

Minutes of the
BOARD OF TRUSTEES
OF NORTHERN ILLINOIS UNIVERSITY
December 9, 2004

CALL TO ORDER AND ROLL CALL

The meeting was called to order by Chair Gary Skoien at approximately 9:15 a.m. in the Board of Trustees Conference Room, Room 315, in Altgeld Hall. Recording Secretary Sharon Mimms conducted a roll call of Trustees. Members present were Trustees Robert Boey, George Moser, Myron Siegel, Barbara Giorgi Vella, Student Trustee Eric Johnson and Chair Skoien. Trustee Manuel Sanchez joined the meeting in progress via teleconference. 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

After discussion with President Peters and review of the printed agenda before us, Chair Skoien 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 43, Action Items 9.a.(1), (2), (3) and (4), and our receipt of Information Items 9.b.(1), (2), (3) and (4) to that Consent Agenda. Chair Skoien asked for a motion to approve the revised meeting agenda. Student Trustee Johnson made a motion to approve the meeting agenda as amended. Trustee Siegel seconded the motion. The motion was approved.

REVIEW AND APPROVAL OF MINUTES

It was moved by Trustee Vella and seconded by Trustee Boey to approve the minutes of the June 17, 2004 regular Board of Trustees Meeting and the September 23, 2004 regular Board of Trustees Meeting. The motion was approved.

CHAIR'S COMMENTS/ANNOUNCEMENTS

As usual, Chair Skoien said, we have a full agenda today, but I would like to take just a few minutes to comment on some items of interest. First of all, I know I speak for all of my colleagues on the Board when I say that we are impressed with the beauty of Altgeld Hall and the wonderful space that has been provided for the Trustees. We have been an independent Board for about nine years, and this is the first time we have had a place to call our own, so to speak. Beyond that, the entire building is just beautiful – such a wonderful monument to education and to the history of this university! Of course, it is more than a monument; it is a working building with an amazing number of different functions housed in it. I would like to congratulate the NIU staff. Actually, I am involved in a lot of buildings and construction and development, and I thought about that when I was thinking about this building. Also, I took a trip to Egypt once with my wife to look at the Pyramids, and the thing that was most impressive about what they had done there was not the architecture or the engineering. It was the fact that it was done over so many years. Those projects took 200 years, 100 years, 150 years, and there was continuity. The impressive thing here, Eddie, is the fact that this thing kept going and going and going, and it took five or six years. But in any event, Dr. Williams, you and your staff did a terrific job. It is an absolutely beautiful building. I know you encountered tremendous challenges. Any time you renovate an existing structure, particularly as old as this structure, the things you uncover and discover are always what you do not anticipate. So thanks for all your great work.

The last time we all met, we approved the first of a two-part salary program that we hoped would begin to make up for ground we lost during our state's recent budget crisis. We were delighted to see the first three percent of the salary increase made retroactive to the beginning of the fiscal year, and of course we have been crossing our fingers about the university's ability to come forth with the final one percent increment in January. This morning I am pleased to report that President Peters and his staff were able to carry through on the additional percentage, and our faculty and staff will see that reflected in their January paychecks. We are always, as a Board, thankful for all the hard work and effort of all the staff. We would like to have done more. We are committed to improving the salary for all classes of employees at NIU, and I pledge that we will continue working, along with John, Kathy and Eddie, on your behalf in Springfield and elsewhere to improve NIU's financial health and its ability to move NIU salaries into the top levels among Illinois universities.

Speaking of statewide initiatives, this next project goes beyond our state and into the larger Midwest region. I know you all share my excitement at hearing more about a program that received a good deal of attention this week: The NIU Institute for Neutron Therapy at FermiLab. What a great partnership we have forged between NIU and Fermi, and what great promise this holds for our research, our other medical programs, and of course for those patients who now have access to another cancer treatment option in our region. I look forward to hearing more about this from the Institute's new director, Dr. Diaz, and I want to thank all the NIU staff involved in making the institute a reality and getting us off to such a good start with such positive publicity throughout the region.

Finally, I would like to say a few words about our young men in red and black. I am talking about our football Huskies, of course, and their long-overdue trip to a bowl game. These fellows and their coaches have really made us proud this year. They have shown us that NIU can sustain a successful program in the most demanding sport in intercollegiate athletics. They have conducted themselves with dignity both on and off the field. I know we have talked about this before as Board members; but I think there is probably nothing more important than the way these young men have conducted themselves. I have never seen an instant where I was not proud to be associated with them, and I think I speak for the whole Board and for their coach and coaches. They have played with a level of enthusiasm that is contagious.

Not so long ago, NIU worried about selling enough football tickets to meet NCAA standards for Division I-A status. Now we worry whether we will be able to get our families and friends good seats for games that are practically sold out every week. We all know that the team deserved a bowl bid last year, and they deserve every bit of credit we can give them for earning a bowl invitation this year. John and I were just talking about this a few minutes ago. To get asked back to bowl games, the number of people that show up from a particular school is important. So I think it is really terrific, and it is a tough time of year, but if you can encourage family, friends and the like to get out there to California, I promise it will be a little bit warmer than it will be in DeKalb. So let's fill that charter plane and bring as much red and black to Spartan Stadium as we can. The Huskies own this year's Silicon Valley Bowl, and we need to get there to cheer them on. Go Huskies!

