

Minutes of the
NIU Board of Trustees
**ACADEMIC AFFAIRS, STUDENT AFFAIRS
AND PERSONNEL COMMITTEE**
August 27, 2009

CALL TO ORDER AND ROLL CALL

The meeting was called to order by Chair John Butler at 8:35 a.m. in the Board of Trustees Room, 315 Altgeld Hall. Recording Secretary Sharon Banks-Wilkins conducted a roll call of Trustees. Members present were Trustees Robert Boey, Cherilyn Murer, Barbara Giorgi Vella, Student Trustee Matthew Venaas, Committee Chair John Butler and BOT Chair Marc Strauss. Not present was Trustee Myron Siegel. Also present were Committee Liaison Provost Raymond Alden, III, 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

Trustee Murer made a motion to approve the meeting agenda as amended. Trustee Boey seconded the motion. The motion was approved.

REVIEW AND APPROVAL OF MINUTES

It was moved by Trustee Boey and seconded by Trustee Vella to approve the minutes of the June 4, 2009 Board Meeting. The motion was approved.

CHAIR'S COMMENTS/ANNOUNCEMENTS

On today's agenda under University Reports, Chair Butler said, we have seven information items: Item 7.a., an update on the Status of the MAP Grant funding; Item 7.b., a Follow-Up on the Ph.D. in Economics and the results of an external review; Item 7.c., Fiscal Year 2009 Program Review findings for 2008 and 2009; Item 7.d. recognizes those faculty who were granted emeritus status having retired from the university in good standing; Item 7.e. identifies faculty and staff recipients of professional excellence awards; Item 7.f. details the results of NIU's faculty and staff efforts to acquire external funding for research, public service and instructional projects during the year; Item 7.g. outlines the achievement of the Carnegie Foundation Classification on Engagement. The Chair then recognized University Advisory Committee representatives Ferald Bryan and Buck Stephen.

I would appreciate a few moments to make some introductory comments, Chair Butler said. First, I wish to express my gratitude to Board Chair Marc Strauss for appointing me to chair this committee. I believe this decision expresses faith not only in me personally, but in the notion that in addition to my experience as a member of the Board, my background as a former student leader and faculty member at NIU make me an ideal committee leader at a time when the university's Academic and Student Affairs apparatus is generating so many new and exciting ideas and initiatives. Secondly, I want to express my appreciation for the guidance offered by many people who have assisted my efforts to become acclimated to this new responsibility, particularly Provost Ray Alden and Vice Provost for Academic Planning and Development, Virginia Cassidy. I have asked many questions and spent many hours with you discussing the items being discussed today. Your responses have been timely, forthright and thorough, and your receptions have been warm and encouraging.

Finally, I want to encourage the members of this committee and the leaders who participate directly in today's meeting and in future meetings to be active participants in the exchange of information that occurs in meetings of this committee. As many of you know, my specialization is public argumentation. So, when discussions involve tough questions, disagreement and active sorting out of misunderstandings, I tend to be more comfortable when there is an absence of these behaviors. I was taught here at NIU by some brilliant teachers that good reasons withstand objection. I share this perspective with you generally, disconnected from any specific issues, hoping to encourage a type of candid and productive discourse I believe is expected of us by NIU stakeholders, individual and public.

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 no timely requests had been received to address this meeting.

UNIVERSITY REPORTS

Agenda Item 7.a. – Status of MAP Grant Funding

Provost Alden called upon Vice President for Student Affairs and Enrollment Management, Brian Hemphill, to present the status and impact of decreases in state financial aid associated with MAP Grants.

I have the privilege of sharing some information and providing an update on the status of MAP Grants, Dr. Hemphill said, and I wish it was better news. Many of you know that on July 16, 2009 ISAC announced a significant cut in MAP funding that would impact higher education within the state. Approximately 150,000 students were affected by the cut, and an additional 130,000 more were eliminated from eligibility by the early cutoff date. So, about \$220 million dollars was cut from Illinois higher education, with the large majority of that being primarily MAP funding. To put it in context, last year the total award for MAP was over \$381 million. Every year NIU awards about \$21 million in MAP grants. For the fall, the good news is that we are fully funded. But for the spring, at this point, we have zero funding from MAP. Every year we award about \$16 million in Pell Grants, so \$21 million in MAP Grants is very significant. The total impact to NIU for the spring is a cut of \$11.2 million. The total number of students impacted is 5,291 with an average award of about \$2,100. The breakdown of that total would be over 2,000 freshmen, 863 sophomores, over 1,000 juniors and almost 1,300 seniors that will be impacted by this cut. Also, this gives you sort of a breakdown of the total revenue for each of those categories of students.

