

Minutes of the  
**BOARD OF TRUSTEES**  
**OF NORTHERN ILLINOIS UNIVERSITY**  
March 24, 2005

**CALL TO ORDER AND ROLL CALL**

The meeting was called to order by Chair Gary Skoien at approximately 9:09 a.m. in the Board of Trustees Room, 315 Altgeld Hall. Recording Secretary Sharon Mimms conducted a roll call of Trustees. Members present were Trustees Robert Boey, George Moser, Manuel Sanchez, Barbara Giorgi Vella, Student Trustee Eric Johnson and Chair Skoien. Not present was Trustee Myron Siegel. 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 45, Action Items 9.a.(6), (7), (8), (9), (10), (11), (15), (16), (17), (18), (20), (21), (22), and (23), our receipt of Information Items 9.b.(1), (2), (3), (4), (5), (6), (7), (8), (9), (10) and (12), and 9.c.(1), and Chair's Report No. 31, Action Item 10.a. to that Consent Agenda. The Chair asked for a motion to approve the revised meeting agenda as proposed. Trustee Sanchez made a motion to approve the meeting agenda as amended. Trustee Moser seconded the motion. The motion was approved.

**REVIEW AND APPROVAL OF MINUTES**

It was moved by Trustee Boey and seconded by Student Trustee Johnson to approve the minutes of the December 9, 2004 Board Meeting. The motion was approved.

**CHAIR'S COMMENTS/ANNOUNCEMENTS**

Thank you for attending our second full Board meeting of the calendar year, Chair Skoien said. As usual, we have a full agenda today and I would like to make a few brief comments about some of the items.

First, I would like to go on record with expressions of appreciation from this Board to all the faculty and staff at NIU who continue to provide high quality education, conduct important research and extend university expertise into our service region in spite of the very serious budget restraints that have become a fact of life for us in recent years. We are going to hear reports on budget issues this morning, and I think it is important for us to preface those discussions with recognition of the work that goes on, each and every day, in the classrooms, the labs, offices and other workspaces of this university here in DeKalb; at our centers in Naperville, Rockford, Hoffman Estates and Oregon; and in locations throughout the Chicagoland region where NIU people work. We are grateful for your patience and perseverance, and we continue to work as a governing board to find ways to support you and your work.

One of the issues we will be discussing this morning is the adoption of a new schedule for student fees for the coming fiscal year. Again, I would like to compliment Dr. Peters, Dr. Williams and their staffs for creating and nurturing a fee process that is extremely participatory. Student members of the fee committee have extensive access to information about costs, revenues and other variables, and that allows them to make fully-informed decisions about how to support various campus services like the bus

system and campus health services. Once again this year, that process has ended with recommendations that student leaders tell us are both reasonable and far-sighted, and that certainly helps inform our decisions here as Trustees.

Another issue we will vote on today is that of faculty sabbaticals. My colleagues and I have learned a great deal over the past years about the sabbatical process and have become very strong supporters. We have heard presentations here about new work, new research directions, new curricula and instructional innovations, and incredible public service undertaken during sabbaticals that have made us true believers in the value of that process.

A number of the items we will be voting on today have already been discussed in detail at committee meetings, but I would like to mention just a few. Three purchases we will be asked to approve today are related to some very high-profile work that NIU scientists will be doing in Antarctica. Professors Ross Powell and Reed Scherer are part of an international team that will be drilling through glaciers, taking million-year-old core samples and peering through a submarine camera for clues to the mystery of global climate change. That is a very exciting project, and one that we will be hearing a great deal about in months and years to come. Looking at some of our more routine purchase requests, I note that two are noteworthy only because they have become so routine. One is a request for funding for Ethernet updates in several of our residence halls. The other is for purchase of new computers for several student computer labs. I mention these items because they represent NIU's ongoing commitment to keeping current in terms of technology – no small challenge given our budget situation and the rapid changes in computing needs. It is an effort that requires constant attention, and I am pleased to see that we are looking at these technology upgrade requests at nearly every Board meeting.

Finally, I want to point out an information item near the end of our agenda having to do with salaries. While all of us at this table try our best to express gratitude for the work of our faculty and staff, nothing says “thank you” like a raise. Since the state budget crisis began four years ago, it has been difficult to put dollars behind our thanks, but Dr. Peters and his staff have made salary competitiveness a priority, and the report on page 45 shows what we were able to do this year in support of that priority: an average salary increase of 4.0 percent for staff and about 4.3 percent for faculty. That was one of the highest percentages in the state. And while we always wish we could do more, I am very proud of what we were able to accomplish this year. So thank you again, Dr. Peters, Dr. Williams and, again, thank you, faculty and staff.

Chair Skoien welcomed the University Advisory Committee (UAC) representatives: Dr. Paul Stoddard, Dr. Xueshu Song, Dr. Ferald Bryan, Dr. Joseph Stephen, Ms. Shey Lowman, and Ms. Donna Smith. He invited Dr. Stoddard to make comments. In the committee meetings, Dr. Stoddard said, I addressed fees and the Geology Department purchases to which you have already referred, and both comments were positive. I would like to take this opportunity to give a heartfelt thanks to the Board for their support of the sabbatical program. In these times, many faculty programs seem to be coming under attack. Having the firm support of this Board is greatly appreciated by the faculty for a program that we all agree is essential for the further growth of the faculty.

