

Minutes of the
NIU Board of Trustees
FINANCE, FACILITIES AND OPERATIONS
COMMITTEE MEETING
September 6, 2007

CALL TO ORDER AND ROLL CALL

The meeting was called to order by Chair Robert Boey at 10:29 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 Manny Sanchez, Myron Siegel, Barbara Giorgi Vella, Board Chair Cheryl Murer and Committee Chair Boey. Not present was Trustee George Moser. Also present were Committee Liaison Eddie Williams and Board Parliamentarian Kenneth Davidson. With a quorum present, the meeting proceeded.

CHAIR'S COMMENTS/ANNOUNCEMENTS

Chair Boey welcomed everyone to the first meeting of the Finance, Facilities and Operations Committee for the new year. It is an exciting new year, he said, and I would like to welcome back fellow committee members Barbara Giorgi Vella, Manny Sanchez and, in her first official duty here today, our Chair of the Board of Trustees, Cheryl Murer. Also in attendance is Trustee Marc Strauss. I would like to recognize our UAC representatives, Dr. Paul Stoddard and Dr. Nancy Castle.

I want to welcome you all back to campus, Dr. Stoddard said, it is always nice to have you here. I have to leave early for an 11:00 a.m. class, so Dr. Castle will be filling in. There was some discussion of the strategic plan at the Academic Affairs Committee meeting. I was privileged to be part of that process, and I believe the faculty are very enthused about it and the potential the plan represents. I know the administration fully intends to follow through and realize that their ability to do so, as was brought up last meeting, is based in no small measure on funding availability. So I encourage the Board to fully consider all options to try to bring this plan to fruition. If we can, I believe we can establish Northern as a unique place where students can get a small college experience at a major research institution that is perhaps unparalleled in this country if not the world. Northern has been drifting in that direction and this plan focuses us on that. It is always a balancing act between affordability and quality of education, but I encourage the Board to consider value when you consider some of the funding decisions that are going to come your way, because with the proper funding, we can provide an extraordinarily valuable education to our students.

From that earlier committee meeting, I think you know the sense of the Trustees at that meeting, Chair Boey said to Dr. Stoddard. To a person I think we are very much committed. We see an opportunity to once and for all have a concerted effort on the strategy that everybody can understand, both internally and externally.

Today's agenda includes a number of action items that require committee approval. Among them are Fiscal Year 2009 Appropriated and Nonappropriated Capital Budgets; the Fiscal Year 2008 Internal Budget; Renewal of Academic Program Enhancement and Instructional Technology Surcharge; Request for Expenditure Authority for Grant Purchases in the Department of Biological Sciences, Department of Psychology and College of Engineering; Contract for Legal Services for NIU Outreach; Approval for Open Order for College of Engineering Outreach. We also will receive a number of annual and periodic reports that include Fiscal Year Annual Report on Capital Activities, Transactions Involving Real Property, Cash and Investments, Obligation of Financial Resources, and Tuition and Fee Waivers, a Student Tuition Comparison item, Quarterly Summary Report of Transactions in Excess of \$100,000, and Professional Excellence Awards for Faculty and Staff.

Chair Boey recognized President Peters, who also welcomed everyone back. Yesterday in my welcome back letter to the campus, which was a little late with good reason this time because of the flooding. Everyone did such a wonderful job through that horrible weekend of getting us ready for classes. So I

just want to say thank you to everyone – buildings, grounds, Student Affairs people. I watched as that unfolded over 48 hours, and I saw the dedication of our people in an awful situation doing the best job they could, as well as our students going out and helping the community. It was one of our finest hours, I believe. Tonight, at the residence, I will be hosting, as I do biennially, our newly elected public officials, and I'm going to thank them for their support and indicate to them the care that we all have for the community in which we live.

