

Minutes of the
NIU Board of Trustees
FINANCE, FACILITIES AND OPERATIONS
COMMITTEE MEETING
March 6, 2008

OPENING STATEMENT

Before I call the Finance, Facilities and Operations Committee to order and before the swearing in of Trustee John Butler, Vice Chair Boey said, I would like to make an opening statement. In the past weeks, all of us who love Northern Illinois University have seen darkness and light – the darkness of a senseless tragedy, the light that is the spirit of so many who have resolved to move “Forward, together forward.” Our community has now come together and we are struggling with the mission of looking ahead without forgetting the past. I am confident that we can fulfill this responsibility to the future needs of NIU while honoring the memory of those we lost. As this committee gathers this morning, I know we all share a desire to help heal Northern Illinois University in any way we can. And despite the difficulty in doing so, it is imperative we move forward today with the business of this university, never forgetting that this university is made up of a caring community that will continue to reach out to one another during the grieving and the healing process. Thank you.

SWEARING-IN OF NEW TRUSTEE

It is my distinct pleasure this morning to introduce and subsequently officiate the swearing in of our newest Board member, John Butler, Chair Murer said. John has been on campus, especially during our tragedy, for the past month, so it appears a bit delayed to be swearing him in this morning, because he certainly has taken up the gauntlet and acted as a very respected Trustee of this Board. On a personal note, John had the choice of asking either a judge or the Chair of the Board to officiate, and I was personally touched that he chose me.

I would like to give you a bit of his biography. He is well-known on campus and brings a long history of NIU involvement to his role on the university’s Board of Trustees. John is the founding partner in the Chicago-based strategic consulting firm of Butler & Anderson. He served two terms as student regent under NIU’s previous governing body and spent seven years as an assistant professor and director of forensics in NIU’s Department of Communication. John earned a bachelor’s degree in Political Science with a minor in Black Studies and a master’s in Rhetorical Studies, both from NIU. He went on to earn his doctorate in Rhetoric and Communication with an Emphasis in Public Argument at the University of Pittsburgh. His current work focuses on strategic planning and advocacy for large multiemployer organizations such as labor unions, contractor associations, benefit funds and apprenticeship programs. We have asked John to serve on the Finance, Facilities and Operations Committee as well as the Legislation, Audit and External Affairs Committee of the Board. Please join me in a warm welcome for John Butler.

Chair Murer then asked Mr. Butler to join her at the podium and administered the following oath of office:

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

Trustee Butler’s comments were as follows:

Thank you, Cheryl. I have a few people I would like to thank, and then I have something very brief to say. I was not going to say anything at all, but Trustee Siegel suggested that since this was a formal moment, I should put something in the record. The toughest part of the honor of an appointment to the Board of Trustees is that you have to grapple with the consequence of replacing a seasoned, distinguished and dearly regarded member of the Board. I want to

personally and publicly thank George Moser for his service and express my hope that NIU continues to benefit from his friendship and wise counsel. Over the past several weeks, certainly more quickly than I imagined, I became acquainted and reacquainted with many of you in this room and have done so during a time in which you were dealing with intense personal and professional challenges. Time does not permit recognizing each of you by name, but I do want to express my appreciation for your kindness, your willingness to let me listen and learn, and the opportunity to be part of this NIU family during your time of grief. Chair Cheryl Murer, thank you for swearing me in and for welcoming me to the Board with kindness and compassion. Thank you also to my fellow Trustees and President Peters and his administrative staff for your gracious words of welcome, congratulations and advice.

