

Minutes of the
BOARD OF TRUSTEES
OF NORTHERN ILLINOIS UNIVERSITY
September 16, 2010

CALL TO ORDER AND ROLL CALL

The meeting was called to order by Chair Marc Strauss at 9:06 a.m. in the Board of Trustees room, 315 Altgeld Hall. Recording Secretary Sharon Banks-Wilkins conducted a roll call of Trustees. Members present were Trustees Robert Boey, John Butler, Cherilyn Murer, Manuel Sanchez, Barbara Giorgi Vella, Student Trustee Robert Sorsby and Chair Strauss. Not present was Trustee Myron Siegel. Also present were Board Parliamentarian Kenneth Davidson and President John Peters. With a quorum present, the meeting proceeded.

This is probably an appropriate time, Robert Sorsby having answered present, to welcome our newest member, the Student Trustee, to his first full Board meeting, Chair Strauss said. Robert was sworn in prior to our recent committee meetings and introduced himself then. I would simply like to congratulate him again on his election and note his presence.

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

After discussion with President Peters and review of the printed agenda before us, Chair Strauss said, I propose creation of a Consent Agenda that would immediately precede the beginning of the President's Report for today's meeting, and move President's Report Number 71, Action Items 9.a.(3), (5), (6), (9) and (11) and our receipt of Information Items 9.b.(2), (3), (4), (5), (6), (7), (8), (9), (10), (11), (12), (13), (14), (15) and (16) and 9.c.(3) to that Consent Agenda. The Chair asked for a motion to approve the meeting agenda as now proposed. Trustee Sanchez made a motion to approve the meeting agenda as amended. Trustee Murer seconded the motion. The motion was approved.

EXECUTIVE SESSION

Chair Strauss 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, as amended: personnel matters as generally described under §2(c)(1) and (3) of the Open Meetings Act, property matters as generally described under §2(c)(5) and (6) of the Open Meetings Act, and Executive Session Minutes Matters as generally described under §2(c)(21) of the Open Meetings Act. Trustee Boey so moved, seconded by Trustee Butler. A roll call vote of the Trustees to recess to Executive Session was unanimous.

A roll call vote of the Trustees to recess to Executive Session was as follows:

Trustee Boey	Yes	Trustee Butler	Yes
Trustee Murer	Yes	Trustee Sanchez	Yes
Trustee Vella	Yes	Student Trustee Sorsby	Yes
Chair Strauss	Yes		

The roll call vote of the Trustees to recess to Executive Session was unanimous.

BOARD OF TRUSTEES MEETING RECONVENED

Chair Strauss reconvened the public meeting of the Board of Trustees at approximately 11:32 a.m.

REVIEW AND APPROVAL OF MINUTES

It was moved by Trustee Vella and seconded by Student Trustee Sorsby to approve the minutes of the May 13, 2010 regular Board meeting and the June 23, 2010 Special Board Meeting. The motion was approved.

CHAIR'S COMMENTS/ANNOUNCEMENTS

Chair Strauss recognized the University Advisory Committee representatives: Dr. Alan Rosenbaum, Dr. Ferald Bryan, Dr. Kerry Freedman, Dr. Gregory Waas, Mr. Todd Latham and Mr. Jay Monteiro. On behalf of the Operating Staff Council, Mr. Monteiro welcomed the newest member of the Board, Student Trustee Robert Sorsby.

As I begin this first board meeting of the 2010-2011 academic year, the Chair said, I want to take this opportunity to welcome our new and returning students, faculty and staff to DeKalb. I was again struck by the excitement and enthusiasm that Move-In Day and the beginning of a new school year generate not only for students, but for faculty, staff and even the Trustees. Each fall represents a new opportunity, a new beginning. We need to make the most of the vitality and energy a new school year brings.

This year, we have the privilege of welcoming over 5,000 new Huskies to this great university. Given the uncertain economic climate the entire nation finds itself facing, NIU and other four-year institutions have to work even harder to recruit and retain students. I want to thank everyone in Admissions, Financial Aid, Registration and Records, Student Affairs, the deans and the faculty for their great work in bringing this fall's group of new students in. I also want to remind everyone that recruitment and retention are everyone's responsibility here on campus and that our students need us more than ever before. They need to feel and know that the entire NIU community truly cares and that we will help them achieve their goals and dreams.

Our students, current and future, should remain at the core of everything we do and every decision we make here at NIU. President Peters said it well recently when he set a goal of becoming the most student-centered public research university in the Midwest.

I don't know how many of you had the chance to read *Washington Monthly's* just released 2010 National University Rankings. *Washington Monthly* rates schools based on their contribution to the public good in three categories: Social Mobility (recruiting and graduating low-income students), Research (producing cutting-edge scholarship and PhD's), and Service (encouraging students to give something back to their country). NIU ranked in the top 50 percent of the 258 national public and private universities ranked in 2010; and most importantly, ranked second only to UI at Urbana Champaign amongst Illinois state public universities.