In talking to the Financial Aid staff as well as our Scholarship Office, our options are Stafford Loans, Parent-Plus Loans, as well as alternative loans. The interest rates on these alternative loans average between 5 and 12 percent. So these are not great options for our students. However, for any student who applies for the Parent-Plus loan – which is a loan the parents have to apply for – if for any reason they are denied, the student automatically will qualify for an additional amount of Stafford that could cover some of this cost they may incur. However, that is unsubsidized, which is not as favorable as the subsidized loans.

We sent correspondence from our Director of Financial Aid to all the MAP recipients on August 5, 2009. We were somewhat surprised because we expected the phones to ring off the hook from our students, and that has not happened at this point. We also will be e-mailing and sending more written communication to the MAP recipients starting in September. An on-campus meeting about the impact for all students affected by MAP is also planned.

Through conversations with senior administration based on counsel from our Financial Aid Office and others, we have decided to repackage all of our recipients and provide their new awards notification in October. With the students on campus before we repackage them, we can provide a great deal more information and support. Other institutions within the state are following a similar plan.

In terms of action plan also, one of the things that we've talked about, and I was very, very happy with Bob Burk's (Director of Admissions) work, we had a conversation about the fact that we know that we

may lose some students. We think that it may be a little more within the freshman and sophomore area, because once you meet the level of junior or senior, that commitment to stay here and attempt to finish that degree is significantly higher.

We had conversations with the Director of Admissions about the fact that we may lose some students this fall and about our recruitment efforts for January. Traditionally, we will have new and transfer students come in January. Letters and e-mails will be going out to students who were admitted to Northern in the fall of 2007 and in the fall of 2008. We are sending a letter to every student who was admitted, but did not come to Northern or possibly did not attend any other school this year, letting them know that we are still here and an option for them. We also are updating our Admissions website focusing more on the spring 2010 application and our affordability. We are focusing on the options of affordability for students through our Financial Aid website. We have an outbound calling center, and we want to communicate to them that Northern will provide an option for them for quality education. Another thing we plan to do in mid-October is broadcast radio ads in the Chicagoland area and the suburbs, focusing on the options for students who potentially would be interested in coming to Northern, such as our location, affordability, available classes and academic quality, as well as our open house. One of the great advantages we have here at Northern, if you are a parent in the Chicago area having to make a decision about where your son or daughter is going to go to school in these difficult economic times and whether they will be able to continue in the spring, NIU will be a great option. You cannot commute to institutions like Eastern or Western if you are from the suburbs of Chicago. Dr. Seaver is taking an overall look at some of the scenarios and potential impacts academically. We are having conversations relating to the potential impact of some of the decisions our legislators may be making in the coming months.

In answer to a query from Trustee Murer, Dr. Hemphill stated that the MAP funding for fall originally was announced to be 85 percent but was later changed and funded at 100 percent for fall 2009. She asked if this was more a political situation due to the budget period or whether it could be a way of making a permanent reduction in loans that will not go back into the budget for some time to ease the budget crisis in Illinois. In October, when we register students for the spring semester, President Peters said, if there is no resolution between the Governor and the legislature, neither the public higher education institutions, the privates, the independents nor the community colleges have the resources to subsidize this funding, even with repackaging. We stand the chance of losing a cohort of hardworking, needy, Illinois students, Dr. Peters said. The presidents and chancellors of the publics, the privates, the independents and the community colleges are quite concerned about this. I will be representing the public university presidents and chancellors along with a representative of the independents and the community colleges in a visit to the Governor in about a week to lay bare the seriousness of this issue, and then have conversations with the legislature. The Governor made a statement this weekend about bringing this issue up in the October veto session. But it is a matter of funding, and there is no money for this unless the legislature and the Governor can find it somewhere or there is some sort of revenue enhancement through a tax increase. It is not just the fact of losing the flow of \$20 million that comes to us from the students to help with their education. It is losing a generation of students. Beyond that, unless the case can be made forcefully, the probability exists that this will disappear, permanently, in the budget. Yearly, there are 250,000 to 300,000 students who qualify for this grant. So my message to the Governor will be, "Let's keep them at the university. It is the right thing to do." The IBHE just passed a wonderful public agenda that identifies the gap that exists in this state between those who graduate from high school and then go on to postsecondary. The statistics are stark and appalling, so it is a priority of the state to help our most needy students and to have better graduation rates. Then the public policy is to gut the major support program for our most needy students.