I also want to thank my mother, Sharon Butler, who could not be here today, for quietly nudging me along as I contemplated an appointment to this Board. When I first came to NIU in 1989, I really wanted to be here and nowhere else. It was an environment filled with hope for me. I was ambitious and had full faith that NIU possessed the capacity to satisfy my appetite for knowledge, friendship and mentorship. I can still recall the feeling of walking across campus just open to the energy of the thriving, moving and unsettled campus. It was like jumping into a warm rushing current knowing wherever it was taking me was going to be good. After my bachelor's, I continued to study for my master's and returned as a member of the faculty after completing my Ph.D., and now I return again as a Trustee. In all of these phases of my life, NIU has remained a rushing current, sometimes not as warm as when I first jumped in, but always leading me to somewhere good. So, as a Trustee, I'm committed to seeing that this thriving, moving and unsettled place remains a place of empowerment for students and faculty just as it has been for me. And I am honored to be here today to begin my service to the university. Thank you.

CALL TO ORDER AND CALL ROLL

The meeting was called to order by Chair Robert Boey at 10:33 a.m. in the Board of Trustees Room, 315 Altgeld Hall. Recording Secretary Sharon Banks-Wilkins conducted a roll call of Trustees. Members present were Trustees John Butler, Manuel Sanchez, Myron Siegel, Barbara Giorgi Vella (via teleconference), BOT Chair Cheryl Murer and Committee Chair Boey. Also present were Committee Liaison Eddie Williams, President John Peters and Board Parliamentarian Kenneth Davidson. With a quorum present, the meeting proceeded.

VERIFICATION OF APPROPRIATE NOTICE OF PUBLIC MEETING

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

MEETING AGENDA APPROVAL

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

REVIEW AND APPROVAL OF MINUTES

It was moved by Trustee Murer and seconded by Trustee Sanchez to approve the minutes of November 15, 2007. The motion was approved.

CHAIR'S COMMENTS/ANNOUNCEMENTS

Today's agenda includes items of particular importance to the students, Chair Boey said. Today's agenda includes items of particular importance to the students and university community as a whole. The action items include Recommendations for Student Fees and Room and Board Rates for the upcoming year. These recommendations have been developed through a consultative process involving students and staff. These proposed fees and rates reflect the budget challenges the university faces in Fiscal

Year 2008-09. Other action items include contract renewals for student accident and sickness insurance, the copier and controller system and the *Northern Star* printing contract; spending authorizations for athletic sports camp housing and meals, and the International Program Division; authorization of contract agreement amendments for Telecommunications Services parts and supplies, the Telecommunications Services Right to Use Agreement, and the Department of Biological Sciences research project; authorization of two capital project items including a revision of the budget for the student residence halls fire sprinkler systems project and project budget approval for the reconstruction of Parking Lot 24; and the authorization of a proton therapy project development agreement and a collective bargaining agreement.

Today's information items include the Quarterly Summary Report of Transactions in Excess of \$100,000 as well as the Periodic Report on Investments. In addition, there will be a presentation in the Fiscal Year 2008-09 Budget Update and the Fiscal Year 2009 Legislative Update.

Chair Boey recognized the representatives of the University Advisory Committee to this subcommittee, Dr. Paul Stoddard and Dr. Nancy Castle. I would like to join the Board in welcoming Trustee Butler home to NIU, Dr. Stoddard commented. His commitment to the university was made very clear in the days following February 14. I am sure he is going to do an excellent job for us in his new role. I also join Chair Boey in his earlier comments in that the one small flower of hope that comes out of that event is the sense of community and the sense of support that we at this university have achieved. I know that this Board and our administration are the right people to nourish that flower, to take care of that flower to see that it can blossom as we move forward from this time on.

PUBLIC COMMENT

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

UNIVERSITY RECOMMENDATIONS

Agenda Item 7.a. – Fiscal Year 2009 Student Fee Recommendations

As indicated in the Chair's remarks, Dr. Williams said, this is the meeting where many of our student related activities and fees are brought before the committee. Our first item is a recommendation for FY09 Student Fees. As the members of this committee are aware, our process includes committees that are assigned to each fee area. Those committees are comprised of students, staff and appropriate faculty to review and evaluate the fee area, and then make recommendations to the President regarding any increase or change in a specific fee. After the committees provide their recommendations, they are reviewed in Finance and Facilities and then passed on to the President, who meets with student leadership to further get insight and input regarding the recommendations and at which point the President recommends the fee increases to the Board of Trustees. As indicated on page 9 of your materials, this year the fee recommendations for students paying the health insurance fee averages about 2.88 percent, which meets the President's directive to keep increases under three percent. For those students who do not pay the health insurance fee and opt out, it translates into a 4.19 percent increase. The specific increases are listed on page 10 of your materials.