The good news doesn't stop there. In the recently released 2009 Payscale College Salary Report of recent college graduates, NIU made the list of top U.S. state universities in terms of salary potential of its graduates, and once again came in second only to UIUC amongst Illinois public universities on the list. NIU graduates' starting median salary in 2009 was listed at \$43,700 and mid-career median salary was listed at \$80,300.

I share these two good news stories with you this morning as proof that NIU is beginning to tell our story – the story of the power of education, and the power of NIU. We are witnesses to the Power of NIU to transform the lives of thousands of students, alums, faculty and staff. We all have experienced firsthand the power of this great university and its impact in each of our lives, and we need to continue to share our stories with all who will listen.

President Peters charted a course for this university in his State of the University Address on September 2 that has set the stage for a very important strategic discussion over this academic year. John will share this initiative with you during his remarks this morning. As Chair of this Board, I want to add my support and that of this Board to President Peters' Vision 2020 Initiative and to commit to you,

John, and to the campus that this initiative will remain the focus of our Board as well throughout the year. We eagerly anticipate our June 2011 Board meeting where final strategic benchmarks and direction are brought to this Board.

PUBLIC COMMENT

The Chair asked Parliamentarian Ken 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 received to address this meeting.

REPORTS OF BOARD COMMITTEES AND BOARD LIAISONS

Executive Committee

The Executive Committee did not meet.

Academic Affairs, Student Affairs and Personnel Committee

Committee Chair John Butler reported that the Academic Affairs, Student Affairs and Personnel Committee met on Thursday, August 26. At that meeting, the committee heard reports on the following information items: Professional Excellence Awards for Faculty and Staff; 2009-2010 Faculty Emeritus Recognition; Vice Provost Virginia Cassidy presented information from the Higher Learning Commission Off-Campus Site Visit; Patrick Dawson, Dean of the University Libraries, gave a very informative presentation on the university library system and its future; Lisa Freeman, Vice President of Research and Graduate Studies, presented a very informative presentation on FY10 External Funding for Research, Public Service and Instruction Projects. In this context, we also gave special praise to the Office of Sponsored Projects and the Division of University Relations for their exceptional work in securing nearly \$12 million in funding under the American Recover and Reinvestment Act.

Finance, Facilities and Operations Committee

Committee Chair Manny Sanchez reported that the Finance, Facilities and Operations Committee met on Thursday, August 26. At that meeting, our committee considered and approved the following recommendations: Fiscal Year 2012 Appropriated and Nonappropriated Capital Budgets: College of Engineering and Engineering Technology Research Project Grants subcontract; revenue bond underwriting service agreements; capital project approvals of roof replacements for nine academic buildings; Holmes Student Center roof replacement; Phase II Stevenson Hall fire sprinkler installation; first year residence hall project agreements and depository account authorizations; Grant Towers Renovation; and Proton Therapy Program Support. The Committee also received reports including: an Update on Undergraduate Tuition Policy, fiscal year annual reports on Tuition and Fee Waivers, Capital Activities, Transactions Involving Real Property, Cash and Investments, and the Obligations of Financial Resources, Quarterly Summary Report of Transactions in Excess of \$100,000, and Professional Excellence Awards for Faculty and Staff. All the recommended items addressed by our committee are included in President Peters' report, which he will present for the Board's approval.

Legislation, Audit and External Affairs Committee

Committee Chair Cheryl Murer reported that the Legislation, Audit and External Affairs Committee met in DeKalb on Thursday, August 26. Ken Zehnder provided the committee with a legislative summary of a number of bills which Gov. Quinn had signed over the summer and touched upon the Fiscal Year 2011 budget. He also reported that NIU has begun working toward our FY12 budget request and will be submitting that information to the IBHE in October.

We were delighted to hear comments from Lori Clark that our NIU 2010 congressional summer interns were extraordinarily well received and performed very well in Washington. Ms. Clark indicated that we are already fielding calls from Illinois Congressmen requesting NIU interns for next summer.

Keith Jackson reported that there were no audit findings in the university's FY09 Governmental Audit Standards Report or the financial audit. There were six findings in the compliance audit, and Mr. Jackson

explained that these either have been or are in the process of being resolved. Mr. Jackson gave a very detailed presentation during the meeting that identified our plan of action on any audit finding.

Dr. Paul Bauer, Director of the NIU School of Music, gave the committee a presentation on the partnership between NIU, the Elgin Symphony Orchestra (ESO) and Sherman Hospital, whereby NIU and the ESO will provide musical content for a new cable channel in over 250 hospital rooms. That is the practical application of academe, and it is a very exciting dimension in what we are doing in the School of Music.