Trustee Boey inquired what the decision to repackage entails. Dr. Hemphill explained that ISAC will send an updated file that we would then load into our system, which will automatically repackage to show the students' awards for fall and for spring. Right now, it will show the MAP award at zero, but it will also give them options available to them.

Trustee Strauss pointed out that the \$11 million shortage is just the absence of the money from the MAP program, so if we were to lose students, we would also experience a revenue shortage from the loss of room and board and other fees typically incurred by students and asked if we have any idea how big that number is fully loaded. Dr. Hemphill said he did not have the answer to that question at this time.

Dr. Alden stated that even some of our more sympathetic representatives do not realize that if they wait until January to deal with this problem, it will not help because we register students in November. If prospective students do not think they will get support for those courses, they just will not show up in January for the start of our spring semester. So to wait until January to deal with this is, in many ways, too late.

I want to echo Trustee Strauss's call for a more comprehensive number, Chair Butler said. I would also urge us to consider the impact on local landlords and others by the termination of these students' time here at Northern in the spring semester. If we can produce compelling enough data and encourage other colleges and universities to do the same, what we will see is a considerable drain on the state's economy. Then we can put the real impacts at the doorstep of the legislators.

I appreciated Dr. Peters' passionate response earlier, Trustee Murer said, because it is important to put the seriousness of this matter on record. My question was more of a political disposition as to whether the decision to not fund MAP at this time was more procedural in terms of waiting so it is not necessary to have the supermajority vote on it, or is it going to be a vehicle that will be eliminated on an ongoing basis to address the budget shortfall?

Not every state has as good a MAP program as we do in Illinois, President Peters said, it is not uniform across the states. After many years, the Higher Education Reauthorization Bill, the Obama administration and Congress significantly raised Pell and other grants. The Obama administration and Secretary Duncan want to increase aid to students, and they are focusing on community colleges, which ultimately helps us. As far as the political calculus in Illinois, basically, there are some who would say none of these enhancements for healthcare, education or MAP are possible without a revenue enhancement. The university and community college presidents across the state want our voices to be heard, and we need to make the case for this generation of students.

To answer Trustee Murer's question, Ms. Buettner said, it depends on who you talk to. When the President and I have met with legislative leaders and legislators about this issue over the last six to eight weeks, they say they have done their part by passing a budget that gave the governor \$2 billion in discretionary authority and he should take it out of there. When you talk with the Governor, he can demonstrate aptly that there are \$4 to \$5 billion worth of critical needs of which this is one, and he has only \$2 billion. Some of the critical needs are defined as healthcare or literally putting food on people's tables.

Finally, if it is thought that somehow the universities can subsidize this, President Peters said, that is not possible. The universities cannot absorb this. The universities already have unfunded mandates we are not pleased about from a financial point of view, but we are pleased to provide from a policy point of view. State law gives veterans benefits, but no funding. Those benefits alone accumulate to about \$3.4 million a year. Tuition for legislative scholarships are awarded by the legislators, but there is no funding. These also are picked up by the universities. We have many unfunded mandates that we do not talk about. These are all good programs, and they help students, but the universities cannot cover half of the MAP funding.

As I read the numbers, Trustee Boey said, the approximate impact on NIU in round numbers is 5,300 undergraduate students out of a total undergraduate enrollment of 18,000. That is almost 30 percent of our undergraduate enrollment. So, worst case, if there is no help coming, and our students cannot find alternative funding, we are losing one-quarter to one-third of our enrollment. I want to clarify that these numbers will change slightly, Dr. Hemphill said. We estimate that the total number of students we are going to be dealing with will probably be between 4,800 to 5,000.

We have a potential loss of 5,000 students, the President said. Not all of those will drop out. Of those that do, some of them will be repackaged. Students' other alternative when MAP money is not available, is Stafford Loans. They are not awards, they are loans, which builds students' debt level. The plan now is for representatives of this sector to visit the Governor and make sure he understands the impact and the sequencing. Then, depending upon that outcome, we will go to a public and a legislative strategy through editorial boards, writing letters and so forth. The planning is already in place to begin in either mid-October or November.

Trustee Vella raised a very good point with her earlier statement, Ms. Buettner said, when she said this is Plan B. It is Plan B, obviously, with the focus on the legislature encouraging more money. Unless the legislature and the Governor reach agreement in October and take proactive action to address this in one way or another, Plan B will occur. One other important thing to understand is that we have talked primarily to our colleagues in the financial aid offices in the public institutions around the state, Dr. Hemphill said. There are no institutions coming up with this money because the institutions simply do not have it. Everyone has this same plan in place.