The students meet with me on these recommendations, President Peters said. We go through each one and I hear what they have to say. We have the best students I have ever encountered. They are so serious and they are aware of the cost of their education, yet they are willing to support these valuable programs, and I am really proud of them.

Chair Boey asked for a motion to approve the FY09 fee recommendations. Trustee Sanchez so moved, seconded by Trustee Murer. The motion was approved.

Agenda Item 7.b. – Fiscal Year 2009 Room and Board Rate Recommendations

The recommendations for room and board rates for Fiscal Year 2009 are at 9.4 percent, Dr. Williams said. We also reviewed comparison data to reaffirm the fact that NIU remains very competitive and is, in

fact, one of the lowest in terms of room and board rates in the state of Illinois. One significant reason that recommendation is at 9.4 percent is due to the fact that the State of Illinois mandated that all residence halls have sprinkler systems installed, which is certainly something we concur with. The problem was that the State did not provide the funding to go with their recommendation. Since there is no funding behind the mandate, the university must find ways to cover these expenses. So 4.1 percent of this 9.4 percent increase is a result of the need to generate sufficient revenues to cover the installation of sprinkler systems in our residence halls.

I was very impressed that we were able to keep the increase under ten percent, Trustee Murer said, and also that we are able to support the sprinkler system which I know is quite expensive. Credit for that should go to the dedicated Student Affairs staff who worked very diligently with the RHA, the student organization in the residence halls, to do this.

In answer to a question from a Trustee, Dr. Williams said that the 4.1 percent only gets us to the starting point. The strategy we are employing here is to build up the reserves so that by the time we start these projects, we will have the necessary funds, he said. Unfortunately, for the next four or five years, you will see increases of this magnitude in room and board rates to build up those funds. When we get to the action item that refers to the sprinkler system, you will see that we are phasing the work in. So Phases I and II only deal with certain of the residence halls, and those are scheduled to be done in FY09 followed by Phase III in FY10 and so forth.

In response to another query from the Trustees regarding the meal plans, Dr. Hemphill asked Mike Stang, Director of Residential Facilities, to explain the difference in the three plans.

The meal plan is a weekly allocation for students, Mr. Stang said. Students can buy in at one of three levels – Gold, Platinum or Titanium. Currently the meal plans last for 16 weeks, and the semester cost is spread evenly over those 16 weeks for the students. The increase actually amounts to a \$5 increase in the Gold Meal Plan, and a \$10 increase weekly in the other two meal plans. So a student with \$55 a week currently on the Gold Meal Plan will increase to \$60 a week and additional \$10 increments for the two higher meal plans.

Students can choose to spend their meal plans in any way they wish. Some of the units are still “all you can eat” units where you can pay a flat rate and go in; however, most of the units now are a la carte, so students have the flexibility to be able to spend their meal plans at various locations throughout the residence hall system, and they choose to spend that based on their weekly allocation.

Chair Boey asked for a motion to approve the FY09 Room and Board Rate Recommendations. Trustee Siegel so moved, seconded by Trustee Sanchez. The motion was approved.

Agenda Item 7.c. – Fiscal Year 2009 Student Accident and Sickness Insurance Contract Renewal

The renewal of our student accident and sickness insurance contract is with an external company. We have a committee that works very hard in trying to control and keep our costs down. It is an excellent insurance program. Students who have other insurance coverage may opt out of the insurance offered through the university by showing proof that they have that coverage elsewhere. This is the third year renewal of a nine-year contract.