Kathy Buettner gave a presentation and updated the committee on the new and exciting marketing initiatives the University Relations team has been developing over the summer. I would be remiss not to compliment Vice President Buettner on the transition of this department and the aggressive disposition it has taken in regards to marketing and communication and making sure that the message of NIU is brought forth. Some of these things include the university website; new emergency and university information sites; five new billboards promoting NIU now visible on Chicago area expressways; and several new publications that will be distributed nationally to make other educational leaders aware of NIU. Apparently, NIU has jumped into social media engagement with students and university stakeholders. We have surpassed 11,000 friends on the university's Facebook page and are seeing increased traffic on our YouTube and Twitter sites.

Dr. Cunningham presented the LAEA Committee with a follow-up report on NIU's domestic partnership provisions and shared with us how NIU compares to other MAC Conference universities on this issue. We will continue to address the issue of domestic partnership provisions at our next meeting.

Illinois Board of Higher Education

President Peters reported that the last meeting of the Illinois Board of Higher Education was held at Northeastern University on Tuesday, August 10. Two items of importance to NIU occurred at that meeting. One was the retirement of the executive director, Judy Erwin, who was very supportive of NIU's initiatives over the years. The search to find a new executive director is in progress. Secondly, the IBHE accepted a noncapital project for NIU, which was the ground lease for our freshman residence hall facility. I was very pleased, because with me in attendance were several student leaders, including our Student Association president and our Residence Hall Association president, as well as Vice President Brian Hemphill. The next meeting of the IBHE will be held at Robert Morris on October 5.

Universities Civil Service Merit Board

Universities Civil Service Merit Board Liaison Barbara Giorgi Vella reported that the Universities Civil Service Merit Board meeting was held on Wednesday, August 18, in Urbana at the Merit Board headquarters. The board reviewed the discharge proceeding against an employee of the University of Illinois at Champaign-Urbana and upheld the administrative law judge's recommendation to discharge that employee. Also at that meeting, the board was informed that on June 21, 2010 the Circuit Court of DeKalb County remanded the case of Officer Rettig back to the Merit Board to hold a discharge hearing on Officer Rettig's separation from Northern Illinois University. The Merit Board has directed NIU to file written charges for discharge no later than August 12, 2010.

The Merit Board approved the director's recommendation for the FY12 budget. The board also received information regarding the Public Officials Errors and Omissions Insurance Policy, a budget update, an update on the office lease, audit program updates, classification examination updates and updates on university agency visits. In addition, the board received reports from the Human Resource Director's Advisory Committee, the State Universities Civil Service Advisory Committee and our legal counsel regarding the upcoming discharge cases. The next meeting of the Universities Civil Service Merit Board is scheduled for Wednesday, November 17.

After that meeting, we learned that attorney for the Merit Board, Mary Fulmer, passed away suddenly on September 13. I worked with her during my previous tenure with the board as well as. All of us who knew her are shocked and saddened, and she will be greatly missed by the Merit Board.

NIU Foundation

NIU Foundation Liaisons Robert Boey and Cheryl Murer deferred to Mallory Simpson, President of the NIU Foundation, for this report. It is official, Ms. Simpson said, True North is a wrap. On June 30, we closed the books with \$162,414,710.10. We had more than 59,000 alumni and friends contributing to the campaign during the period of True North. Nearly \$35 million went toward three privately funded facilities. More than 14,700 scholarships were awarded, totaling more than \$9 million, and there was funding of 26 professorships and chairs through True North. That is remarkable success, and we are very happy about that. I would like to acknowledge the leadership of several people who led to this success – President John Peters; Vice President Mike Malone; several of my senior staff members who are working hard elsewhere today and could not be here this morning – John Bass and Alberta Solfisburg, in particular, who were here through the entire duration of True North; our hardworking deans who really stepped up the game in support for our colleges during True North. The impact of these gifts, the funding, is far-reaching and will be longstanding.

But first campaigns are about a lot more than just the dollars and what those dollars mean for educational enhancements. First campaigns really are a proving ground, a demonstration project. We answered some important questions for ourselves, and they help sharpen the focus of an institution. We found an appetite, inspiration and aspiration through True North. Dennis and Stacey Barsema helped us do that when they made their first gift. We had never contemplated having privately funded buildings before. The campaign helped answer some key questions: Will the alumni of our school contribute in a big way? Do they have the financial capacity? Will they be motivated to give after 20 to 30 years? Will they entrust us with their hard-earned resources? This was all new and was answered with a resounding YES. In fact, the vast majority of major gifts came from donors with limited or no giving history at all. So their first significant gift was a very major gift. Alumni like Dennis Barsema, Jeff Yordon, Ray Smerge, Gaylen Larson, Mike McSweeney and a few others are individuals who had not been connected with Northern Illinois University for 20 to 30 years, and they are now million dollar donors. That is what first campaigns can do. We have 59,000 contributors, but we have identified many thousands of additional people who are yet to be engaged who have the capacity to make major gifts.