I would like to welcome the University Advisory Committee (UAC) representatives who may be here this morning: Dr. Paul Stoddard, Dr. Xueshu Song, Dr. Ferald Bryan, Dr. Joseph "Buck" Stephen, Ms. Shey Lowman and Ms. Donna Smith. Shey Lowman, President of the Supportive Professional Staff Council, stated that she and Donna Smith, President of the Operating Staff Council, on behalf of all staff, wanted to thank the Board for their support of the salary increments implemented this year. We want the Board and the administration to know that these increments have made a huge difference in staff morale, she said. During these very difficult economic times, it has been a comfort and has allowed us to do our jobs knowing that the staff and the administration have supported us in every way they possibly can.

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 he had received no timely requests to address this 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

There was no report from the Academic Affairs, Student Affairs and Personnel Committee.

Finance, Facilities and Operations Committee

There was no report from the Finance, Facilities and Operations Committee.

Legislation, Audit and External Affairs Committee

To our faculty and staff, who are so appreciative of the Board's work, Trustee Siegel said, we are appreciative of your work and your help in reaching our objectives too. So thank you all for helping us.

Committee Chair Siegel asked Kathy Buettner, Associate Vice President and Executive Director for External Affairs and Economic Development, to give a brief report on Illinois's state budget and new federal legislation issues.

The President, Dr. Williams and I traveled to Springfield during the last couple of days of the Veto Session, Mr. Buettner reported. We met with many of the state's leaders in both parties as well as with the IBHE about the realities for the FY06 budget statewide and then brought it down to the higher education level. We came away somewhat disheartened because we had thought that the budget was going to be slightly better, at least beginning the year than where we are in reality. And since then, there have been some developments that I just want to briefly touch on.

Summarizing the conversations we had with both sides of the aisle and the leadership, Ms Buettner said, it appears that we are going to be starting FY06 as a state with a deficit of about \$1 to \$1.5 billion, depending on how it is calculated. There is bipartisan agreement that there will be a significant deficit to overcome before we even start the FY06 budget process. Subsequent to that, the state chamber had a victory in the ruling by the court a week or two ago in a legal battle in which the chamber challenged a particular fee that was part of the fee package the Governor passed about a year and a half ago. If that ruling were to be applied statewide to all fees, it would jeopardize another \$300 million in potential revenue sources for the state. In addition, we found out that the capital bill for FY05 is unlikely to be put together and structured even in a smaller scale piece of legislation in January. With two days left of the current session, it appears that we may go without a capital bill for the state in FY05. There is, again, significant disagreement amongst both parties and the Governor's Office as to where we need to be in FY06 for our capital bill. So things are not moving as quickly as any of us – administration, faculty, staff and students – would like to see to solve the state's capital needs.

Turning to the federal issues, Ms. Buettner said, I just wanted to bring the Board up to date since we have not had an LAEA meeting in the last month or two. There is a proposal that is pending in Washington involving our IPED's Student Unit Record Collection. Several years ago this Board was very involved in the legislation on the Taxpayer Relief Act and the burden that placed on the universities when they had to turn in Student Taxpayer Identification Numbers to the federal government. This is a very similar issue. Every college and university, public and private, across the country submits data annually based on enrollment and other statistical categories. The proposal now pending in Washington that may actually translate into the Higher Education Reauthorization Act next year would require us not only to transmit that statistical data but to transmit it by individual student social security number. Individual students could then be tracked for issues over and above financial aid. Obviously this is a privacy issue for our students, not to mention the fact that it is very expensive to do this for every college and university, public and private. That is an issue that has surfaced in the last couple of weeks and is something that we will be working closely on with our Illinois delegation.

I also wanted to draw the Board's attention to the fact that there has been language inserted into the final FY05 Federal Omnibus Budget Act that passed over Thanksgiving, Ms. Buettner said. The new

language, authored by Senator Byrd of West Virginia, requires all education institutions receiving federal aid – that is about 98 percent of the higher education institutions in the country – to offer an instructional program on the U.S. Constitution every year on the anniversary of its signing, September 17. The Department of Education has not ruled how they are going to interpret this as yet. However, there is significant concern about the Department of Education being involved in the development of national standards and curriculum issues. That permission or provision is not afforded them by Congress right now. So that is a big concern to our national groups representing the higher education field nationally. The other issue is the conference agreement on the Labor HHS Education Appropriations Bill, Ms. Buettner said. The conference report did not include language that prohibited the Department of Education from revising the Federal Student Needs Analysis Formula using the state tax calculations. The bottom line is that they have to fix this quickly in the next Congress. The national groups have told us this could affect over 80,000 students who could either lose or diminish their eligibility for Pell Grants.

There was significant support for NIU research projects in the Omnibus Bill, and for that we are very grateful to our Illinois delegation. All Omnibus Bill spending that is allocated for nondefense and non-Homeland Security discretionary programs will have an automatic .8 percent reduction as part of the conference agreement. The Pell Grants are going to remain unchanged at \$4,000.