There are no substantial changes in the coverage from last year to this year, Dr. Williams said. The university is giving an authorization of \$6.7 million, which should cover the total cost of the insurance for the year, he explained. That includes any savings, any changes in the coverage that may have taken place and any recommended or negotiated changes we may have in the coverage. We give a blanket authorization so that we make sure the contract amount is covered under all of those circumstances. I should also add that the committee should be commended for keeping the cost down, Dr. Williams said. If you know what has been happening in the health insurance industry around the country, a 7.71 percent increase is almost unheard of.

Chair Boey asked for a motion to approve the FY09 Student Accident and Sickness Insurance Contract Renewal. Trustee Sanchez so moved, seconded by Trustee Butler. The motion was approved.

Agenda Item 7.d. – Fiscal Year 2009 Athletic Sports Camp Housing and Meal Expenditure

The expenditure authority for our sports camps is a pass-through expense, Dr. Williams said. This gives the authorization to use the funds that are collected from those who participate in the program.

Chair Boey asked for a motion to approve the FY09 Athletic Sports Campus Housing and Meal Expenditure. Trustee Siegel so moved, seconded by Trustee Sanchez. The motion was approved.

Agenda Item 7.e. – Fiscal Year 2009 International Programs Division

The authorization for the International Programs Division is something we do every year, Dr. Williams said. It is also a pass-through expense where the revenues are generated from those who participate directly in the program.

Chair Boey asked for a motion to approve the request for the FY09 International Programs Division. Trustee Sanchez so moved, seconded by Trustee Murer. The motion was approved.

Agenda Item 7.f. – Fiscal Year 2009 Document Services Copier and Controller System Contract Renewal

This renewal of our copier machine and controller system contract is the seventh year of a ten-year agreement, whereby the university is given the use of copy machines throughout the campus on a lease basis, Dr. Williams said.

Chair Boey asked for a motion to approve the FY09 Document Services Copier and Controller System Contract Renewal. Trustee Murer so moved, seconded by Trustee Siegel. The motion was approved.

Agenda Item 7.g. – Fiscal Year 2009 Northern Star Contract Renewal

The renewal of the *Northern Star* printing contract, again, is a pass-through, Dr. Williams said. It is paid through the revenues generated by the *Northern Star*.

Chair Boey asked for a motion to approve the FY09 *Northern Star* contract renewal. Trustee Murer so moved, seconded by Trustee Sanchez. The motion was approved.

Agenda Item 7.h. – Telecommunications Services Parts and Supplies Amendment

This is an amendment to an existing approval which provides Telecommunications Services and Parts and Supplies for our cable systems. The reason for the amendment, Dr. Williams said, is that several other facilities are being added to the network, which requires additional installation and cost.

Chair Boey asked for a motion to approve the Telecommunications Services Parts and Supplies Amendment. Trustee Sanchez so moved, seconded by Trustee Siegel. The motion was approved.

Agenda Item 7.i. – Telecommunications Services Right to Use Agreement Amendment

The Telecommunications Services Right to Use Agreement Amendment is the approval of an agreement with the Illinois Department of Transportation through the tollway for extension and use of our fiber lines that run in the right-of-way of the tollway, Dr. Williams explained. The cost of this provides direct link to several NIU facilities, including FermiLab, Naperville and the like, as well as others who are using this same fiber. This is our percentage of the cost for the use of that fiber over a 20-year period, which is the length of the agreement.

Chair Boey asked for a motion to approve the Telecommunications Services Right to Use Agreement Amendment. Trustee Sanchez so moved, seconded by Trustee Siegel. The motion was approved.

Agenda Item 7.j. – Department of Biological Sciences Research Project Amendment

This is an amendment to an existing grant out of our Biological Sciences Department, Dr. Williams said. We ask approval for an amendment of \$25,000 plus a \$50,000 contingency.

Chair Boey asked for a motion to approve the Department of Biological Sciences Research Project Amendment. Trustee Siegel so moved, seconded by Trustee Sanchez. The motion was approved.

