

MINUTES OF THE SPECIAL MEETING OF THE BOARD OF TRUSTEES
SOUTHERN ILLINOIS UNIVERSITY
June 19, 2019

Pursuant to notice, a special meeting of the Board of Trustees of Southern Illinois University convened at 9:00 a.m., Wednesday, June 19, 2019, at the Sunset Hills Country Club, Edwardsville, Illinois. The meeting was called to order by Chair Phil Gilbert.

The following members of the Board were physically present:

Hon. J. Phil Gilbert, Chair
Dr. Ed Hightower, Vice Chair
Mr. Roger Tedrick, Secretary – entered late
Mr. Ed Curtis
Mr. Brione Lockett
Dr. Subhash Sharma
Mr. John Simmons
Ms. Molly Smith

The following member was absent:

Ms. Amy Sholar

Also present for the duration of the meeting were Dr. J. Kevin Dorsey, Interim President; Mr. Luke Crater, General Counsel; and Ms. Misty Whittington, Executive Secretary of the Board. Dr. John Dunn, SIUC Interim Chancellor; Dr. Randall Pembroke, SIUE Chancellor; Dr. Jim Allen, Acting Vice President for Academic Affairs; Dr. Duane Stucky, Senior Vice President for Financial and Administrative Affairs and Board Treasurer; attended portions of the meeting. Dr. Carol Cartwright and Dr. William Kirwan, Association of Governing Boards consultants; and Mr. Dennis Barden and Ms. Elizabeth Bohan, WittKieffer consultants; also attended portions of the meeting.

The Executive Secretary reported and the Chair determined that a quorum was physically present.

At 9:02 a.m., Trustee Lockett moved that the Board go into closed session to consider information regarding appointment, employment, compensation, discipline, performance or dismissal of specific employees of the public body; and collective negotiating matters. The relevant sections of the Open Meetings Act that allow for the closed session are 5 ILCS 120/2(c) (1), and (2). The motion was duly seconded by Trustee Sharma. The motion carried by the following recorded vote: aye, Mr. Ed Curtis, Hon. Phil Gilbert, Dr. Ed Hightower, Mr. Brione Lockett, Dr. Subhash Sharma; nay, none.

At approximately 9:30 a.m., a motion was made by Trustee Sharma and seconded by Trustee Curtis to end the executive session. The motion passed by a voice vote. No action was requested or taken during the closed session.

The Chair stated that there would be a Public Questions and Comments portion available at the day's meeting. The Executive Secretary reported that no persons requested speaking time.

Vice Chair Hightower made a motion for the full Board meeting to recess and reconvene at the conclusion of the Board's Finance Committee meeting. The motion was duly seconded by Trustee Sharma. The motion passed via voice vote.

The meeting reconvened at 9:47 a.m.

The following item was presented:

INTERIM PRESIDENTIAL EMPLOYMENT AGREEMENT

This Interim Presidential Employment Agreement is made and entered into this 16th day of July, 2018, by and between the Board of Trustees of Southern Illinois University (hereinafter the “Board”) and J. Kevin Dorsey (hereinafter the “Interim President”). The Board and Interim President may hereinafter be referred to individually as a “party” or collectively as the “parties.”

Article I

THE BOARD’S AGREEMENT WITH THE INTERIM PRESIDENT

1.1 Employment. The Board appoints and employs J. Kevin Dorsey to be Interim President of Southern Illinois University (hereinafter the “University”). The Interim President shall serve as the chief executive officer of the University, the primary representative of the University for external bodies, including offices, agencies, and branches of federal and state government; coordinate, facilitate, and manage the private philanthropic community and fundraising efforts of the University; and serve as the primary contact to and University officer for and on behalf of the Board. The Interim President agrees to perform these duties under the policies, bylaws, statutes, and charter of the Board (collectively “Board Legislation”) and supervision and direction of the Board, including its Executive Committee. The Interim President accepts and agrees to such employment.

1.2 Duties. The Board agrees that as Interim President of the University, the Interim President shall, subject to the Interim President’s agreements with the Board under Article II herein, perform the following duties:

- a. Serve as chief executive officer for the University, including but not limited to, providing general leadership and coordination for the University, its policies, programs, and operation.
- b. Make recommendations concerning the mission, scope, and organization of the University and concerning plans and policies for the development and enhancement of the University operations and activities.
- c. Develop for Board review and approval a budget for the University and provide allocation and oversight to the campuses regarding said budget.
- d. Appoint, supervise, and evaluate the Chancellors of SIUC and SIUE and Dean and Provost of the School of Medicine (hereinafter the “Dean and Provost”) and collaborate with them in planning and administering campus programs and activities.

- e. Serve, under the general direction of the Board, as the principal spokesperson and representative for the University with the offices, agencies, and branches of federal and state government and other external bodies or constituencies.
- f. Develop and maintain good public relations between the University and the region in which it is located, the public it serves, and the state of Illinois.
- g. Make recommendations to the Board of Trustees concerning the initiation, continuation, or modification of University programs and activities and assure compliance with Board programs and Board Legislation, including revisions thereto.
- h. Develop and make recommendations concerning the operating and capital budget requests, appropriation requests, and internal budgets of the University.
- i. Serve as a fund raiser for the University in coordination with the Chancellors, Dean and Provost, and the institutional development officers, as well as the University's foundations and alumni organizations, and oversee the development of institutional fund raising initiatives assuring appropriate coordination of efforts between the respective campuses.
- j. Appoint and supervise such officers and employees as may be designated by the Board.
- k. Perform such other duties as may be assigned or delegated by the Board.