Ms. Shey Lowman spoke on behalf of the Supportive Professional Staff and the Operating Staff. I want to thank the Board for its continuing support, Ms. Lowman said, and for all the support that you have given us on salaries and other benefits. We are all very concerned about the proposed pension changes. Five of us, representing all of the NIU constituencies, testified last week at the public hearing on the Governor's proposed budget held at Kishwaukee College. I believe we must communicate with the Governor and our legislators that the majority of the 2,500 staff on this campus are people making \$20,000 to \$30,000 a year, and a secure pension is extremely important to them. The pension proposals will be hurting the rank and file staff the most, and these are the people who keep the university running on a day to day basis. We look forward to the continuing support of the Board, and thank you very much.

## **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 meeting.

## **REPORTS OF BOARD COMMITTEES AND BOARD LIAISONS**

### **Executive Committee**

There was no report from the Executive Committee.

### **Academic Affairs, Student Affairs and Personnel Committee**

Committee Chair Bob Boey reported that the Academic Affairs, Student Affairs and Personnel Committee met on Thursday, March 3. At that meeting, he said, the Committee considered and endorsed the following action items: Sabbatical Leaves for Faculty and Supportive Professional Staff; a Request for Degree Authority at a Regional Site, Region 3, West Suburban; a Request for New Specializations within the Ed.D. in Curriculum and Instruction; a Request for a New Minor in Computer Science; and a Request to Delete an Emphasis Within the B.S. in Physics and to Delete a Specialization Within the Ed.D. in Curriculum and Instruction. The sabbatical is probably the most misunderstood program among communities outside the university. We committee members certainly endorse and support and continue to learn about the strength of this program in quality time, research and strategic thinking. And each year we learn something new. This year, we asked why some faculty take one semester while others take two semesters. The simple answer was that whether the individual takes one semester or two, s/he is paid for only one semester. Any qualified faculty member can take two semesters, but that means s/he would have to use a grant or some other source of funding for the second semester.

The Committee also heard reports on the following information items: the Annual Oral English Proficiency Report for 2003 and 2004 and the Annual IBHE Report on Underrepresented Groups for 2003 and 2004.

### **Finance, Facilities and Operations Committee**

Committee Chair Barbara Giorgi Vella reported that the Finance, Facilities and Operations Committee also met on Thursday, March 3. At that meeting, she said, the Committee considered and approved recommendations for student fees and room and board rates for the upcoming academic year. The recommendations were developed through a consultative process and are reflective of the budget challenges the university faces in Fiscal Year 2005-06. Thus, we bring the following items for your consideration and endorsement: contracts and contract renewals for Fiscal Year 2005: Student Accident and Sickness Insurance; Mass Transit; International Programs Travel; *Northern* Star Printing; Waste Management; Copier Services; NIU Foundation Professional Services; Information Technology Services and Computer Lab Equipment. We ask authorization of the following expenditures: Athletic Sports Campus Housing and Meals; Mass Spectrometers Sub-Ice ROV System; Barsema Alumni and Visitors Center Fixtures and Equipment; Residence Hall Ethernet Conduit Project; and a Collective Bargaining Agreement. We bring the following reports as well: Fiscal year 2005-06 Budget Update; Fiscal Year 2005 Increment Summary Report; Bowl Game Charter Air Services; Quarterly Summary Report of Transactions in Excess of \$100,000; a Periodic Report on Investments; and the Oracle/PeopleSoft Update.

### **Legislation, Audit and External Affairs Committee**

Committee Vice Chair George Moser reported that the Legislation, Audit and External Affairs Committee met in Hoffman Estates on March 18. Kathy Buettner and Ken Zehnder provided reports on the status of state and federal legislation pending in Congress and in Springfield. The General Assembly report is included in today's report as Agenda Item 9.b.(9). Ms. Buettner reported that pending legislation, House Bill 476, could significantly impair NIU's future ability to name facilities, scholarships or endowed chairs that are the result of private fundraising efforts. Both Chair Siegel and I cosigned a letter to Speaker Michael Madigan that will be sent today registering our concerns with this legislation as Chair and Vice Chair of the Legislation Committee. The report on the FY06 state budget is Agenda Item 9.b.(10). The Governor's FY06 budget includes \$2.2 billion in state general funds support for higher education

operations and grants. However, when excluding the State Universities Retirement System, the Governor's proposed budget decreases general funds support for higher education by almost \$5 million. While the IBHE's recommended budget provided universities with just under a one percent increase for FY06, the Governor's budget recommends a flat base for 2006. NIU is supporting the IBHE's FY06 budget recommendation now before the legislature. Since no capital budget was approved by the General Assembly for FY05, no planning funds for the Stevens Building renovation and addition were included in the Governor's proposed budget for FY06. These are ranked numbers 12 and 21 on the IBHE capital projects list – the same as they were last year.