Agenda Item 7.k. – Student Residence Halls – Install Fire Sprinkler Systems – Capital Project Budget Revision

This item is the other half of the room and board rate increase justification, Dr. Williams said. This is the layout of the plan for installing sprinkler systems in our residence halls, which has been planned in four phases. The specific residence halls in each phase are listed. The Board earlier provided the authorization for consultants to come in and make the preliminary evaluation and cost estimates. We are asking for approval to proceed with Phases I and II of this whole installation plan, which totals approximately \$7,382,000. The funds will come from the reserves that we are starting to build up, and subsequent phases will be brought before the Board as we proceed with this work to meet the 2013 statutory date requirement.

Chair Boey asked for a motion to approve the student residence halls fire sprinkler system installation capital project budget revision. Trustee Siegel so moved, seconded by Trustee Sanchez. The motion was approved.

Agenda Item 7.l. – Reconstruction of Parking Lot 24 – Capital Project Approval

Parking Lot 24 is located just south of the Human Resource/Diversity Resource buildings on the West Campus. We have delayed reconstruction of this lot as long as we possibly could, Dr. Williams said, but we must rebuild and reconstruct this parking. The funds are generated through Campus Parking.

Chair Boey asked for a motion to approve the Reconstruction of Parking Lot 24 capital project. Trustee Sanchez so moved, seconded by Trustee Murer. The motion was approved.

Agenda Item 7.m. – The Northern Illinois Proton Treatment and Research Center Development

I am very pleased to bring this item before the Board, Dr. Williams said. This is the first step in the Northern Illinois Proton Treatment and Research Center development, which is the authorization from the Board to allow us to use grant funds to pay a portion and support a development agreement with CenterPoint. All participants in this great project are working, but there are certain agreements that must be executed. This one would be on behalf of the university because the grant funds have been allocated to NIU.

I have wanted to publicly express from a serendipity standpoint how fortunate it is that Cherilyn is chairing the Board, Trustee Sanchez said. And I am not talking about the tragedy we just experienced a couple of weeks ago because, as we all know, she did a magnificent job, as did everyone else associated from the staff on down, including our chief of police, who is present. But I am talking about this unbelievable endeavor. For someone to have the kind of background and understanding of it, as Cherilyn has, and to be able to articulate both publicly and privately to the parties who need to have an explanation as to why the Certificate of Exemption was necessary, we are very fortunate that Cherilyn was there on our behalf. As everybody in this room knows, with the competition that is out there, it was problematic whether or not this would succeed. And it is a compliment to the university and in particular to our Chair that we had the benefit of her advocacy at that meeting.

Cherilyn doesn't like to take bows, Trustee Siegel said, but we ought to give her a round of applause. Our staff does a wonderful job in getting everything ready, but you needed that special someone to champion it. And no one could have done a better job than Cherilyn.

I certainly second Trustees Sanchez and Siegel, Trustee Boey said. I have had many private discussions with Cherilyn and, although I was not there when the COE was considered, I certainly had no hesitation in knowing number one, her knowledge, and number two, that she spoke their language. And, in the outside world, when you can speak their language, it is that much more important. Her knowledge and her commitment all came into play, and we thank you.

Well, I am humbled by your comments, Chair Murer said. I thank you for your kindness and, as I said at academic affairs, this is the right thing at the right time for us. When we talk about "Forward, together forward," this is our catalyst and we look to the Provost and the faculty to help us integrate the research that this will promote and it certainly is in keeping with our strategic plan. So, we should not look back, we should look forward. One of the elements of the COE can be looked at as "Oh, my goodness." But, I look at it as something very positive. The "Oh, my goodness" is we have to do this in 24 months, which really does push us. It is a catalyst. Also, I met with the engineers and told them "Take this back to your company. This is not just an ordinary project. You saw what we had to go through to get the COE, you saw the commitment of the university, now you take that back to your engineering firm and make sure we meet this deadline." But that means we will be treating patients by 2010, and that is a remarkable thing. I would be remiss in not acknowledging Kathy Buettner and John Lewis who have really pushed this project forward. And, as Myron said, we have superior staff and we are so grateful. We also had wonderful attorneys. This was a major undertaking, and there was a period of time when we did not know if we would get this. And if we had not obtained it, NIU was going to move forward. But, we are going to move forward now on a much better day. And our commitment is that we are going to integrate the academic achievements in the research on a multidisciplinary basis and show the country, and the world, something brand new by utilizing science.