1.3 Consideration. As consideration for the Interim President's employment, the Interim President shall receive the following:

- a. Compensation in the form of an annual base salary in the amount of Four Hundred Thirty Thousand Dollars (\$430,000.00), payable in equal installments in accordance with the appropriate University payroll schedule. Salary shall include deductions for local, state, and federal taxes and employee benefits;
- b. Health insurance benefits, sick leave, paid vacation, and other benefits accorded to administrative and professional employees of the University that are authorized by law or policy.
- c. The University shall reimburse the Interim President for reasonable entertainment, travel, and other expenses incurred by the Interim President in the performance of his duties as Interim President in accordance with University policy, as now or hereafter amended. These expenses shall be subject to audit by the University. Further, the Interim President may attend educational conferences, conventions, seminars, and other professional growth activities, and other meetings to advance

the interests of the University in accordance with University policy as now or hereafter amended, and the reasonable expenses connected therewith shall be reimbursed, including membership in appropriate professional and service organizations. The Interim President understands that the University shall reimburse travel and associated expenses of the Interim President's spouse in accordance with University policy as now or hereafter amended but only when the presence of the spouse is necessary to further the interests of the University, in the sole discretion of the Board, and when pre-approved by the Board Chair.

Article II

THE INTERIM PRESIDENT'S AGREEMENTS WITH THE BOARD

2.1 Acceptance of Interim Presidency. For and in consideration of the promises of the Board as stated in this Agreement, J. Kevin Dorsey agrees to serve as Interim President of the University. The Interim President agrees to remain responsible to the Board for the execution of Board Legislation, as applicable, as it exists or as amended from time to time. The Interim President agrees to discharge the authority and responsibilities delegated by the Board and to consult with the Board and such constituencies as are appropriate. The Interim President agrees to regularly report to the Board and the pertinent Board committees, as appropriate, all major policy, legislation, budget, operational, and other material matters as determined by the Board Chair and Interim President.

2.2 Accountability. The Interim President agrees that in performing the duties enumerated in this Agreement he shall be accountable to the Board. The Interim President agrees to conduct regular meetings with the Board and Board Chair in order to provide advice and counsel, coordinate and implement the Board Legislation, and articulate University challenges or concerns.

2.3 Full-time position. The Interim President further agrees to faithfully and with maximum application of experience, ability and talent, devote full-time attention and energies to the duties of the Interim President.

2.4 Outside Employment. The Interim President further agrees not to render services of any professional nature for any person or entity for remuneration (other than the Board) without the Board's prior consent. This provision does not prohibit the making of personal investments or the conducts of private business affairs so long as these activities do not conflict with the Interim President's responsibilities or duties to the University or reflect negatively upon him or the University.

Article III

TERM OF APPOINTMENT

3.1 Term. This Agreement shall be for a term of one (1) year, commencing July 16, 2018, and terminating July 15, 2019, or until a new President of the University is hired, whichever is shorter, subject, however, to extension or to prior termination as provided for in this Agreement. The Board and Interim President may mutually agree to extend the term. Any such extension must be in writing, signed by both parties. At the conclusion of the Interim President's term, the Interim President shall be entitled to return to his prior position with the University, at his prior rate of pay adjusted by any across the board salary increases provided to similarly located and classified employees. The Interim President shall maintain his tenure and shall hold a 0% appointment as a Professor in the Department of Medical Education and Department of Internal Medicine.

Article IV

TERMINATION

4.1 Termination by the Board. The Board may, in its sole discretion, terminate this Agreement in accordance with Board Legislation. If such a termination occurs, Interim President shall return to his prior position, at his prior rate of pay adjusted by any across the board salary increases provided to similarly located and classified employees.

4.2 Termination by Interim President. This Agreement may be terminated without cause by Interim President giving the Board thirty days (30) advance written notice of the termination of employment.

4.3 Disability. Regardless of any other provisions of this Agreement, this Agreement shall terminate automatically if Interim President dies or becomes totally disabled, or totally incapacitated to such a degree, either physically or mentally, that the Interim President is incapable of carrying out the duties as Interim President, as defined by the Board.

- a. If the Board deems Interim President disabled, totally incapacitated, or incapable of carrying out the duties as Interim President, the Board reserves the right to require Interim President to submit to a medical examination, either physical or mental.
- b. If Interim President becomes incapable of carrying out the duties of office, due to permanent disability or incapacity and is terminated, the Board shall pay to Interim President or Interim President's personal representative, as the case may be, for any accrued but unpaid compensation together with a proportionate part of any other benefits which would be due and payable to Interim President, or personal representative, as the case may be, by reason of death or incapacity

during employment by Board. The payment liability of the Board shall terminate as of the date of death or determination of permanent disability or incapacity.

- c. If the Interim President becomes disabled or incapacitated, the Board shall cooperate with the Interim President or his personal representative to enable him to secure any appropriate disability, Social Security, or related benefits including executing any documents necessary to apply for any such benefits.

4.4 Exclusion of Consequential or Other Damages. The parties have bargained for and agreed to the foregoing provisions. In no case shall the University be liable to the Interim President for any damages, or loss of any collateral business opportunities or any other benefits, or income from any other source. The provisions for return to his prior position as a tenured faculty member in the Department of Medical Education and Department of Internal Medicine upon termination as provided in this Agreement are the sole and exclusive legal and equitable remedies for termination and shall constitute adequate and reasonable compensation for any damages or injury suffered because of such termination by either party.

Article V

OTHER MUTUAL AGREEMENTS

5.1 Entire Agreement. This Agreement constitutes the entire understanding of the parties hereto and supersedes any and all prior or contemporaneous representations or agreements, whether written or oral, between the parties, and cannot be changed or modified unless in writing, approved by the Board and signed by the parties hereto.

5.2 Non-Disparagement. The parties agree not to make comments that injure or damage the reputation or character of any other party, or otherwise disparage any other party, during or after the term of this Agreement, or make comment about the circumstances giving rise to the Agreement or the termination, non-renewal, or expiration of this Agreement except as otherwise required by law. Unless otherwise required by law, any statement by the Interim President must be agreed to in writing by the Board.

5.3 Jurisdiction. This Agreement shall be interpreted and construed in accordance with the laws of the state of Illinois, without regard to its conflict of law provisions.