Another thing answered through first campaigns has to do with personnel and programs and systems and infrastructure. Again we proved that we have the basics in place. Our volunteer boards, the Board of Trustees, the Alumni Association Board and the Foundation Board have continued to grow in strength through the campaign and their influences have grown. The cooperation between these three volunteer boards has been remarkable and is a tremendous asset for NIU. Our first campaign has built confidence and pride among our alumni, our faculty and staff, and our Board members. It has helped enhance the image. It has allowed new pathways for engagement of alumni. We have alumni doing things in our institution that never happen before – they are in the classrooms, they are serving on advisory councils. It has been a springboard for achieving better and bigger things. The other thing about a first campaign is they engage the emotional core of a university and reveal our true heart and soul. So we accomplished much more besides the \$162-plus million. We have built a philanthropic culture at NIU that will thrive for generations to come. We have an infrastructure in place that will allow for future success. We must continue the momentum and grow our investment in private fundraising. Our alumni are there with the capacity and the will to give.

Usually I end my report with a story of several individual donors because those stories are always remarkable. But today, instead, we should celebrate the story of the community, the collective commitment and success of our NIU family in this first campaign. We have 59,000 alumni friends, faculty, staff, students and volunteers who have proven they love their university and they care about its students. The NIU family deserves applause.

I hope you will carry back to your colleagues, the campaign chairs and the Foundation Board, our appreciation for their assistance, Chair Strauss stated, and also our wish that we continue to work productively with them whenever the next campaign comes.

Northern Illinois Research Foundation

Northern Illinois Research Foundation (NIRF) Liaison Barbara Giorgi Vella reported that the last meeting of the NIRF Board of Directors was on Thursday, May 13, 2010. All board members were present with

the exception of George Messina, managing partner of the North Star Growth Partners. Cheryl Murer gave an update on the Northern Illinois Proton Therapy and Research Center. A report on the external audit of NIRF was presented by Keith Jackson, who indicated that the audit was clean and there were no material findings. Rita Yusko, Manager of NIU's Technology Transfer Office, gave a report on NIU's IP activities for the previous six months. Under new business, James Erman, President of the NIRF Board, reported that NIRF was looking into the possibility of accepting external grants and contracts on behalf of NIU's faculty as a nonprofit 501(c)3 corporation. The board met again via teleconference on June 28 with all members present. The sole item of business was to review the extension in the credit agreement between the Northern Illinois Proton Treatment and Research Center and JPMorgan Chase Bank, which the board approved.

It is somewhat overwhelming listening to all this activity, Chair Strauss commented, so thank you to my fellow Board members and everyone else in the university community who makes this possible.

CONSENT AGENDA APPROVAL

Before beginning the President's Report, Chair Strauss asked for a motion to approve the items earlier placed on the consent agenda that include President's Report No. 71, Action Items 9.a.(3), (5), (6), (9) and (11); and receipt of Information Items 9.b.(2), (3), (4), (5), (6), (7), (8), (9), (10), (11), (12), (13), (14), (15) and (16) and 9.c.(3). Trustee Vella so moved, seconded by Trustee Murer. The motion was approved.

PRESIDENT'S REPORT NO. 71

Welcome members of the Board and everyone in the audience, President Peters said, we are off to a very good school year. There is a lot of enthusiasm out there, and it is good to be back. Two weeks ago, during my State of the University Address, I announced the creation of NIU's 2020 Initiative, and I want to share a bit more about that initiative with you today and why I feel it is absolutely integral to mapping a path that will insure our vitality for the future. It is not an understatement to say that we are in an era of tremendous change and uncertainty. It is overwhelming. In terms of student success and fiscal sustainability, the public university model of the 20th Century no longer fits. Nationally, fewer than half of the students who enter the university or postsecondary education, finish with a degree or a credential, and there are so many more who never get there. Those who do finish take longer, pay more and are saddled with too much debt relative to the kinds of professions they pursue. That is why I was so grateful to hear the starting salary rankings for our graduates. What is more, in Illinois, the economic model that supported our institution for generations has eroded dramatically. I do not need to go into the fiscal problems the state has other than to say that this past decade has demonstrated that NIU and all of public higher education can no longer rely on the state as a stable source of funding for our basic academic mission. Our students are changing too. A growing number bring considerable experience and diverse backgrounds to the classroom. They are transfer students, military veterans and second career adults. Many of our students balance schoolwork with jobs, commutes to campus and family commitments.

