

BOARD OF TRUSTEES
of
NORTHERN ILLINOIS UNIVERSITY

Officers

Manuel Sanchez, Chair
Myron E. Siegel, Secretary
Gary J. Skoien, Vice Chair
Kenneth L. Davidson, Parliamentarian
Eddie R. Williams, Treasurer
Anne C. Kaplan, Assistant Secretary/Assistant Treasurer
George M. Shur, Second Assistant Secretary
Sharon M. Mimms, Recording Secretary

Appointed Members

Expiration of Term

| | |
|------------------------------------|------------------|
| Catherine M. Adduci - Chicago* | January 17, 2005 |
| Robert T. Boey - DeKalb | January 16, 2001 |
| George A. Moser - Barrington Hills | January 16, 2001 |
| Manuel Sanchez - Lisle | January 16, 2001 |
| Myron E. Siegel - Bannockburn | January 17, 2005 |
| Gary J. Skoien - Inverness | January 17, 2005 |
| Barbara Giorgi Vella - Rockford | January 17, 2005 |

Student Member

| | |
|-------------------------|---------------|
| Alejandro (Alex) Alaniz | June 30, 2002 |
|-------------------------|---------------|

John G. Peters, President
Northern Illinois University
301 Lowden Hall
DeKalb, IL 60115

** Appointment effective 10/30/01; replaced Jeremiah Joyce*

PROCEEDINGS
of the
Board of Trustees
of
Northern Illinois University
July 1, 2001 - June 30, 2002

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President's Report

No. 28

September 20, 2001

No item in this report for release prior to 9:00 a.m. Thursday, September 20, 2001.

A G E N D A

**BOARD OF TRUSTEES
of
NORTHERN ILLINOIS UNIVERSITY
9:00 a.m. – Thursday – September 20, 2001
Clara Sperling Sky Room**

9:00 a.m. Call to Order, Roll Call, Notice Verification, Meeting Agenda Approval, Review and Approval of Minutes, Reports of Board Committees and Board Liaisons, Recess to Executive Session
Executive Session – University Suite
Reconvene Board of Trustees Meeting – Clara Sperling Sky Room



1. Call to Order and Roll Call
2. Verification of Appropriate Notification of Public Meeting
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5. Chair's Comments/Announcements
6. Public Comments (if any)*
7. Reports of Board Committees and Board Liaisons
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 - b. Academic Affairs, Student Affairs and Personnel Committee
 - c. Finance, Facilities and Operations Committee
 - d. Legislation, Audit and External Affairs Committee
 - e. Illinois Board of Higher Education
 - f. University Civil Service Merit Board
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- b. University Reports Forwarded from the Board Committees
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 - (3) Fiscal Year 2001 Report of Tuition and Fee Waivers..... *Information*
 - (4) Fiscal Year 2001 Annual Report of Cash and Investments..... *Information*
 - (5) Quarterly Summary Report of Transactions in Excess of \$100,000..... *Information*
 - (6) Huskie Stadium Turf Replacement Update *Information*
 - (7) Fiscal Year 2003 Programmatic Budget Requests..... *Information*
 - (8) Fiscal Year 2001 University Results Report..... *Information*
 - (9) Annual Survey of Undergraduate Alumni *Information*
 - (10) Vision 2001 - PeopleSoft Human Resource Information System Implementation *Information*
 - (11) Professional Excellence Awards for Faculty and Staff..... *Information*
 - (12) Annual IBHE Report on Underrepresented Groups *Information*
 - (13) Fiscal Year 2001 External Funding for Research, Public Service and Instructional Projects..... *Information*
- c. Items Directly from the President
 - (1) Summary of Grant and Contract Awards..... *Information*
 - (2) Twin Lights Affiliation Agreement *Information*
- 10. Other Matters
- 11. Next Meeting Date
- 12. Adjournment

*The Board and its committees comply with P.A. 91-0715 through its *Bylaws*, Article II, Section 5.B:

1. Consistent with Public Act 91-0715 and reasonable constraints determined by these *Bylaws* and the Chair, at each regular or special meeting of the Board or its committees that is open to the public, members of the public may request a brief time on the approved agenda of the meeting to address the Board on relevant matters within its jurisdiction.
2. Committees of the Board review University proposals for action and make adjustments and endorsements as appropriate for further consideration by the full Board. Public comments are generally most useful at meetings of Board committees, where proposals are first considered and the time for interaction most feasible.
3. To facilitate an orderly process, appearance requests must be registered on a Board-provided form and submitted to the Board's Parliamentarian at least 45 minutes before the meeting is scheduled to be called to order. To be recognized, the appearance request will include the name, address and position of the individual wishing to speak, the name of the organization or group represented, a concise summary of the presentation, and whether the requestor has appeared earlier on the topic before any other meeting of the Board. The Parliamentarian may confer with registered speakers to cooperatively assist the Chair of the meeting in assuring coordinated issue presentation and an efficient use of allocated time. The Parliamentarian will acquaint requestors with the generally acceptable rules of decorum for their presentations. In lieu of oral presentations, individuals may present brief written materials not to exceed five (5) pages to the Parliamentarian for distribution and consideration by the Board in advance of the meeting.
4. The Chair of the meeting will recognize duly registered individuals at the appropriate point during the meeting. Unduly repetitive comments may be discouraged and restricted by the Chair. To assure an orderly and timely meeting the Chair may limit time allotments to five minutes or less, may delay or defer appearances when appropriate, and defer or refer questions received from presenters for answers if available.

Anyone needing special accommodations to participate in the NIU Board of Trustees meetings should contact Ellen Andersen, Director of Special Events, at (815)753-1999, as soon as possible, normally at least a week before the scheduled Board meeting.

Minutes of the
BOARD OF TRUSTEES
OF NORTHERN ILLINOIS UNIVERSITY
September 20, 2001

CALL TO ORDER AND ROLL CALL

The meeting was called to order by Chair Manuel Sanchez at approximately 9:05 a.m. in the Clara Sperling Sky Room of Holmes Student Center. Recording Secretary Mimms conducted a roll call of Trustees. Members present were Trustees Robert Boey, Myron Siegel, Gary Skoien, Barbara Giorgi Vella, Student Trustee Alex Alaniz and Chair Sanchez. Not present was Trustee George Moser. Also present were Board Parliamentarian Kenneth Davidson and President John Peters. With a quorum present, the meeting proceeded.

VERIFICATION OF APPROPRIATE NOTICE OF PUBLIC MEETING

Confirmation of Open Meetings Act public notice compliance was provided by Board Parliamentarian Ken Davidson.

MEETING AGENDA APPROVAL

Chair Sanchez proposed that President's Report No. 28 action Agenda Items 9.a.(3), 9.a.(5), 9.a.(6), 9.a.(7), 9.a.(8), and 9.a.(9); receipt of Information Items 9.b.(4), 9.b.(5), 9.b.(7), 9.b.(8), 9.b.(9), 9.b.(10), 9.b.(11), 9.b.(12) and 9.b.(13); and Information Item 9.c.(1) and walk-in Information Item 9.c.(2) be moved to a consent agenda. Trustee Siegel made a motion to approve the meeting agenda as amended. Trustee Skoien seconded the motion. The motion was approved.

REVIEW AND APPROVAL OF MINUTES

It was moved by Trustee Boey and seconded by Trustee Vella to approve the minutes of the June 21, 2001 Board of Trustees Meeting. The motion was approved.

CHAIR'S COMMENTS/ANNOUNCEMENTS

Chair Sanchez welcomed every to the meeting of the Board of Trustees of Northern Illinois University. It is my first time doing this, he said, and I am quite thrilled about it. This morning, we will be hearing reports on many of the big issues that face our university: finances, buildings, programs and policies. And just as we have done for the past six years, he said, we will make decisions that will affect members of our campus community for years to come. This is a responsibility that all Trustees take seriously. As the title Trustee implies, we hold this university "in trust" for the people of the state of Illinois. I mention this today because of the events of September 11. It has given all of us cause to reflect on the various roles we play and the responsibilities we bear. In this room alone, we have individuals with the responsibility of teaching future generations and to help make sense of last week's senseless tragedy. In this room we have

people with connections to our U.S. military charged with developing a response to the attack on our country. In this room we have dedicated staff keeping this university running and tending to the needs of those touched by these events. And in this room, we have students preparing for leadership roles in the years ahead. Each and every one of us holds some critical responsibility in trust for the rest of our society. In the end, perhaps this is the one lesson we can take from the events of September 11, that our lives are inextricably intertwined with the lives of every other member of our society and, indeed, with those of people around the world. Clearly, the actions and reactions of our own campus community give us all reason to feel proud. I note, in particular, the sensitive and responsible manner in which our students, faculty and staff have conducted themselves over the past week and a half and the heartfelt expressions of sympathy and spiritual connection with the victims and their families and the actions taken to alleviate pain and suffering. For these and for many other reasons, I would like to express, on behalf of the entire Board of Trustees, our pride in the response of the NIU community. In keeping with that spirit of remembrance, I would like to request, if you will bear with me, a moment of silence before we proceed with our meeting. *[A minute of silence was observed.]* Thank you.

Ladies and Gentlemen, we will be hearing some excellent news today about fall enrollment figures, the Chair said. When I received the *Northern Star* edition reporting those figures and the phone calls that followed, it was very exciting, and I hope you are as excited as the Trustees are about those figures. I would like to exercise the Chair's prerogative to comment on just a couple of aspects of that report. First, the overall numbers looked very good. President Peters and Provost Legg tell me that this year's numbers are particularly impressive given the slight demographic downturn we experienced. Elsewhere in the state, the numbers were not as impressive as at NIU, and I think that is a tribute to the fine work of our faculty and staff and of our recruitment efforts. Three things jumped out at me when I saw these latest enrollment figures. First, we have a significant increase in our graduate student numbers, and that is a tribute to our growing reputation in a number of high-demand fields. I also note that we have seen an increase in the number of honors new freshmen. It is another "quality" indicator that we can feel good about. And finally, I see that this fall we have the largest-ever Hispanic freshman class. It is purely coincidental, but that does not happen by accident. The word is out that NIU is a welcoming place for Latinos, the nation's fastest-growing ethnic group.

I would like to announce that on November 9, we are going to be sponsoring at NIU-Naperville the first ever conference on Shaping Education Policy for Latinos in Illinois. This is a project I dreamed about during my early years on the Board, and one that I want to make a hallmark of my tenure as Board Chair. We will be featuring speakers from around the country addressing a variety of topics centered around increasing the pipeline of Latino students going to college and helping them succeed once they get there. My thanks to Kathy Buettner, Melanie Magara, Liz Ortiz, George Gutierrez, Michael Gonzales and others for making this happen. It has long been a dream of mine to make NIU a recognized center statewide and nationally for this important discussion. You will be hearing more about this event soon by mail and through our future website. Our brochure has been finalized and will be going out, thanks to Melanie Magara, no later than tomorrow.

Finally, on a personal note, I had the privilege this week of speaking at NIU's Hispanic/Latino Heritage Month celebration, which Dr. Legg and other members of the administration were nice enough to come and join me at, where I met a number of impressive young people who are extremely serious about their education and very committed to celebrating their heritage within the larger context of the NIU campus community. A week to the day after the attacks in New York and Washington, I was struck by how these young people are able to keep alive their unique cultural heritage, while still identifying themselves strongly as Americans. We *can* do this, here at NIU and throughout our nation. We *can* be both different *and* alike in fundamental ways. The events set in motion by last week's attacks will focus new attention on the widely varying nature of American identity. I pray that this campus community will continue to contribute in a positive way to that national discussion and that NIU can be a model for the celebration of multiple cultures within a single, tolerant, *unified* family of learners.

Chair Sanchez recognized UAC representatives Dr. Suzanne Willis, Dr. Dan Griffiths, Dr. Dolly Jones, Dr. James Lockard, Ms. Jenine Povlsen and Ms. Judy Burgess. Dr. Willis said that Provost Legg had asked her to organize an ongoing university response to the events of last week. We had our first organizational meeting about that yesterday, she said, and we will be having an ongoing series of a variety of events and discussions. We will publicize these as widely as possible. I am hoping to attract not only the university community but the wider community as well, and all of you will be welcome at any and all of these events.

PUBLIC COMMENT

The Chair asked Board Parliamentarian Kenneth Davidson if any members of the public had registered a written request to address the Board in accordance with state law and Board of Trustees *Bylaws*. Mr. Davidson noted that no timely requests had been received for public comment at that Board meeting.

REPORTS OF BOARD COMMITTEES AND BOARD LIAISONS

Executive Committee

There was no report from the Executive Committee.

Academic Affairs, Student Affairs and Personnel Committee

Committee Chair Barbara Vella reported that the Academic Affairs, Student Affairs and Personnel Committee met on Thursday, September 7. One action item regarding bargaining agreements was forwarded for approval at today's meeting. They have been ratified by the unions and have been placed on the consent agenda. I would also like to highlight two of our university information reports, she said. We had a spirited discussion on the Alumni Survey report given by Virginia Cassidy. The Board found the information very useful and has given her more direction on refining that information and presenting it to us on an ongoing basis. We also honored the professional excellence awards for staff and faculty. And at a luncheon in their honor, we had a lively and interesting discussion with all of them.

Finance, Facilities and Operations Committee

Committee Chair Robert Boey reported that the Finance, Facilities and Operations Committee also met on Thursday, September 7. At that meeting, the Committee considered and approved the following action items: Fiscal Year 2003 appropriated and nonappropriated capital budgets, Fiscal Year 2002 internal budget, North Forty utility tunnel budget, Holmes Student Center ADA upgrades, delivery fees for the Alternative Teacher Certification Program and off-campus graduate programs in computer science, and Document Services printing paper. The Committee also received information items including the Fiscal Year 2002 increment summary report, 2001 annual reports and the capital activities report. All these are included in the report to the Board for approval.

Legislation, Audit and External Affairs Committee

There was no report from the Legislation, Audit and External Affairs Committee.

Illinois Board of Higher Education

President Peters reported that he attended the regular meeting of the Illinois Board of Higher Education held on Tuesday, August 21, at Eastern Illinois University in Charleston, Illinois. Among the action items and reports that were dealt with that day was the acceptance of the report on access and diversity, which is called "Gateway to Success: Rethinking Access and Diversity for a New Century." There had been a series of open fora and discussions on that report, and it was accepted. Perhaps one of the most interesting aspects of that report was a recommendation that all high school students in Illinois take a college preparatory curriculum. A second item of interest was a decision on the part of the Illinois Board of Higher Education to join with the Knight Higher Education Collaborative to hold a roundtable on important higher education issues in Illinois, which is scheduled for October 2001. There was board endorsement for that, and members of the higher education community, including members of our boards of trustees, will be invited to that.

A very important item for Northern Illinois University was the acceptance of this year's recommendations for the disbursement of \$19.6 million in grants under the Higher Education Cooperation Act, called the HECA grants. I am pleased to report that Northern Illinois University has received approximately nine direct grants totaling almost a half a million dollars, the President said, plus we join with other universities and community colleges in several other grants.

The last item of significance was a report, which is mandated, on full-time faculty and civil service salaries at Illinois colleges and universities, the President reported. There was good news to report about the funds that the state could provide us this year for salary increments, and we will be reporting on that a little bit later in our meeting. Despite the efforts that have been made on the part of State of Illinois, which have been substantial in the past two years, average faculty salaries at community colleges and at universities have fallen behind a bit. So this is a matter of some concern to all of us.

Universities Civil Service Merit Board

Trustee Vella, who is Board of Trustees liaison, represented Northern Illinois University at a meeting in Normal, Illinois on Wednesday, September 6.

Discharge proceedings were considered against four individuals who were part of the Civil Service System – three from the University of Illinois at Chicago and one from the University of Illinois at Normal. Also, the UCSMB internal budget was approved.

Northern Illinois University Foundation

Ms. Mallory Simpson, President of the NIU Foundation, gave the Foundation report. The annual meeting of the NIU Foundation Board of Directors was held on September 7. Chair Sanchez attended the Board of Directors meeting and extended the greetings of the Board of Trustees and the appreciation of the Trustees for the work that the Foundation Board is doing, and Ms. Simpson told Chair Sanchez that this was well received. We very much appreciate your taking the time to do that, she said. Trustee Boey was also in attendance as the Trustee liaison and a member of the Foundation Board. We were also delighted to have Dennis and Stacey Barsema attend their first board meetings. At that meeting, five new members of the Board of Directors were elected, moving us closer to our diversity objectives of race, ethnicity, geographic, professional and gender representation on our board, Ms. Simpson said.

Ms. Simpson gave a few highlights of the Foundation's fiscal year end. A printed report entitled "Our Foundation Year in Review" was given to each of the Trustees. Total gifts received during last fiscal year were \$27,244,000, which was an increase of 125%. Also received through the Foundation was income of nearly half a million dollars from Pepsi and our credit card revenue. Total revenue to the Foundation was \$27,734,000. In addition to that receipted, she said, we recorded about \$4.3 million in new multiyear pledge and bequest expectancies. So, our total activity was just slightly more than \$32 million, a very good year indeed. We received \$894,000 through our annual fund. After four years of dramatic increases through our Telefund program, we hit a little bit of a plateau. We grew only five percent last year, as we had expected we would. During the summer, we had an extensive electronic analysis of our annual fund program and our donor database so that we could understand better what our strengths and weaknesses were. As a result of that, we are implementing several new strategies that will help us do a better job of segmenting and targeting our constituencies. Key to continued growth of our annual fund really is retaining the donors that we have worked so hard to acquire and getting other donors up to the thousand dollar gift level or above.

The Foundation managed to hold steady on our endowment market value despite poor investment performance nationally, as you well know, through a combination of comparatively good investment performance and new gifts to endowment. We closed the year at \$20.5 million, down slightly from \$20.7 million last year. Other development program successes last year included implementation of our new donor recognition program, first direct mail pieces to educate our constituency about bequests, and huge strides in prospect analysis and research, which has resulted in many hundreds of new prospects who appear to have good potential for gifts of \$25,000 or more. As you know, we are playing catch-up. We have a lean staff, so we have worked very hard to carefully target prospects so that we can apply our precious resources appropriately to those people that we think will have the most promising results. So far this year we have received 729,500 gifts. Our annual fund is lagging

somewhat behind last year at this time. We did suspend calling for nearly a week in light of last week's activities. We resumed on Monday and have been very carefully monitoring the responses. Things appear to be normal there.

Our Donor Recognition Dinner is October 5 is Oakbrook, Ms. Simpson said, and all Board of Trustees members should have received an invitation. Chair Sanchez, I am delighted to see you on the RSVP list. It means a lot to our donors to have the presence of Trustees. It really signals an acknowledgement and appreciation to the commitment they are making to the university.

We have received a new \$100,000 pledge from steel drum manufacturer, Les Trilla. He had just completed his \$100,000 pledge for scholarships and has made a new \$100,000 commitment, and we are delighted about that.

Finally, Ms. Simpson said, I wanted to close with just a few observations about giving in light of economic conditions, our national tragedy and potential for a state of war. During the last six months to a year, we have seen a slight slowdown in gifts to higher education across the country. Universities that are involved in campaigns at this point are finding that there is some delay in donors making new major gift commitments. That is probably in consideration of the softer economy. My staff and I have compiled some very detailed information to look at giving patterns during times of recession and during times of war, so that we kind of have a sense of what the impact might be on us where we are, giving patterns in general and higher education specifically. We have every intention to go full steam ahead with all of our programs, she said. We have so many new relationships to build and to begin, that we intended to focus on that and continue to watch the conditions to see how people are responding with major gift decisions. We anticipate that there will be some shift, hopefully short-term. There has been such a huge philanthropic response to events of last week that people are giving to aid organizations, and perhaps there will be a shift away from higher education. We hope that will be short-term. I think we really need to get out there strongly with our case for the support of higher education. Chair Sanchez, I think, spoke very well to that in his opening remarks, Ms. Simpson said. Universities have a role to play in times like these, and we need to connect those dots so that we protect our place among our constituencies' giving priorities, and I think we have got a very strong case to make.

All of the Trustees are incredibly impressed by the strength of the Foundation and its staff, Chair Sanchez said, and the efforts that have produced these kinds of results. We are all indebted to you for the fine work you do on a daily basis. Frankly, he said, I think NIU's Foundation has created the paradigm for the state if not for the rest of the country, and even in these hard economic times. Thank you for your continued splendid efforts.

Thank you, very much, Ms. Simpson said, we do, indeed, have a very strong Foundation Board, and they are very committed and working hard. It is good to have your comments to share with them.

EXECUTIVE SESSION

Chair Sanchez asked for a motion to close the public meeting to conduct an executive session to discuss the following subjects authorized by the Illinois

Open Meetings Act: collective bargaining matters as generally described under §2(c)(2) of the Open Meetings Act, property matters as generally described under §2(c)(5) and (6) of the Open Meetings Act and self-evaluation, practices and procedures or professional ethics as generally described under section 2(c)(16) of the Open Meetings Act.

Trustee Skoien so moved, seconded by Trustee Vella. A roll call vote of the Trustees to recess to Executive Session was unanimous.

BOARD OF TRUSTEES MEETING RECONVENED

Because Chair Sanchez had to leave, Vice Chair Gary Skoien reconvened the public meeting of the Board of Trustees at approximately 10:55 a.m.

CONSENT AGENDA APPROVAL

Vice Chair Skoien asked for a motion to approve the items placed on the Consent Agenda, which included President's Report Number 28 Action Items 9.a.(3), 9.a.(5), 9.a.(6), 9.a.(7), 9.a.(8), and 9.a.(9); Information Items 9.b.(4), 9.b.(5), 9.b.(7), 9.b.(8), 9.b.(9), 9.b.(10), 9.b.(11), 9.b.(12) and 9.b.(13); and Information Item 9.c.(1) and walk-in Information Item 9.c.(2) to that consent agenda. Trustee Siegel so moved, seconded by Student Trustee Alaniz. The motion was approved.

The Vice Chair asked Mr. Davidson to briefly identify the items being considered for the Consent Agenda and said they would be followed by an opportunity for discussion before the vote.

Mr. Davidson stated that the action items proposed for the Consent Agenda of President's Report No. 28 were: Fiscal Year 2002 Internal Budget, an action item; Holmes Student Center - ADA Upgrades - Capital Project Approval, an action item; Off-Campus Delivery Fee for Graduate Programs in Computer Science, an action item; Delivery Fee for the Alternative Teacher Certification Program, an action item; Document Services Printing Paper, an action item; Collective Bargaining Agreements, an action item. Information items proposed for the Consent Agenda of President's Report No. 28 were: Fiscal Year 2001 Annual Report on Cash and Investments; Quarterly Summary Report of Transactions in Excess of \$100,000; Fiscal Year 2003 Programmatic Budget Requests; Fiscal Year 2001 University Results Report; Annual Survey of Undergraduate Alumni; Vision 2001-PeopleSoft Human Resource Information Services System Implementation; Professional Excellence Awards for Faculty and Staff; Annual IBHE Report on Underrepresented Groups; Fiscal Year 2001 External Funding for Research, Public Service and Instructional Projects; Summary of Grant and Contract Awards; and Twin Lights Affiliation Agreement.

PRESIDENT'S REPORT NO. 28

UNIVERSITY RECOMMENDATIONS FORWARDED BY THE BOARD COMMITTEES

- Agenda Item 9.a.(3) – Fiscal Year 2002 Internal Budget**
- Agenda Item 9.a.(5) – Holmes Student Center - ADA Upgrades - Capital Project Approval**
- Agenda Item 9.a.(6) – Off-Campus Delivery Fee for Graduate Programs in Computer Science**
- Agenda Item 9.a.(7) – Delivery Fee - Alternative Teacher Certification Program**
- Agenda Item 9.a.(8) – Document Services Printing Paper**
- Agenda Item 9.a.(9) – Collective Bargaining Agreements**

Consent Agenda items.

UNIVERSITY REPORTS FORWARDED FROM THE BOARD COMMITTEES

- Agenda Item 9.b.(4) – Fiscal Year 2001 Annual Report on Cash and Investments**
- Agenda Item 9.b.(5) – Quarterly Summary Report of Transactions in Excess of \$100,000**
- Agenda Item 9.b.(7) – Fiscal Year 2003 Programmatic Budget Requests**
- Agenda Item 9.b.(8) – Fiscal Year 2001 University Results Report**
- Agenda Item 9.b.(9) – Annual Survey of Undergraduate Alumni**
- Agenda Item 9.b.(10) – Vision 2001 - PeopleSoft Human Resource Information Services Implementation**
- Agenda Item 9.b.(11) – Professional Excellence Awards for Faculty and Staff**
- Agenda Item 9.b.(12) – Annual IBHE Report on Underrepresented Groups**
- Agenda Item 9.b.(13) – Fiscal Year 2001 External Funding Research, Public Service and Instructional Projects**

Consent Agenda items.

ITEMS DIRECTLY FROM THE PRESIDENT

- Agenda Item 9.c.(1) – Summary of Grant and Contract Awards**
- Agenda Item 9.c.(2) –Twin Lights Affiliation Agreement**

Consent Agenda items.

ITEMS DIRECTLY FROM THE PRESIDENT

- Agenda Item 9.c.(1) – Summary of Grant and Contract Awards**

Consent Agenda item.

Agenda Item 9.c.(2) –Twin Lights Affiliation Agreement

Several months ago, President Peters said, Trustee Myron Siegel, informed me of a company that was involved in the development of some interesting interactive video training models, and we arranged for a presentation. I was very impressed with this company and their product, interactive video models designed to assess leadership and leadership skills in the workplace. Over the

last few months, there have been some fundamental discussions. Today, we are pleased to announce an affiliation with NIU and this company called Twin Lights.

I am pleased to be able to announce the significant opportunity that NIU has undertaken, Trustee Siegel said, the results of many months of discussions and negotiations that culminated in a contract being signed this week with Twin Lights. Several months ago, the Twin Lights people contacted me through my regular business channels, and I quickly saw an opportunity that was unique for Northern and Twin Lights. Twin Lights is an entity formed by some nationally known developers of cutting edge gaming technology. Twin Lights is a digital media company that has developed a cutting-edge e-learning model using proprietary assessment, training and mentoring programs delivered through interactive video reality-based training, role playing and curricular-based education systems. The military as well as many Fortune 100 companies have already expressed an interest in this technology, and there are significant negotiations going on with those groups. This technology could vault NIU to the forefront in e-learning, not to mention the potential financial benefit to NIU. I want to personally thank George Moser for his assistance and Chair Sanchez for his continued support of this opportunity. After consultations with then chair George Moser and President Peters, Trustee Siegel said, I began working on this project with Dr. Anne Kaplan, Dean David Graf of the College of Business and Mr. George Shur, the University General Counsel. Both President Peters and Anne Kaplan recognized the potential for this project, and Dr. Kaplan took this on as a personal mission. Dean Graf also saw the opportunity and was able to gather faculty support and excitement for the project in the College of Business. Mr. Shur deftly worked through the contractual terms with Twin Lights legal counsel, resulting in a win-win agreement. To tell you more about this agreement, Trustee Siegel said, I will ask George Shur to explain the contract terms. Then I would like Anne Kaplan and Dean David Graf to tell us what they see from their perspectives. Finally, Rita Zimmerer from Twin Lights is here to give us a short presentation about this technology.

This is a unique opportunity for Northern and for Twin Lights to provide cutting-edge educational software that can be used in our classrooms at Northern, Mr. Shur said, and, hopefully, can be expanded for use elsewhere throughout the country. This is the type of entrepreneurship and the type of town-gown cooperation which the Governor and the legislature has for a number of years encouraged in institutions of higher education in Illinois. As Trustee Siegel indicated, this is a win-win agreement. The university is not required to expend any of its resources, but will work very closely with Twin Lights in exploring external funding for the project. The university, through its College of Business, will provide consultative services and assist in the testing of the product as it comes on line. Clearly, this will be a benefit to our College of Business and eventually other components of the university. We trust it will also be of benefit to higher education in general and to all methods of training throughout the country.

I would like to reiterate thanks on behalf of the Board for everybody at the university involved in this, Vice Chair Skoien said, and particularly to Trustee Siegel for bringing this to the university. It sounds like a great opportunity for us.

You will be relieved to hear I am not going to explain interactive video to you, Dr. Kaplan said. However, I can tell you that when the President and I went out to Naperville to meet with Ms. Zimmerer to see this presentation, we both immediately wanted to play. We wanted to compete on our leadership skills and push the buttons to go down one path or another and see how it would all work out. On the other hand, neither of us is in the business of teaching business, so we very quickly decided that we needed to get an assessment from faculty in the College of Business. That is why we brought in Dean Graf, who is here to tell you a little bit about how his faculty reacted. It seemed to us that if this was something that faculty in the College of Business were interested in, she said, we would have a nice synergy of opportunities going when we open what we hope will be a cutting-edge business facility. And if we have a cutting-edge business curriculum to go with it, that would be a very nice mix.

One of the things that we have been looking for over the years is a fruitful alliance between two organizations in the sense that both organizations benefit by working together, Dean Graf said, and this one is truly going to work that way. First of all, from a pedagogical standpoint, the students are sure to benefit from the product being created here because it is a new way of learning. But at the same time, it is a new way of teaching and a new way of developing materials. So, it has a double effect and a very positive effect for both students and faculty at the same time. The other thing it does for the College of Business and for NIU is it puts us in a leadership position by being able to tell other institutions around the country that we are at the forefront of developing these kinds of materials. I do not plan to describe all that to you, because we have something better, we actually have a demonstration of what we are talking about. I have to change the old phrase a little bit by saying "a video is worth a thousand words," the Dean said, because we are going to do something based on a CD and the product that is being developed. Dean Graf introduced Ms. Rita Zimmerer, CEO of the U.S. headquarters of Twin Lights.

Everybody has talked about the product that Twin Lights has been working on actually for two years, Ms. Zimmerer said. This product came about by thinking in terms of how we can train and educate the children of today. If you think of children and the students and the freshmen coming into the universities today, they have been playing video games most of their lives. This means that they have been learning in an interactive venue. They are visual. Working out of a textbook does not necessarily excite them as much as we would like it to. So, after two years of working on this, I had the pleasure of talking to Trustee Siegel, and, in about 20 minutes, he saw very quickly the opportunity for the university, looking at the curriculum and where we are going in the millennium in training and educating students.

The first thing I will show you, Ms. Zimmerer said, is an introduction to the product itself. I want you to think in terms of you as the CEO. This is your game. You are going to play it and experience what is going on in a major corporation. This corporation is a very large pizza retailer that has over 50,000 employees worldwide. They ship billions of dollars of pizza. What we have done is give the students what they like and are very familiar with – pizza. So, the name of the company is Pacini's Pizza.

This is pretty much what the actual product and the course will be about, Ms. Zimmerer said, being a CEO. We spent a long time coming up with what we call a training model. Looking at leadership, and at the events that have occurred over the last couple of weeks, we now need leaders more than ever. What we do not do in defining leaders is begin at an early age – begin to assess people and whether or not they have the competencies it takes to be a leader. What we are going to do in this course is show people what their competencies are and where they are going to work with these competencies. They are going to understand what competencies it is necessary to have to be a leader. All these competencies will be within the product. Then we will actually train them with the skill sets in this product and see how they react to the outcome of what is going on within the corporation itself. Students will sit in front of a computer themselves and work through thinking like and being a CEO. There are actually five games; each one of them is a challenge. We will be developing these five games with the faculty so that it corresponds to the course work here at NIU, Ms. Zimmerer said. Everybody at Twin Lights really appreciates all the help and effort and everybody who was responsible for bringing us together as partners.

Agenda Item 9.a.(9) – Collective Bargaining Agreements

President Peters asked Steve Cunningham to brief the Board on the university's latest contract settlement. We have added a fourth contract to Agenda Item 9.a.(9), which is the Instructors collective bargaining agreement. Mr. Cunningham said it had been ratified by the bargaining unit. The University Professionals of Illinois represent about 150 Instructors. This is a landmark agreement in terms of the history of NIU with its Instructors, he said. It is a five-year, closed agreement. The appointment standards, terms and conditions, salaries, evaluation criteria, workload, credit unit equivalencies and other provisions of the contract establish a model for higher education with respect to the administration of part-time and temporary faculty. The IBHE has a task force that we participate in on this issue, Mr. Cunningham said, and the parties involved deserve recognition for working together to have a very good contract.

I was going to say a good bit about the events of last week, President Peters said, the way this campus responded and how proud I am of our faculty, students and staff. But I will forego that because I will be saying something extensive about that on October 4 at the State of the University Address. But we are all very proud, as Manny Sanchez indicated, of the way the campus rose to that tragedy.

UNIVERSITY RECOMMENDATIONS FORWARDED BY THE BOARD COMMITTEES

Agenda Item 9.a.(1) – Fiscal Year 2003 Appropriated Capital Budget

Every year at this time, President Peters said, we submit to the IBHE capital budget items for their review and consideration in the state budget process. The capital requests are of two forms: regular capital projects consisting of over a million dollars that require considerable planning and phasing and construction, and the other component is the capital renewal category – repair and renovation projects estimated at over a hundred thousand dollars. On page 11 is a list in priority order of capital projects that have been submitted this year. Number one on our capital list is a request for planning money of over \$1.2 million to renovate the Stevens Building, which is the home of theatre and anthropology. We

recently toured that building with representatives from the Illinois Board of Higher Education, and last year, we had our local state representatives view that building. In total, that will be a \$16 million project. It is quite significant and vitally needed. Number two on the priority list is an appropriation of approximately \$5 million for furniture and equipment to complete the privately funded Barsema Hall. We have received a lot of support from IBHE and others in state government so far on this project, the President said, and we hope to receive it. As a result of the gift from the Barsemas, the university will be able to begin the renovation of Wirtz Hall, which needs it desperately, so we can house the College of Health and Human Sciences there. After Board of Trustees approval, the FY03 capital budget request will be submitted to IBHE for consideration and inclusion in the statewide 2003 IBHE capital budget recommendation. Vice Chair Skoien asked for a motion to approve the FY03 appropriated capital budget. Trustee Boey so moved, seconded by Trustee Siegel. The motion was approved.

Agenda Item 9.a.(2) – Fiscal Year 2003 Nonappropriated Capital Budget

The table on page 17 gives a list of the projects the university would like to include in the nonappropriated capital budget projects, Dr. Peters said. They are basically renovation and renewal and rehabilitation projects. Vice Chair Skoien asked for a motion to approve the FY03 nonappropriated capital budget. Trustee Siegel so moved, seconded by Trustee Vella. The motion was approved.

Agenda Item 9.a.(4) – North Forty Utility Tunnel - Capital Project Approval

In March of this year, the Board approved the construction of a North Forty utility tunnel and set a budget of over \$642,000, President Peters said, and we have moved ahead with that project. However, the university is requesting Board of Trustees authorization to establish an adjusted new total of \$887,600 for construction of the utility tunnel from the existing tunnel at the Engineering Building sufficient to reach Barsema Hall. This represents an increase of \$245,600 over the original approval level that can be funded from existing capital renewal funds. The university further requests approval to execute professional service agreements, construction contracts and issue work orders as necessary to design and construct the utility tunnel, Dr. Peters said. Vice Chair Skoien asked for a motion to approve of the North Forty Utility Tunnel Project. Trustee Vella so moved, seconded by Trustee Boey. The motion was approved.

