

MEETING OF THE GOVERNANCE, PERSONNEL, AND ETHICS COMMITTEE

OF THE BOARD OF TRUSTEES OF THE UNIVERSITY OF ILLINOIS

MAY 9, 2013

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 campus, Chicago, Illinois, on Thursday, May 9, 2013, beginning at 1:02 p.m. Attendance via videoconference was also available in Room 1030, National Center for Supercomputing Applications, 1205 West Clark Street, Urbana campus, Urbana, Illinois; and the Hatmaker Room, Room 550, Public Affairs Center, One University Plaza, Springfield campus, 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. Patrick J. Fitzgerald<sup>1</sup>, Ms. Karen Hasara, Mr. James D. Montgomery, Ms. Pamela B. Strobel. Mr. Kenneth M. Thomas, student trustee from the Chicago campus, was present.

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

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<sup>1</sup> Mr. Fitzgerald attended the meeting via telephone.

secretary. Also in attendance were Mr. Thomas P. Hardy, executive director for University relations, and Ms. Margaret M. O'Donoghue, interim special assistant to the president.

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 October 25, 2012, and there were none. She asked for a motion to approve the minutes, and on motion of Mr. Montgomery, seconded by Mr. Thomas, the minutes were approved. There were no "nay" votes.

#### REVIEW RECOMMENDED BOARD ITEMS FOR THE MAY 29, 2013, 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 May 29, 2013. All recommended items discussed at the meeting are on file with the clerk.

#### 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.

Amend Multiyear Contract with Head Men's Basketball Coach, Urbana

Chancellor/Vice President Wise commented on the item that recommends amending the employment contract with the head men's basketball coach to extend the term by one additional year. She stated that the coach's base salary and deferred compensation plan will remain the same, with an increase in the coach's media and marketing salary component. Mr. Montgomery inquired about the purpose of the media and marketing salary component, and Dr. Wise explained that the coach participates in many activities and communication with the community and beyond.

Amend Multiyear Contract with Head Men's Basketball Coach, Chicago

Dr. Frank Goldberg, vice provost for resource and planning management, Chicago, discussed the item that recommends amending the employment contract with the head men's basketball coach to extend the term by three additional years. He highlighted some aspects of the item, including the proposed salary increase.

Amend Multiyear Contract with Director of Intercollegiate Athletics, Chicago

Dr. Goldberg then commented on the item that recommends amending the employment contract with the director of the division of intercollegiate athletics at Chicago, stating that this would extend the contract through January 23, 2014. Dr. Goldberg commented briefly on the proposed salary increase recommended in this item.

Appoint Dean, College of Public Affairs and Administration, Springfield  
Appoint Dean, College of Education and Human Services, Springfield

Dr. Lynn Pardie, provost and vice chancellor for academic affairs at Springfield, discussed the recommendation to appoint deans to the College of Public Affairs and Administration and the College of Education and Human Services at Springfield. She discussed the background and experience of each candidate and stated that these recommendations are the result of national searches to fill these positions.

Approve University of Illinois Policy and Criteria for the Use of Search Firms

Ms. Maureen M. Parks, executive director for human resources, reported on the recommendation to approve a University policy and criteria for the use of search firms. She stated that this was created in response to a State law, which was passed in July 2012 and takes effect in July 2013, that limits the use of search firms and requires Illinois public universities to develop and implement a policy and accompanying criteria. She

stated that the proposed Board item outlines the policy and criteria, and Ms. Strobel told the committee that Ms. Parks would be providing a presentation on the policy and criteria later in the meeting.

#### REVIEW COMMITTEE ITEM

##### Approve Recommendation to Disclose Certain Minutes of Executive Sessions Pursuant to Open Meetings Act

Dr. Kies referred to Open Meetings Act regulations which mandate that minutes from business conducted under exceptions specified in the Act must, at least every six months, be reviewed to determine whether the need for confidentiality still exists with respect to each item considered under such exception. She stated that this pertains to all meetings of the Board and committees of the Board and that the recommendation pertaining to the release of sequestered minutes will be discussed during the executive session to be held later in the meeting.