UAC Representative Stephen made an inquiry about the approximate number of NIU students affected by the change in the cutoff on the MAP grant. Dr. Hemphill stated that he did not have the number of NIU students affected, but the total number of students who actually received MAP last year was 144,000.

Dr. Cassidy and I were at an IBHE Academic Officers meeting a few weeks ago, Provost Alden said, and Judy Irwin made an impassioned presentation saying that the legislature is not hearing any negative information about the impact of this. We cannot lobby the legislature. It is the students and the parents who have to let their personal stories be known. I have met with Student Trustee Venaas and Student Associate President Robert Sorsby and indicated that the students are going to have to take this up as a political action issue because we simply cannot do it for them.

Agenda Item 7.b. – Follow-Up on the Ph.D. in Economics

Fortunately, Provost Alden said, this follow-up to inquiries about the Ph.D. in Economics program came in our program review cycle just at the time we were starting to do external reviews of all of our Ph.D. programs. We asked for an external review and had two experts from other economics doctoral programs come in. We have come out with a very formative review of what was being done in the department, and the department has made some changes to increase productivity. He then called on Dean Chris McCord to briefly summarize that process.

As Provost Alden mentioned, we brought in two external reviewers in the spring. We supplemented our existing program review process, most importantly with their presence, but also with some further data study by asking for more information from the department. We had the good fortune to find some very pertinent national studies of economics departments that gave us valuable benchmarking data. The outcomes were very consistent, both the informed opinion of the external reviews and the results of the national benchmarking studies we were able to access showed consistently that our program is a solid one whose performance is quite centrally located in the performance of economics Ph.D. departments. We were pleased to learn that in labor economics, the department's leading field of specialization, the department was rated 42 out of 129 programs in the national study, the cusp of the top third of labor economics Ph.D. programs. So, given the newness of this field for our institution, we felt this was a solid place to be. We found in Ph.D. production, graduation and time to degree rates, that our performance is solidly in keeping with national norms for Ph.D. programs. Naturally, there are areas of improvement, and based on the program review process, we have identified and the department is now working on, three areas of the program that they want to strengthen: recruiting; streamlining the program to improve time to degree; and strengthening the most research active faculty, their ability to engage in scholarship and thereby be better able to mentor doctoral students.

I am pleased to hear that our program is in the upper quadrants nationally, Trustee Murer said, and I wondered if you would speak to the quantitative element of the Ph.D. program. As I recall, there were six graduates in that program.

The program review reported that the average Ph.D. production in the department over the review cycle was about two students a year, Dean McCord said, and that number has gone up since then. In the last two years, the department graduated three and then four students, respectively. Those are small numbers, but they are entirely consistent with Ph.D. production rates given the overall size of the department. The Ph.D. program in economics overall has just over 20 students in it. National norms show that it typically takes about five years for a student to graduate. About three students a year, based on all the considerations we have looked at, would be a solid production of Ph.D. students given the overall size of the program.

I met with the external reviewers twice, Provost Alden said, and their perspective, absent additional faculty resources in terms of new positions, is that our production is what they would expect it to be. As with many Ph.D. programs, it is a complex process and much is on education outside of the area, for instance, in statistics and business, so it takes five or six years for the average student to graduate. Both faculty resources and graduate student resources are important factors, Dean McCord said. The number of students the program is able to support will determine largely the number of students in the program, which will in turn determine the number of students who can graduate from the program. The department, again, is looking at some efforts we think will hold Ph.D. graduation rates closer to three students a year than we saw over the review period. Graduating three students a year on average would be very appropriate for the resources currently present in the department. Looking at strategic opportunities and the resource constraints that the university must operate under will determine whether expansion of both faculty and graduate student resources are best invested in economics. Then as those resources as invested, we would expect a corresponding increase in graduation to follow.

Agenda Item 7.c. – Fiscal Year 2009 Program Review Findings

We are very proud of NIU's long history of rigorous and comprehensive program reviews of all academic programs on a regular cycle, the Provost said. I would like to particularly thank the Academic Planning Council. This is a very time consuming process, particularly for the chairs of the subcommittees who are really involved in the interviews. But it is also a time commitment from the department chairs and from the deans to produce the information we use in these reviews. I will ask Vice Provost Cassidy to briefly review the program review process and programs for 2009.