UNIVERSITY REPORTS FORWARDED FROM THE BOARD COMMITTEES

Agenda Item 9.b.(1) – Fiscal Year 2002 Increment Summary Report

This increment summary report is basically in accordance with the increment summary guidelines passed by the Board and the wonderful budget that the state provided us for salary increments, President Peters said. We followed those guidelines and distributed increments to our employees in the three categories listed in the table for faculty with promotion increases, 6.4%; FLSA exempt employees, 6.0%; nonexempt civil service, 6.0%. For the university, the total averaged almost 6.2%. We are all very grateful to the state for that fine budget year.

Agenda Item 9.b.(2) – Fiscal Year 2001 Annual Report on Capital Activities

The next item I want to bring to your attention, President Peters said, is an outstanding report required by the Board of Trustees on five years review. The FY01 Annual Report on Capital Activities is a thorough review of our capital projects by source and type, meaning whether they were from the state, the Capital Development Board or whether they came from our revenue bond funds or from other private funds. All you have to do is walk around the campus to know that we have a considerable number of capital projects underway.

Agenda Item 9.b.(3) – Fiscal Year 2001 Report of Tuition and Fee Waivers

This is a report we must file on tuition and fee waivers annually, Dr. Peters said. It is filed by category, those that are mandatory, which are required by state statute or other agreements, and those waivers that the institution chooses, for its best interests and educational interests, to provide. This has been relatively stable over time and well within the IBHE guidelines and our own guidelines.

Agenda Item 9.b.(6) – Huskie Stadium Turf Replacement Update

What we're passing out is just a little thank you, said Bob Albanese, Assistant Vice President for Finance and facilities. This project was something we had a real short timeline to complete. We received Board approval in March, began the project in April and completed it in June. Normally, projects do not move along that fast a track. If you will look in the bags you just received, you will see what we would like to refer to as a conversation piece. It is a representation of the turf that is now in Huskie Stadium. We have heard some rave reviews from our football team and even some of the opponents that have come in and played on this turf, he said. It is really state of the art. And it is nice to see that we can get a project like this done in this timeframe, beginning in March and having it ready to go by the end of June. We really appreciate the Board's support. I would also like to remind the university community that this Saturday evening we will be unveiling our upgraded video and sound system at the stadium.

On behalf of the Board, Vice Chair Skoien said, I would like to thank you for this. I think we can all truly say we do not have one of these and that we will have a cherished place for them. By the way, for those of us who were down at the UI and saw that tremendous football game, I think we are going to get some good use out of this turf this year.

OTHER MATTERS

The Board of Trustees of Northern Illinois University, which was established as an independent board of governance, came into being in January 1996. It is traditional for boards of trustees to have a lapel pin struck that is dignified and appropriate to commemorate their governance, President Peters said, and it signifies when worn that you are a member of the Board of Trustees. It is exclusive to members of boards of trustees. Not even Dr. Williams or Dr. Legg or I can have one. All current, past and future members of the Northern Illinois University Board of Trustees will receive these pins, and we hope you will wear them with pride. The whole community thanks you for what you do for NIU and our students, faculty and staff, he said. Congratulations to all of you. Thank you, this is very touching, Trustee Boey said, because it is truly a valuable

recognition on the part of the university. All that we do, we do because we wish to put the university in its strongest position ever.

President Peters reported he had just received the one-page summaries of the various colleges by the deans from the Provost, and that they will be distributed to the Board members in the next few days. I think that these are going to be very helpful in our understanding of the various colleges on campus, Trustee Boey commented.

NEXT MEETING DATE

The next regular Board Meeting is scheduled for Thursday, September 20, in the Sky Room of Holmes Student Center.

ADJOURNMENT

Vice Chair Skoien asked for a motion to adjourn. Trustee Siegel so moved, seconded by Trustee Vella. The motion was approved. The meeting was adjourned at approximately 12:05 p.m.

Respectfully submitted,

Sharon M. Mimms
Recording Secretary

FISCAL YEAR 2003 APPROPRIATED CAPITAL BUDGET

Summary: The Appropriated Capital Budget Request is prepared in the fall prior to the budget year in order to meet the Illinois Board of Higher Education (IBHE) and state capital project review and approval submission schedule. The capital budget request consists of two principle categories of projects that profile the university's requirements for capital improvements and construction projects in order of priority. The Regular Capital Projects category lists major projects that typically exceed an estimated budget of \$1 million or require phasing of planning, construction and equipment appropriations. The Capital Renewal category lists repair and renovation projects with estimated budgets in excess of \$100,000 (but less than \$1.5 million) which are not included in the campus permanent improvement operating budget allocation. Requests may include improvements to existing facilities and systems, building additions, infrastructure and site/roadway/utility improvements. The attached tables provide a summary of the FY03 Capital Request.

Recommendation: The university requests Board of Trustees approval of the FY03 Capital Budget Request. The request will then be submitted to the Illinois Board of Higher Education for consideration and inclusion in the statewide FY03 IBHE capital budget recommendation.

Table C101
SUMMARY OF BUDGET YEAR CAPITAL IMPROVEMENT REQUESTS
Listed in Priority Order

Fiscal Year 2003 Request
(in thousands of dollars)

| UNIVERSITY PRIORITY | PROJECT DESCRIPTION/BUDGET CATEGORY | TOTAL ESTIMATED PROJECT COST | STATE FUNDS | | | NON-STATE FUNDS |
|---------------------------------|---|------------------------------------|---------------------------|---------------|----------------|--------------------|
| | | | BUDGET YEAR REQUEST | PRIOR YEAR | FUTURE YEAR | |
| 1 | Stevens Building Renovation | 16,809.70 | 1,219.76 | -- | 15,589.95 | -- |
| | (Planning) | 1,477.19 | 1,219.76 | | 257.43 | |
| | (Remodeling) | 13,724.39 | | | 13,724.39 | |
| | (Equipment) | 1,608.13 | | | 1,608.13 | |
| 2 | College of Business Building, Barsema Hall | 24,933.98 | 4,930.00 | -- | | 20,003.98 |
| | (Planning & Building) | 20,003.98 | | | | 20,003.98 |
| | (Equipment) | 4,930.00 | 4,930.00 | | | |
| 3 | Wirtz Hall Renovation - Phase II | 10,437.74 | 692.23 | -- | 9,745.51 | -- |
| | (Planning) | 888.82 | 692.23 | | 196.59 | |
| | (Remodeling) | 8,589.23 | | | 8,589.23 | -- |
| | (Equipment) | 959.69 | | | 959.69 | |
| 4 | Campus Infrastructure Improvements & Campus Roadway Repair | 9,529.16 | 9,529.16 | -- | -- | -- |
| | (Site Improvements) | 5,456.27 | 5,456.27 | -- | -- | -- |
| | (Utilities) | 4,072.88 | 4,072.88 | | | |
| 5 | Hoffman Estates Facility (Building) - Off Campus Project | 27,898.02 | 18,753.22 | 1,314.50 | -- | 7,830.30 |
| | (Planning) | 1,314.50 | | 1,314.50 | | |
| | (Building) | 21,583.52 | 18,753.22 | | | 2,830.30 |
| | (Land) | 5,000.00 | | | | 5,000.00 |
| 6 | Montgomery Hall HVAC System Rehabilitation (Utility Improvement) | 4,169.90 | 4,169.90 | -- | -- | -- |
| 7 | Elevator Rehabilitation & Renovation (Remodeling & Rehabilitation) | 2,681.46 | 2,681.46 | -- | -- | -- |
| 8 | Gilbert Hall Renovation | 16,849.62 | 992.89 | -- | 15,856.73 | -- |
| | (Planning) | 1,452.66 | 992.89 | | 459.77 | |
| | (Remodeling) | 14,979.95 | | | 14,979.95 | |
| | (Equipment) | 417.00 | | | 417.00 | |
| 9 | Reavis and Watson Hall HVAC Upgrades (Utility Improvement) | 4,292.27 | 4,292.27 | -- | -- | -- |
| TOTAL, REGULAR CAPITAL PROJECTS | | 117,601.84 | 47,260.88 | 1,314.50 | 41,192.18 | 27,834.28 |

Table C101 (page 2)
SUMMARY OF BUDGET YEAR CAPITAL IMPROVEMENT REQUESTS
Listed in Priority Order

(in thousands of dollars)

| UNIVERSITY PRIORITY | PROJECT DESCRIPTION/BUDGET CATEGORY | TOTAL ESTIMATED PROJECT COST | STATE FUNDS | | | NON-STATE FUNDS |
|------------------------|---|------------------------------------|---------------------------|---------------|----------------|--------------------|
| | | | BUDGET YEAR REQUEST | PRIOR YEAR | FUTURE YEAR | |
| 1 | Gilbert Hall ADA Compliance (Remodeling & Rehab.) | \$ 435.26 | \$ 435.26 | -- | -- | -- |
| 2 | Smart Classrooms (Remodeling & Rehab.) | \$ 751.15 | \$ 751.15 | -- | -- | -- |
| 3 | SSRI Replace A/C (Remodeling & Rehab.) | \$ 248.86 | \$ 248.86 | -- | -- | -- |
| 4 | Campus Wayfinding and Landscaping Phase I | \$ 305.10 | \$ 305.10 | -- | -- | -- |
| 5 | Roof Repair & Tuckpointing (Remodeling & Rehab.) | \$ 341.56 | \$ 341.56 | -- | -- | -- |
| 6 | Library Electrical Switchgear | \$ 91.90 | \$ 91.90 | -- | -- | -- |
| | TOTAL, CAPITAL RENEWAL PROJECTS | <u>\$ 2,173.83</u> | <u>\$ 2,173.83</u> | <u>\$ --</u> | <u>\$ --</u> | <u>\$ --</u> |
| | GRAND TOTAL | \$ 119,775.67 | \$ 49,434.71 | \$ 1,314.50 | \$ 41,192.18 | \$ 27,834.00 |

Summary of Capital Budget Requirement Projects For the Fiscal Year 2003 Budget

1. Stevens Building Renovation

The renovation of the Stevens Building will resolve many longstanding problems. The project will provide a new HVAC system, new energy efficient windows, a new roof, new ceilings, handicapped accessibility, asbestos abatement, reconfiguration, offices and labs, upgrades of academic spaces, and an addition to the scene shop that will make scene construction safer and more efficient. With the renovation, the useful life of the facility can be extended another 25-30 years. With on-campus space at a premium, this building must be retained as a viable place for academic programs to flourish.

2. College of Business Building, Barsema Hall

Through the generosity of a private donation, NIU will complete the new College of Business Building in the summer of 2002. Barsema Hall will create a unified, state-of-the-art facility housing all faculty, instructional and administrative space in one building. The Barsema's donation specifically encompasses the planning and building of the hall. The fixtures, furniture and equipment necessary to bring cutting edge classrooms to our students are not included in the donation. Today's business community is expecting students to arrive with the skills to operate their technology. It is the university's responsibility to provide the training and education necessary to prepare students for the needs of business. By providing state-of-the-art equipment in a brand new facility, NIU is demonstrating its desire to provide students the education they need to be competitive. The request will provide funding for the fixtures, furniture and equipment for Barsema Hall.

3. Wirtz Hall Renovation – Phase II

The interior renovation of Wirtz Hall will be the final phase of major rehabilitation projects to the main building. Past phases have resulted in the replacement of the HVAC and roof systems. Additionally, the building has undergone major abatement, and the Wirtz Quadrangle was created as a landscape improvement. Wirtz Hall facilitated the College of Business for the last thirty-three years and now requires major interior remodeling prior to Health and Human Sciences taking occupancy. The renovations will create a state-of-the-art space that will satisfy academic needs well into the 21st century. Phase II will provide improvements for programmatic spaces and building efficiency. The need for an upgraded and remodeled building is substantiated by the dramatic changes in the type of physical facilities needed by a modern college to support new learning outcomes and increased interaction with the health community. A remodeled, dedicated health professions building will provide classrooms that facilitate group discussion, laboratories that allow students access to practical application, and spaces that facilitate student interaction and interdisciplinary faculty relationships. This request would provide funding for the planning and design phase of Wirtz Hall remodeling.

4. Campus Infrastructure Improvements and Campus Roadway Repair

The roadways serving the NIU campus were constructed and are owned by the university, except Lucinda, Normal, Carroll, Locust and Annie Glidden. The

majority of road construction coincided with the building surge in the 1950s and 1960s, though much East Campus road construction pre-dates that period. During the 1970s and 1980s several campus roadways were resurfaced, however, the only significant reconstruction projects that have been completed in recent years are Lucinda Avenue, Castle Drive and a section of Stadium Drive West. Deterioration of campus streets has progressed to the point that maintenance efforts can no longer keep up with the disintegration on a localized basis. In addition to normal freeze/thaw damage, repairs due to construction projects (underground utility replacement, etc.) have led to a patchwork of street surfaces, each with seams that let more water penetrate and add to the deterioration. A short-term repair that only included resurfacing has just been completed on the west loop road adjacent to Stevenson and Grant Towers as well as about 60% of University Circle Drive. Complete road reconstruction will be necessary, however, to withstand constant vehicular traffic as well as the additional burden of the Huskie Bus Line.

The second portion of this project is proposed to address three requirements of the university's primary electrical distribution systems. First is replacement of switchgear at the existing Glidden substation constructed in 1957, which feeds much of central campus, and for which new replacement parts are not available. Second is replacement of underground cables that are twenty or more years old and prime candidates for failure. Third is establishment of new circuits in the system to reduce the load on existing circuits and improve failure recovery capabilities.

5. Hoffman Estates

The Hoffman Estates Education Center (HEEC) opened for classes and conferences in the fall of 1992 in order to provide quality, affordable education at a convenient location. The positive enrollment response at the HEEC was immediate and has been escalating annually. As many as eighteen academic offerings cannot be accommodated in the current facility. Additionally, the demand for noncredit training, updating, and conference activities can be expected to increase drastically, given the current trends for continuous workforce training and professional development. The requested facility would be approximately 100,000 square feet with a diverse mix of program spaces to accommodate academic needs, continuing education needs, and workforce training and development needs.

6. Montgomery Hall HVAC System Replacement

Montgomery Hall was constructed in 1967 as a biological sciences research and instructional building. The HVAC chilled water system is the original system designed and installed during construction nearly 30 years ago. Many components such as fans and pumps have surpassed their intended useful life.

The objective of the proposed project is to convert ventilation systems serving laboratory, office and classroom areas from existing constant velocity dual duct to variable air volume (VAV). Major portions of trunk and branch ductwork will be redesigned and replaced. Some fume hoods will be replaced while all hoods will be retrofitted with monitor controls, sash sensors, alarms and air flow valves. All building controls will be updated. Asbestos abatement in some areas will also be necessary.

7. Elevator Rehabilitation and Renovation

NIU seeks to rehabilitate passenger elevators across campus. After many years of service, the elevators have become difficult to repair and have extremely high maintenance costs. They provide an unacceptable level of performance, and the problems and breakdowns are becoming more frequent and varied. This project requests funding for labor and material necessary to install controllers, SCR drives, and install new hall and car stations for Zulauf, Faraday, Graham, Montgomery, Davis and Swen Parsons Halls and the Health Center, and replace generators.

8. Gilbert Hall Renovation

The allocation study identifies Gilbert Hall as underutilized housing space that could be converted into academic and office space. Gilbert Hall, constructed in 1950, was designed as a men's dormitory and contains 49,000 net assignable square feet. The relocation of the academic and office spaces into Gilbert Hall, as well as the sheer age of the facility requires modification to the systems and interior. Asbestos also needs to be abated from the facility during the renovation. Currently, the facility does not have air conditioning, and the electrical and heating systems need to be replaced because they have outlived their life expectancy and are difficult to repair and maintain. This request for funding would address the necessary system replacement, compliance with ADA, some interior reconfiguration and asbestos abatement to accommodate consolidation of classrooms, offices, and laboratories in the building.

9. Reavis and Watson Halls HVAC Upgrades

Both Reavis and Watson Halls are classroom/faculty office buildings with identical HVAC systems, which are 35 years old and can be described as forced air dual duct systems (one heat duct/one cooling duct) with units mounted in walls controlling room temperature. Difficulty keeping constant temperature-humidity and airflow has surfaced in both buildings during the last two years stemming from not only the age of the equipment but also the inaccessibility of it for maintenance purposes. Recessed wall units are completely sealed behind masonry leaving no openings for repair of internal parts. In addition, repair parts for the entire systems are no longer manufactured or available. This project would remove and replace the recessed wall units, dampers and temperature controls.

**Summary of Capital Budget Repair and Renovation Projects
(Capital Renewal)
For the Budget Year Fiscal Year 2003**

R1 Gilbert Hall ADA Compliance

Gilbert Hall was originally built as a four-story residence hall. In 1998, the university relocated the College of Health and Human Sciences (HH&S) into the facility. The facility needs to be upgraded to accommodate persons with disabilities. The College of Health and Human Sciences services many persons with impairments either for clinical, instructional or employment purposes. In Fiscal Year 2002 this project was partially funded, additional dollars are necessary to comply with ADA requirements.

R2 Smart Classroom Renovations

Numerous classrooms throughout the campus are in need of updated audio, visual and instructional technology so professors can stay current with teaching styles used at peer institutions across the nation. Several classrooms have already undergone similar renovations with positive effects. The university continues its efforts to maintain quality learning facilities that exceed the expectations of students and faculty.

R3 Social Science Research Institute – Replace A/C

The heating system in the Social Science Research Institute building was replaced by a Capital Development Board project in Fiscal Year 1998. The building currently has about sixty window air conditioners. Installation of central air conditioning would decrease energy costs, noise in individual offices and long-term maintenance costs.

R4 Campus Wayfinding and Landscaping Phase I

Wayfinding develops ways the university can establish and enhance its image along the campus's perimeter edges, or when viewed from the surrounding roadways, through addition of landscaping, lighting, identity graphics and wayfinding signage. Wayfinding also addresses issues of campus identity and directing pedestrian traffic through signage and landscaping.

R5 Roof Repair and Tuck Pointing

A Fiscal Year 1999 Capital Development Board project was to replace portions of roof on Still Gym, Still Hall and McMurry Hall. However, parapet deterioration at Still Hall was so widespread that extensive masonry repair was required to replace the roof on Still Hall, thereby siphoning funds from Still Gym and McMurry Hall roof replacement to complete Still Hall.

R6 Founders Library Electrical Switchgear Replacement

The existing electrical switchgear located in the basement of Founders Memorial Library has received extensive weather-related damage as a result of water backing up into the area. As part of the build-out of the library basement, the extensive nature of the problem was discovered. The damaged equipment should be repaired in the very near future in order to negate the risk of a possible electrical outage in the library and surrounding area.

FISCAL YEAR 2003 NONAPPROPRIATED CAPITAL BUDGET

Summary: The FY03 Nonappropriated Capital Budget consists of two principal categories, both of which are presented in Table C107. Projects with estimated budgets in excess of \$100,000 are listed individually, while projects estimated under \$100,000 are presented in aggregate and categorized to enable tracking for management purposes. The Nonappropriated Capital Budget is developed from requests submitted by department heads and physical plant and facility users. Requests are prioritized and presented for approval and include improvements to existing facilities and systems, building additions, infrastructure and site/roadway/utility improvements. The attached table and brief descriptions provide a summary of the FY03 Nonappropriated Budget.

Recommendation: The university recommends Board of Trustees approval of the FY03 Nonappropriated Capital Budget.

**TABLE C107
PLANS FOR NONINSTRUCTIONAL CAPITAL IMPROVEMENTS
Fiscal Year 2003**

(in thousands of dollars)

| Anticipated <u>Project Name/Description/Budget Category</u> | Total <u>Source of Funds</u> | <u>Project Cost</u> |
|---|---|----------------------------|
| West Heating Plant - Phase II Chiller/Heater Replacement (Remodeling & Rehabilitation) | Revenue Bond - R&R Reserves | \$ 2,000.0 |
| Holmes Student Center - Ballroom Roof & Interior Renovation Deferred Maintenance (Remodeling & Rehabilitation) | Revenue Bond - R&R Reserves | \$ 800.0 |
| West Heating Plant - Generator Replacement Deferred Maintenance (Remodeling & Rehabilitation) | Revenue Bond - R&R Reserves | \$ 650.0 |
| Neptune Complex - Roof Replacement Phase II Deferred Maintenance (Remodeling & Rehabilitation) | Revenue Bond - R&R Reserves | \$ 575.0 |
| Recreation Center - North Side Roof Replacement Phase II Deferred Maintenance (Remodeling & Rehabilitation) | Revenue Bond - R&R Reserves | \$ 300.0 |
| Residence Halls - Rotation Painting Deferred Maintenance (Remodeling & Rehabilitation) | Revenue Bond - R&R Reserves | \$ 200.0 |
| Aggregate Amount Budgeted for Deferred Maintenance Projects Under \$100,000 (Remodeling & Rehabilitation) | Revenue Bond - R&R Reserves | \$ 137.6 |
| Aggregate Amount Budgeted for Remodeling and Rehabilitation Projects Under \$100,000 (Remodeling & Rehabilitation) | Revenue Bond - R&R Reserves | \$ 392.6 |

Plans for Noninstructional Capital Improvements for the Fiscal Year 2003 Budget

1. West Heating Plant – Phase II of Chiller/Heater Replacement

Existing buildings in the west and central portions of the campus are served by air conditioning systems that are already beyond their expected service lives. Many of these systems are also electrically inefficient by modern standards and operate with banned CFC refrigerants. Some of the existing equipment is not accessible for replacement and require continuous and seasonal maintenance attention. The Convocation Center will add substantial electrical cooling load and another maintenance location, which will heavily impact NIU's operating and maintenance budget. A deregulated electrical utility environment is expected to bring higher "Real Time Pricing" rate costs when the hottest weather would demand the most from all air conditioning equipment. The first two phases of the original project, approved for 2001 and 2002, were combined into Phase I. Phase II of this project includes installing the needed piping and pumps to connect Stevenson Towers with the West Heating/Chiller Plant.

2. Holmes Student Center – Ballroom Roof Replacement and Interior Renovation

The Ballroom is one of the most frequently used rooms of the Holmes Student Center. It houses a variety of events including commencement, weddings, student dances, Greek activities, job fairs, mass testing and many other activities. The Ballroom has been maintained over the years with superficial cosmetic maintenance such as painting, floor refinishing, and upholstery and curtain repairs. Because of the high usage and technical changes over the years, the Ballroom is in dire need of renovation. In addition, the roof has experienced several leaks that have created damage to the walls and floors causing the room to be inaccessible for periods of time. This project will consist of removing and replacing the roof above the Ballroom and the canopy portion over the stage area. Removal of asbestos will also be involved. Interior renovation includes replacing islands that house the lights, providing a new and updated lighting system with new light tracks, replacing acoustic panels, reupholstering balcony seats, replacing carpet, installing curtains on the stage and painting various areas.

3. West Heating Plant – Generator Replacement

The West Heating Plant presently has two emergency generators, which were installed in 1963. The west generator supplies power for lighting and kitchen equipment at Lincoln and Douglas Halls in the event of a main power loss. The east generator supplies power to the West Heating Plant boilers and equipment. Due to the age of these generators, replacement parts are no longer manufactured and these generators require continuous maintenance. This project proposes to replace the emergency generators with two 500kw natural gas generators. The gas generators will perform dual functions by providing backup for existing and future equipment and by providing the ability to generate power onto electrical grids for peak shaving

purposes. This has the potential to reduce electrical demand costs and will be fiscally advantageous for the university.

4. Neptune Complex – Phase II of Roof Replacement

The 19,600 square foot roof on Neptune West is a built-up roof and was installed when the building was originally constructed in 1960. Due to the age of the roof, it has developed a number of major leaks that cannot be effectively repaired. A thermo scan of the roof has also indicated that the insulation under the roof is wet. The Neptune East roof is being replaced in the summer of 2001. Based on the severity of its condition, Neptune West should be replaced next. The scope of work will be to design, prepare construction documents and perform a survey to determine the level of asbestos content of the roof and related areas. It will include labor, material and equipment to remove the existing roof and insulation, remove and dispose of asbestos, replace insulation and construct a new roof.

5. Recreation Center – North Side Roof Replacement

The original roof of the Campus Recreation Center was installed in 1983. Several leaks have appeared causing chipped paint, warped and stained floors, rusting and the discontinued use of various areas of the center. The south side roof was replaced in 1998 as Phase I of this project. Phase II proposes to replace the roof along the north side of the building excluding the roof above the 1995 addition of the center.

6. Residence Halls – Rotation Painting

Well-maintained and routinely painted facilities reduce the rate of deterioration and prolong the life of the facilities. Aesthetically pleasing areas are less likely to be vandalized and encourage the university community to take pride in their surroundings. All residence halls are included in this project. Various areas of each hall will be addressed, including lobbies, student rooms, hallways and dining facilities.

7. Aggregate Amount Budgeted for Deferred Maintenance Projects under \$100,000

A number of deferred maintenance projects under \$100,000 per project have been identified internally by departments responsible for areas within their respective facilities. Rotation painting, door replacements, plumbing rotation, carpet installations, floor replacements, restroom additions, updates and ADA accessibility are among the deferred maintenance projects. With the completion of these projects and the continuation of deferred maintenance projects in the future, the facilities will continue to be well maintained, which will reduce the rate of deterioration and prolong their life. In addition, aesthetically pleasing areas are less likely to be vandalized and will encourage members of the university community to take pride in their surroundings.

8. Aggregate Amount Budgeted for Remodeling and Rehabilitation Projects under \$100,000

A number of remodeling and rehabilitation projects under \$100,000 per project have been identified internally by departments responsible for areas within their respective facilities. Replacing draperies in student rooms, installing doors, renovating guestrooms and other meeting rooms, adding and expanding storage areas, and landscaping around residence halls are among the remodeling and rehabilitation projects. Due to the continued aging of NIU facilities, remodeling, rehabilitation and modernization are needed to ensure that the facilities will continue to serve the university community in the future. The proposed projects ensure that a number of university goals are met, including: (a) well-maintained facilities; (b) the safety of the university community; (c) compliance with ADA requirements; (d) NIU facilities that provide an environment that is attractive to students; and (f) facilities configured in the most optimal manner compatible with today's technology and with the university community's functional needs.

FISCAL YEAR 2002 INTERNAL BUDGET

Summary: Given the appropriation bill as approved by the legislature and signed by the Governor, the following Tables 1-4 provide a summary of the total university internal FY02 budget.

Recommendation: Pursuant to Board of Trustees *Bylaws*, the university requests Board of Trustees approval of the FY01 Internal Budget as follows:

Table 1 FISCAL YEAR 202 INTERNAL BUDGET
Summary of Revenue by Source
(\$ in Thousands)

| | FY01 | FY02 |
|--|--------------------|--------------------|
| Appropriated/Income Fund Revenues | | |
| General Revenue Fund ⁽¹⁾ | \$95,116.2 | \$100,772.4 |
| Education Assistance Fund ⁽²⁾ | 16,584.6 | 17,413.8 |
| Total Appropriated/Income Fund Revenues | \$111,700.8 | \$118,186.2 |
| Nonappropriated Revenues | | |
| University Income Fund | \$56,205.8 | \$60,638.2 |
| Revenue Bond Operations | 55,000.0 | 56,954.7 |
| Auxiliary Enterprises | 13,600.0 | 14,593.6 |
| Gifts, Grants and Contracts | 30,000.0 | 30,983.0 |
| Local Funds | 29,000.0 | 31,497.0 |
| Total Nonappropriated Revenues | \$183,805.8 | \$194,666.5 |
| | | |
| Total Anticipated Revenues | \$295,506.6 | \$312,852.7 |

⁽¹⁾ FY01 includes appropriations for Equity Center \$326.6, Masters Public Administration grant \$58.6, Scholarships \$29.1

FY02 includes appropriations for HECA grants \$310.0, Zeke Giorgi Law Clinic \$400.0, Scholarships \$10.0

⁽²⁾ Another General Revenue Fund

Table 2
APPROPRIATED FUNDS INTERNAL BUDGET
Fiscal Year 2001 – Fiscal Year 2002
(\$ in Thousands)

| Object Classification | FY01 Budget | Estimated FY01 Expenditures | FY02 Budget |
|--|--------------------|--------------------------------|--------------------|
| Personal Services | \$92,843.3 | \$92,843.3 | \$98,662.3 |
| Social Security | 408.9 | 408.9 | 408.9 |
| Contractual Services | 8,163.5 | 8,163.5 | 8,651.9 |
| Commodities | 1,990.9 | 1,990.9 | 2,021.4 |
| Travel | 593.4 | 593.4 | 609.5 |
| Automotive Operation | 163.5 | 163.5 | 163.5 |
| Equipment/Library Books | 4,629.5 | 4,629.5 | 4,822.8 |
| Telecommunications | 807.2 | 807.2 | 816.9 |
| Awards & Grants and Federal Matching Funds | 550.3 | 550.3 | 185.7 |
| Repairs, Maintenance and Other Capital Improvements | 1,550.3 | 1,550.3 | 1,843.3 |
| TOTAL | \$111,700.8 | \$111,700.8 | \$118,186.2 |

Table 3
APPROPRIATED FUNDS INTERNAL BUDGET
Allocation by Object Class per Fund
(\$ in Thousands)

| Object Classification | General Revenue | Education Assistance | Total |
|---|--------------------|-------------------------|--------------------|
| Personal Services | \$84,979.4 | \$13,682.9 | \$98,662.3 |
| Social Security | 408.9 | -- | 408.9 |
| Contractual Services | 7,015.4 | 1,636.5 | 8,651.9 |
| Commodities | 1,851.0 | 170.4 | 2,021.4 |
| Travel | 609.5 | -- | 609.5 |
| Automotive Operation | 163.5 | -- | 163.5 |
| Equipment/Library Books | 3,347.3 | 1,475.5 | 4,822.8 |
| Telecommunications | 816.9 | -- | 816.9 |
| Awards & Grants and Federal Matching Funds | 185.7 | -- | 185.7 |
| Repairs, Maintenance and Other Capital Improvements | 1,394.8 | 448.5 | 1,843.3 |
| TOTAL ALLOCATED | \$100,772.4 | \$17,413.8 | \$118,186.2 |

Table 4
NONAPPROPRIATED INTERNAL BUDGET⁽¹⁾
Fiscal Year 2001 - Fiscal Year 2002
(\$ in Thousands)

| Object Classification | FY01 Budget | Estimated FY01 Expenditures | FY02 Budget |
|---|----------------------|--------------------------------|--------------------|
| Personal Services | \$77,278.5 | \$77,935.3 | \$81,933.5 |
| Social Security | 1,200.0 | 1,229.0 | 1,261.0 |
| Contractual Services | 45,304.5 | 47,293.5 | 48,525.7 |
| Commodities | 18,640.0 | 18,403.2 | 18,882.7 |
| Travel | 2,854.4 | 2,533.6 | 2,599.6 |
| Automotive Operation | 560.0 | 572.0 | 586.9 |
| Equipment/Improvements | 8,500.0 | 9,398.7 | 9,643.6 |
| Telecommunications | 2,400.0 | 2,017.7 | 2,070.3 |
| Awards & Grants | 14,118.4 | 15,103.8 | 15,497.3 |
| Indirect and Other Costs | 2,250.0 | 2,273.2 | 2,332.4 |
| Debt and Repair Transfers | 10,700.0 | 11,045.7 | 11,333.5 |
| TOTAL | \$183,805.8 # | \$187,805.7 | \$194,666.5 |
| ⁽¹⁾ Includes the Income Fund | | | |

**NORTH FORTY UTILITY TUNNEL
Capital Project Approval**

Summary: The Board of Trustees, at its March 19, 2001 meeting, approved construction of a North Forty Utility Tunnel with a budget of \$642,500. Preparation of plans and specifications followed the project approval and bids were received July 5, 2001. Bids for electrical, plumbing and heating (steam lines) combined were within 10 percent of budgetary estimates. Low bid for the general construction trades, however, was considerably over estimates.

In order to assess the large difference between the estimates and the bids for general construction, the university contacted the low bid general contractor and requested an explanation of the unusually high construction costs. The primary reason for such high costs was given as the depth of the tunnel at the tie-in to the existing tunnel. The takeoff point from the existing tunnel that serves the Engineering Building requires excavation to almost 30 feet below grade for new tunnel footings. Safety preparations to prevent cave-ins of trench sides at that depth requires considerable over-dig or provision of cave-in prevention equipment. In addition, several existing utilities were found to transverse the tunnel site. Working around these utility lines necessitates delicate excavation with machinery, some hand excavation and extraordinary utility support across the trench during construction.

No alternative approach has been found for tie-in to the existing tunnel. Minor savings could be realized by construction of a smaller tunnel. Building a four-foot tunnel (instead of seven-foot, as designed) would reduce material costs only. However, the depth and utility crossing issues would remain and the university would miss the opportunity to meet the long-term goal of serviceable tunnels in the North Forty area of campus.

Based on that need, and the more immediate need of a steam line extension to Barsema Hall, the university believes that the additional cost is warranted and the tunnel as designed will best serve the campus in the long run. The proposed budget is based on total low bids of \$806,887. A ten percent contingency is included in the total budget where normally a five percent construction contingency would suffice. As-built drawings of the Engineering Building construction are not available (subject of an Illinois Attorney General suit) and additional utility location problems may arise during excavation.

Recommendation: The university requests Board of Trustees authorization to establish a new total budget of \$887,600 for construction of the utility tunnel from the existing tunnel at the Engineering Building, sufficient to reach the Barsema Hall site. This represents an increase of \$245,100 from the original approval level that can be funded from existing capital renewal funds. The university further requests approval to execute professional service agreements, construction contracts and issue work orders as necessary to design and construct the utility tunnel.

**HOLMES STUDENT CENTER - ADA UPGRADES
Capital Project Approval**

Summary: Past efforts to upgrade ADA access in Holmes Student Center have succeeded in providing entry to the building, one set of accessible public restrooms, tower elevator access, accessible hotel rooms and ramp access to Diversions. The next step for improved access within the building is to increase the number of ADA-compliant restrooms and to provide elevator access to the lower level of the center, including the Huskies Den, the International Student and Faculty Office, and a recently installed computer laboratory.

Six public restrooms have been identified for access upgrades. Two public restrooms near the main information desk on the main level have been upgraded for access in a previous phase. Two other restrooms on the main level will be remodeled for wheelchair access near the main gallery and the connecting link to Sandburg Auditorium. Restrooms on the lower level near the Huskies Den will be modified for wheelchair access and the two restrooms serving the Sky Room on the sixteenth floor will be upgraded. Upgrades include new toilets, lavatories, urinals and modified partitions. Doorways will be widened to accommodate wheelchair access, and restroom accessories such as mirrors, soap dispensers and towel dispensers will be relocated as required.

