

APPROVED BY THE
COMMITTEE

OCT 25 2012

Susan M Kies
SECRETARY OF THE BOARD

MEETING OF THE GOVERNANCE, PERSONNEL, AND ETHICS COMMITTEE
OF THE BOARD OF TRUSTEES OF THE UNIVERSITY OF ILLINOIS

August 28, 2012

This meeting of the Governance, Personnel, and Ethics Committee of the Board of Trustees of the University of Illinois was held in Room 414, Administrative Office Building, 1737 West Polk Street, Chicago, Illinois, on Tuesday, August 28, 2012, beginning at 3:00 p.m. Attendance via videoconference was also available in Room 1030, National Center for Supercomputing Applications, 1205 West Clark Street, Urbana; and the Hatmaker Room, Room 550 Public Affairs Center, One University Plaza, Springfield, Illinois.

Trustee Pamela B. Strobel, chair of the committee, convened the meeting and asked the clerk to call the roll. The following members of the committee were present: Mr. James D. Montgomery, Ms. Pamela B. Strobel. Ms. Karen Hasara was absent. Mr. Kenneth M. Thomas, student trustee from the Chicago campus, was absent.

Also present were President Robert A. Easter; Dr. Phyllis M. Wise, vice president of the University of Illinois and chancellor, Urbana campus; Mr. Walter K. Knorr, vice president/chief financial officer and comptroller; Dr. Lawrence B. Schook, vice president for research; Mr. Thomas R Bearrows, University counsel; Dr. Susan M. Kies, secretary; Dr. Avijit Ghosh, special assistant to the president; Ms. Katherine Laing,

executive director of governmental relations; and Mr. Thomas P. Hardy, executive director for University relations.

Attached is a listing of other staff members in attendance at this meeting, as well as some members of the media.

Ms. Strobel asked if there were any comments or questions regarding the minutes from the meeting that was held on June 28, 2012, and there were none. She asked for a motion to approve the minutes, and on motion of Mr. Montgomery, seconded by Ms. Strobel, the minutes were approved. There were no "nay" votes.

REVIEW RECOMMENDED BOARD ITEMS FOR THE SEPTEMBER 14, 2012, BOARD MEETING

Ms. Strobel introduced the items within the purview of this committee that will be on the Board's agenda at its meeting on September 14, 2012.

Appointments to the Faculty, Administrative/Professional Staff, and Intercollegiate Athletic Staff

Dr. Kies explained that the appointments of faculty, administrative and professional staff, and intercollegiate athletic staff that are recommended in this item are thoroughly reviewed at the appropriate levels within the college, department, or unit, and that this item appears regularly on the Board's agenda. There were no questions or comments regarding this item.

Appoint Members to the Board of Managers of IllinoisVENTURES, LLC

Dr. Lawrence B. Schook, vice president for research, provided background information on IllinoisVENTURES, described the responsibilities of its board of managers, and reviewed changes to the IllinoisVENTURES operating agreement that were approved in March 2012 by the Board of Trustees. He then referred to the proposed agenda item (materials on file with the clerk) that will be presented to the Board for voting at its meeting on September 14, 2012, and stated that the proposed appointments to the board of managers outlined in this item would address concerns related to the balance of representation on the board. He discussed the need for greater campus representation on the board, and he referred to the benefits of representation in the fields of life and health sciences.

Dr. Schook then discussed the recommendation that 11 managers be confirmed as voting members and provided information about these proposed managers. He then listed the names of the recommended five non-voting members. Dr. Schook stated that he would send the resumes of the recommended voting members to trustees in advance of the Board meeting, and he expressed appreciation for the Board's consideration of these appointments and previously approved changes. He said the goal is to increase the effectiveness of the IllinoisVENTURES board.

Amend Bylaws of Wolcott, Wood and Taylor, Inc.

Mr. Michael Jonen, associate vice president for enterprise strategy, office of the vice president for health affairs, provided information regarding proposed amendments to the bylaws of Wolcott, Wood and Taylor, Inc. (materials on file with the clerk). He first referred to changes that were approved by the Board at its December 2011 meeting, which he said were made in response to findings of an internal audit and also achieved greater consistency with the office of the vice president for health affairs. He discussed the proposed amendments that will be brought before the Board for voting at its September 14, 2012, meeting, and he reviewed the objectives that these amendments will achieve. He also stated that the proposed changes were made with the consultation and support of University counsel. There were no comments or questions regarding the item.