5.4 Waiver. No delay or failure to enforce any provision of this Agreement shall constitute a waiver of limitation of rights enforceable under this Agreement.

5.5 Assignment. This Agreement is not assignable but shall be binding upon heirs, administrators, representatives, and successors of both parties.

5.7 Captions. The captions are for reference purposes only and have no force and effect in determining the rights or obligations of any of the parties to this Agreement.

5.8 Severability. The terms of this Agreement are severable such that if any term or provision is declared by a court of competent jurisdiction to be illegal, void, or unenforceable, the remainder of the provisions of the Agreement shall continue to be valid and enforceable.

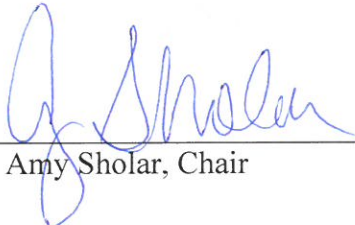
5.9 Notices. Any notices required hereunder shall be hand delivered or sent by certified mail, return receipt requested to the following addresses:

For the Board of Trustees:
Secretary of the Board
Southern Illinois University
1400 Douglas Drive, MC 6801
Carbondale, IL 62901

For the Interim President:
J. Kevin Dorsey
SIU School of Medicine
913 N. Rutledge, MC 9681
Springfield, IL 62794

IN WITNESS WHEREOF, J. Kevin Dorsey and the Board have executed this Agreement this the 16th day of July, 2018.

**BOARD OF TRUSTEES OF
SOUTHERN ILLINOIS UNIVERSITY:**

BY  _____
Amy Sholar, Chair

INTERIM PRESIDENT:

 _____
J. Kevin Dorsey

**INTERIM PRESIDENTIAL EMPLOYMENT AGREEMENT
AMENDMENT #1**

This Amendment #1 (“Amendment”) to the Interim Presidential Employment Agreement (“Agreement”) is entered into by and between the Board of Trustees of Southern Illinois University, a body politic and corporate of the state of Illinois, (“Board”) and Dr. J. Kevin Dorsey (hereinafter the “Interim President”). The Board and the Interim President may hereinafter be referred to individually as a “Party” or collectively as the “Parties.”

WHEREAS, on or about July 16, 2018, the Parties entered into the Agreement, for a period of one (1) year or until a new President of the University was hired, whichever was shorter, and;

WHEREAS, the University has begun a search to find a permanent President but it is not anticipated such search will be complete prior to the expiration of the Agreement, and;

WHEREAS, the Parties desire to extend the term of the Agreement.

NOW THEREFORE, in consideration of the mutual promises and undertakings hereinafter set forth, the Parties hereto do mutually agree to amend the Agreement as follows:

1. The Term of the Agreement is hereby be extended. Effective July 15, 2019, Section 3.1 of the Agreement is deleted in its entirety and replaced with the following:

“Term. This Agreement shall be for a term of one (1) year, commencing July 16, 2019, and terminating July 15, 2020, or until a new President of the University is hired, whichever is shorter, subject, however, to extension or to prior termination as provided for in this Agreement. The Board and Interim President may mutually agree to extend the term. Any such extension must be in writing, signed by both parties. At the conclusion of the Interim President’s term, the Interim President shall be entitled to return to his prior position with the University, at his prior rate of pay adjusted by any across the board salary increases provided to similarly located and classified employees. The Interim President shall maintain his tenure and shall hold a 0% appointment as a Professor in the Department of Medical Education and Department of Internal Medicine.”

2. This Amendment shall be effective on July 15, 2019.
3. Except as modified herein, the terms and conditions of the original Agreement and any subsequent amendments thereto shall remain in full force and effect.

IN WITNESS WHEREOF, J. Kevin Dorsey and the Board have executed this Amendment #1 this 19th day of June, 2019.

BOARD OF TRUSTEES OF
SOUTHERN ILLINOIS UNIVERSITY:

INTERIM PRESIDENT:

BY _____
J. Phil Gilbert, Chair

J. Kevin Dorsey

Vice Chair Hightower moved to approve the item. The motion was duly seconded by Trustee Tedrick. The motion carried by the following recorded vote: aye, Mr. Ed Curtis, Hon. Phil Gilbert, Dr. Ed Hightower, Mr. Brione Lockett, Dr. Subhash Sharma, Mr. Roger Tedrick; nay, none.

The following item was presented:

EMPLOYMENT AGREEMENT

This Employment Agreement, hereinafter "Agreement," is made and entered into this 17th day of December, 2015, by and between the Board of Trustees of Southern Illinois University, a body politic and corporate of the State of Illinois, hereinafter the "University," and Dr. Jerry Kruse. The University and Dr. Kruse may hereinafter be referred to, individually, as a "party" or, collectively, as the "parties."

Article I. THE UNIVERSITY'S AGREEMENTS WITH THE DEAN AND PROVOST

1.1 Employment. The University appoints and employs Dr. Jerry Kruse to be Dean and Provost of Southern Illinois University School of Medicine, hereinafter "Dean." The Dean shall serve as the chief executive and academic officer of Southern Illinois University School of Medicine, hereinafter "SOM," under the supervision and direction of the President of Southern Illinois University, hereinafter "President," or the Chancellor of Southern Illinois University Carbondale, hereinafter "Chancellor," as determined by the President. Dr. Kruse shall continue as Professor of Family and Community Medicine and Professor of Medical Education, as no-pay appointments. Dr. Kruse may also continue the no-pay appointment as laboratory director at the SOM Quincy Center for Family Medicine. Dr. Kruse accepts and agrees to such employment.