In the wake of the Virginia Tech tragedy, across this country, there has been an analysis, a rethinking and a redoubling of efforts to insure emergency preparedness and a whole set of issues related to emergency and disaster planning. Fortunately, before that event, I was comfortable that NIU was prepared for any number of contingency disasters, largely because we put in place a very elaborate emergency operations plan. And under my authority by state statute, I had authorized and named an emergency services and disaster assistance coordinator to comply with federal and state statutes for emergency funding and so forth, and that is Chief Donald Grady. Over the past two years, a very elaborate plan has been put together for basic safety, for hazards and annexes for special kinds of emergencies. Nonetheless, we all redoubled our efforts in the wake of Virginia Tech to get to a point where we were reasonably secure as anyone can be that we were doing the right thing, and that continues.

Today I want to talk about one step that is very important, and that is the distribution of an emergency field guide. I have a prototype copy here. Tomorrow the mailroom will receive bundled copies individually addressed to 8,500 employees, faculty, staff and others. On the back will be a message from me directing everyone to review this document at their earliest convenience in meetings, and it will be posted in every classroom and our residence halls. It is done in a fairly simple flip chart format. And there will be a web site version of this. It has basic information for most of the kinds of emergencies people face such as a medical emergency, a mental health emergency, menacing behavior, violent crime in progress – the Virginia Tech situation, explosions, suspicious mail and/or packages – the kinds of things we do not face all the time, and I learned something. If you go to the tab labeled "Suspicious Mail," the first bullet says "Do not use a cell phone as it can trigger an explosive device." I didn't realize that, but it is true. And then it gives other instructions. We have plans for bomb threats, fire, hazardous materials, evacuation and evacuating persons with disabilities. What happens when you have a utility outage, a weather emergency? Under weather emergency, it tells you what to do in case of a tornado or other severe weather and gives telephone numbers on where to call for information. Probably the most important thing one needs to do with this document is to take a look at the tab called "My Building/Residence Hall Emergency Info." It is there that you fill out your own information: where your fire alarms and fire extinguishers are located; emergency exits; tornado shelters; defibrillators; persons trained in CPR; an evacuation meeting place, if you need to have a control central, as we do; people needing help during evacuation; the nearest weather radio; nearest callbox location to communicate the emergency. Now that is simple, but it should be very useful. Hopefully, we will never have to use this. And as time goes on, we are going to try to improve upon it.

Getting back to our emergency operations plan to be sure that we have covered all the bases, I have asked our plan coordinator, Chief Grady, to convene a task force with appropriate individuals to take the Virginia Tech report that was recently released and go through and analyze it compared to our own EOP (Emergency Operation Plan) and make recommendations to Dr. Williams, Provost Alden and me for any changes that should be made including grappling with the difficult problem of instantaneous communications. There are many strategies out there, and we employ many of them. But I want to be sure that we are using the best means for our campus. If there is an emergency, our campus is a little difficult because so many people are on the road at any one time. So we take this extremely seriously. We have spent a lot of time this summer resulting in a very good EOP, and I want to assure the campus community that we are focusing on these things. I do not know if you can do everything possible to ever prevent any of these situations, but we are going to do the best we can. Also, per Trustee directive, we will be practicing our emergency simulations, unannounced, at some time during the year. We will be doing simulations of various kinds of emergencies to test all of these various procedures that we have in place.

The guide may be simple in context, Chair Boey said, but in a crisis, simple things do not come easily, so it is nice to have that to follow.

MEETING AGENDA APPROVAL

Chair Boey asked for a motion to approve the agenda. Trustee Sanchez made a motion to approve the agenda. It was seconded by Trustee Vella. The motion was approved.

REVIEW AND APPROVAL OF MINUTES

It was moved by Trustee Vella and seconded by Trustee Sanchez to approve the minutes of June 11, 2007. The motion was approved.

VERIFICATION OF APPROPRIATE NOTICE OF PUBLIC MEETING

Confirmation of Open Meetings Act notification compliance was given by Board Parliamentarian Ken Davidson.

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 the Board of Trustees Bylaws. Mr. Davidson noted that no timely request for public comment had been received.