Dr. Cunningham provided our Committee with an in-depth overview of the pension reforms proposed by the Governor that are under consideration in the General Assembly. Secretary Mimms will provide each Board member with a copy of the information provided to the LAEA Committee Members. The Committee remains very concerned by those proposed pension reforms and will work with faculty and staff to register our concerns with the General Assembly leadership.

The Committee heard an impressive presentation from Drs. Bose and Kimball on the creation of the new Nanoscience Institute at NIU. We were pleased with the efforts of the College of Engineering and Engineering Technology and the College of Liberal Arts and Sciences to collaborate on this research and hope it will provide the impetus for an interdisciplinary Ph.D. for the College of Engineering in the future.

The Committee commended Keith Jackson and Sharon Downen for an excellent FY04 compliance audit, which showed no exceptions, which is very good. That audit will be discussed later as part of President Peters' report to the Board.

### **Illinois Board of Higher Education**

Board Liaison Vella deferred to President Peters for the IBHE report. The last meeting of the Illinois Board of Higher Education was held on February 1 at University of Illinois-Springfield, Dr. Peters reported. There were two items of interest to the Board. One was a general discussion of the IBHE FY06 budget recommendations. The second issue was a report on the textbook rental study. The report was very thorough and spoke to the importance of that issue, yet indicated that there were many problems with a textbook rental system, particularly the huge start-up costs. So the IBHE is going to continue to look at that issue. The next meeting of the IBHE, Dr. Peters said, is scheduled for April 4 in Springfield.

### **Universities Civil Service Merit Board**

Board Liaison Vella reported that she was unable to attend that meeting, but she could give a report on the meeting's outcome. The Universities Civil Service Merit Board met on January 26, 2005. New officers were elected: Chair, Bruce Freefield, Governor's State University; Vice Chair, Majorie Sodeman, University of Illinois; and the Executive Committee includes John Simmons, Southern Illinois University, and Nancy Froelich, Illinois State University. One of the major tasks of the board is to review discharge cases. After lengthy discussion, two employees, one from Eastern Illinois University and one from Northeastern Illinois University, were reinstated after the board heard the evidence and reviewed the record. The next Merit Board meeting is scheduled for Wednesday, May 18, at the system office in Urbana.

### **Northern Illinois University Foundation**

Board Liaison Robert Boey invited Foundation President Mallory Simpson to give the report. The Barsema Alumni and Visitors Center project is coming along very nicely, Ms. Simpson said. So before you leave campus today, we invite you to drive by and see the steel frame, which gives you a sense of the shape and size of the project. We are working diligently to raise the remaining approximately one-half million dollars for that project. We feel a sense of urgency because, as the building looks more completed, there is less incentive for our donors to step forward. We expect a few additional major donors will step forward to help complete this campus landmark. We have just come off a series of three days of Foundation committee and board meetings concluding with a major donor cultivation event hosted by one of our board members last Saturday. A growing emphasis of the work of the Foundation Board in the last year has been the active involvement of board members directly in the fundraising process. I have retained the assistance of a consultant from the Association of Governing Boards to help

sharpen our board's focus on fundraising, she added. I think President Peters would agree that the engagement of the Foundation Board in development has never been stronger, and it is making a difference for us.

We are continuing to have an exceptional year in general as well as with particular fundraising priorities. To date we have total gifts of \$5.8 million, which is about a million ahead of our exceptional pace last year. Gifts received from individuals are 36 percent ahead of last year, largely attributed to our focused fundraising priorities. And with the success of the bricks and benches portion of the Alumni and Visitors Center campaign, gifts of \$1,000 and \$2,500 are dramatically increased this year, and that really helps make the base of the giving pyramid much more robust.

You have heard a lot in the last couple of years about gifts to building projects. However, we have also been working very hard to seek funds for endowed scholarships, endowed faculty positions and program support. I have made the mistake in the past of assuming that everyone knows what I am talking about when I talk about endowments, but it has become clear that is not the case. Endowments provide the financial bedrock of all colleges and universities and are one of the key measures of a university's vibrancy and potential. Strong endowments distinguish a strong university from a great university, and that is why President Peters has made building our endowments one of our top fundraising priorities. As you may know, endowments are funds that last in perpetuity. The principle is preserved and just a portion of the income is expended annually. Many of our alumni and friends are unfamiliar with endowments, how they work and the kind of impact they have. So we are working to raise awareness about what endowments mean to an institution and educating our constituencies.

Now, I have some great stories to tell you, Ms. Simpson said. In December, I told you about a \$100,000 endowed scholarship, the Taylor Endowment in Accountancy. To date, this year alone, we have raised \$1.5 million in new endowed gifts. A wonderful gift was made by the Centex Corporation in honor of retiring executive vice president Ray Smerge, an NIU alumnus. Dean Fred Kitterle recruited Mr. Smerge to his advisory board several years ago. Since then, Ray personally has made two \$25,000 gifts to the LA&S Program Initiatives Fund, which Dean Kitterle established to provide funding for undergraduate research and the support of unique learning opportunities. So when Centex personnel were trying to figure out what they could do to recognize their retiring executive vice president, they thought of NIU and Ray Smerge's high regard for Dean Kitterle's leadership. The corporation gave \$50,000 to NIU for an endowment in the Program Initiatives Fund in honor of his retirement. This is just one example of the great things that are happening across the institution with our deans and their advisory boards developing these personal relationships. So kudos to Dean Fred Kitterle and Nora Clark, who worked with him as a Development Officer.