- a. The parties acknowledge and agree that Dr. Kruse shall also continue to serve as the chief executive officer of SIU HealthCare, the faculty practice plan of SOM and a university related organization created to benefit and support the teaching, research, and service missions of the School of Medicine, for a period of time. The process of determining his future role with SIU HealthCare will begin by June 30, 2016 and such plan memorialized by December 31, 2016. The University acknowledges that after his tenure as chief executive officer, SIU HealthCare may desire for Dr. Kruse to serve in a part-time role as an advisor, or similar position, as shall be agreed upon between SIU HealthCare and Dr. Kruse, with prior written notice and review of such arrangement provided to the President.

1.2 Duties. The University and Dr. Kruse agree that as Dean and Provost of SOM, Dr. Kruse shall perform all duties required by law, this Agreement, the legislation of the Board of Trustees, University guidelines, policies and procedures, and custom and practice of the Dean and Provost of SOM, including, without limitation, the following:

- a. Remain responsible to the University for the execution and enforcement of all policies and regulations of the university and SOM as they exist or may, from time to time, be amended, including carrying out approved policies, guidelines, and regulations governing the management of SOM, delegating as appropriate, execution to administrative aides and heads of appropriate functional areas;
- b. Develop and recommend budgets to the President or Chancellor, and control the allocation of expenditures for SOM within the framework of budgets approved by the President, Chancellor, and the Board;
- c. Assist in formulating policies for adoption by the Board;
- d. Develop and recommend to the President or Chancellor a strategy for meeting the goals and objectives of SOM;

- e. Assume primary responsibility for the internal organization of SOM administration, including academic, business, and student affairs, and the development and management of physical plant and auxiliary services;
- f. Appoint all academic and non-academic employees within the limitation of powers delegated by the Board of Trustees, the President, and the Chancellor;
- g. Inform the President and Chancellor of all matters important to operation and management;
- h. At the direction of the President or Chancellor, represent the University in its relationship to agencies of local, state, and federal government and other external bodies;
- i. Assume primary responsibility for the external relations activities of fund raising and alumni relations for SOM, and
- j. Assume the duties and responsibilities as the principal liaison between SOM and STU HealthCare
- k. Perform such other duties as may be assigned by the President or Chancellor.

1.3 Compensation. The University and Dean agree that as consideration for employment, the Dean shall receive the following:

- a. Compensation in the form of an annualized base salary in the amount of three hundred ninety-five thousand five hundred seventy-five dollars and twenty cents (\$395,575.20), payable in equal installments in accordance with the appropriate SOM payroll schedule. Salary shall include statutory deductions for applicable local, state, and federal taxes and various employee benefits;
- b. Retirement benefits as afforded to other administrative and professional employees;
- c. Health insurance benefits, sick leave, paid vacation, and other benefits accorded to administrative and professional employees of the Board that are authorized by law or policy. Additionally, the University agrees to reimburse reasonable moving expenses not exceeding fifteen thousand dollars (\$15,000).
- d. A tenured appointment at SOM as Professor Family and Community Medicine and Professor of Medical Education. If his appointment of Dean and Provost terminates, other than pursuant to Section 4.1 herein, and an appointment as professor commences, Dr. Kruse shall thereafter be paid a salary amount that is consistent with other members of the faculty with similar rank and experience as determined by the chair of the applicable department. Dr. Kruse shall negotiate said salary with the chair and subsequent dean and provost, whose decision shall be final.

Article II. THE DEAN'S AGREEMENTS WITH THE UNIVERSITY

2.1 Acceptance of Deanship. For and in consideration of the promises of the University as stated in this Agreement, Dr. Kruse agrees to serve as Dean and Provost of Southern Illinois University School of Medicine. The Dean agrees to remain responsible to the President or Chancellor for the execution of the University's policies, guidelines, and regulations as they exist or may, from time to time, be amended. The Dean agrees to discharge the authority and responsibilities delegated by the University and the duties set forth herein. The Dean agrees to

regularly report to the President or Chancellor, as appropriate, the status and progress related to the implementation of major policy, budget, operational, and other material matters as determined by the President or Chancellor.

2.2 Accountability. The Dean agrees that in performing the duties enumerated in this Agreement he shall be accountable to the President or Chancellor, as determined by President. The Dean agrees to participate in regular meetings with the President or Chancellor in order to provide advice and counsel, coordinate and implement University's policies, and articulate University concerns.

2.3 Devotion of Best Efforts. The Dean agrees to faithfully and industriously, with the best use of his effort, experience, ability, and talent with due regard for the mission of the University, perform all of the duties required under this Agreement and other reasonable requests made by the President or Chancellor.

2.4 Outside employment. The Dean further agrees not to render services of any professional nature for any person or entity for remuneration or otherwise (other than the University), except for current and potential duties aforementioned with regard to SIU HealthCare or, subject to applicable law and university and School of Medicine policy, infrequent periodic honoraria related to his academic appointment which may be standard in the field, without the President's or Chancellor's prior written consent. Further, the Dean shall comply with all policies, laws, rules, guidelines, and regulations related to conflict of interest or conflict of commitment. This provision does not prohibit the making of personal investments or the conduct of private business affairs so long as these activities do not conflict with the Dean's responsibilities or reflect negatively upon him or the University.

Article III. TERM OF APPOINTMENT

This Agreement shall be for a term commencing on January 1, 2016 and terminating on February 29, 2020, subject to prior termination as provided in this Agreement.

Article IV. TERMINATION

4.1 Termination for Just Cause. The University may terminate this Agreement at any time for "just cause," which would result in the immediate termination of all University obligations under this Agreement. In addition to any of its other normally understood meanings in employment contracts, "just cause" shall include the following:

- a. A deliberate or serious violation of the duties set forth in this Agreement or refusal or unwillingness to perform such duties in good faith and to the best of Dean's abilities;
- b. A violation by Dean of any of the terms and conditions of this Agreement not remedied after thirty (30) days' written notice thereof;
- c. Any conduct of the Dean that constitutes moral turpitude, or that would tend to bring public disrespect, contempt, or ridicule upon the University, as determined in the sole discretion of the University;

- d. A violation of Section 2.4 of this Agreement;
- e. A deliberate or serious violation of any law, rule, regulation, constitutional provision, policy, or legislation of the University, Presidential guideline, or local, state, or federal law, which violation may, in the sole judgment of the University, reflect adversely upon the University;
- f. Prolonged absence from duty without the University's consent.