The final thing I wanted to report, Ms. Buettner said, is that Congress successfully passed a bill that basically will protect patents resulting from collaboration between the universities and industry, which is something we have been working on here in our office significantly with our WesTec people and Dr. Bose. There was apparently some concern when a new patent bill was passed that basically would protect us from legal challenge when we deal with issues of intellectual property growing out of joint scientific research between public universities, private universities and industry.

Illinois Board of Higher Education

IBHE Liaison Vella deferred to President Peters for this report. The Illinois Board of Higher Education met this past Tuesday in Chicago, the President said. Items of concern to the Board included IBHE approval of NIU's request to offer a Masters of Education in Region 10, where we are going to offer a bilingual program at Malcolm X College. Also, Dr. Rathindra Bose, our Vice President for Research, was appointed to the new Diversity Task Force that the IBHE has impaneled. The next meeting of the IBHE Board is scheduled for February 1 in Springfield.

Universities Civil Service Merit Board

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

Northern Illinois University Foundation

NIU Foundation Liaison Boey deferred to Mallory Simpson, President of the Foundation, for this report.

We have had a terrific fall, Ms. Simpson said. Our inaugural Red and Black event on October 1 was a tremendous success with over 375 people joining us for the evening. Of those, 150 were attending their first NIU Foundation event. That same evening, at the Foundation's annual meeting, two new directors were elected – Ken Ruck, who has degrees from the College of Engineering and the College of Business and is managing partner of a hedge fund; and Jeff Yordin, who has a political science degree and has been chief operating officer of American Pharmaceuticals.

Our gift totals for the fall also have been very good, Ms. Simpson continued. Overall gifts were at \$2.8 million, an increase of nearly 55 percent over the same time last year. Those totals do not always hold throughout the year, but it is a great start – an 85 percent increase in cash gifts. The number and amount of new endowed scholarships has grown this year. We are at \$200,000 in endowed scholarships compared to \$25,000 last year. During the general phase of the Alumni and Visitors Center campaign, we have raised about \$170,000 through the sale of our bricks, benches and trees. About 45 percent of that, nearly 1,000 people, are first-time donors to the university, which is tremendous.

And, as you know, a historic moment occurred on October 16 with the groundbreaking for the Alumni and Visitors Center, Ms. Simpson said. This is the first new building ever funded through a campaign. And

thanks to the tremendous collaborative efforts of Eddie Williams, Pat Bell, Ken Davidson, Foundation Controller Jean Jagodzinski and Foundation Board member Bill Nicholas, the contracts and financing were finalized and construction has begun. At the end of November, we crossed the 90 percent mark in reaching our minimum fundraising goal for the Barsema Alumni and Visitors Center.

We have had a number of major commitments since your last Board Meeting, Ms. Simpson reported. Castle Bank has committed \$50,000. National Bank and Trust Company of Sycamore has committed \$100,000. Herb Aldine, a Foundation Board member and owner of a major marina in Michigan, has committed \$100,000. And as President Peters announced at this State of the University address, Trustee Bob Boey and his wife Doris have donated a gift of \$100,000. Manny Sanchez and his wife, Pat, have also committed \$100,000. Both of those qualify them for Circle of the Seal donor recognition. I cannot tell you, Ms. Simpson emphasized, from the perspective of the Foundation, the board and our volunteers and donors to that project, how much that leadership giving has meant to the momentum of our campaign. So thank you so very much. In addition to these gifts to the Barsema Alumni and Visitors Center, we have received the following commitments recently. Verizon Foundation has committed \$50,000 to the College of Engineering and Engineering Technology for a partnership program with local schools to attract minorities into engineering and technology disciplines. From an accountancy alum, Bill Taylor, a senior partner with Deloitte and Touche, and his wife Diane, we received \$130,000 to create two full scholarships for students transferring from a community college. And part of his gift will be matched by Deloitte and Touche. So that is a new hundred thousand dollar endowment in addition to an expendable fund.

Lastly, Ms. Simpson said, as with everyone in this room, we look forward to the opportunity our football team, Coach Novak, President Peters and Jim Phillips have provided us for some very special major donor cultivation in San Jose. Go Huskies!

That was a great report, Chair Skoien commented. If there was ever any doubt about this Board, what Manny and Bob have done clearly shows the commitment and dedication of this Board to NIU. And I think we should give them all a round of applause for their contributions.

EXECUTIVE SESSION

Chair Skoien 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: personnel matters as generally described under §2(c)(1) and (3) of the Open Meetings Act, collective bargaining matters as generally described under §2(c)(2) of the 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 Minutes matters are generally described under §2(c)(21) of the Open Meetings Act. Trustee Moser so moved, seconded by Trustee Siegel. A roll call vote of the Trustees to recess to Executive Session was unanimous.