In addition, elevator access to the lower level will be improved by converting a freight elevator to a passenger elevator. Although there are five elevators in the building, only two serve the lower level. The southeast elevator (near the main desk) is not of sufficient size for wheelchair access and there are steps between the elevator doors and the lower level. Only the freight elevator currently stops at the lower level and is of sufficient shaft size to be converted for wheelchair access. Exterior doors near this elevator will be provided with power-assist openers to facilitate entry on the west side of the building, near the elevator.

Implementation of the proposed work will greatly increase public access and restroom availability for mobility-impaired persons. All areas of the building will have public elevator access without the use of a freight elevator. Accessible public restrooms at three new locations will eliminate the need to navigate the building in search of wheelchair accessible restroom facilities. Overall, the building will become a wheelchair-friendly environment.

Recommendation: The university requests Board of Trustees authorization to establish a total budget of \$410,200 for design and construction of ADA-related modifications to Holmes Student Center, including elevator conversion, restroom modifications and exterior door improvements. The university further requests approval to execute professional service agreements and construction contracts and issue work orders as necessary to design and remodel Holmes Student Center for ADA compliance.

**OFF-CAMPUS DELIVERY FEE
FOR GRADUATE PROGRAMS IN COMPUTER SCIENCE**

Summary: The off-campus delivery fee for graduate courses in the Department of Computer Science was established in 1993 at \$137 per credit hour. The fee has not been increased since, in spite of the fact that technology costs, faculty salaries, faculty travel, and the cost of on-site student services continue to rise. Demand for programs in computer science is very high, especially among working professionals in the area. It is important to be able to offer these students the predictable delivery of the full sequence of courses required for the program. The department has assessed current costs and concluded that a realistic charge for the program it intends to deliver would be \$175 per credit hour.

Recommendation: The university supports this request and seeks Board of Trustees approval to raise the current fee by \$38 per credit hour effective for summer session 2002.

**DELIVERY FEE FOR THE ALTERNATIVE
TEACHER CERTIFICATION PROGRAM**

Summary: Following the passage of state legislation on alternative teacher certification in 1998 (105 ILCS 5/21-5c), NIU faculty and administrators involved in teacher certification have developed a program designed to flexibly address the needs and concerns of school districts in the northern Illinois region that have pressing needs for qualified teachers in a number of content areas. The Illinois State Certification Board approved NIU's alternative certification program on April 6, 2001, noting with approval its rigorous admission criteria, its structure for continuing assessment of candidates, and its provision for a master teacher to serve as a mentor for each candidate during the internship experience of full-time teaching in the public schools.

The Alternative Teacher Certification Program will be funded by a combination of fees paid by the participating districts and fees paid by certification candidates. Districts will pay NIU a stipend of \$2,000 for each candidate placed in that district in an internship. The district will be responsible for funding the stipend. Candidates will be responsible for the proposed delivery fee. Using funds generated from agreements with school districts and fees paid by candidates, the proposed program will be self-supporting.

Recommendation: The university projects an enrollment of 25 to 30 candidates in its alternative certification program in FY02 and accordingly recommends a delivery fee of \$75 per credit hour (in addition to the usual tuition and fees associated with each student's coursework). Since the first set of candidates will begin to take courses in Spring 2002, the delivery fee should be effective with the spring semester.

DOCUMENT SERVICES PRINTING PAPER

Summary: Document Services bids the purchase of paper used in their printing operation and issues orders to several different vendors based on low bid for each grouping of paper type. This year one vendor was the successful vendor for several categories of paper, resulting in a significantly larger order than historically issued.

Therefore, an initial order was authorized to allow Document Services to proceed with the printing of course packets and other course materials. The approval now requested provides for a purchase sufficient to meet their anticipated requirement for the remainder of the fiscal year.

Recommendation: The university requests approval of a change order for FY02 as follows:

Unisource - Addison, IL

| | |
|-----------------------|----------------|
| Original Amount | \$200,000 |
| Amendment | <u>160,000</u> |
| New Order Total | \$360,000 |

COLLECTIVE BARGAINING AGREEMENTS

Northern Illinois University negotiates with eight collective bargaining organizations representing different employee groups. Salary increases and other terms/conditions of employment for bargaining unit members are subject to negotiations, and final agreements are submitted for approval to the Board of Trustees. Reopeners normally occur at the beginning of the fiscal year. As the agreements are completed, the AASAP Committee will be notified. The following collective bargaining agreements have been ratified by the bargaining units and will be submitted for approval to the Board of Trustees at its September 20 meeting. Additional agreements may also be submitted for approval by the Board of Trustees pending the completion of negotiations currently underway.

- 1) **Bargaining Unit:** Illinois Fraternal Order of Police Labor Council representing approximately five Police Telecommunicator employees at the DeKalb campus.

Scope of Negotiations: FY02 Salary Reopener

Tentative Agreement for Board Action: A contract addendum establishing salary levels through June 30, 2002. Terms and conditions are consistent with University policies and guidelines.

- 2) **Bargaining Unit:** The American Federation of State, County, and Municipal Employees representing approximately 310 employees in various building and food service classifications at the DeKalb campus and the Lorado Taft campus.

Scope of Negotiations: FY02/FY03 Salary Reopener

Tentative Agreement for Board Action: A contract addendum establishing salary levels through June 30, 2003. Terms and conditions are consistent with University policies and guidelines.

- 3) **Bargaining Unit:** The International Union of Operating Engineers, Local 399 representing 35 Stationary Firemen, Stationary Fireman Helpers, Stationary Engineers, Lead Plant Stationary Engineers, and the Assistant Chief Plant Operating Engineer in the Heating Plant at the DeKalb campus.

Scope of Negotiations: FY02 Salary Reopener

Tentative Agreement for Board Action: A contract addendum establishing salary levels through June 30, 2002. Terms and conditions are consistent with University policies and guidelines.

- 4) ***Bargaining Unit:*** The General Chauffeurs and Helpers, Teamster Local 330, representing approximately seven Automotive Mechanics and Motor Vehicle Operators/Mechanics at the DeKalb campus.

Scope of Negotiations: FY02 Full Contract Reopener

Tentative Agreement for Board Action: A new 5-year agreement through June 30, 2006. Terms and conditions are consistent with University policies and guidelines.

Recommendation: The university recommends that the Academic Affairs, Student Affairs and Personnel Committee endorse these agreements and ask the President to forward them by means of the President's Report to the Board of Trustees for final action at its September 20 meeting.

President's Report

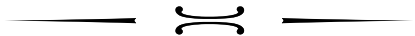
No. 29

December 6, 2001

A G E N D A

**BOARD OF TRUSTEES
of
NORTHERN ILLINOIS UNIVERSITY
9:00 a.m. – Thursday – December 6, 2001
Clara Sperling Sky Room**

9:00 a.m. Call to Order, Roll Call, Notice Verification, Meeting Agenda Approval, Review and Approval of Minutes, Reports of Board Committees and Board Liaisons, Recess to Executive Session Executive Session – University Suite Reconvene Board of Trustees Meeting – Clara Sperling Sky Room



1. Call to Order and Roll Call
2. Verification of Appropriate Notification of Public Meeting
3. Meeting Agenda Approval *Action*... 43
4. Review and Approval of Minutes of December 6, 2001 *Action*... 45
5. Chair's Comments/Announcements
6. Public Comment*
7. Reports of Board Committees and Board Liaisons
 - a. Executive Committee
 - b. Academic Affairs, Student Affairs and Personnel Committee
 - c. Finance, Facilities and Operations Committee
 - d. Legislation, Audit and External Affairs Committee
 - e. Illinois Board of Higher Education
 - f. University Civil Service Merit Board
 - g. Northern Illinois University Foundation
8. Executive Session
9. President's Report No. 29
 - a. University Recommendations Forwarded by the Board Committees
 - (1) Information Technology Services – Communications System Cabling *Action*... 58
 - (2) Information Technology Services – Communications Network Equipment *Action*... 59
 - (3) Information Technology Services – Computer Storage System and Software..... *Action*... 60
 - (4) Convocation Center Fixtures and Equipment *Action*... 61

- (5) Parking Lot 17 (Pay Lot) Reconstruction – Capital Project Approval Action... 62
- (6) Collective Bargaining Agreement.....Action... 63
- b. University Reports Forwarded from the Board Committees
 - (1) Quarterly Summary Report of Transactions in Excess of \$100,000..... Information.....
 - (2) Swen Parson Hall–College of Law Court Classroom Technology Skills Center Information.....
 - (3) Affirmative Action and Diversity Resources Program Information.....
- c. Items Directly from the President
 - (1) Summary of Grant and Contract Awards Information.....
- 10. Chair's Report No. 21
 - a. Executive Session Minutes ReleaseAction... 64
 - b. Proposed Board of Trustees Meeting Dates for 2002Action... 65
- 11. Other Matters
- 12. Next Meeting Date
- 13. Adjournment

*The Board and its committees comply with P.A. 91-0715 through its *Bylaws*, Article II, Section 5.B:

1. Consistent with Public Act 91-0715 and reasonable constraints determined by these *Bylaws* and the Chair, at each regular or special meeting of the Board or its committees that is open to the public, members of the public may request a brief time on the approved agenda of the meeting to address the Board on relevant matters within its jurisdiction.
2. Committees of the Board review University proposals for action and make adjustments and endorsements as appropriate for further consideration by the full Board. Public comments are generally most useful at meetings of Board committees, where proposals are first considered and the time for interaction most feasible.
3. To facilitate an orderly process, appearance requests must be registered on a Board-provided form and submitted to the Board's Parliamentarian at least 45 minutes before the meeting is scheduled to be called to order. To be recognized, the appearance request will include the name, address and position of the individual wishing to speak, the name of the organization or group represented, a concise summary of the presentation, and whether the requestor has appeared earlier on the topic before any other meeting of the Board. The Parliamentarian may confer with registered speakers to cooperatively assist the Chair of the meeting in assuring coordinated issue presentation and an efficient use of allocated time. The Parliamentarian will acquaint requestors with the generally acceptable rules of decorum for their presentations. In lieu of oral presentations, individuals may present brief written materials not to exceed five (5) pages to the Parliamentarian for distribution and consideration by the Board in advance of the meeting.
4. The Chair of the meeting will recognize duly registered individuals at the appropriate point during the meeting. Unduly repetitive comments may be discouraged and restricted by the Chair. To assure an orderly and timely meeting the Chair may limit time allotments to five minutes or less, may delay or defer appearances when appropriate, and defer or refer questions received from presenters for answers if available.

Anyone needing special accommodations to participate in the NIU Board of Trustees meetings should contact Ellen Andersen, Director of Special Events, at (815)753-1999, as soon as possible, normally at least a week before the scheduled Board meeting.

Minutes of the
BOARD OF TRUSTEES
OF NORTHERN ILLINOIS UNIVERSITY
December 6, 2001

Good morning, Chair Sanchez said, I have the distinct pleasure today of introducing, for the first time, a new member of our Board of Trustees. She will take the oath of office and be officially sworn in here in just a few minutes. But first, I would like to tell you a little bit about her.

Catherine Adduci is a successful businesswoman, a philanthropist and a great supporter of causes related to women and children, workforce development and, of course, higher education. Catherine is Vice President/Client Relationship Executive for Unisys Corporation in Chicago. She holds a degree in marketing from Northern Illinois University and an MBA from Loyola. Her list of public service activities includes an appointment by Mayor Richard Daley to serve on the Chicago Workforce Board; she is on the board of directors of an organization called "After School Matters," a Chicago city/school/library/park district partnership that creates out-of-school opportunities for at-risk teenagers; she is on the board of the Chicago Civic Federation; and she is a member of the board of directors of the Illinois Coalition. In addition to all these formal identifiers, the Chair said, I would add that Catherine is a very warm and caring person, and she has made it very clear to all of us that she is excited to be joining us on the governing board of her alma mater.

Chair Sanchez then administered the following oath of office to Ms. Adduci.

I, Catherine Adduci, do solemnly swear that I will support the Constitution of the United States, the Constitution of the State of Illinois and the laws thereof, and that I will faithfully discharge the duties of Trustee for the Board of Trustees of Northern Illinois University to the best of my ability.

I have no formal comments, Ms. Adduci said, but I would like to say that I am looking forward to serving this prestigious university, my alma mater, and working with these great Board of Trustees members.

Chair Sanchez and all of the other Board members made warm comments welcoming Trustee Adduci to the Board.

Welcome, Cathy, to the NIU governance family, President Peters said, we look forward to many good years together. On behalf of the Board of Trustees and the whole NIU community, I am pleased to present to you our official Board of Trustees pin, for members of the Board of Trustees only, past and present. We hope you will wear it with pride, because we are certainly proud that you are a member of the NIU Board of Trustees.

President Peters asked Trustee George Moser, former Chair of the Board of Trustees, to come forward. George also happened to be the Chair when I was chosen to be the eleventh President, he said, and we had a wonderful time getting to know each other. George was extremely supportive of this university, and me, and we value his service. George could not be at the meeting when we

first passed out these pins, the President said, and, rather than send it to him, I wanted to make sure I personally presented it to him.

Thank you, John, I know we all made the right decision, but I do not know how I survived the transition. I know that a few of the Board members feel the same way. Certainly, the school is better off, and our future really looks bright. Thank you very much.

Before we conclude the ceremony, Chair Sanchez said, I would like to add that I think this higher education Board of Trustees has set and does set the paradigm for the rest of the country when it comes to diversity, when it comes to gender and when it comes to excellence. For that, I am proud to be its chair and I am proud to have our newest addition.

CALL TO ORDER AND ROLL CALL

The meeting was called to order by Chair Manuel Sanchez at approximately 9:05 a.m. in the Clara Sperling Sky Room of Holmes Student Center. Recording Secretary Mimms conducted a roll call of Trustees. Members present were Trustees Catherine Adduci, Robert Boey, George Moser, Myron Siegel, Gary Skoien, Barbara Giorgi Vella, Student Trustee Alex Alaniz and Chair Sanchez. Also present were Board Parliamentarian Kenneth Davidson and President John Peters. With a quorum present, the meeting proceeded.

VERIFICATION OF APPROPRIATE NOTICE OF PUBLIC MEETING

Confirmation of Open Meetings Act public notice compliance was provided by Board Parliamentarian Ken Davidson.

MEETING AGENDA APPROVAL

Chair Sanchez asked for a motion proposing that a Consent Agenda be created that would immediately precede the beginning of the President's Report for today's meeting and would move President's Report Number 29 Action Items 9.a.(3), 9.a.(5), and 9.a.(6) and our receipt of Information Items 9.b.(1), 9.b.(2), 9.b.(3), and 9.c.(1) to that Consent Agenda. We also need to assign meeting dates for the regular Board meetings during 2002, and that business is proposed to occur under the Chair's Report as Agenda Item 10.b. Trustee Vella made a motion to approve the meeting agenda. Trustee Siegel seconded the motion. The motion was approved.

REVIEW AND APPROVAL OF MINUTES

It was moved by Trustee Moser and seconded by Trustee Boey to approve the minutes of the September 20, 2001 Board of Trustees Meeting. The motion was approved.

CHAIR'S COMMENTS/ANNOUNCEMENTS

First of all, Chair Sanchez said, I want to exercise the Chair's prerogative by reporting to you about an initiative that you all know is very important to me personally. On November 9, I am thrilled to report that we had a standing-room-only crowd at our Naperville facility for the first annual conference entitled "Shaping Latino Education Policy in Illinois." Not only did we have to turn away people from the event, but the quality of the speakers, the interaction and the resulting recommendations were all superb. I am very proud to see NIU taking the lead statewide, if not nationally, on this important issue. The fastest-growing ethnic group in the state has the lowest high school graduation and college attendance rates, and we know that something has to be done. Last month's conference yielded many strong recommendations, and I believe that when we meet again next year, we will be able to firm up a blueprint for a change that is needed in serving our Latino young people. I am very grateful to all the people who helped put the event together, because the chair alone cannot accomplish this. Thank God for the great staff and executive officers that we have here. In particular, I want to single out Cathy Craddock, Kathy Buettner, Melanie Magara, Ellen Andersen and Kathy Syverson for special thanks for the wonderful job they did. Thanks also go to my steering committee, which made the speakers possible.

When they are saying at the State Capitol in Springfield, at the Governor's Mansion, congratulations to NIU taking the lead on this incredibly important issue, the Chair said. I think it is a service, not to Manny Sanchez personally, but to Northern Illinois University, because that is who deserves the credit, and it is this Board that supports it. And it is NIU's president, his wonderful executive staff and the members that make up NIU that made this conference the success that it was. After this meeting, I will be meeting with the steering committee to follow through on some of the recommendations from this year so that we can begin, a year in advance, the preparation for next year's conference.

Illinois public universities took not one, but two significant hits in Governor Ryan's recent budget "adjustment" process, Chair Sanchez said. First, we were told that all of Illinois higher education had to trim a total of \$25 million from our current fiscal year budget. That is a significant amount. Then, a week later, we received even worse news: We now have to collectively shoulder the cost of \$45 million worth of employee health insurance premiums. Taken together, these reductions are quite significant, and I know that President Peters and his staff will be challenged and are working overtime to fully assess the impact. Dr. Peters will give us a detailed report on this budget situation a little later in the meeting. All of us on the Board have full confidence in President Peters and in his staff to come up with solutions to this budget shortfall that preserves the quality of education we provide our students.

In general, I think I speak for all of us on this Board when I say that we have enjoyed several years of extremely good budgets here at NIU and statewide, the Chair said. And, indeed, the Governor was just celebrating that a couple of months ago. Governor Ryan stood by his commitment that half of every new dollar would go to education. Now the economic times have changed. Even before September 11, we knew that a recession had arrived or was right around the corner, and now, finally, the pros have confirmed it. So, we have a difficult

situation. Nevertheless, he said, we have been able to improve salaries and advance programs at a pace never before seen by Illinois universities in quite some time. But as goes our nation's economy, so goes Illinois, and that is where we are today. I think we need to accept the fact that state support is going to be much tighter in the next six to twelve months and maybe for FY03 as well. It is a time to review our priorities as an institution and to find new ways to serve our students in the most efficient manner possible.

We are all very proud of the way this campus has responded, Chair Sanchez said, in a larger context, to our national challenge. NIU faculty members have offered tremendous insight into the complicated world of geo-politics. Faculty and staff have held countless public discussions, such as the recent panel on bioterrorism organized by our Allied Health department. We even have a website now, NIU Response and Procedures, designed to keep everyone on campus up-to-date about issues and resources. NIU did not stand on its hands after September 11 and the tragedy that impacted the country if not the world. In addition, in these not-quite three months since our world was turned upside down by terrorism, the people of this state and this university have responded with great skill and understanding. To all of you, I would say: Keep it up. We are going to need to stay united and focused on our students in the weeks and months ahead. We may have to do more with less for a while, but that is what everyone has to do, the Chair concluded, and we, at NIU, will do our part.

At this time, I want to welcome University Advisory Committee representatives who may be present this morning: Dr. Suzanne Willis, Dr. Dan Griffiths, Dr. Dolly Jones, Dr. James Lockard, Ms. Jenine Povlsen, Ms. Judy Burgess.

I would like, in light of the budget difficulties and the uncertainties that we are facing, Dr. Willis said, to express my personal thanks and that of the Faculty Senate for the time that President Peters has been willing to give to us and the openness with which our procedures are being discussed. We appreciate that very much.

President Peters made a few special introductions. I would like to recognize some special people who have made my life very interesting this fall, he said. When we tell our students that they need to be well-rounded, that they need to develop time--management skills and to learn how to work effectively with people who come from different backgrounds, when we describe the sort of rigorous college experience that builds character and leadership skills, we could just as easily be talking about the experience of the average student-athlete. We have just completed a successful fall season of athletic competition, and I would like to mention two teams in particular that have brought pride to this institution. First of all, the President said, our football team came back from some tremendous odds to create a winning season this year and to share the West MAC Division title. I would like to recognize Coach Joe Novak and two of his players, quarterback Chris Finlen and flankerback Darrell Hill. These men were at the heart of the team that brought home a share of the MAC West Division conference title this year, and we are very proud of that progress. I should add that seven members of this year's squad earned All-Mid-America Conference honors. They have been a great group of young men for the coach, who has brought us back to beyond respectability, and I predict we may even be picked by many to win the West next year and by some to win the MAC title.

Coach Novak introduced Chris Finlen from Hononegah High School and Darrell Hill from Mt. Carmel. Both young men spoke saying that their football careers thus far had been a wonderful experience, and that they felt extremely proud of the accomplishments made by the team in the last four or five years.

I would like to tell you it is all coaching, Coach Novak said, but these are two good examples why it is not. We have some great players. We are proud of the progress we have made in our program, although we have not reached our goal yet. Our goal is to win a Mid-American Conference championship and keep you all busy with a Bowl game over the Christmas holidays. Thank you for your support. We are going to continue to work hard to do that for you. Thank you very much.

There is such a pride factor involved when we go to the games on Saturdays and see an entirely different atmosphere, Trustee Boey said. You can see the change in the team. When they take the field, they expect to win, which is a very nice way to go through the season. Every Saturday, I see the players on the field, but it is nice to see their faces. Good luck, Joe.

As an alum and as a Trustee, Chair Sanchez remarked, it is great to see the quality of players we have on the field. Thank you Joe for sharing just a glimpse of the kind of class athlete that we have on the football field and representing NIU. The last thing I would add is, he said, I had the privilege of running downstairs with President Peters into the locker room after the Ball State victory. There we stood right next to Cary Groth and the associate athletic director and saw firsthand these students in a circle singing the Huskie Fight Song, sharing their heartfelt thoughts with their coaches and their teammates. That is what makes NIU the great institution it is, and the athletic program the great program it is. So, on behalf of all the Trustees, the Chair said, congratulations and thank you gentlemen for joining us today. The best of luck to you in your future. Thank you very much.

Another team that had great success this fall was our volleyball squad, President Peters said. Coach Todd Kress and his team went 24 and 5 and had an 18-game winning streak going at one point. They were named MAC Conference champions and earned a berth in the NCAA Tournament. The President introduced Todd Kress and Carrie Blankenship, recognizing them for a tremendous year and a great accomplishment for Northern Illinois University. In addition to all the other honors I just mentioned, I should add that Todd Kress was named MAC Coach of the Year, while players Jenny Bowman and Tera Lobdell earned Player of the Year and Freshman of the Year honors, respectively. A great year for volleyball – Go Huskies! Thank you, Todd and Carrie.

Ms. Balnkenhip thanked the university for providing such a great support base not only for her and the volleyball team but for the entire athletic program. I am very proud and honored to be a part of this university, she said, and it was such a great experience to go to the NCAA tournament this year to finish out my career.

It was a tremendous year, Coach Kress said. We are well on our way with two conference championships with football and volleyball in the fall and, hopefully,

some to follow in the spring. It was a great year for volleyball, going on an 18-match winning streak. Hosting the conference championship and then winning the championship in your own gym was something that I did not even dream about. So, it was an unbelievable year. The nice thing about it is that our Player of the Year, Jenny Bowman, is only a sophomore. Also, our freshman of the year, Tera Lobdell, is only a freshman. So, hopefully, we have many MAC championships to follow. Our future looks very bright, the Coach concluded. And, again, thank you for having us.

President Peters also recognized former NIU president, Bill Monat.

PUBLIC COMMENT

The Chair asked Board Parliamentarian Kenneth Davidson if any members of the public had registered a written request to address the Board in accordance with state law and Board of Trustees *Bylaws*. Mr. Davidson noted that no timely requests had been received for public comment at that Board meeting.

REPORTS OF BOARD COMMITTEES AND BOARD LIAISONS

Executive Committee

There was no report from the Executive Committee.

Academic Affairs, Student Affairs and Personnel Committee

Academic Affairs, Student Affairs and Personnel Committee Chair Barbara Vella reported that the Committee met on November 15, 2001. The Committee brought for action a collective bargaining agreement between NIU and the Metropolitan Alliance of Police, and the Affirmative Action and Diversity Program Resources report for information. In addition, Chair Vella reported, our meeting had an informative and inspiring review from three faculty members, Dr. Carger from the Department of Literacy/Education, Dr. Stoddard from the Department of Geology, and Dr. Payne from the Department of Counseling and Student Development, regarding their sabbatical leaves. We all left the meeting, participants and audience alike, with the impression that sabbaticals are an integral and essential component of the academic process at NIU.

Finance, Facilities and Operations Committee

Committee Chair Robert Boey reported that the Finance, Facilities and Operations Committee met on November 15, 2001 and approved the following action items: three Information Technology Services items including Communications Systems Cabling, Network Equipment and Computer Storage System and Software, the procurement of the convocation center fixtures and equipment, and a capital project approval for the reconstruction of Parking Lot 17. Reports received at that meeting included active capital projects of \$100,000 and over, transactions in excess of \$100,000 and a report on investments. Also, update presentations were made on Barsema Hall update and the convocation center. Both facilities are expected to be ready for occupancy in the fall of 2002. Updates were also presented on utility expenses and the College of Law Court Classroom Technology Skills Center.

Legislation, Audit and External Affairs Committee

There was no report from the Legislation, Audit and External Affairs Committee.

Illinois Board of Higher Education

There was no report from the Illinois Board of Higher Education.

Universities Civil Service Merit Board

There was no report from the Universities Civil Service Merit Board.

Northern Illinois University Foundation

Trustee Boey, the Foundation liaison, deferred to Ms. Mallory Simpson, President of the Foundation, for this report. Our annual fund is doing very well this fall, Ms. Simpson reported, despite events of September and the strong support going to relief organizations. We did not call for a week, but average gift size is going up. I did want to just mention one young man of whom we are very proud in the Telefund. Ahmed Jessa is our top caller in the student Telefund. He has, so far this semester, raised \$58,000, which is the highest ever raised by a student in one semester.

I have a number of new major gift commitments to share with you, Ms. Simpson said. IBHE board member and NIU alumnus Bob English and his wife have made another gift of \$45,000 just recently to their College of Education Technology fund. Bob was also instrumental in facilitating a three-year grant of \$150,000 from IBHE to support that program in the College of Education. Earl and Margaret Hoffman, both retired faculty members, have established a new endowed scholarship program in the College of Education in elementary education with a gift of \$35,000. They established a scholarship last year in the School of Music, and this is their second. We have also received a very significant estate gift of \$119,000 from Jacqueline Feicht going to elementary education in the College of Education.

Gift Officer Nora Clark has been working with an individual to establish a \$10,000 scholarship, Ms. Simpson continued, a fairly modest scholarship. However, this individual, who was a former Library employee, has made provisions in his will for a \$500,000 bequest. He is not a graduate, nor is his mother, but the gift is in her honor in the School of Nursing. She was a practicing nurse in Germany before immigrating to America. I have been working with an individual for about two years who very much wanted to make a major commitment to the university, Ms. Simpson said. I am very excited and pleased to tell you that John Castle has established a charitable remainder trust funded with more than \$2 million, half of which comes to Northern Illinois University. John is not an alumnus, so this is a particularly significant gift. Lastly, Ms. Simpson reported, Dennis and Stacey Barsema visited campus on Saturday and for the first time were able to go inside their building. The progress made since they were here in September was overwhelming to them. They are pleased that things are going well. They asked me to extend their greetings to the entire Board of Trustees and to Dr. Eddie Williams.

I would like to thank Provost Legg and the seven college deans for the effort and detail they put into their one-page summaries of each of their colleges, Trustee Boey said. I think each member of the Board now has those seven pages and I hope, Dean Graf, that you and your colleagues will continue to update them as we go along. I find them tremendously useful. Thank you so much for your efforts, all of you.

EXECUTIVE SESSION

Chair Sanchez asked for a motion to close the public meeting to conduct an executive session to discuss the following subjects authorized by the Illinois Open Meetings Act: property matters as generally described under §2(c)(5) and (6) of the Open Meetings Act and Executive Session Minutes matters are generally described under section 2(c)(21) of the Open Meetings Act. Trustee Siegel so moved, seconded by Trustee Vella. A roll call vote of the Trustees to recess to Executive Session was unanimous.

BOARD OF TRUSTEES MEETING RECONVENED

Chair Manuel Sanchez reconvened the public meeting of the Board of Trustees at approximately 10:45 a.m.

CONSENT AGENDA APPROVAL

Vice Chair Skoien asked for a motion to approve the items placed on the Consent Agenda, which included President's Report Number 29 Action Items 9.a.(3), 9.a.(5), and 9.a.(6), and Information Items 9.b.(1), 9.b.(2), 9.b.(3) and 9.c.(1). Trustee Siegel so moved, seconded by Trustee Vella.

Chair Sanchez asked Mr. Davidson to briefly identify the items to be considered for the consent agenda to be followed by an opportunity for discussion before the final vote to approve. Mr. Davidson stated that the action items proposed for the Consent Agenda of President's Report No. 29 were: 9.a.(3), Information Technology Services-Computer Storage System and Software; 9.a.(5), Parking Lot (pay lot Reconstruction), a capital project approval; and 9.a.(6), collective bargaining agreement. Forwarded from the Committees of the Board were 9.b.(1), Quarterly Summary Report of Transactions in Excess of \$100,000; 9.b.(2), Swen Parson Hall College of Law Court Classroom Technology Skills Center; and 9.b.(3), the Affirmative Action and Diversity Resources Program report; and from the President, 9.c.(1), Summary of Grants and Contract Awards. There was no discussion on any of the Consent Agenda items, and the motion was approved.

UNIVERSITY RECOMMENDATIONS FORWARDED BY THE BOARD COMMITTEES

Agenda Item 9.a.(3) – Information Technology Services – Communications System Cabling

Agenda Item 9.a.(5) – Parking Lot 17 (Pay Lot) Reconstruction – Capital Project Approval

Agenda Item 9.a.(6) – Collective Bargaining

Consent Agenda items.

UNIVERSITY REPORTS FORWARDED FROM THE BOARD COMMITTEES

Agenda Item 9.b.(1) –Quarterly Summary Report of Transactions in Excess of \$100,000

Agenda Item 9.b.(2) – Swen Parson – College of Law Court Classroom Technology Skills Center

Agenda Item 9.b.(3) – Affirmative Action and Diversity Resources Program

Consent Agenda items.

ITEMS DIRECTLY FROM THE PRESIDENT

Agenda Item 9.c.(1) – Summary of Grant and Contract Awards

Consent Agenda item.

PRESIDENT'S REPORT NO. 29

Comments from the President

I would like to follow up on a few issues mentioned by Chair Sanchez earlier this morning, President Peters said. First, in regard to the very unwelcome news about our budget situation, the announcement last week from the Governor's Office was not entirely surprising. But that did not make it any easier to hear. We have been blessed with excellent budgets over the past few years, and we sincerely thank the Governor and the legislature for that. That makes it all the more difficult to see some of the progress we have been making halted, albeit temporarily, by the State's economic troubles. The \$25 million holdback or reserve that Governor Ryan asked for in his first round of reductions and the \$45 million cut from our passthrough of state health insurance contributions, all public higher education affects will be strongly felt. We have not received a firm dollar figure from the IBHE yet, the President said, but we believe the amount we will have to reduce our current FY02 budget could be in the range between \$3.5 to \$6 million. I know that is a wide range, he said, but we have tried to calculate a worst-case analysis to help us prepare for what is ahead. Whatever the exact amount, we know it will be significant, and we will have to work hard to maintain our basic operations without loss in quality or accessibility in the face of a midyear recision of this magnitude.

The guidelines I put in place following the Governor's first set of cuts will almost certainly remain in place, President Peters said, and will likely be extended. Those include the following: a temporary hiring freeze, limitations on travel and delays in new equipment purchases. Beyond that, I have asked the vice presidents to look at operations in their divisions and come up with ways to reduce expenditures through this fiscal year, and they are hard at that and making some progress. We were prepared for this, so we are well-positioned going into it. I want our faculty, our staff and our students to know what we are facing, and I have talked to many groups. We are a community here, he said, and it is important for all of us to feel informed, involved and supported during tough times like these. I know it is the wish of the Board that financial belt-tightening be done in ways that minimize the impact on our students and our academic programs. I want to assure the Board that this was passed on to our staff. I thank all of you in advance for your patience during this trying time, the

President said, and I really feel good having the Board that we have during these times. I will certainly be keeping you all informed as we learn more in the weeks ahead.

Chair Sanchez mentioned his high regard for the manner in which our students, faculty and staff have shared their thoughts and expertise in meaningful ways since the events of September 11, Dr. Peters said. I would echo that sentiment and also draw to your attention one particular segment of our student body that usually does not get much recognition that received some special acknowledgement earlier this week. On Monday of this week, a crew from CNN was on campus to interview some of the 85 NIU students who serve as cadets in our Army ROTC program. CNN was reporting on the renewed popularity and interest of ROTC programs on American campuses. And when they looked for a unit to feature, the President said, they were pointed to the very fine program we have here at NIU. A video tape was shown of the Monday morning CNN broadcast of the NIU ROTC cadets going through their paces that morning. A CNN reporter asked ROTC training officer Captain John Atkins to give a brief rundown of the program. Captain Atkins said there seems to be an increased interest in the ROTC program on campus. Students realize that the hallmark of ROTC is world-class leadership training, he said, which they get in no other class on campus. It provides scholarship opportunities, team building, and a lot of attributes that they would not receive in a normal class. It is one class students take every semester, much like any other class on campus, but they will learn things like troop leading procedures, team building and teamwork. Scholarships are available. A federal scholarship means a commitment of four years of active duty. If the student is not on scholarship, it would be three years active duty, or application can be made for guaranteed reserve forces duty, which is a six-year reserve or guard commission. When asked why he joined the ROTC program, one student replied, "I was coming out of high school and wanted a challenge, something that would allow me to exercise some leadership on campus, perhaps get involved in some extracurricular activities more than the average student and found a home for myself here in ROTC." Asked if his attitude had changed since the events of September 11, the student replied, "I was pretty firm in my decision prior to September 11, so all it did was strengthen my resolve to get out there, to continue to do what I was doing, to be a leader on this campus and in the community. I look forward to getting out there and serving my country."

Of course, President Peters said, that was worldwide. So not only was that great publicity for NIU, but it also reminds us how military science programs such as this one still play a vital role on our campus and for our country to prepare civilian-based military officers. Beyond the preparation of young people for careers in the armed services, ROTC teaches leadership skills that are highly valued in the marketplace.

UNIVERSITY RECOMMENDATIONS FORWARDED BY THE BOARD COMMITTEES

Agenda Item 9.a.(1) – Information Technology Services - Communications System Cabling

This request for Information Technology Services Communications System Cabling expenditures is for two of our new projects, President Peters said, Barsema Hall and the convocation center – Barsema Hall cabling and IT equipment not to exceed \$750,000, and for the convocation center, not to exceed

\$300,000. The university requested approval for each project for permission to advertise and receive bids, execute contracts and issue purchase orders to obtain equipment and services necessary to complete each project. Trustee Boey so moved, seconded by Trustee Skoien. The motion was approved.

Agenda Item 9.a.(2) – Information Technology Services – Communication Network Equipment

Information Technology Services Communications Network Equipment for Barsema Hall is not to exceed \$350,000. Board of Trustee approval was requested to seek bids and proceed with the project. Trustee Vella so moved, seconded by Trustee Boey. The motion was approved.