4.2 Disability. Regardless of any other provision of this Agreement, this Agreement shall terminate automatically if Dean dies or becomes totally disabled, or totally incapacitated or incapable of carrying out the duties as Dean, as defined by the University.

- a. If the university deems the Dean disabled, totally incapacitated, or incapable of carrying out the duties as Dean and Provost, the University reserves the right to require Dean to submit to a medical examination, either physical or mental.
- b. If Dean becomes incapable of carrying out the duties of office, due to permanent disability or incapacity, and is terminated, the University shall be liable to Dean or Dean's personal representative, as the case may be, for any accrued but unpaid compensation together with a proportionate part of any other benefits which would be due and payable to Dean, or personal representative, as the case may be, by reason of death or incapacity during employment by the University, as applicable. The payment liability of the University shall terminate as of the date of death or determination of permanent disability or incapacity.
- c. If the Dean becomes disabled or incapacitated, the University shall provide all reasonable assistance to the Dean or his personal representative to enable him to secure applicable appropriate disability and related benefits.

4.3 Termination Without Cause. The University may, in its sole discretion, terminate this Agreement in accordance with Board bylaws, statutes, and policies. In the event University terminates this Agreement without cause, then the University shall pay to the Dean the equivalent of two (2) years' annual base salary as provided in section 1.3.a. as his sole compensation and remedy for such cancellation. If such termination occurs with less than two years remaining on the Agreement, compensation will be set as mutually agreed upon by the parties. If the parties are unable to reach such mutual agreement, they will, within sixty (60) days after the parties have been unable to resolve the dispute on their own, submit the dispute to a trained and experienced mediator, preferably who (i) has knowledge of and experience with institutions of higher education, (ii) is an attorney, and (iii) is admitted to practice in Illinois. None of the parties will unreasonably withhold consent to the selection of a mediator. The University will pay the costs for the mediator but each party shall pay their own attorney's fees and expenses, if any.

In the event the Dean elects to exercise his tenure rights at the University after termination without cause by the University, said amount payable under this Section shall be reduced by the amount of the faculty salary paid to the Dean. In the event the Dean obtains employment from a subsequent employer after termination without cause by the University, said amount payable under

this Section shall be reduced by any compensation or salary paid to the Dean through such employment. Any benefits or payments to Dr. Kruse from any retirement accounts or pensions, including any and all from the State of Illinois, shall not be considered salary or compensation, and shall not reduce the amount payable under this section. In consideration of this payment by the University, the Dean expressly agrees to release, waive, and hold harmless the Board, the University, and its trustees, officers, agents, servants, employees, and representatives from any or all claims the Dean may have arising out of his employment or termination from employment.

4.4 Termination by Dean. This Agreement may be terminated without cause by Dean giving the University ninety (90) days advance written notice of the termination of employment. A shorter period of notice may occur by mutual written consent.

4.5 Exclusion of Consequential or Other Damages. The parties have bargained for and agreed to the foregoing provisions. In no case shall the University be liable to the Dean for any damages, or loss of any collateral business opportunities or any other benefits, or income from any other source. The provisions for payment upon termination as provided in this Agreement are the sole and exclusive legal and equitable remedies for termination and shall constitute adequate and reasonable compensation for any damages or injury suffered because of such termination by either party. Regardless of the damages provisions herein, the Dean agrees to mitigate the University's obligations to pay damages under this Agreement and to make reasonable and diligent efforts to obtain employment upon termination, including, but not limited to, exercising his right to the tenured faculty position at SOM, as applicable.

Article V. OTHER MUTUAL AGREEMENTS

5.1 Entire Agreement. This Agreement constitutes the entire understanding of the parties hereto and supersedes any and all prior or contemporaneous representations or agreements, whether written or oral, between the parties, and cannot be changed or modified unless in writing, signed by the parties hereto.

5.2 Jurisdiction. This Agreement shall be interpreted and construed in accordance with the laws of the state of Illinois, without regard to its conflict of law provisions. The parties agree that all claims against the University are subject to the Illinois Court of Claims Act, and disputes against the University arising under this Agreement shall be exclusively brought before the Illinois Court of Claims.

5.3 Waiver. No delay or failure to enforce any provision of this Agreement shall constitute a waiver or limitation of rights enforceable under this Agreement.

5.4 Assignment. This Agreement shall be binding upon heirs, administrators, representatives, and successors of both parties. The Dean may not assign this Agreement, in whole or in part. The University may assign this Agreement, in whole or in part, to an affiliate or successor, with notice to the Dean.

5.5 Captions. The captions are for reference purposes only and have no force in determining the rights or obligations of any of the parties to this Agreement.

5.6 Severability. The terms of this Agreement are severable such that if any term or provision is declared by a court of competent jurisdiction to be illegal, void, or unenforceable, the remainder of the provisions of the Agreement shall continue to be valid and enforceable.

5.7 Interpretation. The parties acknowledge that (i) each party has reviewed the terms and provisions of this Agreement; (ii) the rule of construction to the effect that any ambiguities are resolved against the drafting party shall not be employed in the interpretation of this Agreement; and (iii) the terms and provisions of this Agreement shall be construed fairly as to both parties and not in favor or against any party, regardless of which party was generally responsible for the preparation of this Agreement.