I want to thank Cherilyn and everyone for everything they have done to accomplish this, President Peters said. All of us at the university have a lot of responsibility on us now to make this work. Then we have Dr. Williams, whose people crunch numbers and make this work. There is a lot of hard work ahead, but I am really excited about this and I know we are up to it. Thank you, Cherilyn.

And when it comes to negotiations on projects and constructions, I feel especially reinforced knowing that Eddie Williams is going to be handling that part of it, Chair Boey said. And our Chair is understating it. This is a huge hurdle that we just passed, because without the COE, there would have been no "forward together" for the Northern Illinois Proton Treatment and Research Center development.

I attended this meeting, and to go back to my Ph.D. in Public Argument, Trustee Butler said, it was really an extraordinary moment. Cherilyn, as everyone has said, was outstanding. And she did speak their language. She appealed to them as board members, in the same way that we are, and she did a wonderful job of that. But, I also want to say that Eddie Williams did a wonderful job. He dealt with a particularly sticky, complicated issue, and managed to point out bias in some of the data and research in a way that was well done.

Chair Boey asked for a motion to approve the Northern Illinois Proton Treatment and Research Center Development item. Trustee Murer so moved, seconded by Trustee Sanchez. The motion was approved.

Agenda Item 7.n. – Collective Bargaining Agreement

This item is requesting approval of a negotiated, five-year collective bargaining agreement with the Metropolitan Alliance of Police, Chapter 291, Dr. Williams said

I would like to take this moment to thank the University Police, Trustee Butler said, and say how much we appreciate what they have done for us in the last three weeks. Chief Grady and the officers present were all recognized for their outstanding service.

Chair Boey asked for a motion to approve the Metropolitan Alliance of Police, Chapter 291, collective bargaining agreement. Trustee Sanchez so moved, seconded by Trustee Siegel. The motion was approved.

Agenda Item 7.o. – Master of Accounting Science (M.A.S.) Program Fees

This request is for a graduated fee that will be increased over the next four to five years for the Master of Accounting Science. The purpose of this fee is to provide the necessary resources to support one of the leading accounting programs in the nation and in response to the fact that increasingly, the students who are going into this particular area really need to get into a master's program as opposed to just a bachelor's program. So, to expand our program and make the step above, this fee is being requested to

obtain the necessary resources to support it. This was discussed in the Academic Affairs Committee meeting, so we are simply approving the specific mechanics of the fee.

I was not at that committee meeting, Trustee Butler said, and this strikes me as a significant cost issue. In the third paragraph, it talks in particular about what these monies are going to fund. One of the items says "currently funded with private support." And then the second is "to create a communications center and a leadership development program." Expressing concerns about potential duplication, Trustee Butler asked for further clarification of what the fee would provide for the program.

Chair Boey asked the dean of the College of Business to come forward. The accountancy program items that are proposed there were generated from student input, Dean Schoenbachler said. We have an Executive Advisory Council made up of professionals in the industry. These two programs, the Communications and the Leadership Development pieces, specific to the accountancy program, are things that have been recommended, and we have put them on hold simply because we do not have the funding to do any of that. Our program is roughly \$9,200, and we are the lowest priced program in the Chicago market, and compared to our competitors, we are the lowest priced. With the fee increase, it will be about \$14,500, and that will still be below the average for competing schools.