BOARD OF TRUSTEES MEETING RECONVENED

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

CONSENT AGENDA APPROVAL

Chair Skoien asked for a motion to approve the items placed on the consent agenda earlier in the meeting. They include President's Report Number 43, Action Items 9.a(1), (2), (3) and (4), and Information Items 9.b.(1), (2), (3) and (4). Trustee Siegel so moved, seconded by Trustee Vella. The motion was approved.

Trustee Siegel made a motion to move Agenda Items 10.b., 10.c. and 10.d. forward so they could be dealt with immediately. Trustee Vella seconded the motion. The motion was approved.

Agenda Item 10.b. – Proposed Board of Trustees Meeting Dates for 2005

We have a proposed schedule for regular meetings of the full Board of Trustees for the coming calendar year, Chair Skoien said. This proposal will enable us to meet our statutory obligation and conduct a regular meeting in each quarter of the year. May I please have your perspectives on the practicality of the proposed schedule before you. Of the two December dates, Chair Skoien stated that December 1 was preferred. The Trustees unanimously accepted the proposed dates for BOT Meetings in 2005.

Agenda Item 10.c. – Facility Renaming

The Board *Regulations* place authority and responsibility for approval of naming university facilities in the hands of the Board of Trustees. With the concurrence of the individual involved, Chair Skoien announced, we have a recommendation to rename a university facility located in downtown DeKalb after former NIU President, Dr. William Monat. A resolution that would accomplish the renaming has been distributed to each Trustee for review. The Chair asked for a motion to approve the resolution. Trustee Moser so moved, seconded by Trustee Siegel.

I would like to congratulate Bill, Trustee Siegel said. I have worked with you a long time. I am happy that we can do this and that you are here to enjoy it. Congratulations.

Let me add to the congratulations, Trustee Boey said. I will never forget the first time we met. You were in the Dick Tracy raincoat with a hat walking into the first potential engineering building in Sycamore, IL. We were looking for a facility as quickly as possible, because the legislature had finally agreed to let NIU have an engineering program. But we needed a facility right away, and I happened to have my own engineering facility in Sycamore. Bill Monat wanted to see it but did not want anybody else to know he was coming to see it. So, Bill had on his famous fedora and raincoat. I took one look at this, and said who am I dealing with? But since then, the friendship has long flourished between us. And I am delighted we can do this. Congratulations, Bill.

Chair Skoien asked Dr. Monat to step up to the podium with him while he read the following resolution.

RESOLUTION

WHEREAS William Monat has faithfully served Northern Illinois University and the cause of public higher education in the State of Illinois for more than 20 years; and

WHEREAS Dr. Monat contributed significantly to NIU's reputation for excellence in areas such as political science and public administration during his service as department chair and later as Provost; and

WHEREAS William Monat guided Northern Illinois University through a period of strong growth and development as President from 1978 until 1984; and

WHEREAS he was instrumental in the creation of the NIU College of Law and the NIU College of Engineering and Engineering Technology; and

WHEREAS Dr. Monat in his capacity as university president strengthened the voices of numerous underrepresented groups by creation of bodies such presidential commissions on the status of women and minorities, and creation of academic and support centers for African Americans and Latinos; and

WHEREAS he helped facilitate such student life enhancements as construction of the Student Recreation Center and the Martin Luther King, Jr. Memorial Commons; and

WHEREAS President William Monat presided over significant expansion of NIU academic offerings, including new undergraduate programs in meteorology and business systems and new Ph.D. programs in geology, biological sciences and mathematics; and

WHEREAS he established the Presidential Research Professors award to recognize and honor sustained excellence in faculty scholarship and research; and

WHEREAS William Monat went on to serve this university and all of Illinois higher education as Chancellor of the former Board of Regents; and

WHEREAS Dr. William Monat continues to offer his wise counsel and unfaltering support to a new generation of NIU leaders;

NOW, THEREFORE, LET IT BE RESOLVED that the Board of Trustees of Northern Illinois University extends its grateful and tangible appreciation to Dr. Monat through this declaration of new identity for university property: From this day forth, the NIU property at Third and Locust Streets in downtown DeKalb shall be known as the William R. Monat Building.

Adopted in a regular meeting assembled this 9th day of **December, 2004**.

**BOARD OF TRUSTEES OF
NORTHERN ILLINOIS UNIVERSITY**

Gary J. Skoien
Chair

George M. Moser
Attest: Secretary



Congratulations.

Dr. Monat's comments were as follows:

I must say, as you read that, I could not believe all this has happened. Also, when President Peters called me yesterday to see what my reaction would be, I was almost dumbfounded, because I did not think this happened until a person died. So you cannot believe how happy I was to wake up this morning. I do want to comment briefly on the building, however. This was a target of opportunity. When Jim Norris was dean of Liberal Arts, he created an office of Social Science Research to pull together all of our externally funded social science research activities, but he desperately needed a place to put those programs which were located in various places all over campus and in rental and lease space. So I want to acknowledge Jim Norris's contribution to this. But I also want to recognize the contribution of Tom Rosenow. He was a local developer who came to us and said, I will buy this building for you. We will remodel it to your specifications on budget and on time, and then lease it to you. And Tom was true to his word. It was on budget, on time. And I will never forget, we had a reception at a Board of Regents meeting, and I invited the total Board to this reception in the lobby of the new Social Science Research Institute. Some of the Board members were chagrined because they did not think it could be done. I do appreciate this. Thank you.