#### PRESENTATIONS

##### University of Illinois Policy on the Use of Search Firms

At 1:15 p.m., Ms. Strobel asked Ms. Parks and Mr. Eric A. Smith, assistant vice president for human resources and director of equal opportunity, to provide a presentation on the proposed policy on the use of search firms (materials on file with the clerk). Mr. Smith

discussed the requirements of the law pertaining to the use of search firms by State universities and explained that a policy and accompanying criteria must be implemented by July 1, 2013. He then reviewed the proposed criteria for the use of a search firm and stated that these criteria were created in collaboration with many throughout the University and each campus. He provided an overview of the approval process and stated that the Office of Human Resources will monitor the use of search firms throughout the University.

Discussion regarding the legislation regarding the use of search firms followed, and Mr. Smith stated that there is no requirement to have the policy and criteria approved by the State. He also said it is not required that the University provide a report to the State on the use of search firms, noting that the Office of Human Resources does plan to provide this information to the Board. Committee members also discussed potential savings resulting from the decreased use of search firms, and Mr. Smith stated that this is difficult to predict due to the nature of each search. Ms. Parks referred to similar policies and criteria at other State universities and emphasized the clarity and structure of the University's proposed version. She also stated that there are few searches utilizing search firms currently being conducted throughout the University and that the use of search firms has generally decreased since this legislation was passed. Ms. Strobel thanked Mr. Smith and Ms. Parks for the presentation.

### Conflict of Commitment and Interest

At 1:23 p.m., Ms. Strobel asked Dr. Schook to report on the University policy on conflict of commitment and interest and the recommended disclosure process for University officers (materials on file with the clerk). Dr. Schook explained that the report of non-University activities (RNUA) is the implementation of this policy and that an internal audit found a need to formalize and document expectations for the review and approval of RNUAs for University officers. He reported that the audit also found the need to implement a process for the review of trustee conflict disclosures. Dr. Schook outlined the conflict of commitment and interest and RNUA requirements and guidelines and stated that these apply to all full-time and part-time academic faculty and staff. He provided an overview of the conflict of commitment and interest and RNUA process, which he said requires the disclosure of all external income-producing activities, and presented a process for conflict oversight for University officers, the president, and trustees. Dr. Schook and Mr. Bearrows provided some examples of potential conflicts and discussed how these might be handled. Dr. Schook then gave a summary of recommendations related to conflict of commitment and interest and RNUA reporting. Discussion regarding the responsibility for identifying conflicts followed, and Dr. Schook and Mr. Bearrows referred to the policy on conflict of commitment and interest and State law. Mr. Bearrows emphasized that participation in external activities is not discouraged and that academic staff should be advised to disclose activities that may present a conflict

of commitment or interest. Committee members then asked if this topic is included in the required annual ethics training, and Ms. Donna S. McNeely, University ethics officer, stated that it is addressed briefly and agreed that additional education on the topic is needed. Ms. Strobel thanked Dr. Schook for the presentation.

#### OLD BUSINESS

Ms. Strobel briefly summarized the responses to the Board's 2012 self-assessment questionnaire. Categories included personal commitment, general functioning of the Board, Board meetings, Board subcommittees, the Board office, and the University. She highlighted areas that received high and medium-to-low scores and stated that while responses indicate overall satisfaction, there is always room for improvement. She also referred to the upcoming distribution of the self-assessment for 2013. Ms. Hasara suggested that it would be useful to examine areas that received low scores at the next committee meeting, and all committee members were in agreement with this suggestion.

#### NEW BUSINESS

Ms. Strobel stated that the Board retreat will be held on July 24, 2013, and will focus on the clinical medical enterprise. She described the types of presentations that will take place during the retreat and said the intent is to gather information and engage in focused discussions regarding many aspects of the medical center and College of Medicine.



President Easter added that this retreat will involve those who are directly involved with the clinical medical enterprise at the University and will include a smaller group than has been included in Board retreats in the past.

Ms. Strobel then announced that the next meeting of this committee is scheduled for July 11, 2013.

#### MOTION FOR EXECUTIVE SESSION

At 2:01 p.m., Ms. Strobel stated that a motion was in order to convene an executive session to consider the recommendation to disclose minutes of meetings lawfully closed under the open meetings act. On motion of Mr. Montgomery, seconded by Mr. Thomas, this motion was approved. There were no nay votes.