Agenda Item 9.a.(4) – Convocation Center Fixtures and Equipment

We now seek approval to begin the acquisition of furniture and equipment for the convocation center, Dr. Peters said. We have begun setting up an operational department, and one of the first issues we have is to purchase the necessary movable and fixed equipment. We seek authority to expend a not to exceed amount of \$3.3 million for equipment and furniture. The source of funding will be existing revenue bonds and ongoing fund raising activities of the NIU Foundation. Trustee Siegel so moved, seconded by Trustee Adduci. The motion was approved.

If you have not checked out the convocation center, Chair Sanchez said, I did during the last home football game, and it is really impressive. It is coming along, and I look forward to this time next year when we celebrate its opening.

ITEMS DIRECTLY FROM THE PRESIDENT

Agenda Item 9.c.(1) – Summary of Grant and Contract Awards

Consent Agenda item.

CHAIR'S REPORT NO. 21

Agenda Item 10.a. – Executive Session Minutes Release

The Illinois Open Meetings Act requires public bodies to review the minutes of their executive sessions on a semiannual basis and to determine what parts of the minutes they should make available to the public because they no longer require confidential treatment, Chair Sanchez said. Upon review and advice of the Board's Parliamentarian, Mr. Davidson, who is also our Corporation Legal Counsel, I recommend that the Board approve release from confidentiality the specified sections of the executive session minutes on the action item I asked Mr. Davidson to prepare and distribute to each of you, which will be placed in the minutes of this meeting. Those sections that are still subject to confidentiality, together with sections from subsequent meetings, will be considered again in six months. Chair Sanchez asked for a motion to approve this release as stated in the action item. Trustee Boey so moved, seconded by Trustee Vella. The motion was approved.

Agenda Item 10.b. – Proposed Board of Trustees Meeting Dates for 2002

A proposed schedule for regular meetings of the full Board of Trustees for the 2002 calendar year was presented. This proposal will enable us to meet our statutory obligation to conduct a regular meeting in each quarter of the year, the Chair said. The proposed meeting dates for year 2002 were March 21, June 20, September 19 (the third Thursday of the month) and December 5 (the first Thursday of the month). Chair Sanchez asked for a motion to approve the proposed schedule as stated. Trustee Adduci so moved, seconded by Trustee Boey. The motion was approved.

OTHER MATTERS

Chair Sanchez recognized State Representative David Wirsing and thanked him for his attendance at the meeting.

I now have the pleasure of reading a resolution into the public record, Chair Sanchez said. Please take note because this involves a significant property matter, something that is very important to the administration and to the Board of Trustees. It involves the John Deere property just west of campus and to the south of the new convocation center. Dr. Eddie Williams is representing the Board with respect to those matters, which I am about to read into the record. A formal resolution from the Board of Trustees:

RESOLUTION

WHEREAS the General Assembly of the State of Illinois has enacted Public Act 89-4, authorizing through Article 30 thereof, the Board of Trustees of Northern Illinois University to acquire such real property as it shall deem appropriate by purchase, eminent domain or otherwise; and

WHEREAS the Board of Trustees of Northern Illinois University has considered the existing facilities and the extensions necessary to be made in order that the same may adequately serve the current and/or future needs of Northern Illinois University.

NOW, THEREFORE, BE IT RESOLVED by the Board of Trustees of Northern Illinois University that it is necessary and for the best interest of Northern Illinois University that the two parcels of real property commonly known as the John Deere property, with legal description attached and incorporated herein by reference, respectively 3.15 and 7.08 acres more or less in DeKalb County, Illinois be acquired for educational purposes.

BE IT FURTHER RESOLVED that the Board's Treasurer is authorized and directed to negotiated on behalf of the Board of Trustees of Northern Illinois University – that's vice president ... Executive Vice President Eddie Williams – with the owner or owners with the herein above described real property for the purchase or other acquisition thereof by Northern Illinois University on reasonable terms or at a fair market value based on reference to current real estate assessment values or reports of appropriate independent appraisers retained to

determine fair market value, provided however that any contract for acquisition shall be expressly subject to approval by the Board of Trustees of Northern Illinois University.

BE IT FURTHER RESOLVED that the university President, Dr. John Peters, is authorized to engage appropriate external legal counsel to serve any needs associated with this acquisition.

BE IT FURTHER RESOLVED that this resolution shall take effect and shall be in full force from and after its passage.

**BOARD OF TRUSTEES OF
NORTHERN ILLINOIS UNIVERSITY**

*Manuel Sanchez, Chair
Robert T. Boey, Secretary*



I would like to make note that in my term on the Board of Regents and on this Board, Trustee Siegel said, I believe this is the first time we have actually used this power. It is a very strong power that this Board has, and I believe it is appropriate under these circumstances and noteworthy.

Chair Sanchez asked for a motion to approve the resolution. Trustee Siegel so moved, seconded by Trustee Vella. The motion was unanimously approved by the Board.

NEXT MEETING DATE

The next regular Board Meeting is scheduled for Thursday, March 21, 2002 in the Sky Room of Holmes Student Center.

ADJOURNMENT

Chair Sanchez asked for a motion to adjourn. Trustee Vella so moved, seconded by Trustee Boey. The motion was approved. The meeting was adjourned at approximately 12:05 p.m.

Respectfully submitted,

Sharon M. Mimms
Recording Secretary

**INFORMATION TECHNOLOGY SERVICES
COMMUNICATIONS SYSTEM CABLING**

Summary: New construction projects must incorporate comprehensive installations of telecommunications systems, including cabling, terminations, and testing of all systems and components. Barsema Hall and the convocation center will require extensive project work to incorporate current technology and to address potential future developments in communication network systems and services. Plans are finalized for Barsema Hall and are in process for the convocation center. Each budget figure shown includes a 10 percent contingency to allow for modifications in each project.

Recommendation: The university seeks Board of Trustees approval to establish the budget for each project, as listed. The university also requests permission to advertise and receive bids, execute contracts and issue purchase orders to obtain equipment and services necessary to complete each project.

Barsema Hall Not to exceed \$750,000
Convocation Center Not to Exceed \$300,000

**INFORMATION TECHNOLOGY SERVICES
COMMUNICATIONS NETWORK EQUIPMENT**

Summary: Barsema Hall will be a contemporary model of technological applications in the design and use of the telecommunications and computer networking systems. Project approval is needed at this time to enable the university to proceed once design and specifications are finalized in order to maintain the building's completion schedule. The budget figure shown includes an estimated 10 percent contingency to allow for modifications or expansion of the project. University staff will install all equipment used in this project.

Recommendation: The university seeks Board of Trustees approval to establish the budget as shown. The university also requests permission to advertise and receive bids, execute contracts and issue purchase orders to obtain equipment necessary to complete the project.

Barsema Hall Not to Exceed \$350,000

**INFORMATION TECHNOLOGY SERVICES
COMPUTER STORAGE SYSTEM AND SOFTWARE**

Summary: Because it is no longer cost effective to maintain and operate, the ITS department's existing central data storage system needs to be replaced. The new system will provide increased disk storage capacity and includes software configuration, installation, implementation and necessary training. The system will interface with other EMC systems already in place. This system will result in substantially reduced maintenance costs, which will help offset the cost of this acquisition. Intent to award this contract as a sole source was advertised in the Illinois Higher Education Procurement Bulletin.

Recommendation: The University requests approval of expenditure authority for FY02 as follows:

EMC 2 - Chicago, IL.....\$500,000

CONVCOATION CENTER FIXTURES AND EQUIPMENT

Summary: The convocation center construction project is on schedule for a 1002 fall semester completion. As we begin setting up an operational department, one of the first issues that has to be addressed is the purchase of necessary movable and fixed equipment for the facility. The convocation center staff, in consultation with intercollegiate athletics, has developed a comprehensive list of equipment needs. In order to purchase equipment at the lowest possible cost, as well as assure availability for a fall opening, the university needs to begin phasing some equipment purchases beginning this December. Funding will be from a combination of existing Bond Revenue funds and solicited gifts and donations.

Recommendation: The university requests approval of expenditures as follows:

- Various Vendors: Not to exceed \$3,300,000
- Funding:Bond Revenue Reserves and *NIU Foundation*

**PARKING LOT 17 (PAY LOT) RECONSTRUCTION
Capital Project Approval**

Summary: Reconstruction of Lot 17 (the pay parking lot for visitors) between Founders Library and Watson Creek has been on hold for several years. The western edge of the parking lot is formed by Watson Creek, which is the subject of a storm water management project. Work on Lot 17 was delayed until planning for the storm water project was finalized. The storm water project has been in the planning phase and is now bid and under construction. Reconstruction of the lot is overdue. The parking lot has deteriorated due to poor drainage and standing water during floods.

Reconstruction of Lot 17 is expected to accomplish several desirable goals, including replacement of deteriorated pavement and reconfiguration of the parking lot to maximize the number of parking spaces within the land available. Several lane and striping layouts have been proposed and considered. The final configuration will be determined after analysis by civil engineers to be hired for parking lot design.

Part of the area between Watson Creek and Founders Library was originally part of Carroll Avenue, which was closed in the 1980s during reconfiguration of Martin Luther King, Jr. Commons construction. A portion of the original Carroll Avenue pavement was left in place for use as parking. The final design of a reconfigured Lot 17 will make use of the former street area to provide for an integrated plan of parking spaces throughout the area.

In addition, the current entrance/exit for Lot 17 conflicts with other driveways along Carroll Avenue (Locust Street, Lot 36 and the parking deck). Relocation of the Lot 17 entrance to align with the entrance to Lot 36 (east of Carroll Avenue) is intended to decrease vehicle access conflicts along the portion of Carroll Avenue still open to traffic. The new entrance to the lot will incorporate installation of a parking booth for collection of parking fees. The source of funding for planning and construction will be Parking revenue bond reserves.

Recommendation: The university requests Board of Trustees authorization to establish a total budget of \$471,300 for design and construction to reconstruct Parking Lot 17 and portions of Carroll Avenue. The university further requests approval to execute professional service agreements, construction contracts and issue work orders as necessary to design and construct the reconfigured parking lot.

COLLECTIVE BARGAINING AGREEMENT

Northern Illinois University negotiates with eight collective bargaining organizations representing various employee groups. Salary increases and other terms/conditions of employment for bargaining unit members are subject to negotiations and final agreements are submitted for approval to the Board of Trustees. Reopeners normally occur at the beginning of the fiscal year. The following collective bargaining agreement has been ratified by the bargaining unit and will be submitted to the Board of Trustees following endorsement by the AASAP Committee.

Bargaining Unit: Metropolitan Alliance of Police, representing approximately 23 police officers at the DeKalb campus.

Scope of Negotiations: FY02 Full Contract Reopener

Tentative Agreement for Board Action: A new collective bargaining agreement establishing salary rates and other terms/conditions of employment through June 30, 2006. Terms and conditions are consistent with university policies and guidelines.

Recommendation: The university recommends Board of Trustees approval of this bargaining agreement between Northern Illinois University and the Metropolitan Alliance of Police.

EXECUTIVE SESSION MINUTES RELEASE

Summary: The Illinois Open Meetings Act, as amended, requires public bodies to review minutes of their executive sessions on a semiannual basis and determine what parts of such minutes they should make available to the public because they no longer require confidential treatment. Accordingly, this item is proposed for complying with this legal requirement by taking action upon the duly approved Executive Session Minutes of January, 1996 through September, 2001 of either the full Board of Trustees or standing committees of the Board which have not previously been released from confidentiality.

Upon review and advice of the Board's Parliamentarian and Corporation Counsel, the following sections of executive session minutes for the relevant period are proffered for release from confidentiality:

June 21, 2001 - Executive Session of the NIU Board of Trustees

1. Review and Approval of Minutes of Previous Executive Session Meeting
2. Collective Bargaining Matters
3. Property Matters
4. Personnel Matters
 - a. College of Education Dean Appointment Matters
 - b. Other Individual University Staff Appointment Matters
 - c. President Appointment Matters

September 20, 2001 - Executive Session of the NIU Board of Trustees

1. Collective Bargaining Matters

Recommendation: The Chair recommends that the Board approve the release from confidentiality of the specified sections of executive session minutes as reviewed and advised above. Those sections, if any, which are still subject to confidentiality, together with sections from subsequent meetings, will be considered again in approximately six months.

PROPOSED BOARD OF TRUSTEES MEETING DATES FOR 2002

Following the general pattern of meeting dates for previous years and input from Board members, the following choices are offered for consideration by the Board.

| | |
|--------------|----------------|
| March 21 | (3rd Thursday) |
| June 20 | (3rd Thursday) |
| September 19 | (3rd Thursday) |
| December 5 | (1st Thursday) |

The Northern Illinois University Law and Article III of the *Bylaws of the Board of Trustees of Northern Illinois University* state that the Board shall convene at least once each quarter. These dates would meet those requirements.

President's Report

No. 30

March 21, 2002

No item in this report for release prior to 9:00 a.m. Thursday, March 21, 2002.

A G E N D A

**BOARD OF TRUSTEES
of
NORTHERN ILLINOIS UNIVERSITY
9:00 a.m. – Thursday – March 21, 2002
Clara Sperling Sky Room**

9:00 a.m. Call to Order, Roll Call, Notice Verification, Meeting Agenda
Approval, Review and Approval of Minutes, Reports of
Board Committees and Board Liaisons,
Recess to Executive Session
Executive Session – University Suite
Reconvene Board of Trustees Meeting – Clara Sperling
Sky Room



1. Call to Order and Roll Call
2. Verification of Appropriate Notification of Public Meeting
3. Meeting Agenda Approval *Action*... 67
4. Review and Approval of Minutes of December 6, 2001 *Action*... 70
5. Chair's Comments/Announcements
6. Public Comment*
7. Reports of Board Committees and Board Liaisons
 - a. Executive Committee
 - b. Academic Affairs, Student Affairs and Personnel Committee
 - c. Finance, Facilities and Operations Committee
 - d. Legislation, Audit and External Affairs Committee
 - e. Illinois Board of Higher Education
 - f. University Civil Service Merit Board
 - g. Northern Illinois University Foundation
8. Executive Session
9. President's Report No. 30
 - a. University Recommendations Forwarded by the Board Committees
 - (1) Fiscal Year 2003 Student Fee Recommendations *Action*... 85
 - (2) Fiscal Year 2003 Room and Board Rate
Recommendations *Action*... 90
 - (3) Regional Delivery Fees for Programs in Liberal Arts
and Sciences *Action*... 92
 - (4) Fiscal Year 2003 Tuition Recommendations *Action*... 93

| | |
|---|------------------|
| (5) Fiscal Year 2003 Athletic Sports Camp Housing and Meal Expenditure | Action... 96 |
| (6) Fiscal Year 2003 Student Accident and Sickness Insurance Contract..... | Action... 97 |
| (7) Fiscal Year 2003 Waste Management Contract | Action... 98 |
| (8) International Programs Division Contract Renewal | Action... 99 |
| (9) Barsema Hall Furniture, Fixtures and Equipment..... | Action. 100 |
| (10) Biological Sciences Research Project | Action. 101 |
| (11) Easements Required by the DeKalb Sanitary District..... | Action. 102 |
| (12) Easement Required By NICOR | Action. 103 |
| (13) Information Technology Services Computer Lab Upgrade ... | Action. 104 |
| (14) Swen Parson Hall - Remodeling of Bursar's Office Capital Project Approval..... | Action. 105 |
| (15) West Campus Access Road..... | Action. 106 |
| (16) Recommendations for Faculty Promotions, Tenure, and Promotions with Tenure for 2002-2003 | Action. 107 |
| (17) Recommendations for Faculty and Supportive Professional Staff Sabbatical Leaves for the 2002-2003 Academic Year..... | Action. 109 |
| (18) Request for a New Concentration | Action. 111 |
| (19) Request for a New Minor | Action. 112 |
| (20) NIU Tax-Deferred Compensation Plan Amendment..... | Action. 113 |
| b. University Reports Forwarded from the Board Committees | |
| (1) Fiscal Year 2002 Budget Status Report | Information..... |
| (2) Fiscal Year 2003 Priority List..... | Information..... |
| (3) Periodic Summary Report of Transactions in Excess of \$100,000..... | Information..... |
| (4) Periodic Report on Investments | Information..... |
| (5) Taxpayer Relief Act of 1997 – Final Status Report..... | Information..... |
| c. Item Directly from the President | |
| (1) Summary of Grant and Contract Awards..... | Information..... |
| d. Legislative Report..... | Information |
| 10. Other Matters | |
| 11. Next Meeting Date | |
| 12. Adjournment | |

*The Board and its committees comply with P.A. 91-0715 through its *Bylaws*, Article II, Section 5.B:

1. Consistent with Public Act 91-0715 and reasonable constraints determined by these *Bylaws* and the Chair, at each regular or special meeting of the Board or its committees that is open to the public, members of the public may request a brief time on the approved agenda of the meeting to address the Board on relevant matters within its jurisdiction.
2. Committees of the Board review University proposals for action and make adjustments and endorsements as appropriate for further consideration by the full Board. Public comments are generally most useful at meetings of Board committees, where proposals are first considered and the time for interaction most feasible.
3. To facilitate an orderly process, appearance requests must be registered on a Board-provided form and submitted to the Board's Parliamentarian at least 45 minutes before the meeting is scheduled to be called to order. To be recognized, the appearance request will include the name, address and position of the individual wishing to speak, the name of the organization or group represented, a concise summary of the presentation, and whether the requestor has appeared earlier on the topic before any other meeting of the Board. The Parliamentarian may confer with registered speakers to cooperatively assist the Chair of the meeting in assuring coordinated issue presentation and an efficient use of allocated time. The Parliamentarian will acquaint requestors with the generally acceptable rules of decorum for their presentations. In lieu of oral presentations, individuals may present brief written materials not to exceed five (5) pages to the Parliamentarian for distribution and consideration by the Board in advance of the meeting.
4. The Chair of the meeting will recognize duly registered individuals at the appropriate point during the meeting. Unduly repetitive comments may be discouraged and restricted by the Chair. To assure an orderly and timely meeting the Chair may limit time allotments to five minutes or less, may delay or defer appearances when appropriate, and defer or refer questions received from presenters for answers if available.

Anyone needing special accommodations to participate in the NIU Board of Trustees meetings should contact Ellen Andersen, Director of Special Events, at (815)753-1999, as soon as possible, normally at least a week before the scheduled Board meeting.

Minutes of the
BOARD OF TRUSTEES
OF NORTHERN ILLINOIS UNIVERSITY
March 21, 2002

CALL TO ORDER AND ROLL CALL

The meeting was called to order by Chair Manuel Sanchez at approximately 9:15 a.m. in the Clara Sperling Sky Room of Holmes Student Center. Recording Secretary Mimms conducted a roll call of Trustees. Members present were Trustees Catherine Adduci, Robert Boey, Myron Siegel, Gary Skoien, Student Trustee Alex Alaniz and Chair Sanchez. Trustee Barbara Giorgi Vella was present via teleconference. Not present was Trustee George Moser. Also present were Board Parliamentarian Kenneth Davidson and President John Peters. With a quorum present, the meeting proceeded.

VERIFICATION OF APPROPRIATE NOTICE OF PUBLIC MEETING

Confirmation of Open Meetings Act public notice compliance was provided by Board Parliamentarian Ken Davidson.

MEETING AGENDA APPROVAL

Chair Sanchez proposed that President's Report No. 30 action Agenda Items 9.a.(5), 9.a.(7), 9.a.(8) 9.a.(10), 9.a.(11), 9.a.(12), 9.a.(13), 9.a.(14), 9.a.(18) and 9.a.(19); receipt of Information Items 9.b.(3) and 9.b.(4); and Information Item 9.c.(1) be moved to a consent agenda. Trustee Siegel made a motion to approve the meeting agenda as amended. Trustee Adduci seconded the motion. The motion was approved.

REVIEW AND APPROVAL OF MINUTES

It was moved by Trustee Adduci and seconded by Trustee Siegel to approve the minutes of the December 6, 2001 Board of Trustees Meeting. The motion was approved.

CHAIR'S COMMENTS/ANNOUNCEMENTS

As a matter of privilege before I comment on business matters, Chair Sanchez said, I want to mention my pride in what I experienced firsthand at Sportsman Park where NIU was actively involved in a two-day Latino educational effort. With the support of Dr. Wheeler, Dr. Gutierrez and others who were there representing Northern Illinois University, we have continued our leadership role in addressing one of the most significant educational dilemmas that exists in the country. We have all heard about the high school dropout problem; I do not need to elaborate on that. But there has to be collaboration between the high schools and the universities as we try to address the need for four-year degrees. I am pleased to say that NIU continues its leadership role in that regard, the Chair said, and we look forward to working further with those who put on the

educational summit at Sportsman Park. At the end of the day, when this serious issue has been addressed, they will say that the changes came about because a higher education institution called Northern Illinois University in DeKalb, Illinois took the leadership role. And with the support of our elected officials in Springfield as well as in Washington, we will be recognized as the school that had the foresight to take the lead in this role and make a difference.

I would also like to make a few comments about the issues before us on the agenda, the Chair said. When we met in December, we had just received word from Springfield about the full extent of Illinois' fiscal problems. In fact, I believe we met just a few days after learning of the second of two financial blows that forced us to make a midyear rescission in our current fiscal year budget. That cut totaled more than \$4 million, and, as we all know, the news got worse. It now appears our shortfall next year will be in the \$9 to \$10 million range. We thought \$4 million was horrible, and now that has more than doubled.

Many of you know that we Trustees, as well as members of the administration here at NIU, receive a daily summary of higher education news from around the state and the nation. Over the past six months, Chair Sanchez said, the stories have taken on a very familiar tone, whether they are from DeKalb, Bloomington or Champaign, or North Carolina, Ohio or Indiana. The story throughout American higher education today is about budget cuts, tighter resources, layoffs, program elimination, and so forth. Our nation's economic downturn has had very immediate effects on public universities, and clearly the events of September 11 only served to worsen that situation.

Several of the items we are going to discuss today are directly linked to our economy, the Chair continued, most notably, proposed increases in tuition and student fees. I know that I speak for my colleagues on the Board when I say that this is an issue that we have approached very seriously and with a great deal of thought. I have read the minutes of the Finance, Facilities and Operations Committee and the Academic Affairs, Student Affairs and Personnel Committee from earlier this month, and I know that there were serious discussions at those meetings about the impact of these proposals.

NIU is known for its dual commitment to access and quality, Chair Sanchez said, and we Board members must be guided by those principles in our own decision-making. I think I speak for all my fellow Trustees when I say how pleased we have been to see a continuing adherence to the basic guidelines set out by President Peters late last year in the cost-cutting plans presented by the administration: As few disruptions to academic programs as possible and a commitment to protecting jobs and salaries as much as possible. I know that Dr. Peters is going to elaborate on those points in a few moments, but I want to go on record as saying that this Board agrees with those priorities and is pleased to see them represented in the numerous communications we have received on the budget crisis.

Finally, on the subject of budget, the Chair commented, the shared response plan put forward by Dr. Peters and his staff speaks to the issues of fairness and community building that have characterized his administration thus far. His plan appears to have at its base the premise that all can remain strong if all contribute

to the answer. That is what our state has asked of higher education, and that is what NIU is asking of its faculty, staff and students.

As I look through the rest of our agenda today, Chair Sanchez concluded, I am struck by the number of items we will be hearing that represent “business as usual” at our University – faculty promotions and tenure, requests for new program minors, West Campus issues and so on – in the face of extremely serious financial pressures. We are moving on, sticking with our priorities and getting on with the business of NIU growth and progress.

The Chair recognized University Advisory Committee (UAC) representatives Dr. Suzanne Willis, Dr. Dan Griffiths, Dr. Dolly Jones, Dr. James Lockard, Ms. Beverly Espe and Ms. Judy Burgess. Dr. Willis reiterated the appreciation of the faculty and staff for the openness that Dr. Peters has shown in sharing with them the process and the extent of the budget issues the university faces. He took what I think is the unprecedented step of sending an e-mail to the entire university community – faculty, staff and students, Dr. Williams said. I am not sure that has ever been done before, and we certainly appreciate it. I also want to express my appreciation for the Board’s support and attention to the faculty and staff and for the opportunity to address you.

PUBLIC COMMENT

The Chair asked Board Parliamentarian Kenneth Davidson if any members of the public had registered a written request to address the Board in accordance with state law and Board of Trustees Bylaws. Mr. Davidson noted that no timely requests had been received for public comment at that Board meeting.

REPORTS OF BOARD COMMITTEES AND BOARD LIAISONS

Executive Committee

There was no report from the Executive Committee.

Academic Affairs, Student Affairs and Personnel Committee

Committee Vice Chair Boey gave the Academic Affairs Committee report for Chair Vella. The Academic Affairs, Student Affairs and Personnel Committee met on March 7 and forwarded the following matters for action: Recommendations for Faculty Promotions, Tenure and Promotions with Tenure; Recommendations for Faculty and Supportive Professional Staff Sabbatical Leaves for 2002-2003 Academic Year; Request for a New Concentration in Latino American Studies; Request for a New Minor in Elementary Mathematics Education; Request to Amend Board of Trustees Regulations in order to allow employees to have the privilege of electing to participate in tax-deferred compensation plans for which they may be eligible under state and federal statutes and regulations.

Finance, Facilities and Operations Committee

Committee Chair Boey stated that the Finance, Facilities and Operations Committee met on March 7. At that meeting, the Committee considered and

approved recommendations for tuition, fees, and room and board rates for the upcoming academic year. The recommendations were developed through a consultative process and are reflective of the budget reductions and challenges the university faces in Fiscal Year 2002-03. The committee deliberated these rates at length and subsequently approved them for recommendation to the Board. Those deliberations were in-depth and evoked a lot of emotion from the committee members. At the end of the day, the bottom line says that the mission of the university is accessibility, affordability and quality. While we recognize that \$125 per semester for a full-time undergraduate is a lot of money when you do not have it, the Committee Chair said, quality is certainly an important part of the program. So, in trying to strike a balance in the reduction process, which included, among other things, the need to have \$125 per semester increase in tuition, the Board members finally concurred that, as distasteful as it was, that was the right thing to do. And that is what we are recommending to the Board for approval.

Additional items considered by the Committee were contract renewals for student insurance and sport camp accommodations, land easements, capital projects and improvements. The Committee received the following reports: 2002 budget status, 2003 budget process update, transactions in excess of \$100,000, report on investments, and Engineering project update.

Legislation, Audit and External Affairs Committee

Committee Chair Siegel stated that the Legislation, Audit and External Affairs Committee met on March 5 in Hoffman Estates. Three UAC representatives were present at the meeting. Ken Zehnder provided a brief overview of new substantive legislation introduced in Springfield that affects public university operations. Kathy Buettner and President Peters then presented a detailed overview of the university's FY03 operating and capital budgets at the Governor's recommended levels. Kathy reported that the Governor-proposed capital budget for higher education allocates \$3.9 million to furnishings and equipment for Barsema Hall, a reduction of \$1 million or 20 percent from the university's request and the IBHE's December recommendations. The Governor reduced all furnishing and equipment capital lines in the state budget by 20 percent because of budget constraints. The fact the Barsema funds were included in the Governor's proposed capital budget is good news. However, once again, the university will be required to close the budgetary gap created by the across-the-board 20 percent reduction in FFE funding.

Ms. Buettner reported that planning funds for the the Stevens Building renovation project are included in the IBHE recommendation capital budget at \$1.5 million, while construction funds were allocated at \$15.3 million. Unfortunately, these allocations fall at the 21st and 22nd positions on a capital list that contains 51 projects and \$443 million of capital. The Governor's recommendation includes funding for 12 regular projects and additional projects previously funded from other budget lines that have been moved to the CDB budget for FY03 for a total of \$283 million in capital. So, it looks like there will not be any capital funding for the Stevens Building renovation project either for planning funds or for construction funds in the coming year

President Peters announced that the potential impact on the university of the state's strained economic situation would be \$9 to \$10 million in FY03. NIU will begin FY03 with a potential budget-based reduction of \$8 million with an additional \$1 to \$2 million shortfall associated with unavoidable cost increases for utilities, liability insurance and building maintenance.

Kathy concluded with a detailed report on the federal level, including an FY03 federal administration budget overview, and a final report on the Taxpayer Relief Act of 1997, an issue this university and the Board have been very involved with over the last four years. The Committee Chair reported that HR3346 was passed by Congress and signed into law by President Bush on January 16, 2002. This legislation amends the Internal Revenue Code to assist educational institutions in the reporting requirements attached to the HOPE Scholarship and Lifelong Learning Tax Credits for our students and their families. These tax credits provide a much-needed opportunity for our students and their families to help make higher education more affordable. However, the unfunded mandates placed on the universities when this legislation passed in 1997 to maintain data and records would have resulted in millions of dollars of additional costs that would have been passed on to the students. The Committee expressed its thanks to Kathy Buettner, Kathe Shinham and Congressman Don Manzullo, our Rockford Congressman, and his staff for their hard work and persistence on this issue. Congressman Manzullo and NIU will be hosting IRS Commissioner Rosati on May 30 at NIU-Rockford. The Board of Trustees and the NIU campus community will be invited. This is significant legislation that represents four years of hard work spanning two administrations and two congresses.

The Senate Appropriations Committee hearings will be held on April 8, Chair Siegel said, and I will attend the hearings as I do every year to support NIU.

This Tax Relief Act was really quite an amazing bit of work, President Peters said, and I want to recognize Congressman Don Manzullo, who was a tiger and a bulldog on this, and our own Kathe Shinham. All of higher education thanks both of those individuals for this tax relief. I have received e-mails from presidents all over the country thanking us for our work on it.

The other thing I would like to add is concerning the hearings that are coming up on the eighth. In addition to Trustee Siegel, who is always there with us at the Senate appropriations hearings, Senator Rauschenberger has requested that all board chairs be in attendance. So our Board Chair, Manny Sanchez, will also be attending the hearings. This year all deans of education also have been requested to appear before the committee because of state interest in the preparation of teachers, both the supply and the quality.

As we go through these reports, no matter what committee, Chair Sanchez said, I am always taken by the fact that we give a brief summary, but there is an endless amount of work involved at all levels. I have served on every committee, having chaired the Finance and Facilities Committee and having served on the Academic Committee dealing with the most sensitive of all sensitive issues, tuition and other increases. Then listening to the Legislation Committee, you really do not have an appreciation of how much hard work goes into each one of those pieces of legislation, whether Trustee Siegel is talking about Washington or whether you are talking about Springfield. The amount of effort and energy that

is exhausted every time a little matter like that is brought up, it is just really amazing what a wonderful successful effort we have been able to engineer. I think we have created the paradigm for all of higher education in not just doing it but doing it the right way, the Chair said. On April 8, I look forward to joining Trustee Siegel, the Interim Dean of Education, and President Peters as we try to convince the Senate committee and its chair, Senator Rauschenberger, that we are entitled to the maximum amount of funds we can receive from Springfield to continue the wonderful effort we have here at NIU. Notice I did not say just in DeKalb, because I am always reminded that we also have Hoffman estates, Rockford and Naperville and who knows where the next one will be.

Illinois Board of Higher Education

President Peters reported that the last meeting of the Illinois Board of Higher Education was held on February 4 and 5 at DePaul University in Chicago. Two items of particular interest to our Board were covered at that meeting. There was extensive discussion on the budget situation and the Governor's budget as it came to the IBHE. And, a substantial preliminary report was presented on the status and the role of part-time and temporary faculty that created quite a bit of discussion. There will be some recommendations coming out of the IBHE at its next meeting, which will be held in Bloomington at Illinois State on the role and status of part-time faculty. Subsequent to that meeting the executive director succeeding Keith Sanders was named. That person is Dan LaVista, who is currently president of McHenry Community College.

Universities Civil Service Merit Board

Trustee Barbara Vella, the Board of Trustees liaison, reported that the Universities Civil Service Merit Board met late in January. At that time, it was announced that Mr. Ingerski, who is the director and has been for many years, will be resigning. We are now in the process of a search for a new director. The board recommended that the executive committee conduct this search, and they are reviewing applications.

Northern Illinois University Foundation

Trustee Boey, the Board of Trustees liaison, asked Foundation President Mallory Simpson to give the report. As always, Ms. Simpson said, I very much appreciate the opportunity to appear before you and to share some news about NIU Foundation activities. As a matter of fact, the Foundation Board and committees are meeting tomorrow. Chair Dave Nelson will be on campus later this afternoon and was sorry he could not be here early enough to give the report this morning. But he wants you to know that the major agenda items the Foundation Board is working on tomorrow are some major fundraising initiatives and a plan to work in partnership with the university to step up support for development activities.

Ms. Simpson reported that a total of \$3.7 million in gifts have been received to date this fiscal year. The good news is that cash gifts from individuals are up 26 percent, and the best news is that giving from alumni has doubled from this time last year. The emphasis of our development program is cash gifts from individuals, particularly alumni. We are down significantly in gifts-in-kind. These can be equipment, software, collections and so forth.

Our annual fund has hit a plateau, Ms. Mallory said, which is normal after the rapid increase of a startup program. However, we are taking several steps to help us jump to the next level. We are doing a thorough review of all of our strategies for each of our annual fund market segments and expect to be making some significant revisions in how we run our Telefund in the future.

This spring will be busy with a series of four new prospect cultivation receptions hosted by Foundation Board members and Board of Trustees Chair Sanchez, Ms. Simpson said. We anticipate the attendance of 50 to 125 new prospects and donors at each of these receptions. We have secured major gift commitments to name several of the rooms in Barsema Hall. Ms. Simpson publicly thanked Dean David Graf and Mrs. Diane Graf for signing a multiyear pledge for a major gift to name the dean's conference room in Barsema Hall. We also have major commitments from Don and Donna Kieso to name a room in the Accountancy Suite, Ms. Simpson reported and from Clem Chumke to name the CPA Review Room on the first floor. Since Barsema Hall represents the first privately funded major building on campus, we have designed a donor recognition program that is integrated with the overall design of the facility, the interior furnishings and so on. There will be a beautiful wall of honor opposite the auditorium with a photo collage and a plaque telling the Barsema story, along with nameplates for all donors of ten thousand dollars or more to the College of Business, and there will be plaques outside each of the named rooms. We hope this donor recognition plan will be a model for other privately funded buildings in the future.

Lastly, Ms. Simpson said, I am delighted to share very recent news about a \$1 million estate distribution that we should receive in approximately six weeks. It is coming from Janet and Harold Finney for the School of Nursing. Years ago, the Finneys established an endowment fund to support nursing education. Neither of the Finney's attended Northern Illinois University. Mr. Finney was a nurse. The reason they made this gift is because when Mr. Finney was recovering from cancer surgery, he was cared for by a woman who had graduated from NIU's School of Nursing. He felt so strongly about the fine attention and care he received that he and his wife made these provisions. In closing, she said, I will say something we say a lot in our development team -- you just never know.

It is ironic that I know Harold Finney, and I knew he had no connection with this university, Chair Sanchez said, so I am just flabbergasted to hear about this. But whether you are an alumnus of this university or in some way have been positively impacted by this university, he said, the ultimate way to express your appreciation once you go on to bigger and better things is to support our annual fund and, in your estate planning, consider incorporating Northern Illinois University and its Foundation as well.