Agenda Item 10.d. – Bowl Game Expenses

As indicated in Agenda Item 10.d. before you, Chair Skoien said, the university has requested Board of Trustees approval for all necessary and appropriate expenses related to NIU's participation in the Silicon Valley Football Classic Bowl Game to be held in San Jose, CA on December 30, 2004, included but not limited to the following: travel and ground transportation, lodging, rentals, insurance, dining, broadcast services, commodities, equipment and supplies. In addition, to effectively and timely address the demands and requirements resulting from an extremely tight schedule and other anticipated Bowl obligations, the university also has requested Board approval to authorize the President, or his designee, to reasonably agree to all transactions necessary related to the Silicon Valley Football Classic Bowl game event. May I have a motion to approve authorization of the President or his designee to undertake all transactions necessary in relation to this Bowl and expenditure authority for satisfaction of such

obligations reporting any individual transactions and obligations in excess of \$100,000 in the normal course at a subsequent meeting of the Board. Trustee Sanchez so moved, seconded by Trustee Boey. The motion was approved.

PRESIDENT'S REPORT NO. 43

I want to add my congratulations to Bill Monat, who is a great friend to me and a great university citizen, President Peters said. I was just delighted to do this. I received many letters of encouragement and nomination to name this building after Bill Monat. And, perhaps the most persistent one was Jim Bannovitz, the former head of our wonderful MPA program who, I know, will be delighted when he hears this. We will commemorate the building when you get back from a sunny winter in Florida, Bill, and we will have a nice celebration. So thanks to you and to Jo for what you have done for NIU and all of Illinois higher education. You are really a remarkable example, and we are pleased that you have remained in our community. Thank you very much.

Now I certainly appreciate our chair's earlier comments regarding our salary increment program. We have worked very hard to get to Phase II of this year's increment. And as of January, we will be able to say that our employees received the largest increments of any public university in the state this year. That is in no small part a result of the efforts of Dr. Williams and his staff in Finance and Facilities; our Provost, Ivan Legg and Frederick Schwantes and his office; and many others that worked hard to make this possible. Thanks to all of you, and thank you to all of our employees.

Compliments are also in order this morning for several key members of our staff who have engineered a very successful kickoff this week of our Neutron Therapy Program. You are going to be hearing from them a bit later. We had about 75 scientists, physicians and members of the news media at NIU Naperville Monday to hear our announcement about the new program. We were on *Chicago Tonight*, and it is always a treat when our people are on that program. I want to single out Kathy Buettner, Dr. Anne Kaplan, Dr. A.Z. Diaz, Dr. Arlene Lennox and Melanie Magara for their great work in getting this program up and running. Cancer patients who receive life-saving treatment at this facility or who benefit from research are the true beneficiaries of this unique partnership. At the IBHE Presidents and Chancellor's Meeting, outgoing president Jim Stukel of the UI came up and shook my hand and said, "What a great achievement." And you know what I was thinking, that he was going to talk about the Bowl Game. But he said, "This neutron therapy program sounds extremely exciting." So, among the higher education community, this has been well received and is a big deal.

We are going to hear a brief report today from Dr. Rathindra Bose about the current state and future direction of our research program. We hear regularly about individual projects, but sometimes I think it is hard to detect a pattern or overall direction in our overarching research missions. I believe Dr. Bose is making progress and bringing a great deal of cohesion to our research program, and I look forward to hearing his brief report.

Finally, I want to add my congratulations to Coach Novak and the young men of the football team and to our Athletic Director, Jim Phillips, who did such a great job getting us to a bowl. We are certainly proud of our team. Later on today, we will be announcing a Huskie Bowl charter package on an NIU plane that will include the trip, two days and a Bowl ticket. You can also find this information on the NIU web site. Please tell your friends and neighbors about the charter.

Also, this Friday, from 6:00 p.m. to 9:00 p.m., Altgeld Hall, festively decorated for the holidays, will be open to the community. There will be some holiday music and refreshments. And for those who park in the visitor's parking lot, they will be delivered to the front door in a horse-drawn carriage à la turn-of-the-century Altgeld. So if you have neighbors in DeKalb who have not seen Altgeld, please tell them to come by.

UNIVERSITY RECOMMENDATIONS FORWARDED BY THE BOARD COMMITTEES

Now, let us move on to our meeting. All of the action items in the President's Report are on the Consent Agenda, President Peters said, as are the first four of the University Reports directly from the President.

Agenda Item 9.a.(1) – Collective Bargaining Agreements
Agenda Item 9.a.(1)(a) – Collective Bargaining Agreement
Agenda Item 9.a.(2) – Residence hall Ethernet Conduit – Capital Project Approval
Agenda Item 9.a.(3) – Lorado Taft Campus Wastewater Treatment Plant – Capital Project Approval
Agenda Item 9.a.(4) – Grant South Tutoring Center – Capital Project Approval

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) – Periodic Report on Investments
Agenda Item 9.b.(3) – Semiannual Progress Report of Active Capital Projects with a Budget Over \$100,000
Agenda Item 9.b.(4) – Grant and Contract Awards

Consent Agenda Items.