5.8 Notices. Any notices required hereunder shall be hand delivered, or sent (i) via certified mail, return receipt requested, (ii) via a nationally recognized courier or delivery service, or (iii) via facsimile to the President and Chancellor or Dean, respectively, with documentation of confirmed receipt to the following:

For the University:
President
Southern Illinois University
1400 Douglas Drive, MC 6801
Carbondale, Illinois 62901
618-536-3404 (fax)

Dean:
Dean and Provost
Southern Illinois University School of Medicine
801 N. Rutledge
P.O. Box 19620
Springfield, Illinois 62794-9620
217-545-0786 (fax)

With a copy to:

Chancellor
Southern Illinois University Carbondale
1265 Lincoln Drive, MC 4304
Anthony Hall, Rm. 116
Carbondale, Illinois 62901
618-453-5362 (fax)

5.9 Non-Disparagement. The parties agree not to make comments that injure or damage the reputation or character of the other party, or otherwise disparage the other party, during or after the term of this Agreement, or make comment about the circumstances giving rise to the termination of this Agreement except as otherwise required by law. Unless otherwise required by law, any related statement by the Dean must be agreed to in writing by the University.

IN WITNESS WHEREOF, Dr. Jerry Kruse and the University, acting through the President, have executed this Employment Agreement below.

BOARD OF TRUSTEES OF
SOUTHERN ILLINOIS UNIVERSITY:

BY: Randy J. Dunn
Dr. Randy Dunn, President

DEAN:
Jerry Kruse
Dr. Jerry Kruse

AMENDMENT TO EMPLOYMENT AGREEMENT
Amendment #3

This Amendment #3 (“Amendment”) to the Employment Agreement (“Agreement”) is entered into by and between the Board of Trustees of Southern Illinois University, a body politic and corporate of the state of Illinois, (“Board,” or “University” more generally) and Dr. Jerry Kruse (“Dean”). The Board and the Dean may hereinafter be referred to individually as a “Party” or collectively as the “Parties.”

WHEREAS, on or about December 17, 2015, the Parties entered into the Agreement, for a period January 1, 2016 through February 29, 2020, and;

WHEREAS, the Parties now mutually desire to extend the term of the Agreement and amend it for other considerations.

NOW THEREFORE, in consideration of the mutual promises and undertakings hereinafter set forth, the Parties hereto do mutually agree to amend the Agreement as follows:

1. Article I, Section 1.1 is deleted in its entirety and replaced with the following:

“Employment. The Board appoints and employs Dr. Jerry Kruse to be Dean and Provost of Southern Illinois University School of Medicine, hereinafter “Dean.” The Dean shall serve as the chief executive and academic officer of Southern Illinois University School of Medicine, hereinafter “SOM,” under the supervision and of the Chancellor of Southern Illinois University Carbondale, hereinafter “Chancellor.” Dr. Kruse shall continue as Professor of Family and Community Medicine and Professor of Medical Education, as no-pay appointments. Dr. Kruse may also continue the no-pay appointment as laboratory director at the SOM Quincy Center for Family Medicine. Dr. Kruse accepts and agrees to such employment.

 - a. The parties acknowledge and agree that Dr. Kruse shall also continue to serve as the chief executive officer of SIU HealthCare, the faculty practice plan of SOM and a university related organization created to benefit and support the teaching, research, and service missions of the School of Medicine. Dr. Kruse shall provide any employment agreement, or similar contract, or any amendment to the same, between him and SIU HealthCare, to the university for review upon request.”
2. Article I, Section 1.2 is deleted in its entirety and replaced with the following:

“Duties. The University and Dr. Kruse agree that as Dean and Provost of SOM, Dr. Kruse shall perform all duties required by law, this Agreement, the legislation of the Board of Trustees, University guidelines, policies and procedures, and custom and practice of the Dean and Provost of SOM, including, without limitation, the following:

 - a. Remain responsible to the University for the execution and enforcement of all policies and regulations of the University and SOM as they exist or may, from time to time, be amended, including carrying out approved policies, guidelines,

- and regulations governing the management of SOM, delegating as appropriate, execution to administrative aides and heads of appropriate functional areas;
- b. Develop and recommend budgets to the Chancellor, and control the allocation of expenditures for SOM within the framework of budgets approved by the Board, President, and Chancellor;
- c. Assist in formulating policies for adoption by the University;
- d. Develop and recommend to the Chancellor a strategy for meeting the goals and objectives of SOM;
- e. Assume primary responsibility for the internal organization of SOM administration, including academic, business, and student affairs, and the development and management of physical plant and auxiliary services;
- f. Appoint all academic and non-academic employees within the limitation of powers delegated by the Board of Trustees, the President, and the Chancellor;
- g. Inform the Chancellor of all matters important to operation and management;
- h. At the direction of the Chancellor, represent the University in its relationship to agencies of local, state, and federal government and other external bodies;
- i. Assume primary responsibility for the external relations activities of fund raising and alumni relations for SOM, and
- j. Assume the duties and responsibilities as the principal liaison between SOM and SIU HealthCare
- k. Perform such other duties as may be assigned by the Chancellor.”

3. Article I, Section 1.3.a. is deleted in its entirety and replaced with the following:

“Compensation. The University and Dean agree that as consideration for employment, the Dean shall receive the following:

a. Compensation in the form of an annualized base salary in the amount of six hundred thousand dollars and zero cents (\$600,000.00), payable in equal installments in accordance with the appropriate SOM payroll schedule. Salary shall include statutory deductions for applicable local, state, and federal taxes and various employee benefits. Such salary shall not be eligible for an increase if the University approves an across the board salary increase plan for a given fiscal year covered by this Agreement that might otherwise apply to the Dean;”

4. Article II. The Dean’s Agreements with the University is deleted in its entirety and replaced with the following:

“2.1 Acceptance of Deanship. For and in consideration of the promises of the University as stated in this Agreement, Dr. Kruse agrees to serve as Dean and Provost of Southern Illinois University School of Medicine. The Dean agrees to remain responsible to the Chancellor for the execution of the University’s policies, guidelines, and regulations as they exist or may, from time to time, be amended. The Dean agrees to discharge the authority and responsibilities delegated by the University and the duties set forth herein. The Dean agrees to regularly report to the Chancellor the status and progress related to the implementation of major policy, budget, operational, and other material matters as determined by the Chancellor.