EXECUTIVE SESSION

Chair Sanchez asked for a motion to close the public meeting to conduct an executive session to discuss the following subject authorized by the Illinois Open Meetings Act: property matters as generally described under §2(c)(5) and (6) of the Open Meetings Act.

Trustee Boey so moved, seconded by Trustee Skoien. A roll call vote of the Trustees to recess to Executive Session was unanimous.

BOARD OF TRUSTEES MEETING RECONVENED

Chair Sanchez reconvened the public meeting of the Board of Trustees at approximately 10:50 a.m.

CONSENT AGENDA APPROVAL

Chair Sanchez asked for a motion to approve the items placed on the consent agenda earlier in the meeting. They include President's Report No. 30 Action Items 9.a.(5), 9.a.(7), 9.a.(8) 9.a.(10), 9.a.(11), 9.a.(12), 9.a.(13), 9.a.(14), 9.a.(18) and 9.a.(19) and Information Items 9.b.(3) and 9.b.(4); and 9.c.(1). Trustee Siegel so moved, seconded by Trustee Boey. The motion was approved.

The Chair asked Mr. Davidson to briefly identify the consent agenda items, which would be followed by an opportunity for discussion by Board members.

Mr. Davidson cited the following as consent agenda items:

Action Items

- 9.a.(5) Fiscal Year 2003 Athletic Sports Camp Housing and Meal Expenditure
- 9.a.(7) Fiscal Year 2003 Waste Management Contract
- 9.a.(8) International Programs Division Contract Renewal Program
- 9.a.(10) Biological Sciences Research Project
- 9.a.(12) Easements Required by the DeKalb Sanitary District
- 9.a.(13) Easement Required by NICOR
- 9.a.(14) Information Technology Services Computer Lab Upgrade
- 9.a.(15) Swen Parson Hall – Remodeling of Bursar's Office
- 9.a.(18) Request for a New Concentration
- 9.a.(19) Request for a New Minor

Information Items

- 9.b.(3) Periodic Summary Report of Transactions in Excess of \$100,000
- 9.b.(4) Periodic Report on Investments

Items Directly from the President

- 9.c.(1) Summary of Grant and Contract Awards

PRESIDENT'S REPORT NO. 28

Before we move into our action and information items, President Peters said, I would like to take a moment to comment on some of the issues addressed earlier this morning by Chair Sanchez concerning our fiscal status as we enter Fiscal Year 2003. First, as we enter the final quarter of Fiscal Year 2002, NIU and all of Illinois higher education finds itself critically challenged. We have absorbed a

midyear rescission and the imposition of new health care premium responsibilities for a combined reduction of more than \$4.8 million at NIU alone. We have recognized that the solution to our state's financial dilemma is one in which we all must play a part. To that end, we have implemented a number of cost reduction strategies and deferred expense measures to meet this reduction, the President said. I would add at this point, however, that it was clear to us even in November that more bad news was around the corner and that we would not be able to recover our financial stride in FY03. That is why the guidelines I established in November were so important to our basic mission. We knew then that we were probably looking, minimally, at a two-year situation. I cannot say definitively when our budgetary problems will be resolved. Because our state, corporate and other tax structures are indexed to the federal tax structure, and in view of the Federal Economic Stimulus Package that was passed and signed by President Bush, there may be a net loss in tax revenue to the State of Illinois anywhere from \$250 million to \$500 million more than our shortfall anticipates, and that will have to be accommodated in some way.

We need to establish our priorities and return to them regularly, President Peters said, as we make the difficult decisions we must this year and next. Today, I can assure you that we will end our current fiscal year without having to compromise too much on those priorities, although there is pain out there and there is disruption. We have implemented a hiring freeze, deferment of repairs and maintenance projects, and limitations on project and program initiatives in each division of the university. At the same time, we have implemented some innovative, money-saving programs that you have heard about in earlier meetings, extensive energy saving initiatives involving performance contracts, utility use forecasting, and purchase of natural gas directly at the wellhead. These programs along with slightly higher revenues from increased enrollment and an unusually mild winter allowed us to offset a significant portion of the FY02 rescission. However, as we look ahead to FY03, the President said, we find ourselves much more challenged. Under the recently released budget recommendations now before the legislature, the FY02 rescission is made permanent, another health insurance contribution is required and the university must still address unavoidable cost increases associated with utility increases, liability insurance and bringing on new academic buildings. All told, we are going to have to make up a shortfall of about \$9 million to \$10 million. We cannot rely on the one-time savings that I mentioned to address what is a permanent base reduction. Professor Willis mentioned the e-mail that I sent out campuswide, Dr. Peters said. As I had my hand on the send button to send out thousands of e-mails to let people know we had a \$10 million problem and that sacrifice on all parts was required, it was a moment of extreme anxiety for me. But later, as I was sitting in my office, I received a barrage of responses. Within a period of two hours, I probably had as many as 150 responses. Trustees, I want to tell you how gratifying the responses were. There were some people, obviously, who were extremely upset, and rightfully so. But most of our staff and faculty and some students e-mailed back saying: We are with you, we understand. And that was a great moment for me because it let us all go on from there to try to solve this problem.

A shortfall of this magnitude cannot be made up from any one source, the President said. It requires what we have called the shared response strategy that distributes the burden as equally as possible across the institution. Again,

with our guiding principles being those of, first and foremost, maintaining quality, access and affordability, we have developed a response that relies on significant cutbacks in each university division. For the first time in many years, today I have requested a significant tuition increase. I have asked each of my vice presidents to construct budget reduction plans in their divisions and to forward them to me for approval, President Peters said. In general, we are striving to absorb these cuts in the following ways. By cutting positions but, hopefully, not people, primarily through attrition and not filling open positions except in the highest priority areas. When we do replace people, they will be replaced at the entry level rather than at the senior level. This does damage to an institution because we are already particularly thin in terms of our faculty resources. Deferred maintenance will be put off. Equipment, repair and maintenance will be put off. We will reduce travel, commodities and contractual service expenses.

In order to avoid major disruptions on campus, President Peters continued, our plan to meet budgetary challenges requires that a portion of the burden be addressed through a tuition increase. None of us likes to recommend higher tuition rates. We have been blessed at NIU with excellent financial management that allowed us over the years to keep tuition increases at very minimum levels, usually at the CPI or below. Compared with past years, this year's recommended increase is higher than average, but it still remains, in our judgment, within the affordable category, particularly given increased dollars available throughout the Illinois Student Assistance Commission (ISAC). That part of the state budget was not cut, he said, in fact, it increased by about \$10 million. So that would offset some of the tuition increases we see across the state of Illinois. The demand for an NIU degree continues to increase each year, and we have worked very hard to accommodate the growing expectations of our service region, which increase every day. Quality is a term that takes on very real and tangible human form in higher education. It is all about our people, and we must do all we can to protect and maintain it. As you know, the President said, I have made salary competitiveness a very high priority in my administration. It was very difficult for me, weeks ago, to have to tell the campus in that that it does not appear, at this point, that we will be able to fund an annual salary increase for FY03. This is very painful. Most of you know that I have a good deal of unhappy experience with budget cuts from my seven years at the University of Tennessee, and before that, my years at the University of Nebraska, and I can tell you from experience that an institution can deal with a cut of a one- or two-year duration. What I worry about are cuts over the course of several years that can do tremendous damage to a great institution that has been built up over the years. But, I am hopeful at this juncture that we will not reach that point.

There are signs that our economy is turning around both nationally and in Illinois, the President said, and I am hopeful that we will be able to weather this storm without layoffs, salary reductions or any major academic program disruptions. I have pledged to our faculty, staff and students that I will be open and honest about our shared dilemma. The responses I have received thus far have been encouraging, he said, and for the most part, members of our campus community are supportive of our priorities and our shared response approach. I thank each and every one of you for your advice and counsel as we have gone through this, President Peters said. Our challenges are daunting, and we appreciate your stewardship and support.

UNIVERSITY RECOMMENDATIONS FORWARDED BY THE BOARD COMMITTEES

Agenda Item 9.a.(1) – Fiscal Year 2003 Student Fee Recommendations

President Peters referred the Board members to a list of all the fees and recommendations. Some of those fees had been previously approved. There is a renegotiated 9.84 percent increase in the student health insurance contract, which is a significant amount. But with rising healthcare costs, this is the best negotiation we could receive. That means healthcare costs for a student are in the \$182 a semester range. On a personal note, the President said, I recently wrote a check for my son's student health insurance at another university, and it was just under three times that amount. So, this is expensive, but it is a good contract. Also, even though the recommendations come to me well thought out, he added, this year because some salary increases were built into those fees, I reduced them. Chair Sanchez asked for a motion to approve the FY03 student fee recommendations. Trustee Boey so moved, seconded by Student Trustee Alaniz. The motion was approved.

Agenda Item 9.a.(2) – Fiscal Year 2003 Room and Board Rate Recommendations

Our changes in room and board represent an approximate 4.8 percent increase, President Peters said, and the changes represent a 3 percent net effect in the standard room and board rates when combined. No increases were requested in the meal plans this year. Based on an analysis of rates at other institutions, NIU's room and board rates are among the lowest in the state, he said, and are among the lowest in the Mid-America Athletic Conference. Chair Sanchez asked for a motion to approve the FY03 room and board rate recommendations. Trustee Adduci so moved, seconded by Trustee Boey. The motion was approved.

Agenda Item 9.a.(3) – Regional Delivery Fees for Programs in Liberal Arts and Sciences

These delivery fees are for regional programs in Liberal Arts and Sciences. One is a \$175 per credit hour fee for courses in undergraduate computer science. The College of Liberal Arts and Sciences also recommends a \$50 per credit hour fee for courses in other disciplines in the college. Chair Sanchez asked for a motion to approve regional delivery fees for programs in Liberal Arts and Sciences. Student Trustee Alaniz so moved, seconded by Trustee Adduci. The motion was approved.

Agenda Item 9.a.(4) – Fiscal Year 2003 Tuition Recommendations

After a tremendous amount of careful study and in view of our Shared Response Plan, President Peters said, we have tried to keep our needed tuition increase as low as possible to do the least possible damage to the institution and to not pass the costs on to students and their parents. Therefore, we are recommending a tuition increase for a full undergraduate load of 12 hours and the comparable graduate and professional rates of about \$125 a semester. This works out to about 8.75 percent tuition increase. There has been a lot of discussion about this, he said. We wish it could be less. But it is not double digit, nor is it as devastating as many of the tuition increases we see appearing across the

country. And we are going to do all we can to always keep our tuition rates low. Chair Sanchez asked for a motion to approve the FY03 tuition increases. Trustee Boey so moved, seconded by Student Trustee Alaniz. The motion was approved.

Agenda Item 9.a.(5) – Fiscal Year 2003 Athletic Sports Camp Housing and Meal Expenditure

Consent Agenda item.

Agenda Item 9.a.(6) – Fiscal Year 2003 Student Accident and Sickness Insurance Contract

The fee for Fiscal Year 2003 student accident and sickness insurance contract was included in the approval of student fees, the President said, and now we have to approve the contract. This is a request for Board authority to enter into our insurance contract not to exceed \$4 million. Chair Sanchez asked for a motion to approve the FY03 student accident and sickness insurance contract. Trustee Adduci so moved, seconded by Trustee Vella. The motion was approved.

**Agenda Item 9.a.(7) – Fiscal Year 2003 Waste Management Contract
Agenda Item 9.a.(8) – International Programs Division Contract Renewal**

Consent Agenda items.

Agenda Item 9.a.(9) – Barsema Hall Furniture, Fixtures and Equipment

This is a request to establish a budget in order to begin the purchase of furniture, fixtures and equipment for Barsema Hall not to exceed \$4,950,950. It is recommended within the Governor's budget to fund this at the level of about \$4 million, the President said, and is very high on the list. We have every expectation that it will receive the approval of the legislature and be signed by the Governor. President Peters asked Dean Graf to make a few comments.

We are pretty excited about the Barsema's making the gift of a new building for the College, Dean Graf said, but most of you realize that this is just the start. There are many other hurdles to overcome before we can get the building up and running. I want to take this opportunity on behalf of the College of Business to thank the Board of Trustees, President Peters and Executive Vice President Williams for all they have done in moving forward and making sure that we are able to move into a splendid building. We have done our share over the years in trying to keep our current building one that Health and Human Sciences (HHS) can move into and have a good facility, but there is still a lot to do. I noticed there is an item on the agenda for technology, which is very important to the building, so I also want to thank Wally Czerniak, Associate Vice President for Information Technology Services. I also want to thank Mike Malone and his staff for everything that they have done in the past and for the future. A lot of publicity goes along with this and that has really moved the college forward in the eyes of the community. Finally, we are working with Mallory Simpson to try to establish some endowments that will complement the building and the college over the years. I want to thank you all on behalf of the college the dean concluded.

Chair Sanchez asked for a motion to approve the budget for Barsema Hall furniture, fixtures and equipment. Trustee Vella so moved, seconded by Trustee Siegel. The motion was approved.

I am excited about the new building too, Trustee Siegel said, because we are receiving a double bonus from the Barsema gift. The other aspect is the fact that HHS has been spread all over the campus, and now we will have the benefit of seeing that college consolidated into fewer buildings.

Agenda Item 9.a.(10) – Biological Sciences Research Project

Agenda Item 9.a.(11) – Easements Required by the DeKalb Sanitary District

Agenda Item 9.a.(12) – Easement Required by NICOR

Agenda Item 9.a.(13) – Information Technology Services Computer Lab Upgrade

Agenda Item 9.a.(14) – Swen Parson Hall – Remodeling of Bursar’s Office-Capital Project Approval

Consent Agenda items.

Agenda Item 9.a.(15) – West Campus Access Road

The development of our far West Campus is proceeding with our convocation center and our Family Violence Center, the President said, and it is now time to establish a budget to put a road through. Therefore, I am asking Board approval to establish a budget at the level of \$773,000 for that road project. Funding includes university funds in addition to anticipated grants administered through the Illinois Department of Commerce and Community Affairs. Chair Sanchez asked for a motion to approve the West Campus access road. Trustee Vella so moved, seconded by Trustee Boey. The motion was approved.

Agenda Item 9.a.(16) – Recommendations for Faculty Promotions, Tenure, and Promotions with Tenure for 2002-2003

Besides tuition and other issues of concern to the Board, President Peters said, approving individuals who have been recommended by their departments, their colleges and the university for tenure and promotion at Northern Illinois University is probably the most important thing the Board does annually. When Dr. Legg came on board, I asked him to make sure that we have the best process and the highest standards possible. He has now been through the cycle and assures me that he is well pleased with the procedures and the recommendations. Chair Sanchez asked for a motion to approve the recommendations for faculty promotions, tenure, and promotions with tenure for 2002-2003. Trustee Vella so moved, seconded by Trustee Boey. The motion was approved.

Agenda Item 9.a.(17) – Recommendations for Faculty and Supportive Professional Staff Sabbatical Leaves for the 2002-2003 Academic Year

The sabbatical leave program is a very good one, the President said, and I want to thank the Board on behalf of the faculty and staff for your support on maintaining this wonderful program, which pays great dividends in refreshing and renewing our faculty and staff. Chair Sanchez asked for approval of the

recommendations for faculty and supportive professional staff sabbatical leaves for the 2002-2003 academic year. Trustee Adduci so moved, seconded by Student Trustee Alaniz. The motion was approved.

Agenda Item 9.a.(18) – Request for a New Concentration

Agenda Item 9.a.(19) – Request for a New Minor

Consent Agenda items.

Agenda Item 9.a.(20) – NIU Tax-Deferred Compensation Plan Amendment

The NIU Tax-Deferred Compensation Plan is an amendment to our Board of Trustees *Regulations*. The President asked Steve Cunningham to give a brief explanation of the amendment. This proposed amendment to Board *Regulations* would allow the university to enter into agreements with our tax-deferred compensation companies to add 457(b) options to the existing 403(b) options, Mr. Cunningham explained. This was an option created under the Economic Growth and Tax Reconciliation Act of 2001. That act is very beneficial for employees of higher education, especially public higher education, with respect to tax-deferred compensation. It doubles the capacity of employees to defer compensation on a pretax basis as well as offers additional rollover options from 403(b) accounts and 457 accounts to purchase retirement credit. State employees are eligible to participate in 457(b)'s and 403(b)'s under the Tax Act. Chair Sanchez asked for a motion to approve the NIU Tax-Deferred Compensation Plan Amendment. Trustee Siegel so moved, seconded by Trustee Adduci. The motion was approved.

UNIVERSITY REPORTS FORWARDED FROM THE BOARD COMMITTEES

Agenda Item 9.b.(1) – Fiscal Year 2002 Budget Status Report

Agenda Item 9.b.(2) – Fiscal Year 2003 Priority List

Agenda Item 9.b.(5) – Taxpayer Relief Act of 1997 – Final Status Report

President Peters brought the attention of the Board to the above listed reports, which were covered in his introductory remarks and which had been discussed thoroughly in the Committee meetings.

Agenda Item 9.b.(3) – Periodic Summary Report of Transactions in Excess of \$100,000

Agenda Item 9.b.(4) – Periodic Report on Investments

Consent Agenda items.

ITEMS DIRECTLY FROM THE PRESIDENT

Agenda Item 9.c.(1) – Summary of Grant and Contract Awards

Consent Agenda items.

NEXT MEETING DATE

Chair Sanchez announced that the next meeting of the Board of Trustees is scheduled for Thursday, June 20, 2002.

ADJOURNMENT

There being no Other Matters, Chair Sanchez asked for a motion to adjourn. Trustee Siegel so moved, seconded by Student Trustee Alaniz. The motion was approved. The meeting was adjourned at approximately 12:05 p.m.

Respectfully submitted,

Sharon M. Mimms
Recording Secretary

FISCAL YEAR 2003 STUDENT FEE RECOMMENDATIONS

Summary: The university has several activities, programs, services and operations that are supported to various degrees by the assessment of student fees. The following table provides a summary of proposed FY03 rates resulting from recommendations received and evaluated by the President. These recommendations are developed through a representative process involving subcommittees (consisting of student representatives and staff) for each major fee category. The subcommittees are responsible for evaluating and subsequently developing the fee recommendation that is forwarded to the President. While the average aggregate increase reflected in the table is 4.74 percent, it includes a net increase of \$0.65 in the Bond Facilities Fee, which was previously approved by the Board in 1997 and 1999. In addition, the fee recommendations include a 9.84 percent increase in the Student Health Insurance contract based on negotiations with the insurance carrier given the current market and claim experience. Excluding these two fees, the increases recommended for approval represent a maximum average of 2.49 percent. An executive summary is provided detailing each fee area and the recommended fee rate.

Recommendation: The university requests approval of the recommended FY03 student fee rates as presented.

**FISCAL YEAR 2003 RECOMMENDATIONS
PER CREDIT HOUR COSTS
(Including Preapproved Fees)**

| FEE | CURRENT FEE | | RECOMMENDED INCREASE/DECREASE | | PROPOSED FEE | | PERCENT INCREASE/DECREASE |
|---|-----------------|--------------------------|-------------------------------|-----------------|----------------------|---------------------------------------|---------------------------|
| | Per Credit Hour | @12 Credit Hours or More | Per Credit Hour | Per Credit Hour | Per Credit Hour | @12 Credit Hours or More | |
| ACTIVITY | | | | | | | |
| Undergraduate | 3.15 | 37.80 | 0.03 | 3.18 | 38.16 | 0.95% | |
| Graduate | 135 | 16.20 | 0.01 | 136 | 16.32 | 0.74% | |
| Professional | 2.04 | 24.48 | 0.02 | 2.06 | 24.72 | 0.98% | |
| ATHLETICS | 10.88 | 130.56 | 0.50 | 11.38 | 136.56 | 4.60% | |
| BOND REVENUE | 23.04 | 276.48 | 0.99 | 24.03 | 288.36 | 4.30% | |
| <i>Bond Facilities</i> | <i>13.54</i> | <i>162.48</i> | <i>0.34</i> | <i>13.88</i> | <i>166.56</i> | <i>2.51%</i> | |
| <i>West Campus</i> | <i>4.50</i> | <i>54.00</i> | <i>-0.10</i> | <i>4.40</i> | <i>52.80</i> | <i>-2.22%</i> | |
| <i>Convocation Center</i> | <i>5.00</i> | <i>60.00</i> | <i>0.75</i> | <i>5.75</i> | <i>69.00</i> | <i>15.00%</i> | |
| BUS | 4.92 | 59.04 | 0 | 4.92 | 59.04 | 0.00% | |
| HEALTH INSURANCE (Full-Time Students Only) | -- | 165.70 | -- | -- | 182.00 | 9.84% | |
| HEALTH SERVICE | 6.81 | 81.72 | 0.13 | 6.94 | 83.28 | 1.91% | |
| GRANTS-IN-AID | 0.43 | 5.16 | 0 | 0.43 | 5.16 | 0.00% | |
| STUDENT-TO-STUDENT GRANT | 0.38 | 4.50 | 0 | 0.38 | 4.50 | 0.00% | |
| LAW | 1.76 | 21.12 | 0 | 1.76 | 21.12 | 0.00% | |
| GRADUATE COLLOQUIUM | 1.63 | 19.56 | 0 | 1.63 | 19.56 | 0.00% | |
| TOTAL IF REGISTERED FOR 12 OR MORE SEMESTER CREDIT HOURS | | | | | | | |
| | | 2001-02 Per Semester | | | 2002-03 Per Semester | Amount/Percent Increase or (Decrease) | |
| UNDERGRADUATE | | 760.96 | | | 797.06 | \$36.10 4.74% | |
| GRADUATE | | 754.42 | | | 790.28 | \$35.86 4.75% | |
| PROFESSIONAL | | 764.26 | | | 800.24 | \$35.98 4.71% | |

FY03 STUDENT FEE RATES Executive Summary

Recommended fee increases apply to undergraduate, graduate and professional students. This distinction has been noted in those instances where fees differ between the groups. Health Insurance and Student-to-Student Grants are flat fees; all other fees are assessed at a per credit hour rate through the first twelve credit hours. The Health Insurance Fee is assessed to all students enrolled in nine or more semester hours, but is refundable upon proof of comparable health insurance. References to annual fee increases assume enrollment in at least twelve credit hours per semester and enrollment for the academic year – that is, during both the fall and spring semesters, but not summer session.

Activity Fee

The Student Association recommends allocations from collected Activity Fees, which are used to support student organizations, activities and programs including concerts, films, speakers, etc. The fees collected from undergraduate, graduate and professional students vary. **The Activity Fee Committee is recommending a less than 1.0% increase to support additional allocations to student organizations.**

Undergraduate: \$3.18 per credit hour

Graduate: \$1.36 per credit hour

Professional: \$2.06 per credit hour

Athletic Fee

Intercollegiate Athletics maintains nineteen sports (8 men's and 11 women's) at the NCAA Division I-A level. Two women's sports were added during Fiscal Year 2001 in order to meet the Commitment to Resolve with the Office of Civil Rights. The Athletic Fee is the primary source of fiscal support for Intercollegiate Athletics. In order to address anticipated increases, primarily 5.5% in the costs of grants-in-aid to student athletes, **an Athletic Fee increase of \$0.50 (from \$10.88 to \$11.38) per credit hour, 4.6%, is recommended.**

Revenue Bond Fees

Revenue Bond Fees are used to support facilities and operations that have been established through the issue of revenue bonds. The recommended FY03 bond fee rates, along with prudent budget management, would provide for an increase of up to 3.00% for utilities, 3.00% for general price increases, and other related operating costs. Included in these fees are the 1996 Bond Series and the 1999 Bond Series fees. The 1996 Bond Series (West Campus Improvements) bond fee structure was established in 1997 and initiated in FY98 at an initial rate of \$1.50 per credit hour. The approved structure provided a specific schedule for 1996 Bond Series fees through calendar year 2022; therefore, a decrease of \$0.10, from \$4.50 to \$4.40 per credit hour, is included in the overall bond fee package. The 1999 Bond Series (Convocation Center) bond fee structure was established in 1999 and initiated in FY00 at an initial rate of \$2.50 per credit hour. The approved structure provided a specific schedule for 1999 Bond Series fees

through FY03; therefore, an increase of \$0.75, from \$5.00 to \$5.75, per credit hour is also included in the overall bond fee package. **The FY03 recommended bond fee package is an increase of \$0.99, from \$23.04 to \$24.03, per credit hour, a 4.3% increase.**

Holmes Student Center – An increase of \$0.27 (3.52%), from \$7.67 to \$7.94 per credit hour is recommended.

Recreation Center – An increase of \$0.06 (1.88%), from \$3.20 to \$3.26 per credit hour is recommended.

Field House and Stadium – No increase is recommended.

FY96 Bond Series (West Campus Improvements) – The previously approved fee decrease of \$0.10, from \$4.50 to \$4.40 (-2.22%), per credit hour is included.

FY99 Bond Series (Convocation Center) – The previously approved fee increase of \$0.75, from \$5.00 to \$5.75 (15.00%), per credit hour is included.

Student Bus Service Fee

The Bus Fee supports the university's Huskie Line bus and Freedom Mobile paratransit services. All fee-paying students are eligible to utilize Huskie buses without being charged fares. Currently, the Bus Fee is \$4.92 per semester credit hour for the academic year and \$1.64 per semester credit hour for the summer session. **The Bus Fee Review Committee recommends no increase in the bus fee for either the academic year or the summer session.**

Health Insurance Fee

The student health insurance plan provides comprehensive medical insurance for students and their dependents. The Health Insurance fee is a flat fee, which provides coverage for all students registered for nine or more credit hours of on-campus instruction, unless proof of comparable health insurance coverage is provided. It should be noted that Spring Semester enrollment in the plan includes summer coverage regardless of whether the student is registered for summer session instruction. This coverage assures year-round health insurance coverage for participating students. **The Student Health Insurance Fee Review Committee is recommending acceptance of the quote offered by Mega Life Insurance Company/Student Resources and a \$16.30 per semester increase in the Health Insurance Fee, from \$165.70 to \$182.00, a 9.8% increase.** A significant factor contributing to the increase is health insurance cost trending, which is anticipated to range from 12.00% to 15.00% for the year 2002.

Health Service Fee

The Health Service Fee supports the University Health Service, which provides comprehensive ambulatory health care and health education for students while the university is in session. **An increase of \$0.13 from \$6.81 to \$6.94 per semester credit hour is recommended for the Health Service Fee, a 1.91% increase.** The increase is needed primarily to support equipment purchases.

Grants-in-Aid Fee

The Grants-in-Aid Fee supports the University Scholar and Academic Finalist Awards Program, a scholarship-based financial aid program. It is the only major academically focused scholarship program available at Northern Illinois University for outstanding incoming new freshmen and community college transfers. **The Student Financial Aid Office is not recommending an increase of the current fee rate.**

Student-to-Student Grant

Revenue collected from the Student-to-Student Grant Fee is matched by the State of Illinois and supports a need-based financial aid program for economically disadvantaged students. The fee is assessed only to undergraduate students registered for twelve or more credit hours of on-campus instruction and is refundable upon request. **The fee is presently at the ISAC statutory maximum of \$4.50 per semester. Therefore, the Student Financial Aid Office is not recommending an increase of this fee.**

Law Fee

The Law Fee supports activities of the Student Bar Association and is assessed to College of Law students only. **The fee is currently \$1.76 per credit hour. The College of Law is not recommending an increase.**

Graduate Colloquium Fee

The Graduate Colloquium Fee supports programs offered as part of the Graduate Colloquium Services. It is assessed to graduate students only. **Currently, the Graduate Colloquium Fee is \$1.63 per credit hour. No increase is recommended.**

FISCAL YEAR 2003 ROOM AND BOARD RATE RECOMMENDATIONS

Summary: The collection of room and board fees from students living in university residence halls supports Student Housing and Dining Services operations and related Revenue Bond obligations. Room rate recommendations for FY03 address anticipated increased Physical Plant and utility costs, payments to the equipment and maintenance reserves, and increased debt service payments for residence hall improvements. Room and board rate recommendations do not reflect any significant program changes. The Room and Board Rate Review Committee is recommending an increase in room rates of 4.8 percent a zero percent increase in board rates. The change in rates applies to all residence halls assuming purchase of the minimum board plan buy-in (Gold Plan). **These changes represent a 3.00 percent net effect in the standard room and board rates when combined.** The Committee is also recommending an average 5.0 percent increase in University Apartment rates with no required board plan buy-in. A summary is provided to detail each residence hall room rate and board plan with their corresponding increases/decreases.

Recommendation: The university requests approval of the recommended FY03 room and board rates and University Apartment rates as presented.

FY03 RESIDENCE HALL ROOM AND BOARD RATES

Room and board fees provide funds to support the operation of campus residence halls. Increases recommended in Room Rates are required to offset various cost increases and to support new features and services designed to enhance resident satisfaction and retention. Recommended room rates reflect average increases of 4.8 percent for all residence halls. Board rates reflect a zero percent increase for the minimum buy-in plan. With the combination package of the increased room rates and decreased board rates (using the minimum Dining Dollars Plan), the overall net affect is between 3.0 percent and 3.5 percent for all residence halls in rates for FY03.

| <u>Residence Hall</u> | <u>FY02</u> | <u>FY03</u> | <u>\$ Increase</u> | <u>% Change</u> |
|---|-------------|-------------|--------------------|-----------------|
| Grant Double | 1,331 | 1,395 | 64 | 4.8 |
| Grant Single | 2,135 | 2,237 | 102 | 4.8 |
| Stevenson Double | 1,398 | 1,465 | 67 | 4.8 |
| Stevenson Single | 2,185 | 2,290 | 105 | 4.8 |
| Stevenson Suite w/o Bathroom | 1,922 | 2,014 | 92 | 4.8 |
| Stevenson Suite w/Bathroom | 2,082 | 2,182 | 100 | 4.8 |
| | | | | |
| Low Rise Double - Neptune | 1,335 | 1,399 | 64 | 4.8 |
| Low Rise Double - Lincoln/Douglas | 1,313 | 1,376 | 63 | 4.8 |
| Low Rise Single | 2,115 | 2,217 | 102 | 4.8 |
| Low Rise Triple | 1,284 | 1,346 | 62 | 4.8 |
| Low Rise Suite | 1,826 | 1,914 | 88 | 4.8 |
| | | | | |
| Apartments | | | | |
| Small Studio (per month) | 413 | 433 | 20 | 5.0 |
| Large Studio (per month) | 453 | 475 | 22 | 5.0 |
| | | | | |
| Winter Break Fee | 100 | 100 | -- | -- |
| Spring Break Fee | 30 | 30 | -- | -- |
| | | | | |
| <u>Board Rates</u> | | | | |
| Dining Dollar Plan—Gold (minimum buy-in) | 800 | 800 | -- | -- |
| Dining Dollar Plan—Platinum | 1,200 | 1,200 | -- | -- |
| Dining Dollar Plan—Titanium | 1,600 | 1,600 | -- | -- |

**REGIONAL DELIVERY FEES
for Programs in Liberal Arts and Sciences**

Summary: The College of Liberal Arts and Sciences has offered three degrees at regional sites for many years: the MS in Computer Science, the Master of Public Administration, and the Bachelor of General Studies. The growing population of adult students seeking undergraduate degree-completion programs at times and places convenient to their work and family life is putting increasing pressure on the college to expand its offerings throughout the northern Illinois region. As evidenced by the \$175/credit hour fee currently in place for the graduate program in computer science, courses in this field are costly to deliver. Costs associated with courses in the Bachelor of General Studies program vary by discipline, but all are affected by the intensive advising which is required to assist students in articulating their previous education with NIU's degree programs and courses. In addition, the college is attempting to develop innovative delivery methods, to communicate more consistently with regional students, and to provide more courses in weekend and compressed formats. In order to offset some of the costs associated with these efforts, the college proposes that the \$175/credit hour fee currently charged for courses in the graduate program in computer science be extended to courses in the undergraduate computer science program as well. In addition, the college recommends a \$50/credit hour fee for courses in its other regionally delivered degree programs. Even with the addition of the proposed fees, the college's regional courses will continue to be delivered at a cost per credit hour that is well below that of private colleges in the area.

Recommendation: The university requests Board approval of the requested Regional Delivery Fees as described.

FISCAL YEAR 2003 TUITION RECOMMENDATIONS

Summary: Each year the university is charged to carefully review and evaluate tuition charges in order to recommend tuition rates which will generate adequate resources necessary to support the quality of academic programs and services provided and yet remain consistent with the university commitment to affordability and access. This year the tuition rate analysis was very complicated due to the present economic uncertainties of the state's budget. As a result, the university reviewed all of its internal budgets, as well as the impact of the current year's budget reduction in relationship to the overall FY03 budget picture.

The university has now received sufficient information to establish the potential impact of the state's economic status on NIU's FY03 budget. In particular, the NIU FY03 appropriation would potentially result in an appropriation that is \$3,997,600 less than the original FY02 appropriation. The recommendation also indicates that each university will have to make an FY03 contribution to the State Health Insurance Program to cover escalating insurance costs. Northern's FY02 contribution to the State Health Insurance Program is \$3,541,300. It is anticipated that the FY03 contribution will be equal to this amount. Furthermore, funds are required to provide operations and maintenance support for Barsema Hall and the Family Violence Center, to cover projected utility and insurance increases, and to provide additional academic support to accommodate the projected FY03 enrollment and course demand distribution.

As a result of evaluating these factors, the university recommends a \$125 per semester tuition increase for an undergraduate student taking 12 hours (8.75%). This increase will be prorated to each tuition rate (undergraduate, graduate and law). The recommended credit hour rate schedule is summarized in the attached table. This schedule is consistent with current policy which reflects decreasing tuition rates per undergraduate credit hour thus encouraging undergraduate students to register for more hours in order to graduate within four years.

In addition, the university recommends summer tuition rates consistent with the proposed increase:

- Undergraduate:* \$129.41 per credit hour up to 12 hours; no additional charge beyond 12 hours
- Graduate:* \$147.63 per credit hour up to 12 hours; no additional charge beyond 12 hours

The funds generated by the tuition increase will partially address the identified FY03 budget reduction requirements. The remaining funds required will be generated through permanent base budget reductions across the campus, thus affecting all units of the university. The combination of the tuition increase and base budget reductions should allow the university to generally operate without

major disruption of student academic programs and services and without potential layoffs, salary reductions or furloughs.

This tuition recommendation is consistent with the university's commitment to affordability and access.

Recommendation: The university requests approval of the Fiscal Year 2003 tuition increases as presented.

