



**College of DuPage Board of Trustees Actions and
Board Policy Changes since April 30, 2015**

Katharine Hamilton, Chairman

Deanne Mazzochi, Vice-Chairman

Frank Napolitano, Secretary

Charles Bernstein, Trustee

Erin Birt, Trustee

Diane McGuire, Trustee

Joseph Wozniak, Trustee

Dr. Joseph Collins, Acting Interim President

- **The Board has stated that it is accountable to the students, faculty and taxpayers for effectively providing world-class adult education that enables its students to compete successfully in the globalized economy.**
- **The Board passed on September 28, 2015, a FY2016 budget that cut COD's property tax levy by five percent, cut tuition by \$5 per credit, cut the deficit some \$5 million and funded a three percent raise for COD employees.**
- **The Board has co-operated fully with all levels of law enforcement investigating COD. This includes the U.S. Department of Justice, the F.B.I., the U.S. Department of Education, the Internal Revenue Service, the DuPage County State's Attorney, the Higher Learning Commission and the Illinois Community College Board.**
- **The Board authorized and initiated the first comprehensive Transition Team study and report in COD's history, led by Northwestern University Professor Don Haider and a blue-ribbon set of committee chairmen. The Transition Team is determining COD's progress to stated strategic goals, and Board action, especially regarding Board Policies, that will speed COD's progress.**

- **The Board recruited former Illinois House Speaker Lee Daniels to lead a community-based and professionally assisted Presidential Search Committee, which is proceeding with public and Board input, to identify outstanding candidates for the presidency of College of DuPage for Board selection.**
- **The Board has established Audit and Budget Committees, to manage Board time and attention, refine issues, increase Trustee expertise in given areas and create stronger relationships between Trustees, staff and professors.**
- **The Board accepted and transmitted to the Illinois Community College Board a Combined Annual Financial Report for FY2015 that included an audit and related materials on October 8, 2015.**
- **To arrive at the above-mentioned audit, the Board insisted on a completely new audit team from Crowe Horwath, stricter procedures and significantly tougher requirements for the Management Letter and its representations.**
- **The Board requested and received a detailed presentation on the findings identified in Crowe Horwath's 13-deficiency Management Letter from Governor's State University Professor William Kresse, J.D., C.P.A., a nationally-recognized fraud prevention expert.**
- **The Board retained counsel and a forensic accountant to conduct its own investigations into improprieties and irregularities at COD.**
- **The Board placed three senior staffers on administrative leave, pending the results of the investigation into their conduct at COD.**
- **CFO/treasurer Tom Glaser and controller Lynn Sapyta were subsequently terminated. Both voluntarily ended their administrative appeal rights.**
- **The Board found that former president Dr. Robert Breuder's employment was "at will," thus negating any right to the approximately \$763,000 severance package awarded him by the prior Board. It voted subsequently to terminate Dr. Breuder.**
- **The Board requested and received an in-depth briefing by Acting C.F.O. John Dischner on legal fees. The Finance Department's official finding showed 99 percent of the apparent increases in legal bills arose from the investigations and law enforcement co-operation, and that the Board had significantly reduced the legal costs-per-Board-meeting.**

- **Governor Rauner signed reform bill HB3592, which arose from COD's experience, and which limits payouts to community college presidents to no more than one year of salary and benefits.**
- **The Illinois General Assembly is considering three other reform measures arising from COD. These include a prohibition on "evergreen clauses" in president contracts, size of college reserves and instituting audit committees for all Illinois community colleges.**
- **The Board tightened financial controls by requiring multiple signatures for checks over \$25,000.**
- **The Board ended unauthorized inter-fund transfers to prevent further unapproved spending, such as that discovered in the spring 2015 post card electioneering episode.**
- **The Board temporarily replaced the two senior finance department officials mentioned above with AlixPartners, one of the nation's top turnaround consulting firms, to restore generally accepted accounting practices and controls at COD.**
- **Working with the Illinois General Assembly, the Board voted to welcome a performance audit by the Auditor General of the State of Illinois, reversing the prior Board's opposition.**
- **The Board established a \$4 million fund in the FY2016 budget to pay costs arising from recent scandals and improprieties for law enforcement cooperation, investigation, personnel action, the Illinois Auditor General performance audit, compliance costs and other necessities.**
- **In COD's first open and transparent legal service acquisition in memory, the Board formally requested qualifications for the provision of legal services. Fifty-five firms requested information from the college, 20 submissions were made in three practice areas. The Board selected four firms.**
- **The Board found, after a forensic investigation led by Trustee Charles Bernstein, that losses at the Waterleaf Restaurant for the past three years had approached \$1 million per year, not the \$500,000 stated by the prior Board and administration.**
- **The Board further found that the Waterleaf Restaurant had been planned and opened and operated with virtually no educational purpose or mission.**