As the result of the work of Dean Art Young and Development Officer Ging Smith, another endowed gift of \$75,000 was secured from DeKalb residents Tom and Nancy Roberts to support the Southeast Asian collections in the library, a really distinguished collection.

As usual, I have saved the best for last. In January, we received the second part of a gift that began last fall to create the largest endowed scholarship ever funded by a single living individual. The \$450,000 Elizabeth J. Schwantes Undergraduate Scholars Fund scholarship will provide full tuition, fees and books for three students annually – one each in Computer Science, Geography and Psychology. And I want to tell you a little bit about Elizabeth Schwantes. She is not an NIU alumna. She is a graduate of Lake Forest College and worked as a librarian. I had hoped Elizabeth could be here today, but she could not join us. She is a delightful woman, 93 years old, very sharp and great to be with. But she did ask me to share some thoughts with you. She made this gift to reflect the important role she feels higher education plays in today's world, helping to maintain a free and democratic society. She also made the gift to recognize the educational accomplishments and contributions of the Schwantes family, many of whom have NIU degrees or careers in the educational community, including NIU. The family views this as a way to thank and give back to a university community which has been so wonderful to many of them in helping develop their careers and professional growth. The departments designated for the scholarships represent some of the family connections. And, I think you will appreciate this since I have talked so often about these gifts to bricks and mortar during the past few years, Ms. Simpson said. The family views the scholarship endowment, and I quote, "Yielding figurative bricks upon which to build an education for our young adults." The family's hope is that this \$450,000 endowment will allow others to

have similar growth experiences within this wonderful NIU community. What a great pacesetter gift. It will resonate for many generations to come as a wonderful legacy.

About a year ago, Trustee Boey said, I asked separately four members of the university the same question, "What is the single most important gift that would have the biggest impact on elevating NIU to the next level?" Among the people I asked were President Peters and Provost Legg. And separately, with no hesitancy, the answer was endowment and endowed chairs. And so, I am glad, John, that you have now focused on it. That is very important. I attended the Foundation Board meeting last week, and I am pleased to report to the Board that I have never seen a more energetic and more committed group of board of directors of the Foundation board focusing on fundraising. Truly they are a group of directors who have made the commitment in time and energy.

President Peters recognized Athletics Director Jim Phillips to make an introduction.

It gives me great pleasure to introduce one of our new leaders in the Department of Athletics, Mr. Phillips said. As you have heard me say before, we strive every day to provide our student athletes, all 426 of them, with a world class experience academically, socially and athletically. We are always striving to have great leaders within that unit, and we certainly have found ourselves with one recently.

I want to reintroduce someone to the NIU family. But first I want to give you a few of the accolades attributed to this lady that we are bringing up here. She came to NIU from the City of Chicago in 1985. She came from the west side of Chicago, attending Augustana and Austin; went to Notre Dame High School, an all girls school on Belmont and Austin; and was recruited to come here and started in NIU's CHANCE program. Through the five years that she was at NIU, she finished first in points, in rebounds, in scoring and in field goal percentage and received all the accolades you could ask for athletically. But more importantly, she was the NIU Outstanding Communications Studies Major in 1990. She was Academic All American in 1990; team captain, not for one year, not for two years, but for three years in 1988, 1989 and 1990; the NIU Commencement Student Marshall in 1990; Outstanding NIU Student of the Year in 1990; NIU Student Leadership award winner in 1990; and Olympic sports festival participant in 1990. But the thing of which we are most proud, she is a 1990 NIU graduate. Let me introduce without any further ado, a great woman who will lead Huskie Women's Basketball absolutely in the right direction, Ms. Carol Owens.

Ms. Owens remarks were as follows:

Thank you President Peters, all the Trustees and everyone here for this opportunity, Ms. Owens said. I want to take this time to let you know how happy I am to be back here at NIU. This was a place where I developed as a person, a student and an athlete. Those things are important. When I am here permanently, I want to give back to the student athletes what people here at NIU have given me. And I am so appreciative of that. I had a lot of opportunities to move on earlier during my stay at Notre Dame, but I think this was the place for me. This was the right fit. I wanted to be back with people who really had the same passion about the student athletes that I did and about the students and the university. I believe President Peters is a great leader, and that was a huge consideration in my thought processes about where I wanted to go. So I really appreciate his support along with Jim Phillips'.

I have known Jim Phillips for about four years, and we are definitely on the same page in terms of the things that we want to do. We both feel that the student athletes are very important. And I want to be a part of that experience. One of my goals is to let these young ladies have a great experience here like I did. It was not just about basketball; it was about the other people that helped me be who I am today. I appreciate everyone's support and just the warm feeling I got last week when I came back to NIU. It is going to be a great experience and a great situation. I hope you are able to come and take a look at our team or come to practice or just speak to our young ladies, which would be great for them. I will not hold you any longer, but I really appreciate you allowing me this time to speak, and I just cannot tell you how excited I am to be back here in DeKalb.