FISCAL YEAR 2003 TUITION SCHEDULE

| | <u>Hours Taken</u> | <u>Current Tuition Rate Per Credit Hour</u> | <u>New Tuition Rate Per Credit Hour</u> |
|----------------------|--------------------|---|---|
| Undergraduate | 1-5 | \$123.25 | \$134.03 |
| | 6-8 | \$122.25 | \$132.95 |
| | 9-11 | \$121.25 | \$131.86 |
| | 12 | \$119.00 | \$129.41* |
| | 13 | \$117.00 | \$127.24 |
| | 14 | \$113.75 | \$123.70 |
| | 15 | \$109.75 | \$119.35 |
| | 16+ | \$107.50 | \$116.91 |
| Graduate | Per hour** | \$135.75 | \$147.63 |
| Law | Per hour** | \$265.00 | \$288.19 |

*Note: A full-time undergraduate student taking 12 semester hours at the new tuition rate will pay an additional \$125 per semester

** Maximum number of hours charged to graduate/law students per semester is 12.

**FISCAL YEAR 2003 ATHLETIC SPORTS CAMP
HOUSING AND MEAL EXPENDITURE**

Summary: Intercollegiate Athletics operates summer sports and cheerleader camps for participants up to 18 years of age. Some campers are provided housing and meals, while others commute and receive only meal services. The camps, which are very popular among high schools in Illinois, are entirely self-funded from fees charged to campers for services provided.

Camps offered include boys' and girls' basketball, football, boys' and girls' soccer, softball, swimming, boys' and girls' tennis, boys' and girls' volleyball, wrestling, cheerleading and athletic training. These camps begin the first week of June and are offered at various times throughout the summer, ending the third week of August.

These summer programs have been successful, and it is anticipated that attendance this summer will equal or exceed that of last year. This year the Athletic Department will again utilize university residence halls, dining services, recreational facilities and meeting rooms.

Recommendation: The university requests approval of expenditure authority for FY03 as follows:

Student Housing and Dining Services Not to exceed \$400,000

**FISCAL YEAR 2003 STUDENT ACCIDENT AND
SICKNESS INSURANCE CONTRACT**

Summary: University Health Services provides group health insurance, funded by student fees, to students and their families. The semester rate of \$182 is included in the FY03 fee recommendations. Approximately 50 percent of eligible students choose to participate in the student insurance program.

The decision to renew the contract is based on negotiations between the vendor and the Student Health Insurance Committee, composed of students and staff. The rates for FY03 will be 9.8 percent over last year; this negotiated rate was determined by claims experience, cost trends in the health care industry, student participation, and adjustments in levels of coverage provided. This renewal will not involve any change in benefit design or plan structure for FY03.

Recommendation: The university requests approval of expenditure authority for FY03 as follows:

Mega Life - St. Petersburg, FL Not to exceed \$4,000,000

**FISCAL YEAR 2003 WASTE MANAGEMENT CONTRACT
REMOVAL OF WASTE AND RECYCLING MATERIALS FROM NIU CAMPUS**

Summary: The university has a contract with Waste Management West for the collection and disposal of solid waste and the recycling of paper, cans, glass and mixed recyclables. All NIU-owned campus facilities and rented properties are serviced by this contract. FY03 will be the fourth year of the five option years included in the bid. All terms, conditions and pricing remain the same as FY02.

Recommendation: The university requests approval of an open order for FY03 as follows:

Waste Management West - Batavia, IL \$400,000

**INTERNATIONAL PROGRAMS DIVISION
CONTRACT RENEWAL**

Summary: Northern Illinois University's International Programs Division is given an annual authorization for expenditures for foreign study programs. All expenditures are made from payments received from the approximately 600 students expected to enroll in these programs. Costs include travel, overseas instructional and administrative services, room and board, and local tuition. Expenditures never exceed revenues. Once program enrollments are determined, payments are made immediately to secure and guarantee registration, accommodations and other program-related costs.

Due to the many variables, including actual number of enrollees in each program, program choices and currency fluctuations, the amount of authorization needed for specific programs is unpredictable. This limits the university's ability to request such authorizations for specific programs and groups in a timely manner. Overall, the university does not expect the program level to fluctuate significantly from FY02. All funds and disbursements remain subject to university accounting controls and management.

Recommendation: The university requests approval of expenditure authority for FY03 as follows:

Various Vendors..... Not to Exceed \$3,000,000

BARSEMA HALL FURNITURE, FIXTURES AND EQUIPMENT

Summary: The Barsema Hall construction project is scheduled for completion in July 2002, just in time for the 2002 fall semester. In order to begin to plan ahead for the occupancy of the College of Business, one of the major issues that must be addressed is the purchase of necessary moveable furniture, fixtures and equipment (FF&E) for the facility. The College of Business, as well as the development team, has established a comprehensive list of FF&E needs. The comprehensive list has been divided into two phases so that the university can move forward with some purchases of FF&E to prepare for the Fall 2002 semester prior to the release of funds from state appropriations. It is anticipated that state funds would be available to reimburse the university for up-front expenditures and then be available for Phase II needs. Following are the proposed phases:

| | |
|---|--------------------|
| Phase I – Instructional, public and computer spaces | \$2,050,000 |
| Phase II – Office, support services, and additional classrooms and lab spaces | <u>\$2,900,950</u> |
| Total from State Appropriations (Not to exceed): | \$4,950,950 |

Recommendation: The university requests approval of a not to exceed \$4,950,950 budget for the purchase of Phase I and Phase II furniture, fixtures and equipment for Barsema Hall. The source of funds includes state appropriations and university funds.

BIOLOGICAL SCIENCES RESEARCH PROJECT

Summary: The Department of Biological Sciences received a grant from the National Institute of Health and will subcontract a portion of the work to Yale University School of Medicine for a study entitled "Long-term Outcomes of Childhood Onset Epilepsy." The subcontracted work will include recruiting, interviewing and monitoring participants in this project and will also provide for the services of several consultants as well as miscellaneous costs of program operations and supplies.

Recommendation: The university requests approval of expenditure authority for the balance of FY02 and FY03 through December 2002 as follows:

Yale University School of Medicine
Department of Neurology - New Haven, CT..... \$466,968

**EASEMENTS REQUIRED BY THE DEKALB SANITARY DISTRICT
FOR THE NIU STORM WATERWAY IMPROVEMENT PROJECT**

Summary: Prior to EPA permit approval by the DeKalb Sanitary District for the NIU Storm Waterway Improvement project, NIU must grant an easement twenty feet in width to the DeKalb Sanitary District for the applicable portions of the proposed re-route of the District's 12-inch sanitary line on Lincoln Terrace. The easement is to be exclusive in nature; however other utilities can cross in perpendicular fashion.

Easement # 1

An easement, for sanitary sewer purposes, hereby granted over, under, upon and being the northerly 20.00 feet of lots 4, 5, 6 and 7 of Corey's subdivision (a subdivision of lots 3, 4 and 5 in block 3 in Normal Park addition to the City of DeKalb, Illinois) according to the plat recorded in book "G" of plats, page 1 on October 13, 1931, all in the City of DeKalb, DeKalb County, Illinois.

Easement # 2

An easement, for sanitary sewer purposes, 20.00 feet in width, in that part of assessor's lots of section 22, township 40 north, range 4 east of the third principal meridian, is hereby granted over, under, upon and being 10.00 feet on each side of the following described centerline: commencing at the intersection of the north line of Lincoln Highway and the east line of Normal Road; thence northerly, along said east line, 240.28 feet for a point of beginning; thence easterly, at an angle of 89°59'49", measured counterclockwise from the last described course, 76.50 feet; thence northeasterly, at an angle of 139°40'27", measured clockwise from the last described course, 112.81 feet; thence continuing northeasterly, at an angle of 173°54'42", measured counterclockwise from the last described course, 87.07 feet; thence northerly, at an angle of 103°58'53", measured clockwise from the last described course, 77.00 feet for a point of termination of said centerline, all in the City of DeKalb, DeKalb County, Illinois.

Recommendation: The university requests Board of Trustees approval to grant new easements as described above to the DeKalb Sanitary District.

**EASEMENT REQUIRED BY NICOR
FOR THE CONVOCATION CENTER**

Summary: Natural gas service to the new convocation center is a required utility for the operation of the facility. NIU must grant an easement ten feet in width and approximately 1,262 feet in length to NICOR for their service line that connects the convocation center to the gas main at Lincoln Highway. The legal description is as follows:

Proposed Gas Main Easement of part of the West half of the Northwest Quarter of Section 21, Township 40 North, Range 4 East of the Third Principal Meridian, more particularly bounded and described as follows, to wit:

Commencing at the Intersection of the North Right-of-Way Line of F.A. Route 567/Illinois Route 38 and the East line of said West half of the Northwest Quarter of Section 21-40-4; THENCE North 74°44'49" West, along said North Right-of-Way Line, a distance of 73.04 feet; THENCE North 81°25'37" West, continuing along said North Right-of-Way Line, a distance of 49.95 feet to Point of Beginning; THENCE North 81°25'37" West, continuing along said North Right-of-Way Line, a distance of 10.11 feet; THENCE North 00°00'00" East, a distance of 1261.30 feet; THENCE North 90°00'00" East, a distance of 10.00 feet; THENCE South 00°00'00" West, a distance of 1262.80 feet to the Point of Beginning all being situated within the City of DeKalb, County of DeKalb, and State of Illinois.

Recommendation: The university requests Board of Trustees approval to grant a new easement as described above to NICOR.

**INFORMATION TECHNOLOGY SERVICES
COMPUTER LAB UPGRADE**

Summary: Information Technology Services has combined orders for desktop computers with monitors for the student computer labs that they support with orders for other university departments on campus. The primary advantage of the consolidated order is common equipment and configurations, which facilitate the installation and maintenance of these computers. Each department will pay for their share of the order.

Note that the Office of Student Affairs has a program to upgrade computer technology on a four-year rotational basis. This year Student Housing and Dining Services will buy computers under this program. They will replace 110 of the 145 computers used for various administrative purposes and 50 of the computers in the Lincoln Hall student lab.

ITS supports the major computer labs in the College of Business and will install new computers in the student labs in Barsema Hall. Additionally, the college will replace computers used in other specialized labs that they support. This order also includes computers needed for the Barsema Hall smart classrooms and audio-visual messaging system.

The order for a total of 443 desktop computers with monitors is composed of the following:

| | |
|-------------------------------------|--|
| Writing Center Lab, LA&S | 40 computers |
| Information Technology Services | 10 computers for Help Desk and test lab |
| Student Housing and Dining Services | 50 computers for student labs 110 computers for administrative purposes |
| Barsema Hall | 233 computers for multiple applications |

Recommendation: The university requests approval of expenditure authority for FY02 as follows:

Compaq Computer Corporation, Houston, TX \$750,000

Payable from university funds and state appropriations.

**SWEN PARSON HALL - REMODELING OF BURSAR'S OFFICE
CAPITAL PROJECT APPROVAL**

Summary: The Office of the Bursar is located in the north wing of Swen Parson Hall. The facility was remodeled in 1980 to accommodate Bursar staff and no significant changes to the space have been made since. The existing configuration consists of one large open room for all office staff and a built-in vault. All cashier and student service stations open to the corridor to serve the public. This layout has presented two challenges for daily operation of the Bursar function: (a) ensuring that access to cash at the cashier stations and in the vault is limited to those staff whose responsibilities require access; and (b) ensuring the confidentiality of student payment problems and their resolution.

The first objective in remodeling the Bursar's Office is to relocate the cashier stations into a secured location in the proximity of the vault, thereby minimizing the potential for the misappropriation of cash. Currently, cashier cash drawers cannot be locked when the cashiers are away from their stations. Additionally, all Bursar staff and visitors conducting business in the office have open access to the vault. The remodeling will eliminate the potential problems that may result from this open configuration.

The second objective is to ensure the privacy and confidentiality of students' financial information. All business with students is now conducted through teller windows opening to the hallway. Students with financial problems currently stand in the hallway discussing their situation with an account counselor through a teller window. This can compromise the confidentiality for the students as other people in the hallway may overhear what is being said.

The design for reconfigured Bursar Office starts by providing new cashier stations immediately adjacent to the vault in an area, which is secured, from the rest of the suite. A wheelchair-friendly station will be provided as part of this effort. The existing teller windows will be removed and modular workstations installed to provide space for account counseling and other functions that do not require cash handling. The main entrance to the Bursar's suite will be widened to a double door configuration and a securable drop box for after-hour transactions will be added. In addition, painting, new carpeting and window treatments will improve the aesthetics of the office environment. All work will be performed by in-house Physical Plant craft personnel.

Recommendation: The university requests Board of Trustees authorization to establish a total budget of \$271,700 for remodeling and equipment for the Bursar's Office in Swen Parson Hall. Project costs will be funded with university funds. Approximately \$82,000 of the budget will go toward purchase of modular office equipment. The remaining funds are earmarked for remodeling and assembly of modular workstations. The university further requests approval to execute purchase orders, contracts and issue work orders as necessary to complete the project.

WEST CAMPUS ACCESS ROAD

Summary: The development of the Far West Campus has commenced with the location and eventual construction of the Center for the Study of Family Violence immediately west of the Convocation Center. The development of the initial infrastructure including roads necessary to provide access from Lincoln Highway to this as well as future building sites must now be addressed. The scope of this requested project includes: general Far West Campus site grading and the construction of a two-way, 30'-wide road designed with an appropriate storm sewer system and street lighting. The planned landscaped berms and detention basins adjacent to the street will address storm water control and storage. This project is the first link in a utility grid that will serve the entire Far West Campus. Funding includes university funds in addition to anticipated grants administered through the Illinois Department of Commerce and Community Affairs.

Recommendation: The university recommends Board of Trustees approval of this project and to establish the budget at \$ 773,000.

| <u>Name</u> | <u>Department/School</u> |
|--------------------|---------------------------------------|
| *Molnar, Andrea | Anthropology |
| *Morris, Michael | Foreign Languages and Literatures |
| *Myers, Kristen A. | Sociology |
| *Novak, John K. | Music |
| *Schrer, Reed P. | Geology and Environmental Geosciences |

From Assistant Professor to Associate Professor (continued)

| | |
|-----------------------|--|
| *Shimizu, Hidetada | Educational Psychology and Foundations |
| *Singh, Tanuja | Marketing |
| *Thu, Kendall | Anthropology |
| *Valentiner, David P. | Psychology |
| *Wang, Fahui | Geography |
| *Webber, Sally Ann | Accountancy |

Tenure Only

| | |
|---------------------|---|
| Collins, Vicki L. | Educational Technology, Research and Assessment |
| Condon, Charles | College of Law |
| Duvall, Melvin | Biological Sciences |
| Fehrenbach, Heide | History |
| Freedman, Kerry | Art |
| Gandal, Keith | English |
| Gelman, Alexander | Theatre and Dance |
| Jackman, Diane H. | Teaching and Learning |
| Johnson, Jeffrey | English |
| Johnson, Donald R. | Leadership in Educational and Sport Organizations |
| Oriel, Charles | Foreign Languages and Literatures |
| Skowronski, John J. | Psychology |

Recommendation: The university requests Board of Trustees approval of the university's 2002-03 tenure and promotion decisions.

**RECOMMENDATIONS FOR FACULTY AND SUPPORTIVE PROFESSIONAL
STAFF SABBATICAL LEAVES FOR THE 2002-2003 ACADEMIC YEAR**

The following individuals are being recommended by the President for sabbatical leave. The President is authorized to replace an individual who subsequently declines the leave with an individual from an approved ranked alternate list. The President may also approve a request by an individual to change the period of the leave from one semester to another within the academic year.

| <u>FACULTY MEMBER</u> | <u>DEPARTMENT/SCHOOL</u> | <u>SEMESTER</u> |
|--|---|----------------------------|
| <u>College of Business</u> | | |
| Brown, Paula E. | Management | Fall & Spring 2002-2003 |
| Goad, Sue (SPS) | Operations Mgmt. and Information Systems | Fall 2002 |
| Norton, Curtis | Accountancy | Fall 2002 |
| Petersen, Charles G. | Operations Mgmt. and Information Systems | Fall 2002 |
| <u>College of Education</u> | | |
| Holt, Janet K. | Educ. Technology, Research and Assessment | Fall & Spring 2002-2003 |
| Ilsley, Paul J. | Educ. Technology, Research and Assessment | Fall 2002 |
| Looney, Marilyn A. | Kinesiology and Physical Education | Fall 2002 |
| Marcano, Rosita L. | Leadership in Educ. and Sport Organizations | Fall & Spring 2002-2003 |
| Simmons, Deborah A. | Teaching and Learning | Fall 2002 |
| Vogel, Susan A. | Literacy Education | Spring 2003 |
| <u>College of Engineering and Engineering Technology</u> | | |
| Fallahi, Behrooz | Mechanical Engineering | Fall 2002 |
| Kim, Meung J. | Mechanical Engineering | Fall 2002 |
| McGinn, Vincent P. | Electrical Engineering | Fall 2002 |
| <u>College of Health and Human Sciences</u> | | |
| Hillery, Julie | Family, Consumer and Nutrition Sciences | Fall & Spring 2002-2003 |
| Long, Nancy M. | Communicative Disorders | Fall 2002 |
| <u>College of Law</u> | | |
| Luna, Guadalupe | College of Law | Fall 2002 |
| Schmall, Lorraine | College of Law | Spring 2003 |

| <u>FACULTY MEMBER</u> | <u>DEPARTMENT/SCHOOL</u> | <u>SEMESTER</u> |
|---|---------------------------------------|----------------------------|
| <u>College of Liberal Arts and Sciences</u> | | |
| Arnhart, Larry | Political Science | Fall 2002 |
| Bisplinghoff, Gretchen | Communication | Fall 2002 |
| Callary, Edward | English | Spring 2003 |
| Changnon, David | Geography | Spring 2003 |
| Cozad, Mary Lee | Foreign Languages and Literatures | Fall & Spring 2002-2003 |
| Cunico, Robert F. | Chemistry and Biochemistry | Fall 2002 |
| Datta, Biswa Nath | Mathematical Sciences | Spring 2003 |
| Datta, Karabi | Mathematical Sciences | Spring 2003 |
| Deng, Sien | Mathematical Sciences | Fall 2002 |
| Ebrahimi, Nader | Statistics | Fall 2002 |
| Feltz, Carol J. | Statistics | Fall & Spring 2002-2003 |
| Fischer, Mark P. | Geology and Environmental Geosciences | Fall 2002 |
| Gunkel, David J. | Communication | Fall 2002 |
| Henry, George M. | Computer Science | Fall 2002 |
| Kwong, Ying C. | Mathematical Sciences | Spring 2003 |
| Larson, Mary S. | Communication | Spring 2003 |
| Ledgerwood, Judy | Anthropology | Fall 2002 |
| Lukacher, Maryline | Foreign Languages and Literatures | Fall 2002 |
| Mogren, Eric W. | History | Spring 2003 |
| Morphis, Robert (SPS) | Physics | Fall & Spring 2002-2003 |
| Pillow, Bradford | Psychology | Spring 2003 |
| Posadas, Barabara M. | History | Spring 2003 |
| Rocheleau, Bruce | Public Administration | Spring 2003 |
| Schmidt, James D. | History | Spring 2003 |
| Seelinger, George | Mathematical Sciences | Fall & Spring 2002-2003 |

College of Visual and Performing Arts

| | | |
|-----------------------|-------------------|-------------|
| Chitwood, Judith Q. | Theatre and Dance | Spring 2003 |
| Fleisher, Robert | Music | Spring 2003 |
| Klonoski, Edward | Music | Fall 2002 |
| Mazanowski, Ronald S. | Art | Spring 2003 |
| Robertson, Deborah | Theatre and Dance | Spring 2003 |
| Rollman, Charlotte | Art | Fall 2002 |

Recommendation: The university requests Board of Trustees approval of the university's decision to grant the above sabbatical leaves for 2002-03.

REQUEST FOR A NEW CONCENTRATION

New concentrations require the approval of the Board of Trustees. If the Board approves the addition of new concentrations, the university will report them in the Annual Listing of Changes sent to the IBHE each June. This request was approved and forwarded from the Academic Affairs, Student Affairs and Personnel Committee after having received approval from the curriculum committees at the department, college and university levels and the concurrence of the Provost.

Concentration in Latin American Studies

Description: Students who enroll in the proposed Concentration in Latin American Studies would be required to complete 12 semester hours of course work related to the culture, art, literature, history, and politics of Latin America. This concentration focuses on an interdisciplinary approach to the study of Latin America, which would enhance students' development as teachers and researchers by exposing them to diverse resources and perspectives and enhancing their ability to analyze ideas and information from several fields. Successful completion of the concentration would be noted on the student's transcript.

The concentration would be administered by the Center for Latino and Latin American Studies, but students would enroll in the concentration through their major department and must meet all university requirements for their degree program. The concentration would be available to all graduate students in good standing who are enrolled in any graduate program in the university.

Rationale: A Concentration in Latin American Studies would provide graduate students with educational experiences outside of their major discipline that focus on important subjects related to Latin America. The courses that comprise the concentration will provide a structured mechanism that encourages graduate students to gain a broad perspective on Latin America, and should aid their ability to teach about and do research on Latin America.

Costs: No new costs will be incurred from the creation of this concentration. All courses specified for the concentration are currently taught in the university.

Recommendation: The university recommends that the Board of Trustees approve this request for a new concentration in Latin American Studies.

REQUEST FOR A NEW MINOR

New subdivisions of existing programs, including minors, require Board of Trustees approval. Under the new state system created to streamline the processes for the development of academic programs, the approval of a minor by the NIU governing board will be reported to the IBHE in the university's Annual Listing of Changes sent to the IBHE each June. This request was forwarded from the Academic Affairs, Student Affairs and Personnel Committee after having received the approval of the department, the college and the Undergraduate Coordinating Council and the concurrence of the Provost.

Minor in Elementary Mathematics Education

Description: The proposed Minor in Elementary Mathematics Education would be comprised of 23 semester hours of required and elective of course work offered by the Department of Mathematical Sciences. The Minor in Elementary Mathematics Education is intended for elementary education majors who are planning to teach at the K-5 grade levels. The courses included in the minor would enhance students' knowledge and skills in mathematical systems, geometry, calculus, and statistics, as well as the teaching theories, methods and materials for mathematics instruction, and curricular issues and research findings related to teaching mathematics. Successful completion of the course work required for the minor will be noted on the student's transcript.

Rationale: The proposed minor has been developed to address a critical need in Illinois schools for teachers with specialized knowledge of the mathematical sciences. This minor provides the opportunity for teacher candidates who intend to teach at the elementary grade levels to enhance their abilities to teach mathematics effectively to young students. The quality and effectiveness of instruction provided during the formative years of these young students will impact on their later success in secondary school mathematics. This minor will help meet Illinois' need for K-5 teachers with specialized knowledge in mathematics.

Costs: No additional funding is required to implement this minor. The courses needed for the minor are currently offered to students enrolled in the B.S. degree program in Mathematical Sciences. These courses have sufficient space for additional students who would seek the Minor in Elementary Mathematics Education.

Recommendation: The university recommends that the Board of Trustees approve this request for a new minor in Elementary Mathematics Education in the Department of Mathematical Sciences.

NIU TAX-DEFERRED COMPENSATION PLAN AMENDMENT

Summary: The Economic Growth and Tax Relief Reconciliation Act of 2001 (EGTRRA) added a number of provisions that potentially augment the options and benefits employees can receive from retirement and tax-deferred compensation plans beginning in 2002. Among others, these new provisions include the following:

- Adjustment of maximum exclusion allowance limitations attributable to concurrent participation in Internal Revenue Code Section 403(b) and 457(b) programs, to be calculated as the sum of the respective limitations. Formerly, the combined maximum exclusion allowance was the lesser of either limitation.
- Increased options are now available pertaining to rollovers across retirement plans such as IRC 401(a), 401(k), 403(b) and 457(b). For example, eligible distributions can now be rolled into SURS to purchase available service credit.
- New catch up contribution provisions enable employees who are age 50 or over to make additional elective pretax contributions of \$1,000 beginning in 2002. This amount will increase incrementally to \$5,000 in 2006.

A proposed conforming amendment to the Tax-Deferred Compensation Plan contained in *Board Regulations* Section V.N., is attached to authorize offering employees access to these augmented opportunities created by federal law. NIU will proceed to complete arrangements with the current set of 403(b) tax-deferred compensation vendors to implement the new provisions of the EGTRRA if the amendment is approved by the Board of Trustees. If the amendment is approved, NIU is seeking authority from the Board of Trustees to allow the following preapproved vendors to also offer 457(b) tax-deferred compensation accounts to NIU employees along with the 403(b) options already provided:

Aetna Life Insurance and Annuity Company
Lincoln National Life Insurance Company
Teachers Insurance and Annuity Association (TIAA) College Retirement Equity Fund (CREF)
Variable Annuity Life Insurance Company (VALIC)
Fidelity Investments
American Century Investments

Arrangements will be made with these vendors to implement the new options provided under the EGTRRA, subject to plan agreements with each company and their respective administrative guidelines after satisfactory legal review by the Board's Corporation Counsel.

Recommendation: The university requests Board of Trustees approval of the attached amendment to the *Board of Trustees Regulations*. This request was also presented as an information item to the Academic Affairs, Student Affairs and Personnel Committee.

Board of Trustees Regulations

SECTION V. FINANCIAL AFFAIRS

Subsection N. Tax-Deferred Compensation Plan

1. POLICY STATEMENT

It shall be the policy of the Board of Trustees to make available to each person, now or hereafter employed, the privilege of electing to participate in a tax-deferred compensation plans for which they may be eligible under state and federal statutes and regulations.

2. PLAN ADMINISTRATION

- a. This plan shall be administered by the president who shall have the authority to take such actions not inconsistent herewith, whereby the employees of the Board of Trustees may enter into agreements with the employer to elect to receive, in lieu of salary or wages, benefits which are tax-deferred under the federal Internal Revenue Code and related state law.
- b. Neither the Board of Trustees nor any representative thereof will recommend any single participating company, decisions over choice of programs and plans being strictly reserved to the participating employee. The Board can however, on recommendation of the president, limit the number of companies authorized to participate in this plan.

President's Report

No. 31


June 20, 2002

No item in this report for release prior to 9:00 a.m. Thursday, June 20, 2002.

A G E N D A

**BOARD OF TRUSTEES
of
NORTHERN ILLINOIS UNIVERSITY
9:00 a.m. – Thursday – June 20, 2002
Regency Room**

9:00 a.m. Call to Order, Roll Call, Notice Verification, Meeting Agenda Approval, Review and Approval of Minutes, Reports of Board Committees and Board Liaisons, Recess to Executive Session
Executive Session – University Suite
Reconvene Board of Trustees Meeting – Clara Sperling Sky Room

1. Call to Order and Roll Call 
2. Verification of Appropriate Notification of Public Meeting
3. Meeting Agenda Approval..... *Action* .. 118
4. Review and Approval of Minutes of March 21, 2002 *Action* .. 121
5. Chair's Comments/Announcements
 - a. Election of Fiscal Year 2003 Officers for the Board of Trustees *Action*
6. Public Comment*
7. Reports of Board Committees and Board Liaisons
 - a. Executive Committee
 - b. Academic Affairs, Student Affairs and Personnel Committee
 - c. Finance, Facilities and Operations Committee
 - d. Legislation, Audit and External Affairs Committee
 - e. Illinois Board of Higher Education
 - f. University Civil Service Merit Board
 - g. Northern Illinois University Foundation
8. Executive Session
9. President's Report No. 31
 - a. University Recommendations Forwarded by the Board Committees
 - (1) Fiscal Year 2004 Budget Guidelines..... *Action* .. 139
 - (2) Fiscal Year 2003 NIU Foundation Professional Services Contract *Action* .. 142
 - (3) Fiscal Year 2003 Document Services Copier and Controller System *Action* .. 143
 - (4) Convocation Center Furniture, Fixtures and Equipment Budget Authorization *Action* .. 144
 - (5) Family Violence Center Basement Build-Out and Equipment – Capital Project Update *Action* .. 145

| | |
|--|--------------------------|
| (6) West Campus Chilled Water Distribution and Cooling Towers – Performance Contract | <i>Action</i> .. 146 |
| (7) West Campus Infrastructure Improvements..... | <i>Action</i> .. 148 |
| (8) Holmes Student Center Ballroom Roof Replacement - Capital Project Approval | <i>Action</i> .. 149 |
| (9) Huskie Bus Contract..... | <i>Action</i> .. 150 |
| (10) Request for a New Minor | <i>Action</i> .. 151 |
| (11) Request for a New Emphasis and a New Specialization Within Degree Programs | <i>Action</i> .. 152 |
| (12) Request to Delete Specializations | <i>Action</i> .. 154 |
| (13) Appointment of the Dean of the College of Education | <i>Action</i> .. 156 |
| (14) Request to Move Submission of Tenure and Promotion Recommendations to the Board of Trustees from March to the June Board Meeting..... | <i>Action</i> .. 157 |
| b. University Reports Forwarded from the Board Committees | |
| (1) Periodic Summary Report of Transactions in Excess of \$100,000..... | <i>Information</i> |
| (2) North Central Association Accreditation..... | <i>Information</i> |
| (3) 2002 Faculty Emeritus Recognition | <i>Information</i> |
| (4) 2001-2002 Program Review Summary | <i>Information</i> |
| c. Items Directly from the President | |
| (1) Summary of Grant and Contract Awards | <i>Information</i> |
| (2) Property Acquisition..... | <i>Action</i> .. 158 |
| (3) Policy Statement Concerning Privacy of Protected Health Information | <i>Action</i> .. 159 |
| 10. Chair's Report No. 22 | |
| a. Resolution - Student Trustee Alejandro Alaniz | <i>Action</i> .. 163 |
| b. Executive Session Minutes Release | <i>Action</i> .. 164 |
| c. Oath of Office Ceremony for New Student Trustee | |
| 11. Other Matters | |
| 12. Next Meeting Date | |
| 13. Adjournment | |

*The Board and its committees comply with P.A. 91-0715 through its *Bylaws*, Article II, Section 5.B:

1. Consistent with Public Act 91-0715 and reasonable constraints determined by these *Bylaws* and the Chair, at each regular or special meeting of the Board or its committees that is open to the public, members of the public may request a brief time on the approved agenda of the meeting to address the Board on relevant matters within its jurisdiction.
2. Committees of the Board review University proposals for action and make adjustments and endorsements as appropriate for further consideration by the full Board. Public comments are generally most useful at meetings of Board committees, where proposals are first considered and the time for interaction most feasible.
3. To facilitate an orderly process, appearance requests must be registered on a Board-provided form and submitted to the Board's Parliamentarian at least 45 minutes before the meeting is scheduled to be called to order. To be recognized, the appearance request will include the name, address and position of the individual wishing to speak, the name of the organization or group represented, a concise summary of the presentation, and whether the requestor has appeared earlier on the topic before any other meeting of the Board. The Parliamentarian may confer with registered speakers to cooperatively assist the Chair of the meeting in assuring coordinated issue presentation and an efficient use of allocated time. The Parliamentarian will acquaint requestors with the generally acceptable rules of decorum for their presentations. In lieu of oral presentations, individuals may present brief written materials not to exceed five (5) pages to the Parliamentarian for distribution and consideration by the Board in advance of the meeting.
4. The Chair of the meeting will recognize duly registered individuals at the appropriate point during the meeting. Unduly repetitive comments may be discouraged and restricted by the Chair. To assure an orderly and timely meeting the Chair may limit time allotments to five minutes or less, may delay or defer appearances when appropriate, and defer or refer questions received from presenters for answers if available.

Anyone needing special accommodations to participate in the NIU Board of Trustees meetings should contact Ellen Andersen, Director of Special Events, at (815)753-1999, as soon as possible, normally at least a week before the scheduled Board meeting.

Minutes of the
BOARD OF TRUSTEES
OF NORTHERN ILLINOIS UNIVERSITY
June 20, 2002

CALL TO ORDER AND ROLL CALL

The meeting was called to order by Chair Manuel Sanchez at approximately 9:15 a.m. in the Clara Sperling Sky Room of Holmes Student Center. Recording Secretary Mimms conducted a roll call of Trustees. Members present were Trustees Robert Boey, Myron Siegel, Gary Skoien, Barbara Giorgi Vella, Student Trustee Alex Alaniz and Chair Sanchez. Not present were Trustees Catherine Adduci and George Moser. Also present were Board Parliamentarian Kenneth Davidson and President John Peters. With a quorum present, the meeting proceeded.

VERIFICATION OF APPROPRIATE NOTICE OF PUBLIC MEETING

Confirmation of Open Meetings Act public notice compliance was provided by Board Parliamentarian Ken Davidson.

MEETING AGENDA APPROVAL

Chair Sanchez proposed that President's Report No. 31 action Agenda Items 9.a.(2), 9.a.(3), 9.a.(8), 9.a.(9), 9.a.(11), 9.a.(12), 9.a.(14), 9.c.(2) and 9.c.(3) and Information Items 9.b.(1), 9.b.(3), 9.b.(4) and 9.c.(1) be moved to a consent agenda. Trustee Boey made a motion to approve the meeting agenda as amended. Trustee Skoien seconded the motion. The motion was approved.

REVIEW AND APPROVAL OF MINUTES

It was moved by Trustee Vella and seconded by Student Trustee Alaniz to approve the minutes of the March 21, 2002 Board of Trustees Meeting. The motion was approved.

ELECTION OF FISCAL YEAR 2003 OFFICERS FOR THE BOARD OF TRUSTEES

Chair Sanchez recognized Trustee Vella to nominate the elected Board of Trustees officers for Fiscal Year 2003.

Chair Vella placed into nomination the following slate of officers to be elected for Fiscal Year 2003.

| | |
|--|------------------------------|
| Chair | Trustee Manny Sanchez |
| Vice Chair | Trustee Gary Skoien |
| Secretary | Trustee Robert Boey |
| Fourth Member of the Executive Committee | Trustee George Moser |
| Civil Service Merit Board Representative | Trustee Barbara Giorgi Vella |

Chair Sanchez asked for a motion to approve the slate of elected officers as nominated for Fiscal Year 2003. The motion was seconded by Trustee Boey. The motion was approved. Congratulations to the new officers of the Board, the Chair said. As provided in our *Bylaws*, you will continue performance of your duties in your next term effective July 1, 2002.

Manny, I want to congratulate you on your first year, Trustee Siegel said, you have done a wonderful job. It is really exciting to see how each chair has brought different aspects to the Board's leadership. This past year has been very exciting, and those items that you have brought to the forefront have made some significant, positive progress for the university and the Board. I congratulate you and look forward to your second term.

Chair Sanchez made the following remarks:

Thank you Barb, and thank you fellow Trustees, in particular, Myron, for those kind words. I do take this position very seriously, and I am honored to serve in this capacity – not just because it is my alma mater, but because I have the privilege of holding in trust, as the Chair, along with my fellow Trustees, a university that is second to none. We have a fabulous faculty, a fabulous staff, and a fabulous group of students. As I was walking in just ten minutes ago, there was an orientation going on, and I heard the instructor saying, "I know you students may have many questions, but let me start off by telling you a little about NIU." And I thought to myself, 30-some years ago I was sitting in that audience hearing a similar spiel and wondering, where would this university lead me? Where would I be five years, ten years, fifteen years – hard for me to say now – but 30 years down the line? Thanks to NIU and thanks to the professors and instructors who took the time and made the difference for students, for people like myself and for the people who are here right now in orientation. This university, now with stake-holds not just in DeKalb, but in Naperville, Rockford and Hoffman Estates, continues to take no backseat to any institution of higher education. We provide an excellent education on the academic side, but we also provide an excellent education on the realities of going into whatever vocational or avocational interests our students have. As parents, as faculty people and as staff, you should be proud, as my fellow Trustees and I are, of the wonderful institution that we have here. I pledge to you that as Chair, in my second term, I will continue to wear that banner and to proudly announce, as I always do when people ask me what this beautiful ring is I wear – and it is the nicest piece that I wear – that it is my Northern Illinois University ring. I hold it because I was the first in my family to graduate from college, and that is why it is such a proud piece for me. I love to talk about it, and I love to talk about this institution. I am touched when I hear impromptu, unsolicited comments like those Myron just shared and that I privately heard from each of my fellow Trustees. So, thanks for your vote of confidence, and I intend to earn the trust that you have demonstrated by reelecting me to this position.

