

**GOVERNORS STATE UNIVERSITY
BOARD OF TRUSTEES**

**BUDGET AND FINANCE COMMITTEE
Minutes of the December 6, 2013 Meeting**

Patrick Ormsby, Chair

CALL TO ORDER AND ROLL CALL

The Budget and Finance Committee of the Board of Trustees met on Friday, December 6, 2013 in the William D. McGee Hall of Honors at Governors State University. The meeting was called to order by Committee Chair Patrick Ormsby at 10:05 a.m. Committee members Jack Beaupre, Lorraine Tyson, and Kayla Randolph-Clark were present. Also in attendance were Trustees Bruce Friefeld, Brian D. Mitchell, Anibal Taboas and Eileen Durkin.

Others present: Elaine P. Maimon, President; Deborah E. Bordelon, Provost and Vice President for Academic Affairs; Gebeyehu Ejigu, Executive Vice President and Chief of Staff; Alexis Kennedy, General Counsel; Karen Kissel, Vice President for Administration and Finance; Courtney Kohn Sanders, Vice President for Enrollment Management and Marketing; Will Davis, Vice President for Development; Rashidah J. Muhammad, President, Faculty Senate; Laura Owens, President, Civil Service Senate; Lisa Wallace, President, Student Senate; Elizabeth Ruiz, President, GSU University Professionals of Illinois; Angela Latham, Associate Provost; Sandra Mayfield, Associate Provost; Karen D'Arcy, Interim Dean, College of Education; Ellen Foster Curtis, Dean, College of Business and Public Administration; Reinhold Hill, Dean, College of Arts and Sciences; Aurelio Valente, Dean of Students; Jeff Slovak, Deputy Vice President for Administration and Finance; Faculty Senate Representative Susan Ji; and David Dixon, Internal Auditor.

INFORMATION ITEMS

1. **Report on Purchases \$50,000-\$99,999 – September 16, 2013 through November 15, 2013.** The report is in the Board book. There were no questions.
2. **FY2014 Operating Budget Report: Budgeted vs. Actual Expenses as of October 31, 2013.** Ejigu presented. Taboas asked whether or not this report reflected actual revenue. Ejigu responded that it did not; it is not a profit-loss statement. Taboas questioned if the budget is realistic to today's status, in other words, is the University achieving the enrollment and State contributions on which the budget was based? Ejigu confirmed that the current revenue stream is consistent with what was budgeted. Owens pointed out that

the negotiating units are still in talks, and questioned whether the budget reflected that scenario. Ejigu responded that it reflects current union contracts, but not those currently being negotiated, to which Owens concluded that next year's budget could change based on the outcome of negotiations, and Ejigu confirmed. Tyson asked if personal services represented salaries and wages. Ejigu replied it did, but pointed out those figures do not include benefits, explaining that the bulk of benefits are directed by the State Central Management Services (CMS). Ormsby thanked Ejigu for preparing this report, which he specifically requested. Tyson asked for clarification on what appear to be surplus balances. Ejigu responded that, to his knowledge, the balances Tyson refers to as surpluses are not unique to GSU, explaining that the State does not look at the year-end balance of each university and ask for any unspent funds back. He explained it is good fiscal management to finish the year in the black. Maimon added that Tyson's question may have political implications as well. To be a responsible financial unit the University has to have funds it refers to as surplus. One of the problems in Illinois is that when emergency capital issues arise the individual universities have to cover the cost; the State does not offer any financial assistance, therefore these reserve funds are essential. Maimon emphasized that each year when she testifies before the General Assembly she points out the great work GSU is doing with reduced State funding through good fiscal management. Ejigu reiterated that GSU does not carry a surplus per se. In the normal course of the year there are retirements, resignations, etc. and it takes a full year to fill a vacant faculty spot, so those salaries remain unspent until the position is filled. Tyson asked if that, therefore, is the major source of surplus funds to which Ejigu responded it was.

3. Internal Auditor Annual Report

Ejigu explained that each year at the December Board meeting the Internal Auditor Annual Report is presented. He called on David Dixon, Internal Auditor, to answer questions. Dixon stated the report before them is a summarized version of the full report. It includes both highlights for FY13 and the approved plan for FY14, explaining that it is a two-year plan that has to be approved by the President by June 30 of each year. Dixon pointed out that the majority of the plan has to deal with compliance activities. Durkin asked Dixon to elaborate on the timesheet issue. Dixon explained there is a State mandate on the reporting of timesheets. Because of the scope of the faculty members' work it is rather unreasonable to expect them to fill out monthly timesheets in 15 minute increments. Therefore it is an ongoing issue at all the public state universities. Ormsby asked if all internal controls are satisfactory, which Dixon replied they are, based on his audit. Taboas commented it is impressive that the financial management status only showed a cash difference of \$5.00, then asked Dixon what would be considered a significant level. Dixon explained that most cash goes through the Cashier's Office, and they do a phenomenal job. Taboas inquired what is considered a material finding. Dixon

responded that his thresholds are different from the external auditors because they are under the Office of the Auditor General. For example, submitting a report one day late is a finding by the external auditors, however he does not use quite as strict guidelines, using his best judgment in each particular situation. Tyson asked if Dixon reviewed the external audit reports, pointing out that some items must overlap. Dixon responded that he follows up on all the external audit findings, which is considered a follow-up audit, for maximum coverage.