All of our programs are reviewed internally over an eight-year period in an ongoing process, Dr. Cassidy said. The 17 programs in Engineering and Liberal Arts and Sciences that were reviewed last year are listed. In addition, three research centers were reviewed. The report of our findings was forwarded by President Peters to all of the Board members in this document, which has also been forwarded to the IBHE. The report for these programs follows the reporting requirements for the IBHE in which we give some contextual information about the discipline and changes in the field, the findings from the program review in terms of quantitative and qualitative measures about the program elements, progress that the program made over the review period based on recommendations from the previous review, the recommendations for future activities that will ensure the quality of the programs, and then the university's recommendation that the program either be reviewed in eight years or submit a focused follow-up report on some specific element of the program review format.

Trustee Strauss asked if, in general, there are no external reviews other than the ones that were just reported on for the Ph.D. Dr. Cassidy stated that there are no reviews from entities external to the university. In the process, she said, we conduct a review, one facet of which is an administrative review in which the Provost's staff meets with the dean, the chair and the departments of the program to discuss the document that has been prepared. Then on the Academic Planning Council, there is a subcommittee of faculty who are external not only to the program, but sometimes also external to the college, that conduct a peer review and then report back to the full group. So, it is only for the Ph.D. departments that we have initiated this process of having external reviewers actually come in to facilitate the internal review process.

Trustee Strauss inquired what the rationale was for the distinction between the Ph.D. programs and the other programs with regard to the use of external reviewers. Dr. Cassidy stated that some of it is related to resources. We provide stipends and pay travel expenses for the external reviewers, so we thought that as we were phasing in this external review process, a logical place to start was with the departments that had doctoral programs, both Ph.D. and Ed.D. programs.

In conjunction with the Academic Planning Council, there is a common set of questions to which all programs respond. The responses vary depending upon the discipline and the issues they want to celebrate for us. There is a format that asks questions about resources available to the program, about faculty, the characteristics of students, the achievement of students, the achievement and contributions of alumni, and a set of questions related to quality. We ask each program to select peer and aspirant programs and to make some comparisons on key components, to set some targets for themselves in the

areas they think are important to the program, and improvements they think they can make in things that might include increasing the number of degrees awarded, increasing the diversity of the student body, increasing students' participation in enrichment programs like honors or engagement with faculty research, etc. Then we ask for a set of plans for the future based on this review of where they have been and where they are now, and then what are their plans for the future.

The report generally shows benchmarking to other institutions that are said to be comparable. Trustee Strauss asked how these institutions are chosen. Dr. Cassidy stated that those programs are chosen by the departments. We provide a listing of institutions in APLU (formerly NASLGUC) and in the MAC that have programs in the same academic code or CIP code as our programs for them to look at. But generally, individuals in the discipline are well aware of the formal rankings of programs at other institutions or they are aware of the comparability of those programs and who they are competing with for students, particularly at the graduate level.

Speaking as an engineer, Trustee Boey said, one of my impressions of our engineering program overall, in addition to theoretical, is the practical, hands-on side, and it shows in the graduates I have run into in the way they conduct themselves. Dr. Cassidy said that this is reflected in the review and it shows when our graduates enter the employment world.

All of the students at the undergraduate level in Engineering and Technology are required, for example, to participate in a team-based senior design project where they are in industry, business, agencies, etc. actually implementing the principles that they learned in their engineering and technology programs. We have given some examples of activities in which students participate outside of class like developing Formula 1 racing cars and participating in national and regional competitions. We have many sponsors of projects for students. Industry identifies problems and then will fund our students' involvement in helping them solve those problems they have identified.

Trustee Boey asked Dean Vohra to repeat some of the statistics he quoted at the Economic Development Council meeting regarding the number of engineers graduated in the United States per year versus other countries.

These numbers can be debated, Dean Vohra said, but the U.S. produces almost 57,000 to 65,000 engineers annually. Between China and India, the number is about 900,000-plus from a global technical workforce market. So we have a lot to do in terms of recruiting more students and convincing them to be scientists and engineers. I just wanted to make that point, Trustee Boey said, because we wonder why we do not have enough engineers to support our manufacturing programs in this country.

Going back to Trustee Strauss's comments about the external review, Dean Vohra said, some of the professional programs also go through the accreditation process, a very stringent and rigorous process, which ensures that we are answering all those questions that the program review does not ask. So we are always being reviewed by internal or external resources.

I would like to thank Virginia Cassidy and her staff, Chair Butler said. This is a very rare type of assessment among universities. We are far more rigorous and comprehensive than most universities, and it is largely due to Dr. Cassidy's efforts.

