

**APPROVED BY THE
COMMITTEE**

JUL 10 2014



SECRETARY OF THE BOARD

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

MAY 1, 2014

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 1, 2014, beginning at 1:00 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, Ms. Karen Hasara, Mr. James D. Montgomery, Ms. Pamela B. Strobel. Ms. Danielle M. Leibowitz, student trustee from the Chicago campus, was present.

Also present were President Robert A. Easter; Mr. Walter K. Knorr, comptroller (and vice president/chief financial officer); Dr. Christophe Pierre, vice president for academic affairs; Dr. Lawrence B. Schook, vice president for research; Mr. Thomas R. Bearrows, University counsel; Dr. Susan M. Kies, secretary of the Board of

Trustees and of the University. 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 January 9, 2014, and there were none. She asked for a motion to approve the minutes, and on motion of Mr. Montgomery, seconded by Mr. Fitzgerald, the minutes were approved. There were no "nay" votes.

REVIEW OF RECOMMENDED BOARD ITEMS
FOR THE MEETING OF THE BOARD OF TRUSTEES
OF THE UNIVERSITY OF ILLINOIS ON MAY 14, 2014

Ms. Strobel introduced the items within the purview of this committee on the Board's agenda at its meeting on May 14, 2014. 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.

Ms. Strobel asked if there were any comments or questions. Mr. Montgomery inquired about the completeness of this item, and Dr. Kies explained that this is a draft and is often updated until just before the Board meeting.

Appoint Dean, College of Education, Chicago

Dr. Lon S. Kaufman, vice chancellor for academic affairs and provost, Chicago, commented on the item recommending the appointment of Dr. Alfred Walter Tatum, presently interim dean and professor of curriculum and instruction, College of Education, as dean of the College of Education at Chicago. Dr. Kaufman discussed Dr. Tatum's qualifications, prestigious background, and experience, and said he is also a wonderful administrator. Dr. Kaufman reported that this recommended appointment was vetted at the appropriate levels.

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.

REPORTS

Annual Report on Freedom of Information Act (FOIA) Activity

Mr. Thomas P. Hardy, executive director for University relations, referred to a presentation that was provided to this committee on Freedom of Information Act (FOIA) activity last year and said a report on calendar year 2013 activity was distributed to committee members (materials on file with the clerk). He summarized the report and commented on the upward trend in FOIA activity. Mr. Hardy reported that the FOIA team reviewed more than 77,000 pages in response to FOIA requests last year, and that this year's FOIA activity is ahead of that pace. Ms. Strobel thanked Mr. Hardy and his team for their work, noting that the workload is tremendous.

PRESENTATIONS

Expanding the Use of Criminal Background Checks at the University of Illinois

At 1:18 p.m., Ms. Strobel asked Ms. Maureen M. Parks, associate vice president for human resources, to provide a presentation on expanding the use of criminal background checks at the University (materials on file with the clerk). Ms. Parks reviewed current policies and procedures pertaining to the use of criminal background checks and provided examples of security sensitive positions that require background checks prior to employment. She reported that most schools in the Big Ten have undergone reviews of

their policies regarding the use of background checks, and she gave examples of schools that have recently expanded their policies. Ms. Parks then discussed changes to the Illinois Abused and Neglected Child Reporting Act, which was amended on June 27, 2012, and she reported on the training completed by University employees in relation to this act. She commented on the Best Candidate for the Job Act, a proposed State law, and discussed this with committee members. Ms. Parks stated that she does not believe it would have a significant impact on current University procedures. She then provided an overview of the development of a criminal background check policy and discussed the timeline for this.

Discussion followed, and Ms. Parks described the current process for handling a report that confirmed further information regarding the background check for a potential employee. She explained that many factors are considered in these situations and are evaluated by a designated group on each campus, noting that representatives from human resources, legal counsel, and campus police are involved in these discussions. Committee members then discussed the Best Candidate for the Job Act, and Mr. Fitzgerald expressed support for hiring people with criminal backgrounds for appropriate positions. He said that while it is important to be aware of a potential employee's criminal background, it should not be grounds for disqualification. Ms. Hasara inquired about training related to the Illinois Abused and Neglected Child Reporting Act, and Ms. Parks outlined training for new and existing employees. Ms. Hasara then commented on

the importance of following up on employees with criminal backgrounds to ensure that they not placed in inappropriate positions throughout their career at the University.

Discussion of Money Purchase Option

Ms. Strobel then asked Ms. Parks to give a presentation on changes to the money purchase option used in the calculation of employees' retirement annuities resulting from the pension reform law, Public Act 98-599 (materials on file with the clerk). Ms. Parks stated that employees can choose between a "general formula" and a "money purchase option" in the calculation of their retirement annuities and explained that many retirees from the University select the "money purchase" option because it results in a higher annuity. She described the calculation of a "money purchase" retirement annuity and the impact of Public Act 98-599 on this formula. Ms. Parks told the committee that the State Universities Retirement System (SURS) is projecting a 20 percent to 30 percent decrease to the "money purchase" calculation based on changes to actuarial factors. She provided an example of this calculation and the impact of the new law. Ms. Parks discussed eligibility dates and explained that some employees may now have an increased incentive to retire, noting that an estimated 3,420 to 3,990 employees may be impacted by this. She then reported on potential costs to the University.

