intents and purposes. Funds for the agreement are available in the Fiscal Year 2010 University gift funds operating budget.

The Board action recommended in this item complies in all material respects with applicable State and federal laws, University of Illinois *Statutes, The General Rules Concerning University Organization and Procedure*, and Board of Trustees policies and directives.

On motion of Ms. Strobel, seconded by Mr. Oliver, this recommendation was approved by the following vote: Aye, Dr. Carroll, Ms. Hasara, Mr. Kennedy, Dr. Koritz, Mr. McMillan, Mr. Montgomery, Mr. Oliver, Ms. Strobel, Mr. Tortolero, Mr. Zavorotny; no, none; absent, Governor Quinn.

(The student advisory vote was: Aye, Mr. Felix, Mr. Reschke; no, none.)

Following this vote, Ms. Strobel met with each of the search firms to report the Board's decision.

MOTION FOR EXECUTIVE SESSION

Chair Kennedy stated: “A motion is now in order to hold an executive session to consider the following subjects: University employee matters; and pending, probable, or imminent litigation against, affecting, or on behalf of the University.”

The motion was made by Mr. McMillan, seconded by Mr. Montgomery, and approved.

EXECUTIVE SESSION ADJOURNED

There being no further business, the executive session was adjourned at 1:35 p.m. and the Board meeting resumed in regular session to adjourn the meeting.

There being no further business, the Board adjourned.

MICHELE M. THOMPSON
Secretary

Christopher G. Kennedy
Chair