Agenda Item 9.b.(5) – NIU Institute for Neutron Therapy

Let me say a few words and introduce the people who will make this presentation, Dr. Peters said. This partnership has its roots in a working relationship that dates back many years between us and FermiLab. But I have to say that the Institute for Neutron Therapy really formalizes this and makes it very deep. Most of you know that FermiLab has hosted a Neutron Therapy program for several different medical providers over the years. More than a year and half ago, the program was shut down when their latest hospital partner found its financial demands too taxing to continue the program. Because of NIU's involvement with FermiLab, and because we have scientists in a variety of areas involved in cancer research, we heard and answered Fermi's call for an academic partner: a research university interested in both active patient treatment and clinical research to enhance the whole field of neutron therapy. So it seemed like a great match to us. But we knew we would need several years of startup funding to keep the doors open to develop a self-supporting program. That is when we approached federal officials in Washington and found a strong supporter in our alumnus, House Speaker Dennis Hastert. Denny wanted to join us this past Monday for the big announcement, but as you know, Congress was called back into session. So he sat down with Kathy Buettner and Melanie Magara last Friday and recorded this video message.

Hello, this is Denny Hastert. I'm sorry I can't be with you today for this tremendous announcement, but I wanted to lend my congratulations on an important and successful partnership. All of us know people who are struggling with cancer; all of us have lost friends and loved ones to this disease. And all of us hope that research will lead to a cure. Neutron therapy isn't new. For some types of cancers, it's been proven to be very effective – and even more effective than other types of treatments. We need to do more research to understand its full potential. And that will only happen through partnerships between major research universities like NIU and major laboratories like FermiLab. The NIU Institute for Neutron Therapy at FermiLab not only revives an important treatment facility, it also furthers the entire field of cancer research. Even nonscientists know that cancer isn't a single disease, and its cure isn't going to be found in one single treatment. Congratulations NIU and FermiLab. And God bless all of you who are involved in this important work. Thank you.

Now let us thank Denny Hastert, President Peters said. So far, we have about \$2 million in hand in federal earmarks to keep this program going with the promise of some more as we move to a self-sustaining situation. I want to ask Dr. Arlene Lennox to stand and be recognized, because Dr. Lennox, for many years, was the heart and soul of this program and kept it together working for Fermi, but she also had a relationship with NIU. Dr. Lennox, you are in our family now, he said, and I have come to appreciate what you have done.

It is now my pleasure to introduce the new medical director of the neutron therapy program. When we were approached, we knew we were going to need a couple of things. First, we knew that the program needed a strong on-site physician both to encourage referrals from other doctors in the region and to maintain the stability of the program. Secondly, we wanted an on-site physician to help us revive the

research component of the neutron therapy program. In order to do clinically significant research, we had to be able to follow the progress of patients as only a physician would be allowed to do. We asked the question, what sort of a radiation oncologist should we get? And one name kept coming up. That was A.Z. Diaz. Dr. Diaz is both a nuclear engineer and a medical doctor; his background in neutron therapy extends from coast to coast. And we are happy to have him working with us.

Thank you, President Peters, Dr. Diaz said, and thank you distinguished Board members for giving me this opportunity to share my enthusiasm for this wonderful new program you have made possible. I want to begin with two simple points. First, neutron therapy is not experimental. It is proven cancer treatment that has been around for more than 50 years. Second, neutron therapy is not a treatment of last resort for patients who have run out of all other options. For certain kinds of cancer, neutron therapy should be the first option – the treatment of choice. In the medical profession, the gold standard, if you will, the highest level of certainty we can express about a new treatment is a positive finding in what we call Phase 3 Randomized Clinical Trials. Neutron therapy has been found to be effective – in many cases, more effective than any other type of therapy for the following tumors: locally advanced prostate cancer, salivary gland cancer, sarcomas or bone cancers, and certain locally advanced tumors of the head and neck region. Most of us understand that cancer treatment today usually falls into one of four categories: surgery, chemotherapy, immunotherapy or radiation. Well, neutron therapy is a form of radiation. But it is many times more powerful than conventional radiation. As a result, patients treated with neutron therapy typically need only about 12 treatments compared with 30 to 40 treatments in conventional radiation. This in itself may improve the quality of life of these patients. All radiation treatments attempt to destroy the DNA in cancer cells. But what we have found is that standard radiation usually damages a part of those cancerous strands allowing them to regenerate during downtimes when radiation is not being delivered. Neutron therapy totally destroys the DNA strands of cancer cells and changes the chemistry of the nucleus, prohibiting the cells from repairing themselves and spreading to other parts of the body.