If that is not enough to come to grips with, we are confronting another major shift in higher education, and it has to do with the competition for our student base. For most of the past ten years, there has been an abundance of college-bound students, and as a state institution, people applied and we accepted, but those days are ending. Over the next decade, the number of Illinois high school graduates is projected to decline by five percent. Meanwhile, there is more competition than ever for those graduates. It comes from other state schools – Urbana, UIC, Illinois State, Western and Eastern, traditionally. And it comes from private institutions and community colleges. Just about every major university in the country has recruiting offices in Chicago, and Central Michigan has opened one in Rockford.

There are also some relatively new players, namely on-line universities and for-profit institutions. Make no mistake about it, they are real competitors. For example, the University of Phoenix today boasts an enrollment of nearly half a million students nationwide, and they are going global. It is a publicly traded company that has become so profitable that it now owns the rights to an NFL stadium. It is the shifting landscape that provides the backdrop for the next decade and certainly more. At this moment, it is fair to

say that the number of changes that are coming, the magnitude and the speed of those changes is perhaps greater than in the past 50 years. Traditional four-year colleges and universities are notoriously resistant to change, even though as educators and scholars we are trained to embrace change. It is our duty, for the sake of generations to come, to adapt, to innovate and to motivate.

Taking all that into consideration, it became clear to me this summer that we had to take steps to control our own destiny and break out of this. We have some great efforts going: The NIU Great Journeys, lead by our Provost, Ray Alden; our Baccalaureate Review Task Force; and our Enrollment Management and Strategic Planning Group that is constantly working on our enrollment plan. Those all funnel into helping us begin to prepare for our future. It became apparent to me that we had a missing link because we had all these good activities, but we needed ways to measure our success. We need goals, just like True North. True North had a goal – raise \$150 million. Everybody understood that goal; it was clear. We marshaled our resources with the help of many people, and we declared success. We need that same kind of goal in the next ten years. We need mile markers to determine the progress we are making, and that is what led me to create the Vision 2020 Initiative. We are in the process of creating a Vision 2020 Steering Committee or Task Force. We are going to build upon the work of the groups I mentioned and tease out the best ideas. Our group is going to determine which strategic goals should be our highest priorities as we enter this competitive new era. We are moving from transparency and accountability to efficiency, productivity and value for the products we deliver. This process will identify our key aspirations for academic and student life programs, among other things, and clearly define specific benchmarks for student, faculty and facility excellence.

This will require accurately assessing where we stand now and projecting where we must be in the future. In my State of the University Address, I discussed several things that I thought were important. Today, I want to mention two that are important to me and to the Board. First, we must set benchmarks for both student recruitment and retention, and find ways to insure our fiscal sustainability. The two are connected. Central to Vision 2020 will be defining what NIU's optimal enrollment should be. As part of the discussion, we must set goals for things like high achieving students. In an era where a premium is placed on efficiency and accountability. We will have to examine the number of students we retain and the average time it takes to earn an NIU degree. State funding is moving away from funding based upon numbers or growth. In at least 11 states, including Illinois, we are looking at changing that to productivity, so that base funding is based upon what percent of your students graduate and what percent complete a course.

We are going to study our peer institutions to see how we compare and where we need to set the bar. Setting the goals is just the beginning, however. The committee will also be charged with developing strategies to reach those goals and identify funding sources to meet the objectives. Most of these things are going to take resources. We have to evolve into a more efficient fiscally sustainable institution that is less dependent on the State of Illinois. Even when the economy recovers, and Illinois' budget problems are solved, I do not expect State funding to ever return to the level or the percentage that it was in the salad days of public higher education in this country.

We cannot let that hurdle, however, prevent us from achieving the goal of making NIU the most student-centered, public research university in the state if not the Midwest. We are a collection of scholars and researchers that discover, produce and disseminate information. But what I have learned about NIU is that we actively engage our students in that learning, and that produces a better educated person. That is the duality of NIU. To do this, we must continue to be entrepreneurial and find creative ways to provide our faculty, staff and students state-of-the-art facilities in which they can live, learn, research and work. Doing so will help us to recruit not only excellent students but exceptional scholars and teachers as well. We must also concern ourselves with retaining and rewarding our first-rate faculty and staff. For some time now, circumstances have demanded that we ask our faculty and staff to do more with less and to do more without reward. We must make sure that those who work so hard on behalf of NIU are compensated for their commitment and their dedication, and I know the Board shares that sentiment.