A few years ago I was invited to give a speech at the well-known CHANCE graduating luncheon, Trustee Boey commented. Not knowing much about the CHANCE program, I called Leroy Mitchell and said, "Reverend Mitchell, help me and give me a better understanding of the CHANCE program." And he said, "Trustee Boey, there's only one sentence you need to know. 'They ain't supposed to be here.'" It struck me, and I certainly understood after doing some research that "They ain't supposed to be here" truly is the last chance for many of those young people. Yet, the program has produced some very successful names in NIU graduates. And Carol, you are a typical example. Welcome back.

As some of you know, Trustee Sanchez said, I was disappointed not to be able to attend the Legislation, Audit and External Affairs Committee Meeting because for the past nine weeks, until last Friday night, I have been engaged in a trial that has just disrupted my life. And one of the biggest disappointments I had during those nine weeks was not being able to go to Carol's announcement at the celebration at Ditka's. So it is a pleasure to have Jim bring her here today for the whole community to celebrate. When you hear this story about the CHANCE program and what it means, this is just another example of NIU's leadership, making a statement not just regionally but nationally that "Hey, there is a different experience here, and we're not just talking the talk, we're walking the walk." So welcome to the community, Carol, we are really privileged to have you here. And thanks to Jim, John and everybody who was involved with it. I think it is great.

Well, I think that sums it up for the Board, Chair Skoien said. We are delighted to have you here, Carol. Congratulations, Jim, on bringing her back. It sounds very exciting, and we are all thrilled with it. Welcome back.

#### **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, 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, Executive Session Minutes matters are generally described under §2(c)(21) of the Open Meetings Act. Trustee Sanchez so moved, seconded by Trustee Moser. 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 11:30 a.m. Members present were Trustees Robert Boey, Manuel Sanchez, Student Trustee Eric Johnson, Trustee Barbara Giorgi Vella and Chair Skoien.

#### **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 No. 45 Action Items 9.a.(6), (7), (8), (9), (10), (11), (15), (16), (17), (18), (20), (21), (22) and (23) and Information Items 9.b.(1), (2), (3), (4), (5), (6), (7), (8), (9), (10) and (12) and 9.c.(1) and Chair's Report No. 31 Action Item 10.a. Trustee Sanchez so moved, seconded by Student Trustee Johnson. The motion was approved.

#### **PRESIDENT'S REPORT NO. 33**

I know our time is limited this afternoon, President Peters said, so I will keep my remarks brief. We heard quite a bit about the Fiscal Year 2006 budget earlier this morning. Clearly NIU is supporting the IBHE proposal that includes a modest increase for public universities this year, while a flat budget last year was an improvement over the previous two years. We have lost upwards of \$40 million since Fiscal Year 2002. In the appropriations committee hearing for the house two weeks ago, Representative Kevin Joyce said to me, "Mr. President, your people are doing such good things at NIU, if we could help you to make more progress, how much money would you need?" Believing in the power of ten as I do, I immediately said, restore us to Fiscal Year 2002, which is \$30-\$40 million. And, I said, we do not need it all in one

year – two or even three years will do. But we have been hurt significantly by those reductions. We believe the state can and should make a statement this year to support higher education, even if it is a small one. We need that. As a practical matter, flat budgets are really budget reductions, especially if we are going into an inflationary time since our fixed costs increase each year. So we remain hopeful that this year we will have a unified higher education position in Springfield. By “unified” I mean everyone – parents, students, universities, trustees, employee groups. A unified effort will help highlight the fact that we are all starting off with state funding levels that take us back five years or more.

That said, we continue to seek funding for important projects wherever we can find it. Yesterday, I attended an event here in DeKalb at which House Speaker Dennis Hastert announced the first installment of what we hope will be about \$14.5 million in federal funding for our West Campus road project. It is at \$7 million right now, but it is being negotiated in conference committee. The Speaker told us he has a commitment for about half that amount, and he is optimistic about getting the remaining funds before the end of the year. So, once again, we have reason to be grateful for the wonderful relationship we enjoy in Washington.

This morning we introduced Carol Owens back to the campus. And I want to add my congratulations to Jim Philips on luring her back. People all around campus have been talking about Carol this past week, and I have been interested to hear so many similar comments from different people. They talk about Coach Owens as being part of a very proud history at NIU, and they refer to her hire as a homecoming. Those are very warm and welcoming words for a new coach to hear. And we are glad to have her back.

Finally, I want to take note of another type of history being celebrated at NIU this month. March is Women’s History Month. Yesterday I was honored to host a breakfast, which honored women who have made a difference in NIU. Amy Levin, head of our Women’s Studies Program attended as well as Sharon Howard and others, and we had a great lively discussion. I am very proud of the progress that we have made in Women’s Studies and on women’s issues, and we have rededicated ourselves to that task.