In your packets and on the display in the hallway, Dr. Diaz said, there are photos of an actual CAT scan showing the invasion into a prostate of an advanced fast-growing cancer. After just seven treatments, the second photo clearly shows that the tumor has been destroyed. That is an example of the amazing potential of this type of therapy. One question I have been asked repeatedly this week – and you may have the same question in your minds – is why is neutron therapy, if it is so effective, why is it we have not heard more about it? Well, first of all, there are only three places in the country that provide neutron therapy – the University of Washington in Seattle, Wayne State in Detroit and FermiLab here in Chicagoland. Secondly, there have been serious issues surrounding reimbursement for the treatments. I am happy to say that NIU has taken a real lead nationally in getting changes made to that system. Finally, I think that neutron therapy is less well known than it probably should be simply because we have not done a very good job of telling its story to the medical community. That is going to be a big part of my job here at the NIU Institute for Neutron Therapy (INT). In order to convince area physicians to refer patients to this facility, we have to be able to show them that the treatment works as a first option. That means we will be concentrating on attracting patients with relatively good survival odds who are referred by those physicians. This is the only way we can further the neutron therapy field. I will personally be visiting area doctors with that message. This center's affiliation with a major research university like NIU also facilitates the renewal of a viable research program in this area, and that is so important to keeping the therapy alive and vital. We have many scientists here at NIU who are involved in the related research fields. And that can only further our cause. So, thank you Trustees, for allowing us to go forward with this project. A year from now, I hope to stand before you with some success stories and a great prognosis for the future of the NIU Institute for Neutron Therapy at FermiLab. Thank you.

CHAIR'S REPORT NO. 30 (continued)

Agenda Item 10.a. – Executive Session Minutes Release

Since I have to leave and I am worried about having a quorum if Trustee Sanchez should drop from the teleconference line, Chair Skoien said, I would like to move to the Open Meetings Act approval. The Open Meetings Act requires public bodies to review the 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. I recommend that the Board approve release from confidentiality of the specified sections of the Executive Session Minutes on Action Item 10.a. Those

sections that are still subject to confidentiality together with sections from subsequent meetings will be considered again in six months. The Chair asked for a motion to approve the Executive Session Minutes Release. Trustee Vella so moved, seconded by Trustee Boey. The motion was approved.

Before I leave, Chair Skoien said, I want to wish everybody a Happy Hanukkah, a Merry Christmas, a happy Kwanzaa, a Happy New Year and everything else. This is a great place, a great group, and I want to thank everybody for all they have done over the past year.

Vice Chair Vella chaired the meeting from this point.

PRESIDENT'S REPORT NO. 43 (continued)

Agenda Item 9.b.(6) – FY04 External Support and Future Research Endeavors

President Peters asked for a brief report from Dr. Rathindra Bose, Vice President for Research, on external support and future research endeavors. It is my distinct pleasure to bring to your attention a remarkable achievement through the combined efforts of the faculty of Northern Illinois University. We received over \$49 million in federal funding last year. That is a nine percent increase over Fiscal Year 2003. This is a remarkable achievement by the faculty, partly because their teaching load has increased and in spite of the many other activities going on at the university. Despite those activities, they kept on track and brought in more money than in previous years. I also want to congratulate the deans and the department chairs who have encouraged their faculty to stay on course despite their high teaching loads.

As we celebrate the success of the total funding, I would like to share a few slides with you. Funding divided by college shows that LAS has the highest total followed by the College of Education. And the other colleges are making significant progress. In the first six months of the year, the College of Health and Human Sciences and the College of Engineering made tremendous progress, and we are ahead of last year by around \$6 million.

As is typical for most universities, the source of the funds we receive is approximately fifty-two percent from federal agencies and 25 percent from the state. We are down by about seven percent in state support.

As we celebrate these tremendous successes of the faculty, I want to briefly report to you what is happening in the nation and how we can take advantage of federal funding and advance our mission at Northern Illinois University.

President Bush has an advisory board called PCAST. Their latest focus is where this federal money should be spent by all agencies. These agencies include NIA (National Institute on Aging), NSF (National Science Foundation), DOE (Department of Energy) and DOD (Department of Defense), so the money will be going to a variety of funding agencies, focusing especially in these areas. There are emerging opportunities for us and the rest of the nation in biotechnology. Homeland security is another issue, and convergent technology is coming along. Mathematics, science and engineering education are now taking so much precedence over everything else that every funding agency has been given instructions to carefully evaluate proposals that include a teaching component with research.

In the area of nanotechnology, Dr. Bose said, Dr. Diaz talked about neutron therapy, but neutron therapy is not going to be just treatment of the patient. We have a vision to take neutron therapy and develop biological research, new clinical trials, social research, nursing areas, and many other ways so we can use that as the incubator to bring research support and to also generate new ideas and a new research profile for the university. I am glad Dr. Diaz came on board. Nanotechnology is not pie in the sky. Toyota Motor Corporation now uses nanotechnology to put a single atom layer of paint on the Camry, the best selling car in the market. An article in the *Chronicle of Higher Education* stated that every university must have a center, and Northern Illinois is not too far behind.