Agenda Item 7.d. – 2008-2009 Faculty Emeritus Recognition

We are very happy to recognize our emeritus faculty, Provost Alden said. Though we are sorry to lose them, many often remain in the area and are continuing assets to the university. They teach part-time, do research and are members of our scholarly community. We have 20 faculty from 12 different departments whom we are honoring today. I would like to echo those remarks, Chair Butler said, and extend congratulations to these individuals. Some of the most important mentors in my academic career have been faculty members who I met after they had retired.

Agenda Item 7.e. – Professional Excellence Awards for Faculty and Staff

We are also proud to say that NIU has a long tradition of reward and regard for excellence for our brightest and best among a number of different constituency groups and professional roles, the Provost

said. Today we recognize 21 faculty and staff members who have won highly competitive awards at the university level. He then asked those awardees who were present to stand and be recognized by the Board. Though time does not permit us to do so, Chair Butler said, these outstanding faculty and staff members are recognized in individual ceremonies where there is a great deal of time spent talking about them and their accomplishments. We thank you for coming today and want you to know how much the Board appreciates your hard work.

Agenda Item 7.f. – Fiscal Year 2009 External Funding for Research, Public Service and Instructional Projects

Provost Alden called upon Jim Erman, the Interim Vice President for Research and Graduate Studies, to provide a brief report on our research activities over the past year.

Dr. Erman presented a slideshow on external funding for Fiscal Year 2009. External funding levels at NIU over the last 12 years, from 1998 to 2009, almost doubled from \$30 million to about \$60 million per year in external funding. Beginning in 2005, it seemed to plateau at about \$54 million per year. This trend is mirrored by funding at other institutions in Illinois, Dr. Erman said. A graph from National Science Foundation data showed that research funding in the state of Illinois peaked in 2005 and then trailed off. Trends in the Midwest region – Illinois, Ohio, Iowa, Kentucky and Kansas – again showed trending upwards with maximum funding in 2005.

The National Science Foundation provides detailed reports on science and engineering research and development funding. All of the universities that receive funding submit surveys to the National Science Foundation, and these are some data that I acquired from the reports. The latest report is from 2007. Typically, about 600 institutions receive significant funding from the federal government. From 2003 through 2005, NIU's ranking was about 260 out of those 600 institutions. We are in the 57th to 58th percentile. In the last two years, even though our total funding seems to have decreased, we have moved up relative to other institutions, and in 2006-2007 were about 240 out of these 600 institutions, and we have moved up about five points from the 57th to 63rd percentile over this period. That is encouraging news in the efforts of faculty and staff to achieve external funding. In 2005 our funding was a little over \$60 million, and in the intervening four years, it averaged about \$54 million per year. A breakdown of the colleges under Other Academic Units includes Student Financial Services, and the \$22 million shown in the last column is the federal funding of Pell Grants for students. Other University Units, Fiscal 2009, is the Outreach Program which received about \$8 million in funding. The other information gives data per college with the largest college, Liberal Arts and Sciences, receiving the largest amount of funding, about \$11 million, whereas the College of Education and College of Engineering show significant funding in the range of about \$5 million per year. Research funding from 2005, our maximum year of external funding, reached about \$23 million. In Fiscal Years 2006, 2007, 2008 and 2009, it ranged from about \$14 to \$20 million, which averages about \$16 million per year.

Awards per college or academic unit again showed the largest support, 42 percent, coming from Pell Grants, student financial aid. Other Departments external funding showed that Liberal Arts and Sciences received about 21 percent; Outreach received about 15 percent; Engineering and Education received about nine to ten percent. As we look at the awards by source, the greatest provider of external funding is the federal government at about 80 percent. State government provides about 12 percent and all other sources provide about 8 percent of the external funding.

In a breakdown of research awards in the various colleges and other academic and university units, looking at FY09, Liberal Arts and Sciences funding has been broken down into math and the physical sciences, versus that received in the social sciences. Engineering has done very well receiving over \$5 million in funding in FY09; mathematics and physical sciences received about \$4.5 million; the social sciences, primarily psychology received about \$1.9 million; and Outreach about \$3.8 million in external funding.

Looking at the number of awards being submitted by faculty and staff, the total number of awards is about 350 per year, and that has remained fairly constant over the last four years. Actual research awards are in the general range of about 120 per year. Faculty and staff submissions of grant requests for external funding tend to total between \$80 and \$90 million per year. Submissions per college are averaging 370

to 380 per year. The requests vary from \$83 to \$92 million. Again, Liberal Arts and Sciences being the largest college tends to have the highest number of research requests. The outreach program has been very aggressive in seeking external funding – the funding for the Proton Therapy Center, for example, is included in these figures. Engineering and Education have also been very aggressive in seeking external funding.