- **The Board challenged staff to present three alternatives for the Waterleaf Restaurant that both benefit students and advance COD's educational mission.**
- **After evaluation, the Board voted to close the Waterleaf, and instructed staff to operate the facility solely for student educational benefit.**
- **Earlier, the Board suspended all "house" accounts at the Waterleaf Restaurant and the Wheat Café, ending scores of thousands of dollars of spending on food and liquor.**
- **The Board requested and received a public briefing on new control measures for the College to avoid a repetition of the failures at Waterleaf Restaurant.**
- **The Board suspended travel and entertainment expense reimbursements for Trustees, requiring prior authorization and a public Board vote.**
- **The Board has created or revised 13 policies, outlined below, to prevent scandals and improprieties like those revealed since June 2014, to bring COD back into compliance with the requirements of the Illinois Community College Act, to increase transparency, to strengthen accountability, and to restore COD's checks and balances.**
- **The Board and Administration have cleared a significant backlog of FOIA requests and streamlined its FOIA response procedures.**
- **Board meetings are now streamed on line.**
- **At Board direction, the Administration is making all vendor payments available online in real time in searchable format.**
- **The Board named COD's new Homeland Security Building after Staff Sgt. Robert Miller, a Congressional Medal of Honor recipient from Wheaton who died defending his U.S. Army unit in Afghanistan.**
- **The Board has engaged with staff to evaluate the possible return to campus of the highly popular Buffalo Theatre Ensemble**
- **The Board has taken preliminary steps toward the return of the beloved COD farm, which was terminated under Dr. Breuder.**
- **Between April 30 and December, 2015, the Board held nine regular meetings, eight special meetings, three audit committee meetings, two**

presidential search committee meetings, one budget committee meeting and one organizational meeting.

NEW COD BOARD POLICIES SINCE APRIL 30, 2015

1. Policy No. 5-5: Board Direction

- **New policy: College President works “at the Board’s direction,” language that is notably absent in the old policy.**

2. Policy No. 5-10: Board Authority

- **New policy: Board assumes – does not delegate – the full range of authority granted it in the Community College Act.**

3. Policy No. 5-15: Board Accountability

- **Prior policy, from 2009, limited Board responsibilities, delegating those duties to the president.**
- **New policy: Returns to the pre-2009 version of this policy.**

Of note is its final sentence “The Board of Trustees will not delegate or relinquish its overall responsibility for results nor any portion of its accountability.”

The Board recognizes the College president’s important role. However, this Board will neither delegate its powers, nor surrender its responsibility, to the president or anyone else.

4. Policy No. 5-20: Trustee Freedom

- **New policy: While affirming that no one member may speak for the entire Board, the new policy reverses prior Board practice and affirms that each Trustee has a First Amendment right to speak his or her mind, and to offer his or her opinions regarding the affairs of the Board and of the College.**

5. Policy No. 5-85: Board Policy Formulation

- **Old policy:** Stated that only the president could formulate new policies for Board consideration.
- **New policy:** Restores Board's role to write its own policies.

6. Policy No. 5-90: Procedure Approval

- **Old policy:** Delegated to president the authority to enact administrative procedures.
- **New policy:** Board must approve all procedures. Board may revise them at any time.

7. Policy No. 5-130: Agenda Authority

- **New policy:** Authorizes Chairman and Vice-Chairman to set agenda, in consultation with the president. Removes president from agenda-setting role.

8. Policy No. 5-165: Secretary and Recordings

- **Old policy:** Secretary of the Board may delegate the duty of maintaining recordings of closed sessions.
- **New policy:** Secretary may not delegate that duty.

9. Policy No. 5-171: Board Office

- **Old policy:** Board had no "home" on campus for meetings, work, materials, etc.
- **New policy:** Board has visible presence for its use.

10. Policy No. 5-195: Trustee Expenses

- **Old policy:** Encouraged Trustees to travel nationally to attend conferences and seminars without accountability.
- **New policy:** Dramatically limits Trustee travel and expense. Limits travel and entertainment reimbursement to \$335 per year without express prior approval. Trustees can attend seminars, lectures and conferences locally, online or with prior approval of the Board.

11. Policy No. 10-45: Inter-fund Transfers

- **Old policy:** Allowed certain COD administrators to transfer cash between funds and seek Board approval after the fact.
- **New policy:** Forbids that practice. Board approval must come before inter-fund transfers.

12. Policy No. 10-65: Payments Online

- **Old policy:** No public disclosure of COD expenditures less than \$15,000.
- **New policy:** Requires such expenditures be disclosed to the Board and the public in a readable, searchable, online format.

13. Policy No. 5-220: Audit Committee

- **Old policy:** Board audit committee lacked status and mandate.
- **New policy:** Creates a genuine Board audit committee and an independent audit department at COD.

Pending proposed revised Board policies

- 14. Policy No. 5-180: Addressing Attorney-Client Privilege**
- 15. Policy No. 10-65: Addressing Control of Vendor Payments**
- 16. Policy 15-95: Employment Outside of the College**
- 17. Policy 15-201: General Employment Classifications (non-faculty)**
- 18. Policy 15-385: Definition of Classified Employment**
- 19. Policy 15-470: Definition of Managerial Employment**
- 20. Policy 15-480: Assignment of Managerial Employees**
- 21. Policy 15-270: Employment Outside the College**
- 22. Policy 15-351: Employment Outside of the College, Full-time Faculty**