As I said, enrollment and fiscal sustainability are just two of the many issues on which the Vision 2020 Committee will grapple. Our goals will be ambitious and the benchmarks to which we hold ourselves will require us to stretch, just like we did in True North. No one thought we could ever raise \$150 million in

private money. I feel so strongly about the importance of this undertaking, that I am personally going to chair the Vision 2020 Committee. By Thanksgiving, we are going to have a full committee in place. We have a shared governance process and a lot of constituencies that have to be involved. I informed the Board today that by the close of the academic year, we are going to present the Board with a report for their endorsement. That last point is very important because it is essential that the Board accept the goals of Vision 2020, and I know they will be there as they have been in the past. We must have one vision so we can enhance our ability to control our own destiny and to ensure a vibrant future for Northern Illinois University for decades to come.

UNIVERSITY RECOMMENDATIONS FORWARDED BY THE BOARD COMMITTEES

Agenda Item 9.a.(1) – Fiscal Year 2012 Appropriated Capital Budget Request

Although we are still in the first quarter of 2011, and most of our capital funds for 2011 have not arrived, President Peters said, the State's budget process calendar requires us to submit NIU's Fiscal Year 2012 Appropriated Capital Budget Request to the IBHE later this month. NIU is slated to receive \$2.8 million in planning funds from the state this year to begin planning the new computer science and technology emporium. Our 2012 request is for construction funds to begin that project. In addition, we are requesting funding to upgrade the electrical infrastructure on our campus as well as to renovate Wirtz. This year we have added funds to renovate Davis Hall, which was the first science building on campus and is much in need of renovation and repair. We also are submitting a request of \$7.5 million in capital renewal funds, and the project list of those needed repairs is contained in your Board materials. Please note that we continue to request funding for several unfunded 2011 capital renewal requests. Given the state's dire financial situation, this request is simply that, a request. Unless something radically changes in the coming months, it is unlikely that the state will be able to find the funds for these projects in 2012; but it is important that we continue to register our needs during the budget process. Chair Strauss asked for a motion to approve the FY12 Appropriated Capital Budget Request. Trustee Sanchez so moved, seconded by Trustee Boey. The motion was approved.

Agenda Item 9.a.(2) – Fiscal Year 2012 Nonappropriated Capital Budget

The Fiscal Year 2012 Nonappropriated Capital Budget is developed in a process from requests submitted by department heads, physical plant and facilities users, the President said. Requests are prioritized and presented for approval to the Board. They include improvements to existing facilities and systems, building expansion, infrastructure, site roadway and utility improvements. A complete list is found in Table C-105 in your Board materials. The Chair asked for a motion to approve the Fiscal Year 2012 Nonappropriated Capital Budget. Trustee Murer so moved, seconded by Trustee Vella. The motion was approved.

Agenda Item 9.a.(3) – College of Engineering and Engineering Technology ROCK Program Research and Project Development

Consent Agenda Item.

Agenda Item 9.a.(4) – Revenue Bond Underwriting Services Agreements

At our May Board meeting, Dr. Peters said, the Board authorized the university to engage one or more firms to underwrite revenue bonds to fund renovations to existing residence halls and other infrastructure improvements. After posting an RFP and reviewing the 16 submissions, two underwriting firms were determined to best meet the needs of the university for this upcoming bond issue. Board approval was requested to enter into agreements with BMO Capital Markets GKST Inc. and Cabrera Capital Markets, LLC, both Chicago firms, to underwrite revenue bonds to fund renovations to existing residence halls and other infrastructure improvements. Chair Strauss asked for such a motion. Trustee Boey so moved, seconded by Student Trustee Sorsby. The motion was approved.

Agenda Item 9.a.(5) – Roof Replacement – Nine Buildings on Campus – Capital Project Approval Agenda Item 9.a.(6) – Holmes Student Center – Roof Replacement – Capital Project Approval

Consent Agenda Items.

Agenda Item 9.a.(7) – Phase III Stevenson Hall – Install Fire Sprinkler Systems – Capital Project Approval

This Item lays out the university's compliance efforts in relation to an August 2004 public act that required installation of fire sprinkler systems in all university residence halls by 2013, President Peters said. The university divided the project into three phases, and Phases I and II are now complete. Residence halls with completed fire sprinkler systems include, Lincoln; Douglas; and Neptune East, West, Central and North. The decision to proceed with the renovation of Grant Tower C and the proposed new freshman housing development require adjustments to the fire sprinkler capital project in Phase III, so work will be limited to Stevenson Towers and will include all sprinkler installation. It is anticipated that two residential towers will be completed in summer of 2011 and the two final towers in summer of 2012. Therefore, Board approval is requested to revise the scope of the fire sprinkler capital project to set the budget for Phase III at \$2.685 million, and to proceed with the construction contracts and work orders as necessary to complete the construction and renovation work for Phase III. Project costs will be paid from revenue bond funds. Chair Strauss asked for a motion to approve the Phase III of the Stevenson Hall fire sprinkler systems installation. Trustee Murer so moved, seconded by Trustee Boey. The motion was approved.