2.2 Accountability. The Dean agrees that in performing the duties enumerated in this Agreement he shall be accountable to the Chancellor. The Dean agrees to participate in

regular meetings with the Chancellor in order to provide advice and counsel, coordinate and implement University's policies, and articulate University concerns.

2.3 Devotion of Best Efforts. The Dean agrees to faithfully and industriously, with the best use of his effort, experience, ability, and talent with due regard for the mission of the University, perform all of the duties required under this Agreement and other reasonable requests made by the Chancellor.

2.4 Outside employment. The Dean further agrees not to render services of any professional nature for any person or entity for remuneration or otherwise (other than the University), except for duties aforementioned with regard to SIU HealthCare or, subject to applicable law and University and School of Medicine policy, infrequent periodic honoraria related to his academic appointment which may be standard in the field, without the Chancellor's prior written consent. Further, the Dean shall comply with all policies, laws, rules, guidelines, and regulations related to conflict of interest or conflict of commitment. This provision does not prohibit the making of personal investments or the conduct of private business affairs so long as these activities do not conflict with the Dean's responsibilities or reflect negatively upon him or the University."

5. Article III. Term of Appointment is deleted in its entirety and replaced with the following:
"This Agreement shall be for a term commencing on July 1, 2019, and terminating on June 30, 2023, subject to prior termination as provided in this Agreement."
6. Article IV, Section 4.3 is deleted in its entirety and replaced with the following:
"Termination Without Cause. The University may, in its sole discretion, terminate this Agreement in accordance with Board of Trustees legislation. In connection with such a termination, the University may, in its sole discretion assign the Dean other responsibilities, including but not limited to the responsibilities of a professor in a department in which the Dean holds tenure. In the event University terminates this Agreement without cause during the term of the Agreement, the University shall pay to the Dean the equivalent of twenty (20) weeks' worth of annualized base salary, reduced by any compensation the Dean receives as a professor at the School of Medicine or any other position for the University, as provided in Section 1.3(a), as his sole compensation and remedy for such cancellation. If termination occurs with less than twenty (20) weeks remaining on the term of the Agreement, the University shall pay to the Dean the amount of annualized base salary, reduced by any compensation the Dean receives as a professor at the School of Medicine or any other position for the University, remaining on the term of the Agreement. Such compensation shall not be paid if termination is for cause, as reflected in Section 4.1. In the event the Dean elects to exercise his tenure rights at the University after termination without cause by the University, said amount payable under this Section shall be reduced by the amount of the faculty salary paid to the Dean. In the event the Dean obtains employment from a subsequent employer after termination without cause by the University, said amount payable under this Section shall be reduced by any compensation or salary paid to the Dean through such employment. In consideration of this payment by the University, the Dean expressly agrees to release, waive, and hold harmless the Board, the University, and its trustees, officers, agents, servants, employees, and representatives from any or all claims the Dean may have arising out of his employment or termination from employment.

7. This Amendment shall be effective July 1, 2019.
8. Except as modified herein, the terms and conditions of the original Agreement and any subsequent amendments thereto shall remain in full force and effect.

IN WITNESS WHEREOF, Dr. Jerry Kruse and the Board, acting through the Chancellor, have caused this Amendment #3 to the Employment Agreement to be executed below.

BOARD OF TRUSTEES OF
SOUTHERN ILLINOIS UNIVERSITY

DEAN

By: _____
Dr. John M. Dunn, Interim Chancellor

Dr. Jerry Kruse

Trustee Tedrick moved to approve the item. The motion was duly seconded by Vice Chair Hightower. The motion carried by the following recorded vote: aye, Mr. Ed Curtis, Hon. Phil Gilbert, Dr. Ed Hightower, Mr. Brione Lockett, Dr. Subhash Sharma, Mr. Roger Tedrick; nay, none.

The following item was presented:

APPROVAL OF SALARY AND APPOINTMENT OF THE SYSTEM EXECUTIVE
DIRECTOR FOR DIVERSITY INITIATIVES
FOR THE SOUTHERN ILLINOIS UNIVERSITY SYSTEM

Summary

The matter presents for approval the appointment of the System Executive Director for Diversity Initiatives for the Southern Illinois University System.

Rationale for Adoption

Board policy requires the approval of the appointment of professional staff in the Office of the President. Interim President J. Kevin Dorsey recommends Dr. Wesley G. McNeese to serve as System Executive Director for Diversity Initiatives on a part-time basis (0.50 FTE) for the period July 1, 2019, through June 30, 2020. This position supports organization, administration, and implementation of activities and events for the SIU System Diversity Initiatives established by the Board of Trustees (0.25 FTE) and SIU School of Medicine diversity initiatives (0.25 FTE); funding for the position is shared by the system and the medical school. This matter also permits the President to extend the part-time appointment for an additional term if needed, in the University's sole discretion.

Resolution

BE IT RESOLVED, By the Board of Trustees of Southern Illinois University in regular meeting assembled, That:

(1) Wesley G. McNeese is appointed to the position of System Executive Director for Diversity Initiatives for the Southern Illinois University System at an annual salary of \$85,000.08, effective July 1, 2019, through June 30, 2020. Thereafter, the President of Southern Illinois University may extend the part-time appointment for an additional term if needed, in the University's sole discretion.

(2) The Interim President of Southern Illinois University be and is hereby authorized to take whatever action may be required in the execution of this resolution in accordance with established policies and procedures.

Trustee Sharma moved to approve the item. The motion was duly seconded by Trustee Smith. The motion carried by the following recorded vote: aye, Mr. Ed Curtis, Hon. Phil Gilbert, Dr. Ed Hightower, Mr. Brione Lockett, Dr. Subhash Sharma, Mr. Roger Tedrick; nay, none.

