

Minutes of the
BOARD OF TRUSTEES
OF NORTHERN ILLINOIS UNIVERSITY
March 24, 2011

CALL TO ORDER AND ROLL CALL

The meeting was called to order by Chair Marc Strauss at 9:05 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, John Butler, Cherilyn Murer, Manuel Sanchez, Student Trustee Robert Sorsby and Chair Strauss. Trustee Barbara Giorgi Vella was present via teleconference. Not present was Trustee Myron Siegel. Also present were Acting Board Parliamentarian Victoria Gillio 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 Acting Board Parliamentarian Vickie Gillio.

MEETING AGENDA APPROVAL

After discussion with President Peters and review of the printed agenda, Chair Strauss proposed creation of a Consent Agenda that would immediately precede the beginning of the President's Report for today's meeting, and move Report No. 74, Action Items 9.a.(3), (4), (6), (7), (8), (9), (10), (11) (16), (17), (18) and (23), and Information Items 9.b.(1), (2), (3), (4), (5), (6), (7), (8), (9) and 9.c.(3) to that Consent Agenda. The Chair asked for a motion to approve the meeting agenda as now proposed. Trustee Murer a motion to approve the meeting agenda as amended. Trustee Sanchez seconded the motion. The motion was approved.

Due to the schedules of some of the Board members, Chair Strauss stated that they would proceed with items requiring Board approval in the President's and Chair's Reports, and once those were concluded, the Board would then move to Executive Session.

REVIEW AND APPROVAL OF MINUTES

It was moved by Trustee Sanchez and seconded by Student Trustee Sorsby to approve the minutes of the December 2, 2010 regular Board meeting. The motion was approved.

CHAIR'S COMMENTS/ANNOUNCEMENTS

Last weekend, I had an experience I want to share with you this morning, Chair Strauss said. On my way back from a trip overseas, I changed planes in Frankfurt, Germany. I was wearing an NIU polo shirt with a Huskie on it, and I was recognized by a group of NIU students who spent their spring break in Poland and were returning to NIU. They saw my NIU shirt and quickly identified that I had a relationship with the university, but did not have a clue who I was. Later, while waiting in the immigration line on that same trip, I was asked twice about NIU – once by the gentleman standing between me and reentry to the country, who asked whether I was a football coach. So here was someone else who recognized an NIU affiliation. These exchanges, albeit brief, proved to be a reminder of the importance of our NIU brand, not only to our region, but the world over. Our brand is much more than a logo or a tagline. It is NIU – our students, our alums, our faculty, our staff and our community. We are truly all ambassadors for the institution, and it was brought home vividly to me over the last weekend.

President Peters will offer his comments about the Governor's proposed Fiscal Year 2012 budget during his report to the Board. He and I are both anxious to learn the outcome of the General Assembly's deliberations in Springfield over a budget for FY12. The state's growing budget deficit is nearing

50 percent of its annual revenues collected in the general revenue fund. Despite the income tax increase that became law in January, the new tax revenues will not close the deficit gap. It is a start, however; and with further state budget reductions, as well as budgetary and pension reforms that could provide stability and predictability in the future, the state is attempting to navigate through these uncharted and perilous waters.

The General Assembly has much work to do in the next two months to debate and select amongst the myriad of options the state can utilize to address this budget deficit. I look forward to working alongside President Peters as NIU makes its case to the General Assembly for continued operating and capital funds in such a difficult budget environment. It is time for all of us to pull together to help NIU get our message across to the General Assembly. Along with my colleagues on this Board, I am very willing and able to assist President Peters in making the case for NIU. Several of us on the Board will join NIU's senior administrators and alumni association leaders for a day of meetings with legislative leaders next week in Springfield.

While state funding will always remain a key component of NIU's operating budget, I am pleased that so many across the campus are actively engaged in developing benchmarks and recommendations to fulfill the President's Vision 2020 Initiative. As President Peters has said before, "we can no longer rely on the state for steady and predictable funding." NIU's future lays in determining and shaping our own destiny. It is a pivotal time in our history, and decisions made now will determine the university's success in 2020 and beyond. We look forward to our June meeting for a detailed report on Vision 2020.

Now I want to welcome University Advisory Committee representatives who may be present this morning: Dr. Alan Rosenbaum, Dr. Ferald Bryan, Dr. Gregory Waas, Dr. Kerry Freedman, Mr. Todd Latham and Mr. Jay Monteiro.