I have some hard numbers here, President Peters said. We are at \$9,257, and this would take us to something like \$14,500. Because of the 150 rule for the CPA exam, we have been flooded with people who want to do this. Most of them are working, and there is really a value added here. In response to that, people have had to raise the costs. For instance, current cost at University of Illinois-Chicago is \$25,227, Urbana's is \$29,559, DePaul's is \$32,000, and those are what are called comparators. But remember, this is a nationally ranked program. It is arguably our highest nationally ranked program, and we have been, depending on the year, ranked 13, 14, 11 and 17. Other schools in those national rankings include Texas-Austin, Southern Cal, Notre Dame, North Carolina, Indiana, Ohio State, Georgia, Madison, Arizona State, Washington and Michigan. Achieving a reputation like that has been built up over the years. And what has happened is we have not been able to use state funds, because we do not have them, to give the support we need for this program, the career support as well as some salary supplement for these people. I have been chewing on this for well over a year, and I have been chewed on for well over a year from the support group and so forth.

Two things have happened recently that made me understand why this is important. One is, right before our tragedy, I was at San Francisco and we had a fundraiser that was sponsored by a longtime graduate of this program. At dinner that night, I asked that person about this program. And this person, who is very accomplished in the San Francisco area and who is one of ours from the 1960s, who talked about this program and the difference it made in his life. I asked him what it was, and it draws great students and it produces great CPAs. And what he told me was our graduates in this program by far they are better trained and well prepared than anything that comes out of Berkley or UCLA. "... this is something that you really should support and consider. Don't jeopardize what people like Professor Keiso and others have built over 40 years." The other thing was, I insisted on talking to the students one on one, without the dean or the department head being there, and had a group of them come up to my office in the midst of our tragedy. And I asked them, "Where are you on this now? What do you think?" And it was pretty clear. There is a value added here. They care about the value of their degree, because their degree value translates into value for them. So, after 18 months of consideration, even though I do not like differentiated fees, if there ever was one needed, this is it.

I can tell you personally as a College of Business graduate who has a minor in that accounting department, Trustee Siegel said, in the timeframes that you are talking about and from the time that Don Keiso wrote his first book before he became department chair, and that accounting department has had a national reputation almost since it was established. Most of the things we are talking about here are industry driven. They have been driven by a change in the love of the professionalism that is being demanded of new accounting graduates, by an upping of the number of hours required to take a CPA examination, because they are doing the master's work already, and for a little bit more, they get the master's degree. There is a movement in accounting to make it even more professional, more in line with what a law degree would be like within the accounting profession. That movement is going to continue. And if we do not stay at the forefront, support it and make sure that they have all the things they need in order to compete in this marketplace and maintain that level of reputation we have, and even take it a

step further to being at the cutting edge of it, it would be a travesty to probably our best, longest-standing program at the university.

A query was made by one of the trustees regarding what these added funds will support. Number one is the Leadership Development Program, Dean Schoenbachler said, so there is curriculum change there which would include bringing in new faculty members with expertise in leadership in the College of Business and within the area of accountancy and then providing other support for them, including some leadership development testing, personality testing and then the follow-up advising that goes along with that. The Communications Center we are modeling after Michigan State University, where there is a communication center and program for the department of accountancy. The budget figures and estimates on that came directly from looking at the Michigan State University program. The third piece of this fee is to support and fund the advisors and other staff people that support this program who we are currently paying out of private funds donated from the accounting firms. And they would rather see that money go directly to students instead of using it to pay for staffing, etc. We also use it to help provide support to retain faculty. We have some of the top faculty in the country, and we compete well for them because of our program. But we have a very serious salary issue in the accountancy program.

It seems to me as though we are using student fees to pay for curriculum and to pay for faculty salaries Trustee Butler said, things that student fees do not traditionally support. In American higher education, President Peters said, for these elite programs, particularly in business and other areas, this has become an accepted and standard way of funding things that states have not been able to fund. I find that regrettable in a sense, yet we are faced with these very difficult choices. And because there is a value added to this that directly relates to the value of the student's degree in that program, I can support it. This is a fact of life in certain programs that meet this high standard. There are probably very few where we would consider that. This is an exception that has a national, external validation.