The American Recovery and Reinvestment Act (ARRA), signed into law at the end of February 2009, is going to have a big impact this year on external funding at Northern. In the ARRA, \$21.5 billion was directed toward research and development, \$13 billion to both the National Institutes of Health and National Science Foundation. We do not have a very large presence in National Institutes of Health grants, but we have significant funding from the National Science Foundation, so this will help faculty receive additional research funding from the National Institutes of Health. The announcement of the ARRA program has stimulated faculty to seek external funding. Our first proposals specifically targeted at ARRA programs began in April 2008, with a total of 22 specific proposals targeting ARRA funding being submitted. The ARRA programs tend to be much larger than the normal competitive research proposal process. Comparing the funding requests over these various months between ARRA grants and non-ARRA grants, we see that as time has gone by the ARRA proposals have increased significantly, especially in June, July and August. We are also beginning to see results from the ARRA program. So far, in July and August, we have received five research grants which total about \$3.7 million in Fiscal Year 2010. The research funding is being awarded based on the normal peer review process, and that normally takes six to nine months between the submission of the proposal and the actual announcement of the awards.

Another consequence of the ARRA is the National Science Foundation and National Institutes of Health have to obligate the stimulus funds during this fiscal year. The geology group has been well-funded for their Antarctic research for years, and they received \$2.2 million in Fiscal 2010. This is for a five-year project that would normally be funded 20 percent at a time, or about \$400,000 per year of the project. Likewise, the Physics program is a three-year project and Northern normally would receive about \$300,000 to \$350,000 per year. We are going to see a big spike in 2010 because the stimulus program is dumping all the money in the first year of the award.

My congratulations to everyone who sought grants, Trustee Murer said. I had the pleasure of spending a half a day at the College of Engineering, and Engineering has very strong opportunities in applied research. In applied research, we have a product and that product then is patented. My question is whether we receive royalties on these patents or is the process too young to have that question posed? If not, how do we calculate the monies generated on royalties from applied research?

It is fairly young, Dr. Erman said, and right now we are generating around \$10,000 to \$20,000 per year in royalties from intellectual properties, so it is a very small proportion of the income and would not show up in this report. This report is primarily for external grants and contracts that pass through the Office of Sponsored Projects, and these projects generally require some activity of the university faculty to provide a service or project.

Hopefully we will have enough to report in the future, Trustee Murer said. We are watching the College of Engineering in its applied research, and the proton facility in the near future that also will be a forum for applied research which should generate significant revenue. Another question is in regard to in-kind monies. Engineering has Siemen software that was valued at \$30 million, recorded at \$5 million in in-kind donation. But looking at the College of Engineering numbers, it is \$5 million and \$3 million, so I wanted to know where that other \$5 million shows up. That was a donation handled by the NIU Foundation, Dr. Erman said, so it would be a gift to Northern specifically to the College of Engineering and would be accounted for by the NIU Foundation. But, as we look at these numbers, Trustee Murer continued, there is a difference between a purely philanthropic gift of \$5 million, and a quasi-philanthropic gift being utilized for teaching purposes. As we look at the analysis of external monies, the Trustees and the public should have a full picture of all the monies aggregated into one where we have some subsets, and two of those areas of subsets would be in applied research and revenues from royalties. That data does not flow through the Office of Sponsored Projects, Dr. Erman said, so we would have to reach out to other university entities to obtain it. For example, we could perhaps add in awards by source donations that would support both research and/or teaching, and include that as well as the royalty income fund

once it becomes significant. The Internal Revenue Service is looking at university tech transfer offices and income funds regarding compliance with IRS rules, and the question of how best to handle that royalty income is under discussion.

In reply to a query from Trustee Strauss on whether or not there is any point of comparison that would give a framework to evaluate the adequacy of these funds as compared to what other institutions are realizing in grant money, Dr. Erman stated that it is very difficult to benchmark institutions. Looking at comprehensive doctoral institutions, some have 50 Ph.D. programs in both engineering and medicine, and liberal arts and sciences, so we are never going to compete with those particular institutions. That is a difficult question to answer because we have to look at the individual composition of each institution. It is the doctoral programs that drive most of the research funding. For example, the University of Toledo has around 40 doctoral programs and is a member of the MAC. They are significantly larger, in terms of their doctoral education profile, so they have significantly larger funding than we do.