PRESENTATIONS

Legislative Update

At 3:22 p.m., Ms. Strobel asked Ms. Katherine Laing, executive director of governmental relations, to provide a legislative update. Ms. Laing provided information regarding recently passed legislation that has been signed into law and its impact on the University. She read the text of a law that restricts the use of search firms at the University, and explained that there is a six-month timeframe to develop a policy based on this law. She stated that Ms. Maureen Parks, executive director and associate vice president for human

resources, has done some preliminary work to develop possible criteria for this policy. Brief discussion followed, and Ms. Laing stated that search firms were used more frequently in recent years due to the unusually high number of high-level positions that have been filled. She explained that the use of search firms prompted this legislation, and that the expectation will be to restrict the use of search firms to high-level searches, noting that there is some flexibility in the language of the legislation. She stated that it does not include a reporting requirement but to expect those who sponsored the bill to follow up on its implementation.

Next, Ms. Laing discussed a bill that privatizes the State workers' compensation program, noting that there will be attempts to seek some relief from this legislation. She explained that the University of Illinois is the only State university that handles this function internally, and it is assumed that this legislation was not intended to apply to the University.

Ms. Laing then discussed a law that restricts the rehiring of retired employees, effective July 1, 2013. She stated that this will be administered and tracked by the State University Retirement System (SURS), and she listed some exceptions that permit the rehiring of retired employees. She explained that this legislation was created to address some abuses that have occurred in the past, noting that there is also concern regarding the collection of two State paychecks by these individuals.

Next, Ms. Laing briefly reported on the elimination of General Assembly scholarships and said there is also some interest in evaluating tuition waivers to

employees. She stated that legislation was also passed that will impact a large number of University employees regarding the reporting of sexual abuse, stating that the implementation of this law will be handled by the ethics office. She also briefly referred to the classification of University academic professional and civil service positions. Lastly, she stated that there is motivation to address State pension issues before the election, noting that it is difficult to predict the outcome. Her report concluded at 3:34 p.m.

OLD BUSINESS

Board Retreat Feedback

Ms. Strobel asked Dr. Kies to report on feedback from the recent Board retreat. Dr. Kies stated that the overall response was very positive and that many participants described it as worthwhile and said they hoped this type of dialogue continued. She indicated that feedback was provided through several avenues, including a survey that was sent to participants. She reported that the survey response rate was very high, at almost 70 percent. She stated that they received some suggestions for improvement, and she told the committee that participants expressed appreciation for the trustees' participation in the small group discussions. She stated that materials related to the retreat are available online. Ms. Strobel thanked Dr. Kies for her hard work and for helping make the retreat a success.

Brief discussion followed regarding the next Board retreat, which will be held in January 2013.

Board's Self-Assessment and Expectations for Trustees

Ms. Strobel then referred to the Board's self-assessment, and said she would like to get input from other trustees, and particularly from the chair of the Board, to consider making some improvements and small changes to the questionnaire that was used last year. She and Dr. Kies discussed sending the self-assessment to Board members in the fall after the September 14, 2012, Board meeting. Ms. Strobel indicated that the document outlining expectations for Board members has already been reviewed and does not need to be updated.

NEW BUSINESS

At 3:43 p.m., Ms. Strobel discussed the upcoming review of the governing documents of the University and explained that the goal is to update and streamline these documents. She indicated this will be a significant amount of work that will be conducted by a small group comprised of Ms. Maureen Parks, executive director and associate vice president for human resources; Dr. W. Randall Kangas, associate vice president for planning and budgeting; Dr. Nicholas Burbules, chair, University Senates Conference, and Gutgsell professor, department of education policy, organization, and leadership, College of Education, Urbana; and a representative from legal counsel. She emphasized the

importance of faculty involvement. She then reviewed the timeline for the project, stating that the first phase, reviewing the documents and identifying areas for modification, will conclude on November 1, 2012. She said the second phase, which will include rewriting and updating the sections identified in the first phase, will be conducted by a small group of six to eight people and will conclude on April 1, 2013. She said after the University Senates Conference and the President have an opportunity to review the changes, the revisions can be to be submitted to the Board for approval at its meeting in May ~~2012~~²⁰¹³. She stated that the committee will serve as a conduit to address any issues that may arise, and she emphasized the magnitude of this task.

Ms. Strobel then announced that the next meeting of this committee is scheduled for October 25, 2012, at 1:00 p.m.

MEETING ADJOURNED

On motion of Ms. Strobel, seconded by Mr. Montgomery with no “nay” votes, the committee adjourned at 3:47 p.m.

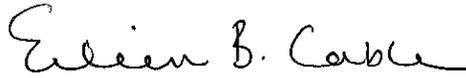
Respectfully submitted,



Susan M. Kies
Clerk



Pamela B. Strobel
Chair



Eileen B. Cable
Assistant Clerk