4. **Board Policy on Concealed Carry – First Reading**

Kennedy reported that this proposed policy is being brought before the Board in response to the passage of the Illinois Firearms Concealed Carry Act of July 2013. The statute before the Board has some specific exclusions pertaining to higher education, based on the efforts of the Public State University Presidents and Chancellors, because the universities are able to set their own standards. In general, guns are prohibited from the campus subject to regulation by the University. The proposed policy expands the definition of firearms to include weapons, explosive devices, pellets, flares, or any projectile. It also includes prohibition against threatening activities leading to violence. Kennedy pointed out that the proposed policy makes certain allowances for the controlled storage of firearms for the Department of Public Safety. This will come back to the Board in February for action, but in the meantime Kennedy recommends the policy be put in place by Presidential Action since the Illinois State Police will issue concealed carry permits beginning January 6, 2014.

Tyson asked whether if in crafting the bullying portion of the policy the template from Northern Illinois University (NIU) was used, adding that it is fairly broad and practically speaking may be difficult to enforce. Kennedy responded that it is an extension of the policy developed by NIU, and reflects the concerns of the university presidents and chancellors as a group on the topic of bullying. Including it in this policy makes it clear the presidents and chancellors are concerned about bullying. Tyson asked if other bullying language was looked at. Kennedy replied that it is also a product of the higher education General Counsels. Maimon emphasized that there has been unity across the Illinois public universities. The General Counsel at NIU took the lead in lobbying for all the public universities in Springfield and development of this policy, therefore this is the template for all Illinois public universities. Muhammad stated that as a faculty member she is concerned about bullying and students having guns on campus, and inquired how this policy will be enforced. Ejigu responded that the bulk of the responsibility to implement this policy will be on the Chief of Police, James McGee, who works very closely with other Chiefs of Police. They are responsible for implementing procedures and training officers. He agreed to provide the Board with more specifics on enforcement of the policy at the next meeting. McGee added that the origin of many campus shootings

is bullying, so it is essential to have this language in the policy. Taboas expressed his pleasure that there is a section that gives the Administration some leeway on how to handle things, and his desire to keep that flexibility intact as much as possible, recounting a time in his career when an individual brought a knife to work to cut bagels, and because there was no administrative flexibility to deal with it for what it was, it became a very complicated issue. Ormsby thanked the Administration for their work on this subject.

ACTION ITEMS

1. **Approval of Minutes.** Ormsby requested a motion to approve the Minutes of the March 11, 2011 and October 11, 2013 Budget and Finance Committee Minutes. Tyson made a motion. Randolph-Clark seconded. The motion was approved by unanimous voice vote.
2. ***Resolution 14—16: Award of Contract for Gymnasium Renovation.*** Ormsby requested a motion to approve Resolution 14-16 for inclusion on the Consent Agenda. Tyson made a motion. Beaupre seconded. Ejigu explained that plans are in place to re-floor the gymnasium, add striping for two volleyball courts, and add a scoreboard. The current bleachers will be removed and reinstalled during the process. Ormsby asked if any renovations are planned for the weight room or other recreational areas. Ejigu responded at this time, other than routine maintenance and updating of equipment, there are no plans to renovate other areas. The motion was approved by unanimous voice vote.
3. ***Resolution 14—17: Award of Contract for Commencement Venue.*** Ormsby requested a motion to approve Resolution 14-17 for inclusion on the Consent Agenda. Randolph-Clark made a motion. Tyson seconded. Ejigu pointed out there are no other suitable facilities in the area, adding that it is unfortunate Commencement cannot be held on campus. However until a multipurpose facility can be built the Tinley Park Convention Center needs to be reserved because it meets the needs of the University, and there is great demand for it. Mitchell asked what the long term goals are. Maimon responded that the University has been lobbying for a capital budget to build a multipurpose facility. The motion was approved by unanimous voice vote.

PUBLIC COMMENT

There were no requests for Public Comment.

TRUSTEE COMMENTS

Taboas brought up the point that some agenda items are of interest to multiple committees, and asked whether any prior discussion has taken place on this matter.

Beaupre commented this raises a good point, and that he has been concerned the Board does not have a definition as to who assigns which issues to which committee. He added that those that have participated in politics know that sometimes that can be a very important issue. Beaupre acknowledged the Administration has made a great attempt to focus on those assignments and to inform the Board Chair and Committee Chairs of what is coming up, however it would be appropriate at some point to have a clear definition. Friefeld pointed out that historically it has been the role of the Chair to make such assignments, and he felt it should remain so. However if there is an item on a committee agenda that a Trustee believes should also be considered by another committee, they should say so. Tyson responded that the Administration does a good job assigning items to committees, but that there are, at times, cross-issues that could pertain to multiple committees. Taboas proposed that going forward multiple committees can meet on an individual item, and Ormsby agreed that when necessary a meeting of joint committees should be called.

Ormsby requested a motion to adjourn. Tyson made a motion. Mitchell seconded. The meeting of the Budget and Finance Committee adjourned at 10:57 a.m.

Respectfully submitted,

Joan Johns Maloney