Agenda Item 9.a.(8) – First Year Residence Hall Project – Development, Management, Financing and Related Project Agreements

This Board shares my enthusiasm for bringing state-of-the-art residence halls to our students to enhance their NIU experience, the President said. Formal Board approval is requested to enter into a full development contract with Collegiate Housing Foundation (CHF) to develop, manage and finance the construction of a new 1,000-bed residence hall for new students that includes a dining facility. This design concept is very innovative, and the floors are set up in pods of 12 students. There are 12 private rooms and two rooms will share a private bath. The pods also will include a kitchen, a lounge area and a study area. The pods could consist of students who share a major, be honor students or students who are going to do Study Abroad. They will live, work and study together, pretty much the way it has always been at universities, but this is formalizing it, and we wrap programming around it. I am also requesting Board approval to enter into a management agreement with CHF under which the university will act as manager providing for the overall day-to-day operations of the housing and dining facility. After the project is completed, we run and manage it. Finally, I am requesting Board approval to authorize the Board Treasurer and me to provide all the necessary approvals for the project, the development agreement, the financing plan and the financing documents, and to execute the terms of these agreements and such other documents, instruments and agreements necessary or desirable to complete the project consistent with the terms of the ground lease. Chair Strauss asked for a motion to approve the First Year Residence Hall Project – Development, Management, Financing and Related Project Agreements. Trustee Sanchez so moved, seconded by Trustee Murer. The motion was approved.

I know someone whose daughter attends another institution, Trustee Sanchez said, and she is pursuing every university avenue possible to change roommates because she is having problems with her current roommate. Forty years ago when I came here, if I could have, I would have gladly asked for a new roommate, but I did not think it was appropriate because part of going to college is meeting new people and adjusting. He asked if there were some at NIU who wanted to change roommates. Dr. Hemphill stated that at the beginning of the year every year we have a large number of requests to change rooms. That is an issue at NIU just like many other institutions. Under this new pod system, President Peters said, we anticipate prearranging of suites. This year, Dr. Hemphill said, we had 500 first year students move into Stevenson because they can select their room and their roommates as well. With that, fewer of those types of issues develop. This is great, Trustee Sanchez replied, and not just because it is a new concept, but because of the need to upgrade the whole housing situation. If we are going to be competitive now, we have to have the foundational housing situation to be competitive, not just the great academic programs and staff that we have.

This is not all about going home at night, climbing into bed and starting classes the next morning, Trustee Boey noted. This is all about a sharing experience both in living and studying. Having 11 other members to live with, but not on top of each other, is going to be a great experience, and it will certainly lend to when they graduate.

In one of the slides that President Peters showed earlier in his presentation, Trustee Butler remarked, we

see the coming decline in student numbers. That is important to remember when thinking about the need for us to be competitive with respect to student housing because we are now going to be competing with other universities.

I am elated with the direction the Board is taking in providing and putting students and student interests first, Student Trustee Sorsby said. I am somewhat jealous that I will not have the opportunity to partake in one of these pods, but I am definitely pleased.

Agenda Item 9.a.(9) – First Year Residence Hall Project Depository Account

Consent Agenda Item.

Agenda Item 9.a.(10) – Grant Towers Renovation – Phase I Living and Learning Initiatives – Furniture, Fixtures and Equipment

Board approval is requested for the design and purchase of furniture, fixtures and equipment (FF&E) necessary to complete Grant Towers C, the first phase of the complete renovation of Grant Towers, in an amount not to exceed \$3 million, the President said. FF&E for this phase includes all furnishings in student rooms, study lounges, lobbies, offices, staff rooms, meeting rooms and laundry facilities in C Tower. Chair Strauss asked for a motion to approve the Grant Towers Renovation Phase I Living and Learning Initiatives FF&E. Trustee Murer so moved, seconded by Trustee Vella. The motion was approved.

Agenda Item 9.a.(11) – Proton Therapy Program Support

Consent Agenda Items.

UNIVERSITY RECOMMENDATIONS FORWARDED BY THE BOARD COMMITTEES

Agenda Item 9.b.(1) – Undergraduate Tuition Policy Update

All of us have now become accustomed to the differential tuition rates required under the State's Truth-in-Tuition Law, President Peters said, and this summer an amendment to the original 2003 act was approved that further enhances affordability of public university education by providing an additional two years of protection from tuition increases. NIU's Truth-in-Tuition Policy will continue to provide a fixed tuition rate schedule for eligible undergraduate students for 4.5 years (nine semesters) at the same tuition rate as long as they are continuously enrolled. Beginning this fall and with a student's tenth semester, the tuition rate will only increase to the equivalent of the rate paid by students who entered the university one fiscal year after the date of the student's original entry. If necessary, this revised tuition rate will be effective through 12 academic semesters. That is one of the difficulties of explaining to the public when we say we are going to raise tuition by seven percent. That seven percent lasts now about six years. Divided by an annual Consumer Price Index, it is only a point or two. That creates a management problem for us because we have to build that in for six years.