I was fortunate to be able to see a presentation by the director of NSF just after the stimulus package was passed, Provost Alden said. He indicated that the NSF success rate had dropped from 30 percent to 15 percent in the last decade or so. As a result, it is a much more competitive environment. A smaller percentage overall is being awarded nationwide. As Dr. Erman indicated, we are not really poised to capitalize on the increase in NIH funding, because we do not have a medical school. If you are familiar with NIH funding, unless you have one, it is hard to get.

As a follow-up on Trustee Strauss's question, Trustee Murer asked, if through our strategic planning process we could have some type of identification of benchmarking by college in either targeted number or dollar or both so that we could get to where we are nationally as it relates to either departmentally or by college, so that as Trustees we have an idea what is a reasonable expectation of number and dollar of grants.

My office, particularly Vice Provost Grush, has been working on a data set for all aspects of productivity down to the department level which will include dollars, the Provost said. What we need to then add to it would be the national benchmarks for universities without medical schools, which is a fair comparison. It will take more effort to generate the data because there is usually a lag of three to four years in reporting through NSF before it gets into the national databases.

What we have here is a generalized external funding report that needs to be disaggregated because we have several different moving parts, President Peters remarked. Some of them relate to our research activity and some have nothing to do with our research activity. We ought to move Pell Grants out. That makes no sense if you're talking about "the coin of the realm" to rank research universities is to rank research universities as competitive R&D in science and engineering. Major continuation, NSF, NIH funding that carries with it indirect cost recovery. So every NSF dollar carries with it an overhead of 47 percent. Then that is put back into our programs to equip faculty as they come in to hire graduate students. That is "the coin of the realm." We cannot count it twice. But it should be counted because it is valuable. And there should be an assessment on how we are doing on technology transfer and royalty income. That is all part of the big picture. You have to look at area for funding and not necessarily the collegiate. Areas that are targets for major continuation federal funding include things like chemistry and biological sciences, and in other areas like law or political science, NSF grants are idiosyncratic. It takes time to put in a proper proposal, so you cannot just double the number of proposals. Our earmark program that was so vigorous in 2000 through 2005 paid off because many of the NSF grants we are now receiving were the result of our ability to build infrastructure and attract faculty who then could get into the competitive R&D. The other "coin of the realm" that I would like to see is research expenditures.

Agenda Item 7.g. – Carnegie Foundation Classification in Engagement

Our last item was to be a presentation on our engagement activities by Vice President Kaplan. However, in interest of time, she has graciously agreed to postpone it and be first on the agenda at the next committee meeting. so I thank her. Engagement at this university is one of the common themes in strategic planning. We all know how important that is and we also now have NSF recognition of that characteristic. I have read some of the reports that led to the effort to secure this distinction, Chair Butler

said, and I have read the application thoroughly. I am very interested in what you have to say, and have asked Provost Alden to see that it is the first information item on our next committee meeting agenda.

There also has been a fairly clear request on the part of the Trustees to receive some report regarding benchmarking, external funding objectives, and the determination of what is a reasonable expectation, to disaggregate the data and to find an appropriate method to account for the awards, gifts, etc. that are not part of the data. We hope that we will learn more about how we can do that in future meetings.

OTHER MATTERS

Let me say very quickly thank you to Drs. Hemphill, Cassidy, McCord, Vohra, Erman and Stone for their remarks to the committee, Chair Butler said. I was delighted also to have the committee receive questions from Professor Stephens, and I encourage you to continue or Dr. Bryan's active participation in future meetings. Also, I was remiss earlier in not recognizing that this is the first meeting of Student Trustee Matt Venaas. Welcome to the Board; it is a pleasure to have you here I am looking forward to your leadership. I also want to formally welcome the new dean of the law school, Jennifer Rosato.

Finally, I would like to take an opportunity to remind the committee that this year the College of Liberal Arts and Sciences celebrates its golden anniversary. The college is NIU's largest with 17 departments, two divisions, 33 degree programs and more than 6,000 students and 70,000 alumni. I am looking forward to the college's anniversary gala, which is scheduled for September 25 to be held here in Altgeld. I hope some or all of you will be here as well.

NEXT MEETING DATE

The next meeting of the Academic Affairs, Student Affairs and Personnel Committee is scheduled for Thursday, November 12, 2009.

ADJOURNMENT

Chair Butler asked for a motion to adjourn. Trustee Murer so moved, seconded by Trustee Strauss. The meeting was adjourned at approximately 10:19 a.m.

Respectfully submitted,

Sharon M. Banks-Wilkins
Recording Secretary