Some applications we have seen, and some the aerospace industries have already picked up to make space shuttles and airplanes light, yet very durable. This is one of the applications on the frontier. We are looking at the next generation of cars that will have platinum and gold catalysts that can use hydrogen

gas as the fuel for running the vehicles. This is a \$1 billion research investment that President Bush has funded. We are looking at nanotechnology in cancer research. Just last month, the National Cancer Institute released \$144 million to integrate nanotechnology in cancer research. Northern Illinois is a nanoscience and engineering institute, which you heard President Peters mention in his State of the University Address. These are the components we will be focusing on, not just graduate and undergraduate education, but research, the development of a skilled work force, and the creation of new technology.

University research plays a big roll in the economic development of the country. In 2003, 4,000 spin-off companies were created by universities. They employed over 1.1 million employees with sales of about \$232 billion from a variety of industries.

This accomplishment cannot be achieved without the help of my tremendous partner, Kathy Buettner, and staff member Cathy Craddock, who have been tremendously helpful. Despite our shortage in staff support, Linda Schwarz and her staff, Gail Mitchell, Jenny Tompkins and Pat Hanzely, have been rolling these proposals out for us. I am also privileged to have a personal assistant, Dr. Sandy Arntz, who even spends some Saturdays and Sundays helping me get these proposals out.

Agenda Item 9.b.(7) – Convocation Center Review of Second-Year Operations

President Peters asked Bob Albanese, Associate Vice President for Finance and Facilities Operations and John Gordon, Director of the Convocation Center, to give a report on the second-year operations of the convocation center.

Only at NIU could we discuss nanotechnology and neutron therapy, Bob Albanese said, and on the other end discuss *Big Bird* and *The Cable Guy*. This is a great place to work. The convocation center opened its doors in August 2002. During year one, we hosted 175 events, and last year we hosted 199 events. In Fiscal Year '04, total revenues went from \$5.1 million to \$6.1 million, a 20 percent increase. Ticket sales alone were again over \$1 million. Rental income doubled from \$465,000 to \$927,000. This was primarily due to our success in renting the facility for major concerts, religious groups, political groups and national band tour rehearsals, which has turned out to be a very lucrative niche in this market. On the expense side, we are able to reduce event labor costs while assuming a full debt service payment of \$1.6 million.

Overall, Mr. Albanese said, in the first year of operation, we budgeted a breakeven operation with no contribution to long-term reserves. But by the end of year one, we were able to transfer \$900,000 to reserves for long-term capital projects. Last year, Fiscal Year 2004, we were able to transfer \$976,000 to these reserve accounts, a remarkable achievement since year two in venues like the convocation center usually does not match the opening year. At this point, I want to ask John Gordon to review this year's operations.

Mr. Gordon began by expressing his appreciation for the guidance and support of President Peters, Dr. Williams and Bob Albanese over the last few years. And, even though they are not able to be here today because they are working at an event, he said, I especially want to thank our staff, who are relentless in the hours they put in and are really the success behind a lot of what we do.

Just to very quickly tell you where we are in our first almost six months, Mr. Gordon said, we are up already on the number of events. We are projecting that we will probably go over 200 events this year. Our revenues are up right now. That can change depending on what our spring looks like, which is really dependent on a lot of key concerts that we are working on right now. One of the highlights we have had thus far this year includes another sold-out show with Big and Rich back in November. We were in the *New York Times*, *The Washington Post* and several other major papers in connection with that show. Agents and managers flew in from all over the United States just to watch this particular concert because it was the first time they have ever put two like shows together like this. On November 5, the *New York Times* comment was, "In DeKalb, Illinois, Northern Illinois University is the country music capital of the world." So that was kind of an honor bestowed on us for one night. One thing we really try to push here is a lot of diversity in our events. We did a Bob Dylan show. We had a *Sesame Street* that was very successful; our gross was up this year from last. We also did rehearsals here for the now defunct tour for

Jay-Z and R Kelly for 15 days, which was very taxing on our staff as well. We had the News Boys, Young Buck, Lloyd Banks and Little Scrappy concerts. We also had a student hit, Incubus, which we partnered with CAB on that was another successful show which almost sold out for us. Then the highlight of this year, so far, has been our Denny Hastert event and the honor of having not only Denny Hastert here for a repeat event, but having the Vice President of the United States available to speak as well. That was a very intense four or five days. Thank you to the Police Department, especially, for their assistance in guiding us through all the exciting times we had that week.

In the future, Mr. Gordon continued, I think one of the things we will try to do is continuous contractual events. We just inked the Farm Show for five more years. The high school state wrestling dual meets for Illinois will be held here as part of a three-year contract. And the high school hoop shootout that was held in the Metro Center for years is going to be a repeat event here at the convocation center as well. It is those kinds of things that we are always trying to garner, more events and repeat events, which helps us to stay consistent with our revenues.

NEXT MEETING DATE

Vice Chair Vella announced that the next meeting of the Board of Trustees is scheduled for Thursday, March 24, 2005 in DeKalb.

ADJOURNMENT

There being no Other Matters, Vice Chair Vella asked for a motion to adjourn. Trustee Boey so moved, seconded by Trustee Sanchez. The motion was approved. The meeting was adjourned at approximately 11:47 a.m.

Respectfully submitted,

Sharon M. Mimms
Recording Secretary