#### EXECUTIVE SESSION

Dr. Kies stated that the Open Meetings Act requires that minutes from business conducted under exceptions specified in the Act must, at least every six months, be reviewed to determine whether the need for confidentiality still exists with respect to each item considered under such exception. She reported that she and Mr. Bearrows reviewed all sequestered items and recommend that some matters considered in executive session during the May 25, 2011, and May 17, 2012, meetings of the Governance, Personnel and Ethics Committee be made available to the public. She said these portions

of executive session minutes concern the discussion of the release of minutes that was held on those dates, and they recommend that all other matters continue to be sequestered. There were no questions or comments regarding this recommendation.

#### EXECUTIVE SESSION ADJOURNED

There being no further business, the executive session adjourned at 2:02 p.m.

#### AGENDA

At 2:03 p.m., the open session resumed. Ms. Strobel stated that there was one agenda item requiring action by the committee, and she asked Dr. Kies to read aloud the title of the item, "Disclose Certain Minutes of Executive Sessions Pursuant to the Open Meetings Act." The committee agreed that one roll call vote would be taken and considered the vote on the agenda item as listed below.

#### Disclose Certain Minutes of Executive Sessions Pursuant to Open Meetings Act

(1) Under the Open Meetings Act passed by the General Assembly, public bodies subject to the Act that conduct business under exceptions specified in the Act must, at least every six months, determine whether the need for confidentiality still exists with respect to each item considered under such exception.

Two items from September 2010 through August 2012 that have been heretofore unreleased are recommended for release at this time.

The University Counsel and the Secretary of the Board, having consulted with appropriate University officers, recommends that the following matter considered in executive session for the time period above be made available to the public at this time.

The committee 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 President of the University concurs.

### **Executive Session Minutes Released to Public**

#### **May 25, 2011, Governance, Personnel, and Ethics Committee**

##### **Discussion of Minutes of Meetings Lawfully Closed Under the Open Meetings Act**

Dr. Thompson reminded the committee that the Open Meetings Act requires a semi-annual review of sequestered minutes of closed (executive) sessions of Board meetings to determine if confidentiality is no longer required for some of these minutes and if they might be released to the public, upon approval of the Board. She indicated that she and Mr. Bearrows had conducted such a review and were recommending release of portions of hitherto sequestered minutes of executive sessions. These portions were presented to

the committee. There was no disagreement with release of these materials; therefore, this recommendation will be added to the agenda for consideration by the Board as a Whole at its meetings scheduled for June 9, 2011.

**May 17, 2012, Governance, Personnel, and Ethics Committee**

Ms. Strobel asked Dr. Kies to provide some information about the item to be discussed in closed session. Dr. Kies referred to the item that will appear on the Board's agenda:

“Recommendation Concerning Disclosure of Certain Minutes of Executive Sessions Held During Meetings of the Governance, Personnel and Ethics Committee Pursuant to the Open Meetings Act.”

Dr. Kies then told committee members that the Open Meetings Act requires periodic review of sequestered minutes to determine whether the need for confidentiality still exists. She stated that after consultation with Mr. Bearrows and appropriate University officers, they recommend that matters considered in executive session during the meeting of the Governance, Personnel, and Ethics Committee that was held on November 17, 2011, be made available to the public. She noted that this pertains only to the portion of the minutes regarding the discussion of the release of minutes that was held during that meeting, and that all other matters will continue to be sequestered, as the need for confidentiality still exists. Dr. Kies stated that committee members would vote on this item in open session.

On motion of Mr. Montgomery, seconded by Mr. Thomas, this recommendation was approved by the following vote: Aye, Mr. Fitzgerald, Ms. Hasara, Mr. Montgomery, Ms. Strobel; No, none.

(The student advisory vote was: Aye, Mr. Thomas)

### MEETING ADJOURNED

Mr. Thomas stated that this would be his last meeting as a member of this committee, and he thanked the committee members for their work throughout the year. This was followed by a round of applause. On motion of Mr. Montgomery, seconded by Mr. Thomas with no "nay" votes, the committee adjourned at 2:05 p.m.

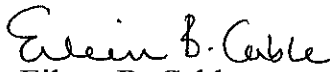
Respectfully submitted,



Susan M. Kies  
*Clerk*



Pamela B. Strobel  
*Chair*



Eileen B. Cable  
*Assistant Clerk*