UNIVERSITY RECOMMENDATIONS

Agenda Item 7.a. – Fiscal Year 2009 Appropriated Capital Budget Request

The first item on our agenda is the routine approval of the coming fiscal year capital budget, Dr. Williams said.

In accordance with n IBHE schedule, our recommendations are approved by the Board of Trustees and then forwarded to the Board of Higher Education from which a recommendation will be forwarded to the General Assembly. As noted in your reports, our priorities have not changed over the years. The members of this committee have been very helpful and forthright in your support of our capital requests. However, everyone on this committee also is aware of the situation in Springfield and the fact that at this juncture, there is no capital budget before the General Assembly. The Stevens Building still is number one. The Computer Science and Technology Center along with our electrical infrastructure remain our second priority. Normally the appropriations range from around \$1.3 million to about \$1.5 million for capital renewal projects. We have identified the needs of the campus, which extend beyond \$12 million. Trustee Vella made a motion to approve the Fiscal Year 2009 Appropriated Capital Budget Request, seconded by Trustee Sanchez. The motion was approved.

Agenda Item 7.b. – Fiscal Year 2009 Nonappropriated Capital Budget Request

The projects in our Nonappropriated Capital Budget Request are funded primarily through our bond revenue reserves, Dr. Williams explained. The list of projects here includes those of \$100,000 or more. Each individual project will be brought before the Board for approval. Chair Boey asked for a motion to approve the Fiscal Year 2009 Nonappropriated Capital Budget Request. Trustee Vella so moved, seconded by Trustee Sanchez. The motion was approved.

Agenda Item 7.c. – Fiscal Year 2008 Internal Budget

At our June meeting, Dr. Williams said, we presented to you a preliminary budget that would allow the university to move forward and expend funds at the beginning of the new fiscal year, July 1, 2007. Though the legislature and the Governor had not agreed on an appropriation for the university at that time, we have an appropriation at this point that has been vetoed by the Governor. While there is an opportunity for a veto override, in your reports, we have presented our total university budget based on the Governor's vetoed bill. The table on page 23 shows Northern Illinois University in terms of actual funds from all sources. We are at over \$400 million and on our way to half a billion in operating monies. My only comment is the usual one I make every year, Chair Boey said, and that is to take a look at the

\$105 million appropriated funding revenues from the state versus the total university budget, which is over \$400 million. That translates to less than 30 percent coming from the state. That is versus a little over 50 percent in 1996 when our Board of Trustees was founded. So, the degeneration continues. Chair Boey asked for a motion to approve the Fiscal Year 2008 Internal Budget. Trustee Sanchez so moved, seconded by Trustee Vella. The motion was approved.

Agenda Item 7.d. – Renewal of Academic Program Enhancement and Instructional Technology Surcharge

Our Academic Program Enhancement and Instructional Technology Surcharge was put in place by this Board back in 2003 to provide resources necessary for the university to move forward and address many of its needs, especially in our academic programs and technology, Dr. Williams said. One of the major projects funded through this resource was our new student system, which I would like to report, is moving very well, and I want to thank Steve Pace and all of the people who work with him. We are on schedule and within budget. One of the main vice presidents of Oracle/PeopleSoft was here yesterday and met with us, and the company is very much committed to NIU. They gave us much praise for the process we had undertaken and it seemed like everything was very much on target and they are committed to us for the future. So it was a very good meeting. Many other things were done through this surcharge, especially for development of smart classrooms in our academic areas and the like. We must renew this for the future. The request is for a five-year extension of the surcharge. We are not changing the authorization amount; but, again, we have some ongoing commitments with the student system. Otherwise, we also need to address many academic program priorities that have been identified and those that are being developed.

I just wanted to comment on this in particular, Board Chair Murer said, because the more technology we can bring into our classroom, the more it enhances the stature of the university, which then promotes our strategic plan. I know surcharges are always an issue, but this is money that is very well spent.