CHAIR'S COMMENTS/ANNOUNCEMENTS

It has been our practice at these annual meetings to have the new chair say a few words about the state of our university, Chair Sanchez said. If you would indulge me for just a few minutes, I would like to continue that tradition with a few thoughts.

At this time last year, we were celebrating John Peters' first anniversary as President of NIU. And "celebrate" is the correct word to use as we watched so many accomplishments during that year and applauded the many reputation-enhancements John was able to bring to our university.

This year, as John Peters finishes his second year at the helm, we have different but equally important reasons to celebrate his leadership. This year, NIU has faced the worst, and I emphasize "worst," financial crisis in recent history and certainly the worst since the inception of this Board of Trustees seven and a half years ago.

We Trustees are ultimately responsible for the financial health of this university. We are challenged to help NIU in ways that preserve access and quality, but also demonstrate a high level of accountability and productivity. I believe we have done that and must continue to do so in the months ahead. NIU is historically "lean" administratively, and I think we have done a good job of helping our elected officials understand the very complex and demanding role of our faculty. This is our constitutional responsibility as stewards of the public trust, and we will continue to play that role on behalf of the university we all serve.

As we are going to hear in more detail this morning, the nation's recession hit hard in Illinois, and it dug deep into the progress of all educational institutions. From newspapers around the state, we have read of large-scale layoffs at other universities, massive tuition increases – double-digit in several – and additional midyear tuition hikes. The news has been grim, and NIU has certainly not been spared.

But I want to personally take this opportunity to say publicly that the manner in which these difficult times have been handled by this president and his top staff has been nothing short of admirable. President Peters issued a set of budget guidelines last November, when he knew that the worst was yet to come. Those guidelines put students and academic program quality first, and from what we trustees have seen, the campus has not deviated from those guidelines.

This is not to say that we have not felt the pain of a budget loss that totals nearly \$13 million – million. But it is clear to us that this administration has been well-prepared and this campus well-focused on institutional priorities. John and his staff have also done a great job of keeping the campus community informed through regular e-mails, meetings and even a dedicated web site with updates on the budget crisis.

As most of you have heard by now, the final, additional FY03 budget cut – beyond the \$9 or \$10 million for which we had been preparing – ended up totaling about \$3.3 million.

Fortunately, through John's leadership and the formidable stewardship of our Chief Operating Officer, Dr. Eddie Williams, we have been able to come through this crisis without having to endure many of the deeply damaging and personally devastating effects seen at many other universities across the state and nation.

We are, of course, not happy with the lack of funding for salary increases. This Board and this administration have made salary competitiveness a top priority at NIU; and until this year, we have done very well in that arena.

I note that later this morning we will be considering the budget recommended for FY04, in which we once again will be requesting funds for a significant salary increase. While we understand that virtually everyone in public higher education is in the same boat right now financially, we have no intention of lightening up on our efforts on that front. Our faculty and staff are the heart of our university and its mission, and this Board remains committed to making their salaries as competitive as possible.

We have been through some tough challenges over the last year, but I would certainly be remiss if I did not also reflect on some of the triumphs we have had and the progress we have made as a university. Two of those great stories have taken the form of new buildings on our campus. Barsema Hall, our new College of Business, is preparing to take on its first class of students in about eight weeks. In what has to be some kind of new record for speedy construction – thank you Dr. Williams and your staff – we have seen Dennis and Stacey Barsema's dream go from concept to reality. What a tremendous boost that marvelous new building is going to give to our business programs, which are already tremendously regarded and respected throughout the Midwest.

On the west end of campus, we have the convocation center coming on line in just a few more weeks. I am extremely proud to know that this beautiful facility will open on my watch as Board Chair. As one of the original members of this Board, I have watched that project go from concept to reality, and what a reality it is! For the first time in NIU's history, we will have a facility that can accommodate the types of large-scale events that truly build community and enhance reputation. I am also pleased to note that the grand opening for the convocation center will be held in conjunction with Move-In Day and the Huskie Bash, again underscoring the fact that this wonderful arena is dedicated to the enjoyment of our students and the community in which they live. There is no doubt that the convocation center will also be a big boost to our Athletic program. But I must say that the progress we have seen over the past year in Athletics is deserving of its own recognition, apart from the soon-to-be new address. We saw major championships in football and volleyball, and we saw huge progress in both men's and

women's basketball. I mention these achievements again today because I want to emphasize how strongly we feel, as a board, about the contributions of athletics to campus life and university identity. We are proud of you and we wish you every success this fall – Go Huskies! This Board has always felt that athletics and academics are not on opposite planes. They do compliment each other, and I think they are also part of the wonderful four years that the participating athletes spend on this campus.

Finally, I want to mention a subject that is near and dear to my heart and that is the first-ever conference on Latino Educational Attainment that we held about six months ago in Naperville. I have taken the opportunity in the past to talk about how pleased I was with the response to that event, but I want to underscore again today how proud I am to be associated with a university that is actually working to be part of the solution to a challenge facing all of higher education. A number of themes emerged from that conference, and they will be used to outline our second conference next year. One of the themes that was repeated over and over again by many people who attended our first event was that Latino students, many of them the first in their families to attend college, really thrive in environments that support and celebrate their culture. We have worked hard to create that environment all over our campus, but at NIU, we have also supported and maintained a very active Latino Center on campus. Today, I am very proud to introduce to you the new Director of University Resources for Latinos (URL), Dr. Sylvia Fuentes. I can tell you from my own experience here as an undergraduate that the kind of support URL provides really does make a difference. So thank you, Dr. Fuentes, and thanks to your predecessor, Dr. George Guittierez, and to all of the staff who create and maintain such a supportive environment for our Latino students.

With that, ladies and gentlemen and fellow members of the Board, I thank you again for your support and for the trust you have once again extended to me as your Board Chair. I will do my best on your behalf, to continue to make NIU the university of choice for our region.

And, lastly, for all of the gestures and prayers that you have provided to me and to my wife, Pat, I am truly grateful.

I want to welcome University Advisory Committee representatives who may be present this morning: Dr. Suzanne Willis, Dr. Dan Griffiths, Dr. Dolly Jones, Dr. James Lockard, Ms. Beverly Espe and Ms. Judy Burgess.

I must say, Dr. Willis said, that I am looking forward to the time when I do not have to say how much we appreciate President Peters' leadership in difficult financial times. But we do appreciate it, and we know how difficult it has been. We are certainly looking forward, as I believe he is, to when this whole situation will turn around. The things that he has done to meet the current crisis are consistent with what it seems to be, namely, a short-term problem. So, we are doing short-term things to meet a short-term problem and not damaging the long-term future of the university. We all appreciate that very much. Chair Sanchez thanked Ms. Willis and stated that the relationship that has developed

with UAC, thanks to its initial genesis with Trustee Siegel as Board Chair, has been extraordinary, and we Trustees look forward to that relationship growing as we move forward.

Chair Sanchez welcomed Senator Brad Burzynski to the Board meeting and thanked him for all the help he has given NIU. It has been a tough budget year, one of the toughest in the last 30 years for higher education, the Chair said, and we have been cut deeply. Brad has worked with this Board and the administration this year to mitigate those budget cuts to the greatest extent possible. He has helped us protect Barsema Hall's equipment line in the state's capital budget this year, and we are going to need his help again next year with the Stevens Building, which has been waning on the capital list for several years and needs a push. Senator Burzynski, we would welcome your perspective on the budget situation.

Senator Burzynski made the following comments:

It is a pleasure to be here with you today. If anyone here caught Manny's comments on tape, what a great commercial for Northern Illinois University – his heartfelt comments about where he has come from. That is the message that needs to get out not only to this community but also to this region. It certainly is getting out in Springfield, so I do appreciate that Manny. I appreciate the fact that you are allowing me to talk a little bit about my perspective on what occurred in Springfield, in the last six months in particular, and even going back a little further than that.

Certainly, we have always heard "It was the best of times, it was the worst of times." Well, this was just "...the worst of times." And when we take a look at what has happened this year in Springfield with our revenue projections, this is the first time in 47 years that we have actually seen a decrease in general revenue funds from one year to the prior year, and that is just unheard of. So, you can see what is occurring in the state. To put that in perspective, in January, we had a \$91 million shortfall from January a year ago; an \$89 million shortfall in revenues from a year ago in February; in March, \$149 million less was collected in the state than in March a year ago; in April, about \$36 million; May is the worst with \$224 million less in revenues for the month of May than in May of last year; and in June this year, we are projecting about a \$120 million shortfall.

We passed a budget that actually had a yearend balance of about \$810 million to try and cover last year's spending. But if you take a look at the revenue we had in May and June and the fact that we are going to have to make that up in FY03, you are actually looking at a yearend balance of about \$470 million in the state's coffers. So, while we have been faced with some tough times, we have made some tough decisions in the last month. The Governor's Memorial Day budget was set at about \$22 billion, and we actually lowered that in Veto Session last week. And that is important to note because everybody asks, "Why can't you just make across-the-board cuts in the state's budget?" We have about a \$53 billion state budget. Out of that, about \$25-\$26 billion

is what we call our general revenue funds, monies that come in from sales taxes, income taxes, etc. That is the money that we can actually make decisions about. However, out of that, only about \$7.5 to \$8.0 billion is available for us to make those cuts in because of contractual agreements and spending priorities that have been set that we have no control over. All of these state cuts we are talking about had to come out of about \$7.5 to \$8 billion worth of funds. A lot of people thought we should increase the general tax and state income tax. Many of us have the philosophy that you do not increase taxes when you are in a recession because it does not do anything to help build the economy back up.

As for the impact on Northern Illinois University, I just quickly wanted to indicate that I appreciate the way the Board, President Peters and Dr. Williams have reacted and tried to deal with the issues here at NIU. I have to tell you that a lot of my colleagues in Springfield are extremely jealous of the working relationship that you all have here at Northern and the way you have been able to conduct your business and try to find a way to deal with these issues with minimal damage to programs. It is a good feeling for me that my colleagues are looking at Northern and wishing that their universities had been able to respond in that fashion. When we went back for Veto Session last week, the Senate took 234 individual roll calls in one day on budget items, something that is unheard of. I do not think in the history of the State of Illinois, we have ever done that before, and it certainly was not an easy thing to do.

One of the things we wanted to do was try and maintain basic, sound funding for not only higher education, but for elementary and secondary education too. We were able to do that, with minimal damage. Looking at elementary and secondary In particular, we were able to look at printouts throughout the state relative to not only state aid to schools but also local and federal contributions. We feel comfortable that the majority of school districts in the state of Illinois will be at or above last year's level of funding when they are addressing this year's budget, and that was very important for us as well.

Again, I would like to commend the Board, President Peters and everyone else for the work that you have done here at Northern. As I walk around this campus and see the new buildings going up, the new programs, the new faces on campus – and there are a lot of those – it brings a sense of awe to me. I am very proud and honored to represent this university and this institution in Springfield.

Trustee Siegel asked Senator Burzynski to comment on what changes he has seen in Springfield with respect to NIU's influence and the changes in the perception of NIU by the legislature in the last six-plus with an independent governing board.

Now that all of our state universities are working with independent boards, I see a different thought process in Springfield with the majority of my colleagues, Senator Burzynski said. With the advent of the separate governing system for our state universities, it has given each university the opportunity to shine and to

develop what they think their mission should be, not only on a regional basis, but a statewide and national basis. My personal opinion is that Northern has done that better than any other university in the state. I think the fact that the NIU Trustees have taken an active role in visiting Springfield, making contact with legislators, and impressing upon the legislature the importance Northern has here in northern Illinois, in particular, as it reaches out into the Chicagoland community, has been a tremendous asset. That helps me sell this university.

Your lobbyist in Springfield and your Governmental Affairs Division with Kathy Buettner and Ken Zehnder, the Senator said, have done a great job of creating an awareness of what Northern is all about. President Peters certainly is well thought of, and he came into the state when a lot of our universities were looking at changes in presidencies. He has done a tremendous job of enhancing Northern's visibility as well as the legislature's understanding of Northern and its mission. All of those things working together has helped.

Trustee Boey commented that most of the Board of Trustees, if not all, had spoken to Senator Burzynski recently on the priorities of the university and the absolute importance of some of those items that the university had to have in the dark days of the budget discussion. You gave us your word that you would do your best for us, and you were successful. I want to thank you for your success in that endeavor.

We all thank you, Senator Burzynski, and Representative Wirsing for all your help, Chair Sanchez said. We are so fortunate to be blessed with that kind of leadership in Springfield.

It is always bittersweet, when individuals who have contributed so much to the growth and excellence of NIU announce their departure President Peters said, but I would like to recognize a few individuals at this time. This is the last Board Meeting for Dean Jerry Zar of the Graduate School. I cannot think of anyone who has had more of an impact on this institution than Dean Zar. So, Jerry, on behalf of the whole university community, I want to thank you. Also, leaving the university, President Peters said, is our Director of International Programs, Manfred Thullen. Dean Thullen has greatly enhanced our International Programs, and he will be missed. Dr. Williams recognized Mr. Judd Baker, Director of Holmes Student Center, who is retiring after 13 years with the university. Down through the years, the Board has met in this facility, Dr. Williams said, so you already have seen the success of Judd's leadership and his efforts to provide for us in Holmes Student Center. We are very pleased with the great job that Judd has done, and we wish him well. I also want to recognize Ms. Diana Strink, our Assistant University Budget Officer, who works on all of the budgets from all of the units and colleges throughout the university, balancing the \$260 million mentioned earlier to make sure that when we come to the end of the fiscal year, we can pay our bills. Diana has served our institution for over 27 years. When we get down to the kinds of rescissions and types of balancing acts that we have to go through in these times, Dr. Williams said, it is Diana who does that work. She has done a tremendous job, and we also wish her well in her retirement.

This is kind of a bittersweet thing, Chair Sanchez said, your loss will be felt. The best to all of you as you move on.

PUBLIC COMMENT

The Chair asked Board Parliamentarian Kenneth Davidson if any members of the public had registered a written request to address the Board in accordance with state law and Board of Trustees *Bylaws*. Mr. Davidson noted that no timely requests had been received for public comment at that Board meeting.

REPORTS OF BOARD COMMITTEES AND BOARD LIAISONS

Executive Committee

There was no report from the Executive Committee.

Academic Affairs, Student Affairs and Personnel Committee

Committee Chair Barbara Vella reported that the Academic Affairs, Student Affairs and Personnel Committee met on Thursday, March 7. Items brought for approval by the Board of Trustees are: a request for a new undergraduate Minor in Nutrition, Dietetics and Hospitality Administration; requests for a new Emphasis in Manufacturing Systems and a Specialization in Pedagogy and Curriculum Development in Physical Education; a request to delete four specializations in the master's program – Specialization in Sport Management, Specialization in Curriculum Leadership, Specialization in Outdoor Education and Specialization in Secondary Education; the appointment of the Dean of the College of Education. The last item brought for action is a request to move submission of tenure and promotion recommendations to the Board of Trustees from March to June in order to facilitate the evaluation process. Three information items will be presented: North Central evaluation accreditation, which was last done in 1994; 2002 faculty emeritus recognition; and the university's report on programs and centers, which were reviewed by the academic planning counsel for 2001-2002.

Finance, Facilities and Operations Committee

Committee Chair Boey reported that the Finance, Facilities and Operations Committee met on June 6. At that meeting, Trustee Boey said, we considered and approved recommendations for Fiscal Year 2004 budget guidelines; Fiscal Year 2003 contracts and agreements for items such as NIU Foundation services, document services, copier and controller system and Huskie Bus service; capital improvement projects and related items, including budget for the convocation center, family violence center basement build-out and equipment, and chilled water West Campus infrastructure improvement items. The Committee received the following reports: periodic report of transactions in excess of \$100,000; periodic report on investments; Fiscal Year 2003 appropriated budget update; campus chilled water project; Altgeld Hall project; and a final report and presentation on the Founders Library project. Most of these items are included in the President's Report for Board approval at today's meeting.

Legislation, Audit and External Affairs Committee

Committee Chair Siegel reported that the Legislation, Audit and External Affairs Committee met on May 28 in DeKalb. Trustee Skoien was present via

teleconference. Due to the lack of a quorum, we were unable to hold an official committee meeting, but we proceeded with an informational meeting. The legislative session was a challenge, Trustee Siegel said. I personally contacted 20 members of the legislature, and other members of the Committee were involved in similar endeavors. I want to thank the members of this committee for efforts above and beyond the call of duty and to also thank those other members of the Board of Trustees who fought hard to protect NIU's budget.

Kathy Buettner gave a detailed overview of the status of NIU's FY03 operating and capital budgets, which were, at that point, still pending before an overtime session of the General Assembly. Key substantive legislation pending in Springfield was discussed, including a report on the passage of legislation to extend the 30-and-out provisions of the SURS system.

Ms. Buettner reported that the university would be hosting a reception to present awards for Distinguished Service to Higher Education to Congressman Donald Manzullo and IRS Commissioner Charles O. Rossotti on May 30 in Rockford to recognize their assistance on obtaining relief for higher education from the unfunded federal mandates contained in the Taxpayer Relief Act of 1997. Their actions and passage of new clarifying federal legislation saved over \$100 million for higher education – costs our students will not have to bear.

Forwarded by the Committee were several honorary resolutions with a recommendation for approval. The Committee heard a report on the FY01 Financial and Compliance Audit released by the Auditor General's Office late this spring. I am pleased to report that NIU had no repeat findings this year, Trustee Siegel said, and that the tuition waiver accountability problem has been cleared to the satisfaction of the auditors. NIU has reached full compliance with tuition waiver policies set by the IBHE and this Board of Trustees.

The Committee also discussed the possibility of adding forensic accountants to the internal auditing staff and several possible new legislative initiatives.

We had intended to go into Executive Session in our meeting, Trustee Siegel said. However, since we lacked a quorum, I met with several people after the meeting and will report on that to the Board in its Executive Session. With our Committee membership at four, a quorum requires us to have three of the four members in attendance. In the past, with three members, we needed only two Trustees in attendance. I noted that outside of administrative, supporting staff and deans, there were no visitors in attendance at the Committee meeting. It appears that we have more visitors attending our Committee meetings when they are held in Hoffman Estates. Since it appears that more visitors attend our meetings in Hoffman Estates, and it is easier for the members, as the Committee is now constituted, to hold those meetings in Hoffman Estates, Trustee Siegel said, unless there is a pressing reason to have meetings in DeKalb, our future meetings will be held in Hoffman Estates.

Illinois Board of Higher Education

There was no report from the Illinois Board of Higher Education.

Universities Civil Service Merit Board

Board Liaison Barbara Giorgi Vella reported that the Board of Directors of the Universities Civil Service Merit Board met and approved the selection of Tom Morelock as director of the commission. Tom Morelock has been with NIU for the last four years as Director of Operations in Human Resource Services. He has been responsible for several areas in Human Resource Services, including the records, employment, labor relations and operating staff functions. He is also a member of several NIU campus committees related to employee relations and the PeopleSoft Human Resource Information System. He previously served at Illinois State University as a labor relations specialist, at the Board of Regents Chancellor's Office as assistant vice chancellor for human resource administration, and in the private sector in various capacities. The Merit Board found Mr. Morelock's extensive background in human resources, particularly with the civil service, made him an ideal candidate for this position. He had a wonderful resume, she said, and we were very pleased that accepted the appointment. We look forward to the fact that we will have a colleague at the commission.

Northern Illinois University Foundation

NIU Foundation Liaison Robert Boey deferred to the President of the Foundation, Ms. Mallory Simpson, for the Foundation report. With ten days left in our fiscal year, Ms. Simpson said, we are working very hard on some final initiatives for this year. It has been a productive and successful year for the Foundation and Development program, and we expect to receive some additional gifts in the next ten days. A major Foundation-sponsored event is being held at Ravinia on Sunday, hosting major donors and potential donors. I would like to publicly thank Chair Sanchez for the wonderful reception he hosted recently at Naperville Country Club for about 70 donors and potential donors. One of our primary objectives was to build pride in NIU, she told the Chair, and I think we accomplished that objective.

Throughout the year, we have had about 700 major donors and potential donors attend a variety of events designed to excite them about the quality of NIU, Ms. Simpson said. These things will build and expand in the future. Last Friday the Foundation Board of Directors had an especially lively discussion on a number of issues relating to development, marketing and alumni involvement, and the board approved a number of measures to help position the Foundation and the university for a very bright future. The board, she said, particularly gave President Peters a very clear and strong message about their solid support for his leadership.

We have secured several major new commitments since the last meeting, Ms. Simpson reported. Most of these major commitments are designated by donors for very specific projects – priorities that have been identified; they do not come in with unrestricted nature. A total of \$330,000 in commitments has been received for naming rooms in Barsema Hall, including a recent pledge of \$150,000 from Caterpillar. There has been an impact on our gift commitments due to the economy and the stock market. Recently a number of donors we had expected to make commitments to Barsema Hall have had to defer those decisions. The intention is there and the commitments will be made, but they are postponing because of economic conditions. The final payment of Dave and

Linda Nelson's \$250,000 gift to name the VIP Suite in the convocation center was received last week. We have two extraordinary new donors to the Tri-County Community Health Center, she said. Douglas Roberts, through his Douglas Roberts Trust, has committed \$250,000 to go into an endowment for Tri-County in addition to a \$14,000 expendable gift. John Bass, director of estate and gift planning, has secured from David Lehman a commitment for \$1.5 million from his estate to go into the endowment for Tri-County and a commitment of \$20,000 a year for the remainder of his life for expendable purposes for Tri-County. We are very pleased with these extraordinary results.

We should soon be receiving the balance of Dennis and Stacey Barsema's pledge for Barsema Hall, Ms. Simpson stated. With that gift, our total of gifts received to date this year is about \$11.2 million. We are planning the dedication of Barsema Hall, the only completely privately funded new building at a public university in the state of Illinois, for September 23. I want to, from the development perspective, thank the Board of Trustees, President Peters, Ms. Buettner, Dr. Williams and Senator Bursynski and Representative Wirsing for working so hard to protect the state's commitment for the FF&E, which has allowed us to keep our promise to the Barsemas. We have set a goal for ourselves and our relationship with the Barsemas to exceed their expectations in every aspect of their relationship with the university, and this is allowing us to do that. We recently shared with the Barsemas an article about the controversy in an institution in Ohio over the construction of a new College of Business building and the disappointment of donor. The Barsemas sent us back an e-mail that said I hope you know how impressed we are with the management of the leadership of Northern Illinois University and particularly, the very special care and attention, Eddie, you have given the project. So, they are happy.

Tri-County Healthcare is probably the best kept secret in the surrounding three counties, Trustee Boey said. Tri-County is a health service center for people who cannot afford their own private doctors for themselves and their children. This is the only major center I know of in three counties that the poor can go to for health care. The center is staffed by doctors who are either in semi-retirement or retirement who care enough to donate their services. It is really an important health care center for the three counties in the area. They were in danger of going out of business, he said, and with that would go the health care for all those people. So, these donations were very important.

We sometimes take for granted the wonderful work and stewardship that our Foundation leadership provides us, Chair Sanchez commented. With the budgetary constraints we have, thank goodness we have the wonderful success that Mallory, her team and even her boss participate in and support, because we are the beneficiaries.

EXECUTIVE SESSION

Chair Sanchez asked for a motion to close the public meeting to conduct an executive session to discuss the following subject authorized by the Illinois Open Meetings Act: litigation and risk management matters as generally described under §2(c)(11) and (12) of the Open Meetings Act, property matters as generally described under §2(c)(5) and (6) of the Open Meetings Act and Executive

Session Minute matters are generally described under §2(c)(21) of the Open Meetings Act.

Trustee Siegel so moved, seconded by Trustee Skoien. A roll call vote of the Trustees to recess to Executive Session was unanimous.

BOARD OF TRUSTEES MEETING RECONVENED

Chair Sanchez reconvened the public meeting of the Board of Trustees at approximately 11:52 a.m.

CONSENT AGENDA APPROVAL

Trustee Siegel made a motion to approve the Consent Agenda passed earlier in the meeting, and to move to the Consent Agenda all of the other action and information items in Agenda Items 9.a., b. and c. of the President's Report that were not previously placed on the Consent Agenda. The motion was seconded by Trustee Boey. The motion was approved.

PRESIDENT'S REPORT NO. 31

UNIVERSITY RECOMMENDATIONS FORWARDED BY THE BOARD COMMITTEES

Action Items

Agenda Item 9.a.(1) – Fiscal Year 2004 Budget Guidelines

Many serious items have been approved here, Dr. Peters said, and we appreciate that. I would like to comment on a few of them. Even though we are still struggling with the FY03 budget, it is time to set the standards for the Fiscal Year 2004 budget, and you have approved those guidelines. I want to note that it is my priority, the priority of the campus and the Board's priority that the top priority for the university be our salary package for faculty and staff, which is set at five percent.

Agenda Item 9.a.(2) – Fiscal Year 2003 NIU Foundation Professional Services

Agenda Item 9.a.(3) – Fiscal Year 2003 Document Services Copier and Controller System

Consent Agenda Items.

Agenda Item 9.a.(4) – Convocation Center Furniture, Fixtures and Equipment Budget Authorization

Through diligent work on the part of Athletics and the convocation center group, President Peters said, we have raised in the range of a \$1.1 million dollars to help with the operations and acquisition of furniture in the convocation center. With that and with some revenues that will be reaped from bond investment, we will be able to set the equipment budget at 6.4 percent without affecting one dime of student fees.

- Agenda Item 9.a.(5) – Family Violence Center Basement Build-Out and Equipment - Capital Project Update**
- Agenda Item 9.a.(6) – West Campus Chilled Water Distribution and Cooling Towers – Performance Contract**
- Agenda Item 9.a.(7) – West Campus Infrastructure Improvements**
- Agenda Item 9.a.(8) – Holmes Student Center Ballroom Roof Replacement – Capital Project Approval**
- Agenda Item 9.a.(9) – Huskie Bus Contract**
- Agenda Item 9.a.(10) – Request for a New Minor**
- Agenda Item 9.a.(11) – Request for a New Emphasis and a New Specialization Within Degree Programs**
- Agenda Item 9.a.(12) – Request to Delete Specializations**

Consent Agenda Items.

Agenda Item 9.a.(13) – Appointment of the Dean of the College of Education

Another item the Academic Affairs, Student Affairs and Personnel Committee had endorsed, and you have approved is the appointment of our newest dean, Dean Christine Sorensen of the College of Education. The President recognized Dean Sorensen.

Agenda Item 9.a.(14) – Request to Move Submission of Tenure and Promotion Recommendations to the Board of Trustees from March to the June Board Meeting

Consent Agenda Items.

UNIVERSITY REPORTS FORWARDED FROM THE BOARD COMMITTEES

Information Items

- Agenda Item 9.b.(1) – Periodic Summary Report of Transactions in Excess of \$100,000**
- Agenda Item 9.b.(2) – North Central Association Accreditation**
- Agenda Item 9.b.(3) – 2002 Faculty Emeritus Recognition**
- Agenda Item 9.b.(4) – 2001-2002 Program Review Summary**

Consent Agenda items.

ITEMS DIRECTLY FROM THE PRESIDENT

Items Directly from the President

- Agenda Item 9.c.(1) – Summary of Grant and Contract Awards**
- Agenda Item 9.c.(2) – Property Acquisition**
- Agenda Item 9.c.(3) – Policy Statement Concerning Privacy of Protected Health Info**

Consent Agenda items.

Agenda Item 10.a. – Resolution – Student Trustee Alejandro Alaniz

This resolution honors Alex Alaniz, our outstanding and outgoing Student Trustee, Chair Sanchez said. I want to personally thank you, Alex, for your leadership and outstanding service to this Board of Trustees. You have been a valued member of this Board and an excellent representative for the students. Their viewpoints have been heard because of your insight and perspective, and you did an outstanding job. Chair Sanchez asked for a motion to approve the Resolution honoring Alex Alaniz's contributions to the Board. Trustee Boey so moved, seconded by Trustee Skoien. The motion was approved.

RESOLUTION

WHEREAS Public Act 89-4 created a body politic and corporate known as the Board of Trustees of Northern Illinois University to operate, manage, control and maintain Northern Illinois University in accordance with the rights, powers and duties vested by law in such Board; and

WHEREAS Alejandro (Alex) Alaniz was elected by his constituents at Northern Illinois University to represent their interests and has faithfully served the Board of Trustees of Northern Illinois University as its eighth Student Trustee; and

WHEREAS in said position, Mr. Alaniz capably and honorably discharged those duties and responsibilities while at the same time keeping in the mind the interests of all of the people of the State of Illinois in addition to the well-being of Northern Illinois University; and

WHEREAS Mr. Alaniz has demonstrated devotion to, cooperation with, and support for the Board, Northern Illinois University, and the faculty, staff, and student personnel of same; and

WHEREAS the Board of Trustees and Northern Illinois University have received the benefit of his helpful insights which have been of special worth; and

WHEREAS the Board of Trustees wishes to officially express its appreciation for the many far-reaching contributions by Mr. Alaniz to all of the above-mentioned interests of this Board,

NOW THEREFORE LET IT BE RESOLVED that the Board of Trustees of Northern Illinois University in formal meeting herein assembled, extends its grateful appreciation to Mr. Alejandro (Alex) Alaniz for his outstanding and loyal service.

BE IT FURTHER RESOLVED that this **RESOLUTION** be presented to Mr. Alaniz and a copy of this document be placed in the official files of this Board as a part of the permanent record of the great State of Illinois and as a lasting tribute to the performance and accomplishments of Mr. Alejandro (Alex) Alaniz.

Adopted in a regular meeting assembled this **20th** day of **June, 2002**.

**BOARD OF TRUSTEES OF
NORTHERN ILLINOIS UNIVERSITY**

Manuel Sanchez, Chair
Attest: *Robert T. Boey, Secretary*



Student Trustee Alaniz made brief remarks as follows:

It was an honor and a privilege to serve as Student Trustee here at Northern Illinois University. Through my years here, I have been fortunate to get to know a lot of people. Former Student Trustees such as Nolan Davis, James Barr, and this year, I am extremely fortunate to know my successor. That is something I will remember forever. I am very excited for Mr. Jesse Perez. I am confident of his ability to serve on the Board of Trustees, and I know he will do an excellent job.

I would like to thank all the Board members for devoting so much time to the Board. These women and gentlemen are extremely busy, always on the run, but they always find time to devote to our university. On behalf of all the students here at Northern Illinois University, I would like to thank you all. Also, serving on this Board was a great learning experience that cannot be learned in a classroom. I learned many things and met a lot of new people. It was a wonderful time in my life. I would like to thank everybody for that. Unfortunately, the budget cuts stressed me out a little bit. That was the only thing, if I could change something, that I would change – and I am sure most of us would. So, on behalf of the students here at NIU, I would like to thank President Peters for his leadership and for his dedication in upholding the standards of our education here. He always keeps in mind the quality of education for students, and we appreciate it. Last, but not least, I would like to recognize and thank my family. My mother, Dr. Sylvia Fuentes, is the new director of the URL, and I would like to thank her for all her love and support.

The Board of Trustees has been extremely fortunate from day one in the kind of representation and quality we have had in our Student Trustees, Trustee Boey said. I am proud to say that you fit right in line with the same kind of quality students, and that allows us to do our work extremely well. Thank you for all the help you have given us, and good luck.

Echoing both Trustee Siegel's and Trustee Boey's comments, Chair Sanchez said, for seven years, we have had some of the finest ambassadors serve on this Board of Trustees. You wore that banner in a very appropriate fashion, and the students should be proud. I know your family is, and you should be proud yourself of the way you conducted yourself and the way you represented the student body here. My heartfelt congratulations on a job well done, he said, and your future is going to be determined by the wonderful foundational skills that you secured here. Thank you very much.

On behalf of the staff and the university, President Peters said, it has been a pleasure. You are quite representative of the great student leadership we have here at Northern Illinois University.

Agenda Item 10.b. – Executive Session Minutes Release

The Illinois Open Meetings Act requires public bodies to review the minutes of their executive sessions on a semiannual basis and determine what parts of the minutes they should make available to the public because they no longer require confidential treatment. Upon review and advice of the Board's Parliamentarian, Mr. Ken Davidson, who is also our Corporation Counsel, Chair Sanchez said, I recommend that the Board approve no additional release from confidentiality of any of the previously unreleased sections of the executive session minutes at this time. Those sections which are still subject to confidentiality, together with sections from subsequent meetings, will be considered again in six months. Chair Sanchez asked for a motion to approve this review and determination as stated in the meeting materials. Trustee Siegel so moved, seconded by Trustee Skoien. The motion was approved.

Agenda Item 10.c. – Oath of Office – New Student Trustee

Now, Chair Sanchez said, I would like to welcome our new Student Trustee, Jesse Perez. Jesse is the second elected Student Trustee for the University. He has served the Student Association as its Chief of Staff. He has also served as President of Sigma Lambda Beta Fraternity; Vice President, Order of Omega; Founder, Association for the Latino Movement and Accreditation; and is a current Member of the City of DeKalb Liquor Commission. Jesse has earned his B.S., Operations, Management and Information Systems from Northern Illinois University, is currently a student-at-large seeking acceptance into the MBA Program at NIU. His awards and honors include Director of University Programming and Activities Leadership Award; NIU Senior Leadership Award; NIU Leadership Institutional Tuition Waiver; NIU Community Service Recognition; Alpha Phi Alpha Best Student Leader Award; *Who's Who Among Students in American Universities and Colleges*; and Nicholas Ryan Academic Scholarship Recipient.

We are delighted to have you join the Board this year, the Chair said. Your service in student and community government and experience on campus has provided you with a depth of knowledge that will be a tremendous asset to this Board. This Board takes the opinions and counsel of the Student Trustee very seriously, he said, and I want you to know that I am looking forward to working with you next year as are my fellow Trustees.

Chair Sanchez then administered the oath of office to Mr. Perez for his position as NIU Student Trustee to be effective as of July 1, 2002, as follows.

I, Jesse Perez, do solemnly swear that I will support the Constitution of the United States, the Constitution of the State of Illinois and the laws thereof, and that I will faithfully discharge the duties of Student Trustee for the Board of Trustees of Northern Illinois University to the best of my ability.

Mr. Perez made the following comments:

I would like to open with a quote that has inspired me through my campaign, through my course work and through everyday matters of life. This quote is from the late Vince Lombardi, former head coach of the Green Bay Packers. He says, "It isn't whether you get knocked down, it's whether you get back up that matters." I think that I took the longest and hardest route possible in order to be here, but I appreciate the struggle. I have learned that things that come easy are not always worth having.