Chair Gilbert introduced Dr. Carol Cartwright and Dr. William Kirwan from the Association of Governing Boards and Mr. Dennis Barden and Ms. Elizabeth Bohan of WittKieffer who were in attendance. The Chair reviewed that Dr. Cartwright and Dr. Kirwan would lead a segment of the retreat. Goals would be to learn what it means to be a system board, review results of interviews from internal stakeholders, review comparisons with similar systems, and discuss some long-term planning for the direction of the SIU system. The Chair went on to say that Mr. Barden and Ms. Bohan attended to observe the day's discussion, and would discuss a leadership profile for the presidential search and the Board may possibly approve the leadership profile. In addition, the Board would review survey results sent to faculty, staff, and students at the campuses about the presidential search.

Dr. Kirwan made his presentation to the Board. He reviewed characteristics of high performing boards and benefits and challenges of system boards. Dr. Kirwan facilitated a discussion about the roles and responsibilities of system boards and developed an understanding among the Board members about the characteristics of effective system boards. Further, Dr. Kirwan reviewed the Board members' fiduciary obligation in overseeing the assets of the University. He provided examples of situations for boards of other universities, and the group discussed how certain issues could have been handled differently. Dr. Kirwan identified that two current critical issues for all boards

are updated, rigorous conflict of interest policies and Title IX and sexual harassment/misconduct.

Dr. Cartwright made her presentation to the Board. She reviewed goals for the retreat and discussion topics as follows: (1) operating as a system board, (2) interviews with internal stakeholders, (3) comparisons with other systems, (4) big ideas to shape the future of SIU, (5) shared services, and (6) action steps. She reviewed feedback received in late April from in-depth interviews which she conducted with Board members, the President, Chancellors, and Dean and Provost of the School of Medicine, system officers, and teams of senior administrators from each campus.

Dr. Cartwright relayed that the interviews included a strong consensus for developing shared services and ensuring that support for shared services is a system priority. The group expressed agreement that shared services should be a system priority. The group expressed strong support for a system leader who facilitates and sponsors collaborative academic initiatives that use the best assets of all campuses to create new academic opportunities. Consideration was given to system-wide assets for potential research funding from external sources regarding opportunities for collaborative research projects. The group discussed the value of administrative titles such as the system leader for academics is focused on collaborations and new innovative initiatives and a title including such words may provide a more powerful message.

Dr. Cartwright relayed unanimity from the interviews in stating a critical need for a system strategic plan and that funds must be budgeted for strategic and on-going planning at both the system and campus levels. She reviewed that there were frequent references to organizational culture, and that the separation initiative of the prior

year influenced the culture. She noted that campus autonomy is important, but there were many who expressed the autonomy had gone too far and kept the University from getting value from being a system. Information from a review of some comparable systems was presented to provide examples of system-wide services that might be applicable to Southern Illinois University.

The Chair recessed the meeting for lunch.

A discussion was held about big ideas to guide strategic planning. A brief presentation and discussion was held about six major national issues and trends in higher education and their implications for the state of Illinois and the Southern Illinois University system. Retreat participants were divided into two work groups for the discussion. Both groups promoted the idea that SIU has many assets in health care and it could adopt a strategic priority of becoming a national leader in rural health. Both groups advocated strongly for student success initiatives and noted the value of developing different pathways to success. There was strong agreement with the principle that the success initiatives need to be data-driven and that appropriate accountability measures need to be developed to track progress. Diversity and inclusion principles and values were embraced by both groups. There was strong sentiment that inclusion is sometimes neglected but is an important part of success in diversity. Both groups advocated for partnerships of all types as a priority for the system to include internal and external partnerships. A system-level leader with the responsibility for facilitating the development of partnerships was recommended. The changing higher education business model was discussed, and both groups expressed agreement that the system has to be committed to financial sustainability.

A discussion was held regarding existing shared services such as legal and audit. The group further discussed possible shared services such as information technology, human resources, marketing/brand development, enrollment management, and institutional research/predictive analytics. The Board expressed commitment to implementing shared services with the leadership of a new president. The Board and system administration agreed to take on several tasks prior to the arrival of a new president. President Dorsey and senior staff were charged with developing an inventory of campus assets. The inventory will be used primarily to develop collaborative programs and build partnerships. To explore as a first step, President Dorsey was directed to provide to the Board a status report as soon as possible on information technology and enrollment management systems. The report should include what the University has, how much the operations are costing, and if there are any possible consolidations. It was discussed that shared services could add value at the system level and free up funds for program investment. Strengthening enrollment is an important priority going forward. Once a new president has been selected, the content of the retreat will be used to set expectations for that individual. The Board will charge the new president with building a new system-wide strategic plan around the content of the retreat which will include shared services as a priority. Regarding the development of a strategic plan, the new president should create a planning process that engages stakeholders inside and outside of the University.

Mr. Dennis Barden, noted that he and Ms. Elizabeth Barden were attending as observers during the retreat. He discussed the value of the retreat discussions and that he would incorporate the content in the final leadership profile document to be used

in recruiting a new president. Board members were provided a draft of the leadership profile and were to provide any feedback to the Executive Secretary of the Board within 24 hours. The Board will use the ideas generated in the retreat when they interview prospective candidates. Mr. Barden reviewed the timeline for the presidential search. He expected the search committee to convene in early September to review applications. The Board may choose semi-finalists in late September. He estimated that the search may be complete by the end of November.

Chair Gilbert noted that the Board received results of the Presidential Search Survey which was sent to faculty, staff, and students at the campuses, and those results would be shared with the Presidential Search Advisory Committee.

Chair Gilbert presented outgoing Student Trustee Molly Smith with a certificate for her service on the Board for the year.

Trustee Sharma moved that the meeting be adjourned. The motion was duly seconded by Trustee Smith. The motion to adjourn passed unanimously by voice vote.

The meeting adjourned at 3:59 p.m.

Misty D. Whittington, Executive Secretary