#### **UNIVERSITY RECOMMENDATIONS FORWARDED BY THE BOARD COMMITTEES**

##### **Agenda Item 9.a.(1) – Fiscal Year 2006 Student Fee Recommendations**

This is the time of year where we approve the 2006 Student Fee Recommendations, which is Item 9.a.(1) on page 14 of your report. Page 15 shows a history of the various student fee recommendations that are before you. Our general approach, this year, was to try to keep the fees to under three percent for those that are controllable or as low as possible. There are a couple of items on the list that have to be negotiated with vendors. We have an amazing participatory process where every student group and every other group of employees, gets a chance to make the case for increases through this budgeting process that lasts several months. By the time it comes to me at the end of the process, I am assured that every one of these issues has had a good airing. I ask some more questions, and they come back to me with their final recommendations.

I wanted to point out that one large item, which is an uncontrollable, was a renegotiation of our health insurance. We negotiated a rate with a carrier last year that was very favorable. This year we heard that was going to go up between 50 to 60 percent. At that point, we negotiated with another carrier and were able to get a more favorable rate at a 23.6 percent increase. Students can opt out of this if they have an individual policy through employment or through their parents and show proof of insurability. You can see that our activity fees are pretty much generated for the students and their use. We are at the five and seven percent level for undergraduate, graduate and professional. Since the athletics fee had not been raised for several years, we are requesting a 4.47 percent increase. It went up slightly last year, and we are requesting an increase this year. The bus fee that pays the contract for Huskie Bus is negotiated as is health service. We are asking for no increases in grants-in-aid, student-to-student grants, law or graduate colloquium. Therefore, I move this package of student fee recommendations for your approval.

There is not a business person in this room who does not know the spiraling cost of healthcare, Trustee Sanchez said. But for the healthcare provisions, the net percentage increase here would be incredibly modest. That is something we all have to recognize. We cannot control that vendor. I applaud everybody who worked so closely – staff, management, students – to keep this as modest as it is, notwithstanding the incredibly demanding healthcare increase that we are all facing. President Peters



alluded to this earlier, Chair Skoien said, but I remember that last year we had a lower increase than most of us on the Board were used to. So, when you look at the two years, this is probably still a pretty good deal, because I know it is outrageous at my company.

Chair Skoien asked for a motion to approve the Fiscal Year 2006 Student Fee Recommendations. Trustee Vella so moved, seconded by Trustee Sanchez. The motion was approved.

#### **Agenda Item 9.a.(2) – Fiscal Year 2006 Room and Board Rate Recommendations**

Room and Board Rate Recommendations are set annually across all of our various housing units, President Peters said. These changes represent a 6.27 percent net increase in standard room and board rates. The spreadsheet on page 19 lists the rates and increases for all of our room and board offerings. There is no increase this year in the dining plans, which is pretty remarkable given the inflationary costs associated with food service and preparation.

In our Academic Affairs, Student Affairs and Personnel Committee meeting, Trustee Boey said, we noted that taking the typical residence hall at the titanium board rate and adding it up, it comes to about \$11,800 for tuition, room and board. That is a remarkable number in today's times, to get a four-year, full-quality program. That is something to be proud of. Also, President Peters added, I believe our residence hall rates, if not the lowest, are among the lowest among the state universities.

In regard to President Peter's comment about the low cost of NIU's room and board, Trustees Sanchez said, I want to add that 30 years ago when I housed myself at Grant Towers, that was one of the appeals three decades ago as well. Three-plus decades ago NIU had the lowest rates in the state for dormitory room and board. And here we are in the next couple of generations still in a leadership role with respect to that significant expenditure. The challenge for our RHA people, Bob Albanese and Dr. Williams is that we are in the Chicago pricing area, President Peters said, yet we are able to keep it low.

Chair Skoien asked for a motion to approve the Fiscal Year 2006 Room and Board Rate Recommendations. Trustee Sanchez so moved, seconded by Trustee Vella. The motion was approved.

#### **Agenda Item 9.a.(3) – Fiscal Year 2006 Student Accident and Sickness Insurance Contract**

The Student Accident and Sickness Insurance Contract is a negotiated contract, Dr. Peters said. You have just approved the rates, and I move it for your approval. Chair Skoien asked for a motion to approve the FY06 Student Accident and Sickness Insurance Contract. Trustee Vella so moved, seconded by Trustee Boey. The motion was approved.

#### **Agenda Item 9.a.(4) – Fiscal Year 2006 Mass Transit Contract**

The Huskie Bus Contract rates were also approved in the student fees. Chair Skoien asked for a motion to approve the FY06 Mass Transit Contract. Trustee Vella so moved, seconded by Trustee Sanchez. The motion was approved.

#### **Agenda Item 9.a.(5) – Fiscal Year 2006 Athletic Sports Camp Housing and Meal Expenditure**

Athletic Sports Camp Housing and Meal Expenditures is a pass-through, the President said, and I move it for your approval. Chair Skoien asked for a motion to approve to approve the FY06 Athletic Sports Camp Housing and Meal Expenditure. Trustee Sanchez so moved, seconded by Student Trustee Johnson. The motion was approved.