I do not like any fee or tuition increases, the President said. However, this one is in the realm I find to be acceptable because there is accountability. I call this sort of thing a deliverable. When a student pays this academic enhancement and technology fee, they should see, almost immediately, the direct benefit to them and their education. I cannot think of anything of more direct benefit to them when our PeopleSoft system is fully operational and becomes the interface between them and the business side of the university – their financial aid, their interaction with faculty, with other students, with the university, and protection because we are not using social security numbers. When they go into a smart classroom, that is a direct deliverable from this fee – they see it, they use it. When new computers and new technology show up in our computer labs, that is a direct deliverable. I do not like any fees and feel the state should be providing most of this. But they are not; and they will not. And we have to make progress. In the future, there will be direct deliverables from this – more sections of needed classes, needed professors in high impact majors, learning opportunities. So, while we wish we did not have to do these things, this is a better way of doing it than some other mechanisms.

Chair Boey asked for a motion to approve the Renewal of the Academic Program Enhancement and Instructional Technology Surcharge. Trustee Sanchez so moved, seconded by Trustee Vella. The motion was approved.

Agenda Item 7.e. – Department of Biological Sciences Research Project

This is a request to expend funds that have been given to the university through a grant in our Biological Sciences area, Dr. Williams said. There are a number of subcontracts they have entered into in order to meet the requirements of the grants. It is my understanding that the subcontractees are listed in the text of the grant. This is a pass-through grant of the subcontracts with the various universities and institutes that are identified. Chair Boey asked for a motion to approve the department of Biological Sciences Research Project. Trustee Sanchez so moved, seconded by Trustee Vella. The motion was approved.

Agenda Item 7.f. – Department of Psychology Consulting and Research Services

This is a similar item in our Psychology Department, Dr. Williams said. In this case, the grant came to the university. They are subcontracting part of the services with the University of Memphis. This is also a

pass-through grant. Chair Boey asked for a motion to approve the department of Psychology Consulting and Research Services item. Trustee Sanchez so moved, seconded by Trustee Vella. The motion was approved.

Agenda Item 7.g. – NIU Outreach Legal Services

Pursuant to the university's review and development of a proton facility, Dr. Williams said, the university has been granted federal funding in order to seed the potential of a proton center. Part of that seeding gives us the responsibility of setting up those legal mechanisms and making sure that all of the required applications and so forth are completed. Therefore, we need legal services that would provide the expertise to put these applications together, to review structure and all the other related matters. As with the previous two items, this is a pass-through grant.

This is probably one of the most important projects in our days of the trusteeship, Chair Boey said. It has far-reaching implications on the future of the university in the direction of a medical side, which is exciting; and we have a huge decision to make at the end of the year in regard to its final approval.

Chair Boey asked for a motion to approve the NIU Outreach Legal Services item. Trustee Vella so moved, seconded by Trustee Sanchez. The motion was approved.

Agenda Item 7.h. – College of Engineering and Engineering Technology Outreach

This outreach program is a local fund activity through the College of Engineering and Engineering Technology, Dr. Williams said. This particular project is to support safety courses offered through the college, some of which are contracted to outside agents. Again, this is a subcontract agreement, essentially a pass-through expense, for which the college is seeking Board approval for expenditure of funds which are generated locally. Chair Boey asked for a motion to approve the College of Engineering and Engineering Technology Outreach item. Trustee Sanchez so moved, seconded by Trustee Vella. The motion was approved.

Agenda Item 7.i. – College of Engineering and Engineering Technology ROCK Program – Research and Project Development

This is another grant through the College of Engineering and Engineering Technology, Dr. Williams explained. It is for the ROCK (Rapid Optimization of Commercial Knowledge) Program. It deals with the development of manufacturing capabilities in the city of Rockford. This is very important, especially for their economy and the kind of manufacturing companies they have in that area. This has been supported federally by Representative Manzullo, and our Former Speaker, Dennis Hastert, has been very supportive in this effort. It is a pass-through expense. There are several subcontracts that are supported by this grant and the university is requesting this expenditure authority to support them. Chair Boey asked for a motion to approve the College of Engineering and Engineering Technology ROCK Program for Research and Project Development. Trustee Vella so moved, seconded by Trustee Sanchez. The motion was approved.