The only thing I would add to this, Trustee Butler said, is that I urge you as you move forward in this process to carefully be certain that you are taking advantage of the existing curricular resources in relation to the department and also leadership that goes on in other colleges. There are some exceptional faculty that do this work. What I find particularly important about this is that it seems to be student-driven, and it seems as though all these questions have been dealt with already. So, thank you for answering these questions.

Chair Boey asked for a motion to approve the Master of Accounting Science Program Fees. Trustee Sanchez so moved, seconded by Trustee Murer. The motion was approved.

UNIVERSITY REPORTS

- Agenda Item 8.a. – Fiscal Year 2008-2009 Budget Update**
- Agenda Item 8.b. – Fiscal Year 2009 Legislative Update**
- Agenda Item 8.c. – Fiscal Year 2008 Increment Summary Report**
- Agenda Item 8.d. – Quarterly Summary Report of Transactions in Excess of \$100,000**
- Agenda Item 8.e. – Periodic Report on Investments**

There were no questions from Board Committee members regarding these items.

OTHER MATTERS

Rather than make comments across three committees, President Peters said, I wanted to thank all of NIU. This is an important set of events and this is where the work of the university is really done, in Board of Trustees committees. All the people at the university, when our tragedy struck, responded in a very professional, caring and warm manner that stunned and sustained me. The foresight of the Trustees last year to encourage us to redouble our efforts in safety and planning we took seriously, and we looked at the results of Virginia Tech. And that made a difference, because when the crisis came, professionals, well-trained professionals acted and protected and saved lives. And everyone else, whether it was Academic Affairs, Student Affairs or Finance and Facilities, knew what to do. What happened between the event and the restart of classes on that Monday was truly an organizational miracle. The training of almost every faculty member on how to deal with these classes, Academic Affairs and Facilities finding a

way of accommodating 150 classes and 10,000 students, in a domino effect, was a miracle. What is very important about the university is the way our Trustees responded in support and care and concern. Again, we have to point out our Board Chair, who was always the spokesperson for the Board, and the support that you have all given us has helped us get through the most difficult times in our institutional life. I know so much about the history of NIU and I know that we lost over 41 men and women in World War II, which was tragic. We lost some in World War I. And we have had our tragedies before, but nothing of this magnitude. So, we are on a long way back. But, if we continue in the spirit of caring, with the spirit of the Board, with the work of so many wonderful people, the resiliency of our students, the strength and character we have seen from the parents and the families of those who have been affected, we will survive and we will be NIU. We are probably always going to be affected by this. But we are going to be NIU, moving ahead on the proton therapy center and many other things. The university's work of learning and teaching continues. When we are together, we can accomplish anything. The next months and year are very critical as we know from Virginia Tech. So let us all stick together, talk to each other, take care of each other and be grateful for the kind of governing board we have. When we are together, we will get the kind of support we need from the public to repair ourselves and move forward to be one of the most attractive venues for accountants, engineers, nanoscience people, public rhetoric people, poets and people who do their sabbaticals helping women in Sri Lanka to reach their potential. What a great place this is.

I was going to save some comments for the full Board meeting, Chair Boey said, but I would be remiss in view of what the President has said, if I do not add a couple of comments. I was with you for some of those times, all of us have been, in one form or another, separately with you. But I will tell you that for the times I come on campus and to a person, whether it is administrative, staff or faculty, bar none, to a person, the word is, John's leadership has seen us through. And yes, we have great support in this university from the cabinet staff all the way through to the community. But thank you for your leadership to see us through.

NEXT MEETING DATE

The next meeting of the Finance, Facilities and Operations Committee is scheduled for Thursday, June 5, in DeKalb.

ADJOURNMENT

Chair Boey adjourned the meeting at approximately 11:45 a.m. without objection.

Respectfully submitted,

Sharon M. Banks-Wilkins
Recording Secretary