Agenda Item 9.b.(2) – Fiscal Year 2010 Report of Tuition and Fee Waivers

Agenda Item 9.b.(3) – Fiscal Year 2010 Report on Capital Activities

Agenda Item 9.b.(4) – Fiscal Year 2010 Annual Report of Transactions Involving Real Property

Agenda Item 9.b.(5) – Fiscal Year 2010 Annual Report of Cash and Investments

Agenda Item 9.b.(6) – Quarterly Summary Report of Transactions in Excess of \$100,000

Agenda Item 9.b.(7) – Annual Summary Report Obligation of Financial Resources

Agenda Item 9.b.(8) – Professional Excellence Awards for Faculty and Staff

Agenda Item 9.b.(9) – 2009-2010 Faculty Emeritus Recognition

Agenda Item 9.b.(10) – Fiscal Year 2010 External Funding for Research, Public Service and Instructional Projects

Agenda Item 9.b.(11) – 96th General Assembly Report

Agenda Item 9.b.(12) – Fiscal Year 2011 Budget Update

Agenda Item 9.b.(13) – Congressional Report

Agenda Item 9.b.(14) – Fiscal Year 2009 Summary of Audit findings and corrective Actions Implemented

Agenda Item 9.b.(15) – NIU School of Music – Internet/Internet2 Video Technology Update
Agenda Item 9.b.(16) – Freedom of Information Act Requests for June 1 – August 16, 2010

Consent Agenda Items.

ITEMS DIRECTLY FROM THE PRESIDENT

Agenda Item 9.c.(1) – Fiscal Year 2011 Internal Budget

This budget reflects the loss of federal stimulus funds from the Fiscal 2010 budget, the President said, which is over \$6.7 million on the appropriations side. It is important to note that our Fiscal Year 2011 appropriation from the State represents 22.9 percent – so let's say 23 percent – of our estimated \$438.8 million operating budget. So, the State funds us now at just under 23 percent. Each year the State's share diminishes, and it is not going to dramatically improve any time soon. Therefore, this budget before you for approval today is yet another reminder of the importance of NIU's accomplishing the goals of Vision 2020 Initiative that I outlined earlier. Fiscal sustainability for this university in an era of diminishing state funding is critical to the long-term vitality of this great institution. Chair Strauss asked for a motion to approve the FY11 Internal Budget. Trustee Boey so moved, seconded by Student Trustee Sorsby. The motion was approved.

Agenda Item 9.c.(2) – Fiscal Year 2012 Budget Guidelines

As is typical of the State's budget process, Dr. Peters said, we have just begun this fiscal year, and it is time for Board approval of guidelines for the next fiscal year budget development. This item presents these guidelines, which must be submitted to the IBHE later this month. Once again, I want to remind everyone that this is a guideline, a request for Fiscal Year 2012 state funds, a state that is in dire financial straits. When reviewing the chart included in your materials, you will notice zeroes for 2011, which indicate that there were no funding increases from the IBHE, the Governor or the General Assembly in our last year's budget request. Again, given the State's dire financial situation, the likelihood of additional State funding for 2012 is uncertain at best. Nonetheless, while the categories listed here are few in number, I know our needs are great. I am requesting Board approval for a three percent increase for 2012 for salaries, our highest priority, so we can continue to attract and retain the best faculty and staff. I also want to point out the request for library tech funding of a three percent increase. We heard a report on the rising costs of library materials at our last AASAP committee meeting. Universities and colleges routinely see double-digit annual increases in library and technology funding as we are expected to provide our students with the best resources and equipment. Chair Strauss asked for a motion to approve the FY12 Budget Guidelines. Trustee Vella so moved, seconded by Trustee Sanchez. The motion was approved.

Agenda Item 9.c.(3) – Grant and Contract Awards

Consent Agenda Item.

NEXT MEETING DATE

The Chair announced that the next regular meeting of the full Board of Trustees is scheduled for Thursday, December 2, on the campus in DeKalb.

ADJOURNMENT

There being no Other Matters, Chair Strauss entertained a motion to adjourn. Trustee Murer so moved, seconded by Student Trustee Sorsby. The motion was approved. The meeting was adjourned at approximately 10:03 a.m.

Respectfully submitted,

Sharon Banks-Wilkins
Recording Secretary