- Agenda Item 9.a.(6) – Fiscal Year 2006 International Programs Division Contracts Renewal**
- Agenda Item 9.a.(7) – Fiscal Year 2006 Northern Star Contract Renewal**
- Agenda Item 9.a.(8) – Fiscal Year 2006 Waste Management Contract Renewal**
- Agenda Item 9.a.(9) – Fiscal Year 2006 Document Services Copier and Controller System Contract Renewal**
- Agenda Item 9.a.(10) – Fiscal Year 2006 Copy Paper ITS Document Services and Materials Management**
- Agenda Item 9.a.(11) – Fiscal Year 2005 Amendment to NIU Foundation Professional Services Contract**

Consent Agenda items.

- Agenda Item 9.a.(12) – Department of Geology and Environmental Geosciences Magnetic Sector ICP (Inductively Coupled Plasma) Mass Spectrometer**
- Agenda Item 9.a.(13) – Department of Geology and Environmental Geosciences Mass Spectrometers**
- Agenda Item 9.a.(14) – Department of Geology and Environmental Geosciences Sub-Ice ROV (Remotely Operated Vehicle) System**

Next we have three items that I propose we take together, the President said. They are expenditures in the Department of Geology and Environmental Geosciences for the following equipment: a Magnetic Sector ICP Spectrometer, two other mass spectrometers and our little submarine. The Academic Affairs, Student Affairs and Personnel Committee had a report on this wonderful venture from our professors. Again, in large measure, these expenditures, are provided from earmark funds from Speaker Hastert's office. Chair Skoien asked for a motion to approve the three Department of Geology and Environmental Geosciences requests. Trustee Boey so moved, seconded by Trustee Sanchez. The motion was approved.

- Agenda Item 9.a.(15) – Barsema alumni and Visitors Center Fixtures and Equipment**
- Agenda Item 9.a.(16) – Residence Hall Ethernet Conduit Change in Capital Project Approval**
- Agenda Item 9.a.(17) – Collective Bargaining Agreement**
- Agenda Item 9.a.(18) – Information Technology Services Computer Laboratory Equipment**

Consent Agenda items.

- Agenda Item 9.a.(19) – Recommendations for Faculty and Supportive Professional Staff Sabbatical Leaves for the 2005-2006 Academic Year**

The annual approval of the sabbatical leaves, which we heard about this morning, President Peters said, is the last item we have for your approval. Chair Skoien asked for a motion to approve the Recommendations for Faculty and Supportive Professional Staff Sabbatical Leaves for the 2005-2006 Academic Year. Trustee Sanchez so moved, seconded by Trustee Vella. The motion was approved.

- Agenda Item 9.a.(20) – Request for Degree Authority at Regional Sites**
- Agenda Item 9.a.(21) – Request for New Specializations**
- Agenda Item 9.a.(22) – Request for a New Minor**
- Agenda Item 9.a.(23) – Request to delete an Emphasis and a Specialization**

Consent Agenda items.

**UNIVERSITY REPORTS FORWARDED FROM THE BOARD COMMITTEES**

- Agenda Item 9.b.(1) – Fiscal Year 2005-06 Budget Update**
- Agenda Item 9.b.(2) – Fiscal Year 2006 Legislative Update**
- Agenda Item 9.b.(3) – Fiscal Year 2005 Increment Summary Report**
- Agenda Item 9.b.(4) – Bowl Game Charter Air Services**
- Agenda Item 9.b.(5) – Quarterly Summary Report of Transactions in Excess of \$100,000**
- Agenda Item 9.b.(6) – Periodic Report on Investments**
- Agenda Item 9.b.(7) – Oral English Proficiency Annual Report 2003-2004**
- Agenda Item 9.b.(8) – Annual IBHE Report on Underrepresented Groups 2003-2004**
- Agenda Item 9.b.(9) – Substantive Legislation**
- Agenda Item 9.b.(10) – Fiscal Year 2006 Budget Update**

Consent Agenda Items.

**Agenda Item 9.b.(11) – Fiscal Year 2004 Compliance Audit Report**

Trustee Moser mentioned this morning that the 2004 Financial Audit and Compliance examination at NIU is now complete, President Peters said, and we received no – zero – material findings. I have just received word that the Legislative Audit Commission has accepted that report and put it on their consent agenda, which means we do not have to appear. Thank you to all of our auditors and managers of our funds. Good job.

**Agenda Item 9.a.(12) – Pension Reform Update**

Consent Agenda item.

**ITEMS DIRECTLY FROM THE PRESIDENT**

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

Consent Agenda item.

**CHAIR'S REPORT NO. 31**

**Agenda Item 10.a. – External Professional Services for University Legal Services**

Consent Agenda Item.

Chair Skoien recognized Mrs. Barbara Peters, who was also present at the meeting, and expressed the Board's delight at having her there.

**Agenda Item 10.b. – President's Salary Increase and Term Extension**

The Chair recognized Trustee Barbara Giorgi Vella. I have some comments I wish to make, Trustee Vella said, and then I will make a motion.