I want to recognize some people who have given me their undying support. First, my family – my mother, my father and my brother; my girlfriend, Sylvia; the gentlemen at Alpha Alpha Fraternity, especially Troy Caldwell and Craig Harris, who never gave up on us; my fraternity brothers of Sigma Lamda Beta and particularly our past chapter president and current Student Trustee, Alex Alaniz. Special thanks to everyone who supported our campaign. Also thanks to the administration that have been helpful in making this a smooth transition. Lastly, and most importantly, thanks to God who has blessed me with this opportunity to serve the students in this capacity.

In closing, I am very excited about this upcoming year and look forward to a successful term. Thank you.

It is my privilege, Chair Sanchez said, to present Mr. Perez with his Trustee pin – which only Trustees are allowed to wear – signifying service as the eighth Student Trustee in the history of Northern Illinois University.

NEXT MEETING DATE

Chair Sanchez announced that the next meeting of the Board of Trustees is scheduled for Thursday, September 19, 2002.

ADJOURNMENT

There being no Other Matters, Chair Sanchez asked for a motion to adjourn. Trustee Siegel so moved, seconded by Trustee Skoien. The motion was approved. The meeting was adjourned at approximately 12:05 p.m.

Respectfully submitted,

Sharon M. Mimms
Recording Secretary

FISCAL YEAR 2004 BUDGET GUIDELINES

Summary: Each year the university prepares and submits to the state a budget request that establishes salary, price and program needs for the coming fiscal year. The budget request, by state statute, is submitted to the Illinois Board of Higher Education (IBHE) for review, revisions and inclusion in the IBHE Higher Education Operating Budget recommendation to the State Legislature and the Governor. To ensure the timely preparation and submission of the university's FY04 budget request to the IBHE, salary, price and programmatic levels need to be approved by the Board in early summer. In establishing the FY04 requests, the following guidelines were endorsed by the Finance, Facilities and Operations Committee at its June 6 meeting. The university recommends that these guidelines be approved by the Board of Trustees for its budget development:

1. **5% Faculty and Staff Salary Increase:** The 5% translates to a 3+2 plan (3% merit and 2% to catch up for no increments in FY03).
2. **10% Utilities:** To meet the increased cost of utilities.
3. **3% General Price Increase:** To meet the increased cost of goods and services provided to the university.
4. **3% Fire Protection Increase:** To cover projected cost increases for local fire protection services.
5. **10% Library/Technology Increase:** To continue meeting the unique increases for library and technology materials and equipment.
6. **\$250,000 Medicare Increase:** To provide sufficient funds to meet mandated contributions for Medicare.
7. **\$4,500,000 in Program Priorities Requests:** Continue programmatic efforts to enhance and strengthen academic commitments in undergraduate education, technology, distance education and off-campus programs, assessment and faculty diversity.
8. **\$3,125,000 in Nonacademic Program Improvements:** The university will continue its requests for the establishment of an adequate funding base for deferred maintenance and replacement of computer systems infrastructure which maintains critical management and operational data. These two programs are urgently needed to maintain the university's physical and information base.
9. **\$1,653,500 O&M for New Buildings:** To provide operation and maintenance funds for the Center for Diversity Resources,

Barsema Hall, the Family Violence Center and the convocation center. The Center for Diversity Resources opened Spring 2001; Barsema Hall, the Family Violence Center and the convocation center will be operational by Fall 2002.

Comparison of Budgetary Guidelines
(\$ in thousands)

| | Fiscal Year 2003 | | | Fiscal Year 2004 |
|------------------------|-------------------|-----------------|-------------------------|------------------------------|
| | BOT Guidelines | Recommendations | | Recommended Guidelines |
| | | IBHE | Governor ⁽¹⁾ | Appropriation ⁽²⁾ |
| Salary Increase | 6.0% | 3.0% | 0.0% | -- |
| Utility Increase | 20.0% | 3.0% | 0.0% | -- |
| General Price Increase | 3.0% | 0.0% | 0.0% | -- |
| Fire Protection | 3.0% | 0.0% | 0.0% | -- |
| Library/Tech Increase | 10.0% | 0.0% | 0.0% | -- |
| Medicare Increase | \$250.0 | \$0.0 | \$0.0 | -- |
| Program Priorities | \$4,500.0 | \$660.0 | \$0.0 | -- |
| Deferred Maintenance | \$1,500.0 | \$0.0 | \$0.0 | -- |
| Computer Systems | \$1,625.0 | \$0.0 | \$0.0 | -- |
| O&M for New Buildings | \$980.4 | \$528.0 | \$0.0 | -- |

⁽¹⁾ **The Governor's recommendation includes a \$9.0 to \$10.0 million reduction from the FY02 allocation.**

⁽²⁾ **Pending approval by the General Assembly and Governor.**

**FISCAL YEAR 2003 NIU FOUNDATION
PROFESSIONAL SERVICES CONTRACT**

Summary: The Northern Illinois University Foundation contract supports the fundraising services and activities provided by the Foundation on behalf of the university. This contractual agreement is in accordance with the Legislative Audit Commission Guidelines. The contract amount will be offset by the Foundation payment to the university for personal services, fringe benefits, facilities and program expenditures to meet the contract obligations.

Recommendation: The university requests approval of a renewal order for the FY03 contract for the Northern Illinois University Foundation not to exceed \$471,271.

**FISCAL YEAR 2003 DOCUMENT SERVICES COPIER
AND CONTROLLER SYSTEM**

Summary: Document Services operates a campus copier program consisting of approximately 270 copiers of various configurations. The annual volume of copies is approximately 30 million. This program is provided under a lease agreement based on a flat rate per copy charge, which includes all equipment, toner and maintenance. Machines located in the libraries and other public areas are operated with a campus copier card controller system. Peripheral devices, such as fax boards and networking cards, are included in the contract. This is the first year of the contract, which offers optional annual renewals for a maximum term of ten years.

Recommendation: The university requests approval of expenditure authority for an open order for FY03 as follows:

Gordon Flesch Co. – Geneva, IL..... \$950,000

**CONVOCATION CENTER FURNITURE, FIXTURES
AND EQUIPMENT BUDGET AUTHORIZATION**

Summary: At the December 6, 2001 Board meeting, the university received Board of Trustees approval to set a preliminary convocation center furniture, fixtures and equipment (FF&E) budget at \$3.3 million. In a typical new construction project, however, the FF&E budget constitutes approximately 15%-25% of the total construction cost of the project, with the exact amount dependent on the specific use of the building. Under this guideline, the FF&E budget for the convocation center would more appropriately be set between \$5.4 to \$8.9 million. In approaching the FF&E needs for the convocation center, however, the university established the objective of obtaining grants, donations and generated resources, including the sale of boxes, advertisement and general sales, to cover these FF&E needs and requirements. This would be achieved without any impact on existing student fees.

The university has now experienced some success in this endeavor. The Intercollegiate Athletics department has now received \$350,000 in donations with an additional \$200,000 to \$250,000 pending. The university has also internally earned Bond proceeds, which under the Bond covenants can be applied toward this need. Further the university, through the efforts of the convocation center staff, is pleased to report approximately \$850,000 in projected revenues generated through box sales, promotions, scoreboard advertisements, scheduled events and partnerships with several other revenue opportunities to come. As a result, the university now seeks Board of Trustees authority to set the FF&E budget authorization at the appropriate level with the continuing understanding that this FF&E funding will not effect existing student fees.

Recommendation: The university requests Board of Trustees approval to set the convocation center furniture, fixtures and equipment budget authorization at \$6.4 million (17.9%). The source of funds will be generated local, bond and grant funds, which will have no effect on existing student fees.

**FAMILY VIOLENCE CENTER BASEMENT BUILD-OUT AND EQUIPMENT
Capital Project Update**

Summary: In September 2000, the Board of Trustees approved a budget of \$2.7 million for construction of this facility with federal grant funding. The budget was increased to \$3.42 million when plans for site improvements and utility extensions were solidified and operating budget funding was identified. Construction continues at the site, based on those approvals. Footings, foundations, the first floor slab, structural steel and masonry walls are in place. Progress continues in preparation for opening the building in Fall 2002.

During the design phase of the building, several alternates were identified as separate items for bidding. This approach assured a base bid for construction of the facility, leaving additive alternates available if the bids were low enough or if additional funding became available. As executed, the construction contracts cover provision of a full basement with a mechanical room and unfinished space, which could function as storage space or be finished at a later date without major programmatic disruption.

Continuing efforts to secure additional funding for the program, application for a second federal grant has been submitted. Under the terms of the grant application, funding may be made available for build-out of the unfinished basement space, acquisition of movable equipment and outfitting of a psychophysiology EEG laboratory unit. A total of \$740,000 has been requested in the grant application for those three purposes. The outcome of the grant application is unknown at this time and the university recognizes that federal funding for these purposes may not be forthcoming or may be allocated in part.

Completion of the basement build-out could be accomplished via change order with existing construction contracts if federal funding is released while construction is ongoing. Anticipating the possibility of this, the university is requesting Board of Trustees authorization to increase the total project budget by the amount of the federal grant. With approval in place, completion of the basement could proceed upon release of federal funds with minimal impact on the construction schedule. By including potential equipment procurement as well, procurement could proceed on a timely basis for full operation of the new facility this fall.

Recommendation: The university requests Board of Trustees authorization to increase the total budget by \$740,000 for a new total of \$4,160,000 contingent on funding of the federal grant. Grant funding would support completion of the basement, equipment acquisition and installation of the EEG laboratory unit. The university further requests approval to execute purchase orders, contracts and issue work orders as necessary to design, bid and contract for these purposes.

**WEST CAMPUS CHILLED WATER DISTRIBUTION AND
COOLING TOWERS – PERFORMANCE CONTRACT**

Summary: The university desires to provide a centralized chilled water distribution system and cooling towers for the Central and West Campus at an estimated project cost of \$6.5 million. Public Act 90-0486 permits universities to negotiate contracts for the evaluation, design and implementation of facility improvement measures that will pay for themselves via guaranteed energy and/or operational savings over the life of a contract. Performance contracting has proven to be a viable and beneficial approach for Northern Illinois University in attempting to improve classroom and educational environments to meet escalating enrollment needs while faced with minimal deferred maintenance funding available to the university for these building improvements. Three major characteristics that distinguish the performance contracting approach from other conventional methods of capital improvement projects are:

1. The university makes no initial capital outlay or investment to fund the project.
2. Energy and operational savings are guaranteed by the contractor to be at least at the level to fund the project, including finance charges, for up to ten years.
3. Technical and financial risks are shifted from the university to the contractor.

The first performance contract project at Northern Illinois University was a Pilot Program involving DuSable Hall in 1999. The scope of work completed included new lighting fixtures, lamps and ballasts, new ceiling systems, three-way switching of classroom lighting, new variable frequency drives and controls for chilled water pump motors, and new outdoor air damper assemblies for air handling units. The project cost was \$388,041 with a guaranteed annual energy and operational savings of \$45,422 for ten years.

The second project involved twenty buildings on campus in 2001. The scope of work completed included new lighting fixtures, lamps and ballasts, exit signs, new lenses and ceiling tiles. All lamps and ballasts in these buildings were changed to a modern electronic ballast with T-8 lamps. All incandescent lamps were replaced with compact fluorescent lamps. The project cost was \$1,601,020 with a guaranteed annual energy and operational savings of \$236,396 for ten years. The actual first quarter audit results for this project show an annualized energy savings of \$311,866.

The third project involves the heating, ventilation, air conditioning (HVAC) and associated controls for the convocation center in 2002. The scope of work includes upgrades to the originally proposed equipment to provide more energy

efficiency in the future. The project cost is \$5.1 million with a guaranteed annual energy and operational savings of \$587,545 for ten years.

The fourth project involves forty buildings on campus in 2002. The scope of work includes new lighting fixtures, lamps and ballasts, exit signs, new lenses and ceiling tiles. All lamps and ballasts in these buildings will be changed to a modern electronic ballast with T-8 lamps. All incandescent lamps will be replaced with compact fluorescent lamps. The project cost is \$2,399,477 with a guaranteed annual energy savings of \$589,321 for ten years.

In this request, the university seeks Board of Trustees approval of a project that includes all chillers, cooling towers, pumps and piping necessary to complete the master plan in providing central chilled water-cooling to the Central and West Campus buildings. This project will run concurrently with two associated projects beginning during the summer of 2002 in order to minimize disruption on campus. Existing CFC R-11 and R-12 chillers will be replaced with modern, energy-efficient units resulting in reduced energy consumption and maintenance in the future.

Utilizing the Request for Proposal (RFP) process, the institution is seeking proposals from qualified firms to provide all of the desired improvements on a performance contract basis. A qualified firm will be selected based on a ten-year payback plan not to exceed \$6.5 million in improvements. The benefits to the university are: (1) short-term improvement to proposed facilities, (2) documented and verified savings in energy usage for the life of the ten-year contract, (3) long-term energy reduction after the contract expires and, most significantly, (4) required improvements are provided without a capital outlay from the university.

Recommendation: The university requests Board of Trustees approval to execute a performance contract with the selected qualified firm to implement the proposed West Campus chilled water improvements. Work is to begin during the summer of 2002 with completion by May 2003. Under the terms of the contract, payment commences at the completion of the work, payable over the life of the ten-year contract from guaranteed energy and operational savings.

WEST CAMPUS INFRASTRUCTURE IMPROVEMENTS

Summary: The development of the near and far West Campus of the university requires substantial infrastructure improvements, including utility extensions (gas, water, electricity, telecommunications), storm and sanitary sewers, and access roads. In addition, critical engineering is required to determine utilization options for future planning of the site. With the construction of the Family Violence Center and the convocation center, at a minimum, the initial phase of these infrastructure improvements must be completed for the near West Campus. As a result, the university pursued state capital improvement funding to support these infrastructure improvements. With the current statewide budget shortfalls, the university has only received \$450,000 in the form of a DCCA grant. This grant provided a significant portion of the funding for the West Campus Access Road project approved by the Board at its last meeting. Subsequently, other necessary improvements remained unfunded. In the absence of further state support, the university is now able to cover these costs through funds generated from the investment of the 1999 Bond Series construction fund proceeds. These proceeds were invested at a very favorable rate, and given a slower than anticipated draw down of the construction funds, the generated investment dollars have exceeded original estimates. It should be stated, however, that these additional funds still remain subject to the 1999 Bond indenture. Therefore the funds can only be used for campus capital improvements as originally established at the issuance of the bonds. The required near West Campus improvements qualify under this permitted use definition. Given that the Board previously granted project approval for these improvements, the university now desires Board approval to use this investment income as the source of funding.

Recommendation: The university requests Board of Trustees approval to establish the near West Campus Infrastructure Improvement budget at \$2,462,800 to be totally paid from investment income generated from the 1999 Bond Series construction fund.

**HOLMES STUDENT CENTER BALLROOM ROOF REPLACEMENT
Capital Project Approval**

Summary: The roofing systems on the Holmes Student Center are original 1960s installations, now exceeding a normal life expectancy for built-up, flat roofs. The university has embarked on a roof replacement program, replacing distinct sections separated by parapets or other architectural features. The first such project replaced the roof on the southeast section of the building. This project calls for replacement of the next section over the Duke Ellington Ballroom and stage.

Approximately 19,000 square feet of roofing materials will be removed to expose the roof deck. Repairs will be made to the deck where necessary. New insulation and roofing materials will be installed. Roof penetrations and perimeter parapets will receive new flashing to assure a watertight installation. Construction documents will be prepared by NIU Architectural/Engineering personnel for bidding by roofing contractors.

In addition to replacing roofing materials, this project also includes abatement of asbestos-containing ceiling materials in the Ballroom under the area of the roof that is to be replaced. This is a standard precautionary measure taken to guarantee that no ceiling materials will become dislodged and contaminate the Ballroom during demolition of the old roof or during application of the new roof. The university will contract for preparation of abatement design documents. After abatement, new ceiling materials and other interior decoration will be undertaken as a separate project.

The schedule of ceiling abatement and roof replacement has been determined by the availability of the Ballroom space, which is heavily used. Plans now call for closure of and abatement in the Ballroom during the holiday break in December 2002. This will be followed by roof replacement work in spring 2003.

Recommendation: The university requests Board of Trustees authorization to establish a total budget of \$501,700 for replacement of the roof over the Duke Ellington Ballroom and abatement of ceiling materials in the Ballroom in Holmes Student Center. Project costs will be paid from revenue bond reserves. The university further requests approval to execute purchase orders and contracts and issue work orders as necessary to design, bid and replace the roof and abate the Ballroom ceiling.

HUSKIE BUS CONTRACT

Summary: The Student Mass Transit Board oversees the operation of a campus busing system that provides bus services on campus and to the residential and business areas of DeKalb and Sycamore.

An increase in previously approved expenditure levels is required to provide extended services and additional routes and to fund increased fuel costs for the system. The new services are being added in response to student customer requests.

Recommendation: The university requests approval of change orders for FY02 and FY03 as follows:

ATC Vancom of Illinois LP dba Huskie LP – Oakbrook Terrace

| | <u>FY02</u> | <u>FY03</u> |
|-----------------|----------------|----------------|
| Original Amount | \$2,040,000 | \$2,100,000 |
| Amendment | <u>120,000</u> | <u>175,000</u> |
| New Order Total | \$2,160,000 | \$2,275,000 |

REQUEST FOR A NEW MINOR

New subdivisions of existing programs, including minors, require the approval of the Board of Trustees. Under the new state system created to streamline the processes for the development of academic programs, the approval of a minor by the NIU governing board will be reported to the IBHE in the university's Annual Listing of Changes sent to the IBHE each June. This request was endorsed by the Academic Affairs, Student Affairs and Personnel Committee of the Board of Trustees after receiving the approval of the department, the college and the Undergraduate Coordinating Council and the concurrence of the Provost.

Minor in Nutrition, Dietetics and Hospitality Administration

Description: The proposed Minor in Nutrition, Dietetics and Hospitality Administration is intended to introduce students to the basic scientific principles of food and nutrition and hospitality administration. Students enrolling in the minor must complete 18 semester hours of course work including designated courses in chemistry, the principles of food preparation and human nutrition, as well as electives in nutrition, dietetics and hospitality administration approved by their advisor.

Rationale: The proposed minor has been developed to address a high level of interest in nutrition courses expressed by students pursuing other NIU degree programs. For example, students pursuing degrees in business, physical education or elementary education could apply the knowledge gained from completing the minor to an employment setting related to the production, marketing or distribution of food products or in working with school-aged or adult populations. Successful completion of the course work required for the minor would be noted on the transcript, which would benefit students seeking employment in settings where knowledge related to nutrition, dietetics and hospitality is desirable.

Costs: No additional funding is required to implement this minor. The courses needed to complete the minor are currently offered and have sufficient space for additional students who might seek the Minor in Nutrition, Dietetics and Hospitality Administration.

Recommendation: The university recommends Board of Trustees approval of this request for a new Minor in Nutrition, Dietetics and Hospitality Administration.

**REQUEST FOR A NEW EMPHASIS AND A NEW SPECIALIZATION
WITHIN DEGREE PROGRAMS**

New subdivisions of existing undergraduate programs are called emphases, and new subdivisions of graduate programs are called specializations. The creation of both of these subdivisions requires the approval of the Board of Trustees. If the Board approves the addition of new emphases or specializations, the university will report them in the Annual Listing of Changes sent to the IBHE each June. These requests were endorsed by the Academic Affairs, Student Affairs and Personnel Committee of the Board of Trustees after receiving approval from curriculum committees at the department, college and university levels and the concurrence of the Provost.

Emphasis in Manufacturing Systems (within the B.S. in Industrial Engineering)

Description: The proposed emphasis in manufacturing systems within the B.S. degree program in Industrial Engineering would focus on industrial engineering techniques in systems that produce tangible goods using both traditional and advanced manufacturing techniques and processes. Students who enroll in the proposed emphasis would complete required course work in robotics, integrated product and process design, computer-aided design and materials strength, as well as a manufacturing systems design project.

Rationale: Many students in the B.S. degree program in Industrial Engineering are interested in manufacturing engineering, and the proposed emphasis would allow them to pursue their interest in a way that gives them formal credit for the completion of course work in this area. It is also anticipated that creating the emphasis would attract additional students who might not otherwise attend NIU. Completion of the emphasis would be noted on the transcript, which would benefit students seeking employment that includes responsibilities-related manufacturing systems.

Costs: No new costs would be incurred from the creation of this emphasis. All courses specified for the emphasis are currently taught in the university.

Specialization in Pedagogy and Curriculum Development in Physical Education (within the M.S.Ed. in Physical Education)

Description: The proposed Specialization in Pedagogy and Curriculum Development within the M.S.Ed. in Physical Education is designed to provide students with the relevant theoretical knowledge and experience to design contemporary curricula within the discipline of physical education. The specialization would require specific course work in instructional strategies, supervision and program development in physical education, and the use of technology and assessment in educational settings. Individuals completing this

specialization would be able to assume leadership roles in pedagogy and curriculum development in physical education and related fields.

Rationale: Graduate students who wish to pursue teacher certification in physical education at NIU currently enroll in the general program of study in the M.S.Ed. program. Although these students can complete the course work for the proposed specialization described above, the transcript notation is “general program of study.” This notation requires a course-by-course evaluation of the transcript to ascertain that the students have the knowledge and skills to design instructional strategies and to develop curricula in physical education. The creation of a specialization in pedagogy and curriculum development would benefit students by having the specialization noted on their transcripts, which would facilitate their employment within the discipline. The creation of the specialization also responds to requests from school districts for further clarification of students’ competencies on transcripts.

Costs: No new costs would be incurred from the creation of this specialization. The courses required for the proposed specialization are currently taught in the university.

Recommendation: The university recommends Board of Trustees approval to add a new Emphasis in Manufacturing Systems within the B.S. in Industrial Engineering and a Specialization in Pedagogy and Curriculum Development in Physical Education within the M.S.Ed. in Physical Education.

REQUEST TO DELETE SPECIALIZATIONS

Public university governing boards have the final authority to delete subdivisions of major programs. These requests were endorsed by the Academic Affairs, Student Affairs and Personnel Committee of the Board of Trustees after receiving approval from curriculum committees at the department, college and university levels and the concurrence of the Provost.

Specialization in Sport Management (within the M.S.Ed. in Physical Education)

Description: The Department of Kinesiology and Physical Education in the College of Education proposes to delete the specialization in sport management.

Rationale: In April of 1991 the Illinois Board of Higher Education approved a specialization in sport management as part of the M.S.Ed. degree program in Physical Education within the Department of Physical Education. On July 1, 1999, the College of Education was reorganized and the sport management faculty appointments were moved from the Department of Physical Education to the newly formed Department of Leadership in Educational and Sport Organizations (LESO). Along with the faculty, the responsibility of administering the specialization in sport management was granted to LESO. The department requested permission to create an M.S. degree program in Sport Management, which was approved by the Illinois Board of Higher Education on June 5, 2001, effective fall term 2001. With the implementation of the M.S. degree program in Sport Management, students are no longer admitted to the specialization in the M.S.Ed. in Physical Education. Most sport management students transferred from the specialization to the M.S. degree program in Sport Management, with only a few students remaining in the specialization. These students are expected to complete their program of study no later than fall 2002; therefore, there is no need to continue offering the specialization in sport management in the M.S.Ed. degree program in Physical Education.

Costs: No reduction in costs will occur with this deletion because the courses associated with this specialization are the same as those needed for the M.S. degree program in Sport Management.

Specialization in Curriculum Leadership, Specialization in Outdoor Teacher Education and Specialization in Secondary Education (within the M.S.Ed. in Curriculum and Instruction)

Description: The Department of Teaching and Learning in the College of Education proposes to delete the Specialization in Curriculum Leadership, the Specialization in Outdoor Teacher Education and the Specialization in Secondary Education within the M.S.Ed. degree program in Curriculum and Instruction.

Rationale: The deletion of the Specializations in Curriculum Leadership, Outdoor Teacher Education and Secondary Education reflects a restructuring of the M.S.Ed. degree program in Curriculum and Instruction. This restructuring will better serve students by increasing the program's ability to meet the professional development needs of teachers and school districts and to prepare teachers for national board certification. Students pursuing the M.S.Ed. in Curriculum and Instruction must still complete 33 semester hours of course work, including research methods, foundations of education, and curriculum and instruction as well as additional courses in the major and electives. Course work in curriculum leadership, outdoor teacher education, and secondary education will be available for students to include in their program of study; however, some courses may be offered on a rotating basis. The restructuring will enable the program to be more flexible in assigning faculty to teach high-demand courses more frequently or to offer these courses in more locations.

Costs: No reduction in costs will occur with the deletion of these specializations because resources will still be needed to offer the courses necessary for students to complete the M.S.Ed. degree program in a timely manner.

Recommendation: The university recommends that the Board of Trustees endorse this request to delete the Specialization in Sport Management within the M.S.Ed. in Physical Education and the Specializations in Curriculum Leadership, Outdoor Teacher Education and Secondary Education within the M.S.Ed. in Curriculum and Instruction.

APPOINTMENT OF THE DEAN OF THE COLLEGE OF EDUCATION

After a national search, Dr. Christine Knupp Sorensen has been selected for appointment as Dean of the College of Education. She is a tenured associate professor who has served as Acting Dean since August 2001 and previously held positions in the college as Associate Dean for Academic Affairs, Assistant Chair of the Department of Leadership in Educational and Sport Organizations, and Assistant Chair of the Department of Curriculum and Instruction. Prior to coming to NIU, she held several academic positions in Iowa. Dr. Sorensen received her Ph.D. and M.S. in Professional Studies in Education and Higher Education at Iowa State and her B.A. in Speech Communication at the University of Houston in Texas.

Dr. Sorensen is involved in numerous professional organizations and has participated in many departmental, college and university committees. She has served as grant reviewer for the U.S. Department of Education, Fund for the Improvement of Postsecondary Education (FIPSE); as principal investigator and co-principal investigator on a number of contracts and grants; and as lead evaluation specialist for a variety of funded projects. She received research awards from Iowa State University including one in the field of distance education. Dr. Sorensen is an active scholar who has presented more than sixty papers at regional, state, national and international professional conferences.

**REQUEST TO MOVE SUBMISSION OF TENURE AND PROMOTION
RECOMMENDATIONS TO THE BOARD OF TRUSTEES
FROM MARCH TO THE JUNE BOARD MEETING**

The current due date for college decisions on tenure and promotion to be received in the Provost's Office is the beginning of November. It is proposed to move this deadline to the beginning of December. This would result in the final stage of the process, appeals hearings, ending at the beginning of April. Therefore, the Board of Trustees would receive the tenure and promotion recommendations at the June meeting instead of the March meeting.

The change in due dates would permit adequate time for gathering the material needed to support the recommendations made, in particular external evaluations. As it stands now, requests for external evaluations have to be made in the spring in order to insure that responses are received in a timeframe that allows for departmental and college consideration in making a decision by the due date. Quite often faculty up for tenure and promotion use the summer of the final year to expand their contributions. Moving the tenure and promotion decisions back one month will provide external reviewers the opportunity to review the most up-to-date material on the candidates for tenure and promotion.

The request for this change came from the deans and is supported by the chairs. The proposal was reviewed and approved by the University Council Personnel Committee, the committee that reviews the tenure and promotion recommendations.

President Peters supports this request.

Recommendation: The University recommends that submission time for tenure and promotion recommendations to the Board of Trustees be moved from March to the June Board Meeting.

PROPERTY ACQUISITION

Summary: At the December 6, 2001 meeting of the Board of Trustees, the Board authorized the university to negotiate and develop an agreement for the purchase of two parcels of real property commonly described as the "John Deere Property" located at 1615 West Lincoln Highway, DeKalb, Illinois, from Westside Building Partnership. This property is strategically important for the future development of the West Campus and, on its north side, provides three (3) acres to be developed for parking for the convocation center. The university has now developed purchase and possession terms with the owners that include a base acquisition price of \$1,600,000 through a five-year agreement with economic incentives prorated based on the actual date that the property is vacated. The property will be acquired through capital bond funds and therefore will not utilize any state or university operational funding.

Recommendation: The university requests Board of Trustees approval to enter into a purchase and possession agreement for the John Deere property under the terms and conditions as generally described above. The university also requests Board authorization, after review from Corporation Counsel, for the Chairman of the Board and the Board Treasurer to execute all documents and other instruments necessary to carry out this acquisition.

Agenda Item 9.c.(3)
June 20, 2002

**POLICY STATEMENT CONCERNING PRIVACY
OF PROTECTED HEALTH INFORMATION**

The President has assigned the Corporation Counsel to guide the university's compliance efforts related to the federal Health Insurance Portability and Accountability Act of 1996 ("HIPAA"). In relevant part, HIPAA requires structured protection of electronic transactions, security and/or privacy of protected health information.

HIPAA covers any health care provider who transmits any health information in electronic form in connection with a transaction covered by HIPAA. Protected Health Information ("PHI") is individually identifiable health information in any form, except if it is in education records covered by the Family Educational Rights and Privacy Act ("FERPA"), as described in 20 U.S.C. §1232g(4)(A) or in 20 U.S.C. §1232g(4)(B)(iv). "Transaction" is defined as: "the transmission of information between two parties to carry out financial or administrative activities related to health care. It includes the following types of information transmissions:

1. Health care claims or equivalent encounter information.
2. Health care payment and remittance advice.
3. Coordination of benefits.
4. Health care claim status.
5. Enrollment and disenrollment in a health plan.
6. Eligibility for a health plan.
7. Health plan premium payments.
8. Referral certification and authorization.
9. First report of injury.
10. Health claims attachments.
11. Other transactions that the Secretary may prescribe by regulation.

45 CFR §160.103. The comment period on final rules for the Privacy Regulations is pending.

As a public university, Northern Illinois University is proceeding to develop internal operational standards and practices to comply with HIPAA as a "hybrid entity," as that term is defined in the HIPAA statute. Extensive legal research and conferencing with counterparts at other institutions has led to development of a series of recommendations, one of which is the attached addition to the *Regulations* of the Board of Trustees. Its design and intent is to put the Board itself into a compliance position, while delegating the implementation of privacy responsibilities for the University to the President and designees.

There will be a survey of university activities that could require HIPAA-related standards (for electronic transactions, security, and/or privacy of protected health

information) to be applied. That survey will be conducted during the early summer, and a determination made of which units should be designated as a type of "covered unit" within our hybrid entity.

The Corporation Counsel's Risk Management Advisory Committee sponsored a cyber seminar on campus in conjunction with the National Association of College and University Attorneys earlier this year. 25 members of the university faculty and staff attended that training session on the HIPAA Privacy Regulations. Similar training will be provided as needed in the future. It is foreseeable that external legal counsel specializing in this area of privacy law will be engaged to supplement institutional compliance efforts as needed.

Recommendation: The University recommends Board of Trustees approval of this amendment to the Board of Trustees *Regulations*.

BOARD OF TRUSTEES *REGULATIONS* - SECTION VII.

Subsection D. [NEW]

A. General

This statement of policy relates to administration and protection of certain protected health information coming into possession of individuals and business affiliates performing official functions on behalf of components of the Board of Trustees of Northern Illinois University. This policy statement is intended to facilitate and foster Board of Trustees and institutional compliance with the federal Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), Public Law 104-191, including applicable amendments and related implementing regulations of responsible agencies, as may be applicable to a university of the State of Illinois.

B. University Privacy Officer

The President of Northern Illinois University shall designate an appropriately qualified member of the university staff to serve as University Privacy Officer to assist the President with responsibilities associated with interpreting and administering privacy standards for the University, including those for protected health information.

C. Delegation of Authority

As necessary and appropriate consistent with applicable law and regulations, the President of Northern Illinois University, or designee, is delegated authority to develop, adopt and arrange publication of appropriate internal procedures to maintain continuing compliance with applicable federal and state standards concerning matters related to privacy of information, including protected health information of students, employees and other individuals.

Concerning protected health information, administration of such procedures will require all university units that maintain or transmit such health information to utilize reasonable and appropriate administrative, technical and physical safeguards:

1. To ensure the integrity and confidentiality of the information;
2. To protect against any reasonably anticipated
 - a. threats or hazards to the security or integrity of the information; and
 - b. unauthorized uses or disclosures of the information; and
3. Otherwise to ensure compliance with applicable privacy law standards by the officers and employees of the Board of Trustees.

Chair's Report

No. 22

June 20, 2002

RESOLUTION

WHEREAS Public Act 89-4 created a body politic and corporate known as the Board of Trustees of Northern Illinois University to operate, manage, control and maintain Northern Illinois University in accordance with the rights, powers and duties vested by law in such Board; and

WHEREAS Alejandro (Alex) Alaniz was elected by his constituents at Northern Illinois University to represent their interests and has faithfully served the Board of Trustees of Northern Illinois University as its eighth Student Trustee; and

WHEREAS in said position, Mr. Alaniz capably and honorably discharged those duties and responsibilities while at the same time keeping in the mind the interests of all of the people of the State of Illinois in addition to the well-being of Northern Illinois University; and

WHEREAS Mr. Alaniz has demonstrated devotion to, cooperation with, and support for the Board, Northern Illinois University, and the faculty, staff, and student personnel of same; and

WHEREAS the Board of Trustees and Northern Illinois University have received the benefit of his helpful insights which have been of special worth; and

WHEREAS the Board of Trustees wishes to officially express its appreciation for the many far-reaching contributions by Mr. Alaniz to all of the above-mentioned interests of this Board,

NOW THEREFORE LET IT BE RESOLVED that the Board of Trustees of Northern Illinois University in formal meeting herein assembled, extends its grateful appreciation to Mr. Alejandro (Alex) Alaniz for his outstanding and loyal service.

BE IT FURTHER RESOLVED that this **RESOLUTION** be presented to Mr. Alaniz and a copy of this document be placed in the official files of this Board as a part of the permanent record of the great State of Illinois and as a lasting tribute to the performance and accomplishments of Mr. Alejandro (Alex) Alaniz.

Adopted in a regular meeting assembled this **20th** day of **June, 2002**.

**BOARD OF TRUSTEES OF
NORTHERN ILLINOIS UNIVERSITY**

*Manuel Sanchez, Chair
Attest: Robert T. Boey, Secretary*



EXECUTIVE SESSION MINUTES RELEASE

Summary: The Illinois Open Meetings Act, as amended, requires public bodies to review minutes of their executive sessions on a semiannual basis and determine what parts of such minutes they should make available to the public because they no longer require confidential treatment. Accordingly, this item is proposed for complying with this legal requirement by taking action upon the duly approved Executive Session Minutes of January, 1996 through March, 2002 of either the full Board of Trustees or standing committees of the Board which have not previously been released from confidentiality.

Upon review and advice of the Board's Parliamentarian and Corporation Counsel, no sections of executive session minutes for the relevant period are proffered for release from confidentiality at this meeting.

Recommendation: The Chair recommends that the Board approve no release from confidentiality of any of the previously unreleased specified sections of executive session minutes as reviewed and advised above. Those sections, if any, which are still subject to confidentiality, together with sections from subsequent meetings, will be considered again in approximately six months.