Ms. Strobel thanked Ms. Parks for the presentation and said it is an important issue. Committee members and President Easter discussed efforts to have the language of the law modified, and Mr. Knorr provided a brief update on a correction bill

that has been introduced. President Easter commented on the importance of maintaining communication with employees. He and Ms. Parks also discussed SURS response to these changes. Ms. Strobel asked if there is a unanimous opinion that the impact of the law is a result of a technical error, and President Easter stated that he is not aware of another opinion.

Overview of Conflict of Commitment and Interest Policy

At 1:45 p.m., Ms. Strobel asked Dr. Schook to provide a presentation on the University's Conflict of Commitment and Interest Policy (materials on file with the clerk). Dr. Schook provided an overview of audit findings related to the reporting of non-University activities by the president, University officers, and trustees. He presented the Conflict of Commitment and Interest policy and reporting of non-University activities, and he discussed current goals and objectives. Dr. Schook presented the process for reporting Conflict of Commitment and Interest and non-University activities for academic staff and described how conflicts are handled. He then discussed the process for managing conflicts for the president, University officers, and trustees, and he summarized the recommendations regarding this process. Dr. Schook emphasized that having a conflict management plan should be viewed positively, and he told the committee that outside activities are encouraged and should be actively managed. He also commented on perceived conflicts that are not income-producing, and he used his role on the board of UI LABS as an example.

Brief discussion followed, and Dr. Schook discussed the breadth of activities that this covers. He also described the annual process for submitting Conflict of Commitment and Interest forms and commented on requirements by federal funding agencies to disclose conflicts of interest. He stated that the conflict of commitment piece is more complex. Dr. Schook told the committee that having electronic records will provide a mechanism for better control and commented that maintaining this throughout the year is a challenge. Ms. Strobel requested an annual report on this topic, and Dr. Schook said he could provide this on a yearly basis.

OLD BUSINESS

President Easter provided an update on the search for the chancellor at Chicago and said the process is well underway. He provided an overview of the timeline and the work completed so far and said the search is on schedule.

Ms. Strobel then commented on the search for a president. She stated that she is grateful to the search committee's co-chair, Dr. Douglas H. Beck, and she discussed some of the preliminary work that is underway. She reported that the search committee will be meeting on May 19, 2014, and she thanked Mr. Estrada and Mr. Montgomery for serving on the search committee. Ms. Strobel emphasized that while three trustees are on the search committee, the decision is made by the full Board, and she encouraged all trustees to ask questions and attend meetings of the search committee.

NEW BUSINESS

Ms. Strobel discussed the upcoming July retreat and said the theme will address this period of transition at the University. She reported that the retreat will involve a smaller group holding discussions that address the biggest questions facing the University. Ms. Strobel commented that discussion will be very strategic and will focus on difficult issues, and she said that a facilitator will likely be used to aid in the discussion.

Next, Ms. Strobel referred to the Board's self-evaluation and reminded trustees to consider any changes or modifications to the current set of questions.

Ms. Strobel then thanked Ms. Leibowitz for her service to the committee and congratulated her on her appointment as the student trustee for the Chicago campus for a second year.

Ms. Strobel announced that the next meeting of this committee is scheduled for July 10, 2014, at 1:00 p.m.

MOTION FOR EXECUTIVE SESSION

At 2:13 p.m., Ms. Strobel stated that a motion was in order to convene an executive session to consider the discussion of minutes of meetings lawfully closed under the Open Meetings Act. On motion of Mr. Montgomery, seconded by Mr. Fitzgerald, this motion was approved. There were no nay votes.

Mr. Montgomery left the meeting at 2:14 p.m.

EXECUTIVE SESSION

Ms. Strobel convened this executive session at 2:15 p.m. All committee members, except Mr. Montgomery, were present. Also present were Mr. Thomas R. Bearrows, University counsel, and Dr. Susan M. Kies, secretary of the Board of Trustees and of the University.

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

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. Dr. Kies reported that she and Mr. Bearrows reviewed all sequestered items considered in executive session during meetings of the Governance, Personnel, and Ethics Committee held September 2010 through October 2013, and recommend that one matter discussed in executive session during the October 31, 2013, meeting be made available to the public. Dr. Kies said this portion concerns the discussion of the release of minutes, and she and Mr. Bearrows recommend that all other matters continue to be sequestered, noting that many are employee-related matters and not appropriate for release. There were no questions or comments regarding this recommendation.

EXECUTIVE SESSION ADJOURNED

There being no further business, the executive session adjourned at 2:17 p.m.

AGENDA

At 2:17 p.m., the open session resumed. Ms. Strobel stated that there was one agenda item requiring action by the committee, and Dr. Kies 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.

An item from September 2010 through October 2013 that has been heretofore unreleased is 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

October 31, 2013, Governance, Personnel, and Ethics Committee

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. Dr. Kies reported that she and Mr. Bearrows reviewed all sequestered items considered in executive session during meetings of the Governance, Personnel, and Ethics Committee held from September 2010 through July 2013, and recommend that one matter discussed in executive session during the May 9, 2013, meeting be made available to the public. She said this portion concerns the discussion of the release of minutes, and they recommend that all other matters continue to be sequestered. There were no questions or comments regarding this recommendation.

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

(The student advisory vote was: Aye, Ms. Leibowitz)

MEETING ADJOURNED

On motion of Mr. Fitzgerald, seconded by Ms. Leibowitz with no "nay" votes, the committee adjourned at 2:18 p.m.

Respectfully submitted,



SUSAN M. KIES
Clerk



PAMELA B. STROBEL
Chair



EILEEN B. CABLE
Assistant Clerk