I would like to take this time to request consideration of a motion that would appropriately recognize the Board of Trustees interests and reward the success and merit of President John Peters during his nearly five years of service to this Board, she said. It is clear to me and all the Board members that President Peters has continued to evidence the desire, energy, ability and commitment the Board of Trustees expects and wants to further its institutional goals. The successes attributed to his inspiration, skills and leadership are significant and several. Simply stated, the vision, tireless devotion and professionalism of Dr. Peters have consistently benefited Northern Illinois University, its students, its community of scholars and staff, the general citizenry of Illinois, the business community and the entire region that we serve. We Trustees value the progress made under President Peters and want to assure his availability to further our strategic initiatives. In that context, consistent with the average increment level the Board authorized for the university, I move that Dr. Peters' base salary rate, commencing as of July 1, 2004, be increased by three percent and as of January 1, 2005, be increased by one percent, all payable in proportionate monthly installments subject to applicable conditions, deductions, reductions and contributions for local, state and federal taxes and all relevant approved employer benefit retention and

support programs and authorize administrative implementation by the Chair, appropriate Board officers and university staff. Further, in future years, unless conditions should change, it is our intention, and I move, that the President be included in any approved increment programs at the time others are included.

Part two of my motion is that the Board of Trustees authorize its General Counsel and Parliamentarian to develop for approval of its Chair, a formal mechanism to automatically extend the term of the President's appointment beyond its current expiration of June 30, 2010, an additional year at a time until otherwise determined (a) by the Board Chair in consultation with the Trustees or (b) the President with written notice of such nonextension determination to be given to the other no later than March 31 of the calendar year preceding the then current appointment expiration date.

Your motion appears to have substantial merit, Chair Skoien said. I know I speak for the whole Board in saying how important valuable, quality leadership is and how difficult it is to find and retain. Trustees, may I have a second to Trustee Vella's two-element motion to approve: (1) consistent with the average increment level the Board authorized for the university, Dr. Peters' base annual salary rate commencing as of July 1, 2004 be increased by three percent and as of January 1, 2005, be increased by one percent, all payable in proportionate monthly installments subject to applicable conditions, deductions, reductions and contributions for local, state and federal taxes and all relevant approved employer benefit, retention and support programs, and authorize administrative implementation by the Chair, appropriate Board officers and University staff. Further, in future years unless conditions should change, it is our intention that the President be included in any approved increment programs at the time others are included; (2) that the Board of Trustees authorize its General Counsel and Parliamentarian to develop for approval of its Chair a formal mechanism to automatically extend the term of the President's appointment beyond its current expiration of June 30, 2010, an additional year at a time until otherwise determined by (a) the Board Chair in consultation with Trustees or (b) the President, with written notice of such nonextension determination to be given to the other no later than March 31 of the calendar year preceding the then-current appointment expiration date.

The Board seconded and voted unanimously to approve the increase for President Peters and the extension of his appointment term.

President Peters' remarks were as follows:

I want to thank Trustee Vella for the motion and all of the Board members for the second. I am humbled by your vote of confidence. But all of the progress we have been able to make over the past few years really comes down to one thing and that is the NIU spirit. It is the spirit of faculty who stretch the boundaries of knowledge in the minds of our students. It is the spirit of our staff who do everything it takes to keep the university running, and that is a big job. It is the spirit of our alumni who are so proud of their NIU degrees and credit Northern with their success and, now, with their financial support. Most of all, when I think of the NIU spirit, I think of our students whose open minds and hearts make a career in higher education the best job anyone could ever have.

You heard me say this before, but I want to repeat it again today. There is something very special about NIU. Barbara, and I am speaking for her, and I have felt that from the first time we set foot on this campus. And our sense of that uniqueness grows with each passing year. I cannot believe it is going to be five years. We both feel that NIU offers an exceptional educational experience, and we share a concern about that experience being out of reach for a growing number of very promising and qualified students. Each year at commencement, I encourage our graduates to give back to their alma mater by making the NIU experience available to those who come after them. So, this morning, Barbara and I want to share some news about how we have decided to give back. Today we are announcing that we have established an endowment to fund student scholarships at NIU. You heard Mallory Simpson say how important endowments are. It is going to be called something like the John and Barbara Peters Student Endowment for Public Service. It is going to provide funds for students who are pursuing careers in healthcare, education, government, law, social sciences – any of the fields we think of as serving the public interest. We chose to focus on those areas because we feel that they really match the core values of NIU, a commitment to social justice and a sense of duty in looking out for the welfare of our

fellow citizens. We believe in those values. Now, I do not mean that I echo those values as NIU's President, which I do. I mean that John and Barbara Peters, farm kids from Strongsville, Ohio, who owe their lives and betterment to the transforming power of public university educations – me in education and political science and Barbara as an executive in the insurance industry. We believe in NIU and everything it stands for. So, thank you Trustees and thank you, NIU, for this honor.

#### **NEXT MEETING DATE**

The next meeting of the Board of Trustees is scheduled for Thursday, June 16, in DeKalb.

#### **ADJOURNMENT**

There being no Other Matters, Chair Skoien asked adjourned the meeting without objection at approximately 11:58 a.m.

Respectfully submitted,

Sharon M. Mimms  
Recording Secretary