UNIVERSITY REPORTS

Agenda Item 8.a. – Fiscal Year 2007 Report on Capital Activities

We have several routine reports that are presented to the committee and to the Board pursuant to Board policy, Board *Regulations* and Board directives, Dr. Williams said. The first is our Report on Capital Activities. Basically, it reiterates the fact that we have not had support from the state for capital projects. Most of these projects are either through our bond revenue area or through our own self-help area, which includes major projects that have been undertaken through the Foundation supported by grants and donations of individuals that support the university.

Agenda Item 8.b. – Fiscal Year 2007 Annual Report of Transactions Involving Real Property

This report includes a summary of activities in support of leases held by the university. If the lease is for a multiyear period, we present to the Board the aggregate of that lease.

Agenda Item 8.c. – Fiscal Year 2007 Report of Tuition and Fee Waivers

After a review of waivers in the state of Illinois, Dr. Williams said, one of the requirements the Auditor General put forth to the universities was to provide a summary to their respective boards regarding the allocation, use and amounts of waivers the university grants. The number of waivers is dictated by formula except at the graduate level, and the formulas are the same for all of the universities. The statutory waivers are by statute and, therefore, we have no control over those.

Agenda Item 8.d. – Fiscal Year 2008 Entering Student Tuition Comparison-Public Universities

The Board requested a general comparison of what tuition is like at the other state universities. Based on that, our report shows that for an entering student, NIU is about eighth on the list. I think that this is a reflection of the Board's commitment to minimize to the extent possible any increases and to try to have affordability as one of our number one priorities as we look at the cost of an education.

Each time I see this tuition number of \$6,350, it really rings a bell, Chair Boey said, because in today's times when you hear of private school tuitions at \$20,000 to \$25,000 annually, it makes the point that this is a four-year, very well-known school, and yet it is only \$6,350 annually. So tuition, room and board at NIU, on average, is approximately \$14,000 annually. I know of people who pay more than that to private grade schools. So to get a degree from an institution like NIU at \$14,000 is just remarkable. And this is our job as Trustees, to be sure we continue to keep it that way in terms of quality and affordability.

Agenda Item 8.e. – Fiscal Year 2007 Annual Report of Cash and Investments

Our report on our cash investments comes from Ms. Tammy Farley, our cash manager, who handles all of the investments. She works with consultants to make sure that we comply with state guidelines regarding the instruments in which our funds can be invested. I would like to note that over the past reporting period we have had a return on investment of about five percent.

Agenda Item 8.f. – Quarterly Summary Report of Transactions in Excess of \$100,000

This is a summary of transactions between \$100,000 and \$250,000, which is the Board's limit, Dr. Williams said. There were 51 such transactions and the report details those listed.

Agenda Item 8.g. – Annual Summary Report Obligation of Financial Resources

This is a report we also are required to submit to the Board, Dr. Williams said. It provides the number of transactions and purchase orders we have had as well as the dollar range for each of the categories. There have been approximately 10,000 purchase orders, and out of that only 44 were above \$500,000.

Agenda Item 8.h. – Professional Excellence Awards for Faculty and Staff

This item also appeared in the Academic Affairs, Student Affairs and Personnel Committee report, Dr. Williams stated. It gives a listing of those exceptional faculty and staff who have been given special recognition for their contributions. And as we said at the previous committee meeting, Chair Boey said, it is nice to see an additional category under supportive professional staff that is well deserved. We are pleased to see that, and we congratulate that staff as well.

NEXT MEETING DATE

The next meeting of the Finance, Facilities and Operations Committee is scheduled for Thursday, November 15.

ADJOURNMENT

There being no Other Matters, Chair Boey adjourned the meeting without objection at approximately 11:10 a.m.

Respectfully submitted,

Sharon M. Banks-Wilkins
Recording Secretary