PUBLIC COMMENT

The Chair asked Acting Board Parliamentarian Victoria Gillio 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. Ms. Gillio noted that she had received no timely requests to address this Board meeting.

CONSENT AGENDA APPROVAL

Before beginning the President's Report, Chair Strauss asked for a motion to approve the items earlier placed on the consent agenda that include Report No. 74, Action Items 9.a.(3), (4), (6), (7), (8), (9), (10), (11) (16), (17), (18) and (23), {and} Information Items 9.b.(1), (2), (3), (4), (5), (6), (7), (8) and (9), and 9.c.(3). Trustee Sanchez so moved, seconded by Trustee Murer. The motion was approved.

PRESIDENT'S REPORT NO. 74

As you may know, President Peters began, NIU recently concluded testimony before the House and Senate Appropriations Committees in Springfield. Wrangling over the budget is such, at this point, that it is difficult to predict where things will move over the next several months. The Governor's proposed budget would provide the same funding as last year for us, while the Senate Republicans just announced a plan that would reduce overall funding for higher education by \$200 million, primarily through the elimination of dependent partial waivers available to public university employees. Unfortunately, even with the recent income tax increase that took effect in January, the state remains in dire financial straits. Based upon the feedback the public universities received during our Appropriation hearings from the Senators and the Representatives in Springfield, Fiscal Year 2012 will likely be another round of tightening our belts and doing more with less. How much less is still too early to predict. Given the gravity of the state's financial status and the scope of decisions that will be made by the General Assembly and our state's political leaders over the next several months, I believe it is time to review our financial situation and the role this great university serves throughout the northern Illinois region. NIU remains a public university. We are state-assisted with an annual operating budget of approximately \$438 million in Fiscal Year 2011, of which \$100.8 million is appropriated from the state and \$141 million is derived from tuition and fee revenues. So, the balance of our \$438 annual operating budget constitutes

restricted or dedicated funds for bond revenue operations, grants, contracts and students activities. That means virtually half of our operating budget is restricted to specific purposes and unavailable to provide us with reallocation opportunities for the things that we really value. It has gotten to the point where, in this fiscal year, the university received less appropriated money than it did in Fiscal Year 1999, and this is the same for every state university. The state cash flow delays are potentially devastating to our operations and our attempts to maintain quality programs and services. Therefore, we desperately need the state appropriation to be forthcoming in a timely manner and a predictable manner. That has not been the case for the past two fiscal years. In fact, our last payment was received on March 4 and, as of today, the state still owes NIU \$65,199,004.

When I testified before the House and Senate Appropriation Committees in Springfield, I provided them with a few statistics that I want to share with you this morning. So often we think of NIU as our nearly thousand acre campus here in DeKalb, not to mention our educational sites in the region. But we do not consider the extensive impact the university has throughout the region and the state. Consider, of our 23,500 enrolled students, 92 percent come from Illinois and over 85 percent of NIU alums who have graduated since 1993 have remained in Illinois. They do not go to other states. NIU alums earn more than \$3.8 billion in income annually, contribute \$114 million in income tax and create an additional \$8 billion in GDP for the Illinois economy every year. That is a huge investment in the state from a state institution. If you spread that amongst the other public universities, what a tremendous impact that has on this state. NIU's impact as a strategic regional anchor in northern Illinois goes far beyond the figures I just cited. NIU has received and leveraged more than \$110 million in federal, state and local money in the past 18 months to build a broadband network to provide services to over 500 anchor institutions, including universities, hospitals, community colleges, schools, fire departments, public health agencies, physician clinics.

Yet, despite the economic engine that NIU provides to the state of Illinois, we continue to confront the reality of declining state support, having to spend millions to comply with unfunded state and federal mandates, increased regulation, along with escalating operational costs. We recently calculated that since 2002, NIU has absorbed an aggregate of \$91.9 million worth of unfunded mandates, including annual group health insurance contributions, Medicare payments, Illinois veterans and National Guard payments, along with MIA-POW Scholarship grants, sprinkler systems in our residence halls, minimum wage hikes and campus security enhancements required by federal and state law. Let me be clear that I am not opposed to any of those programs. They are both needed and helpful to many Illinoisans. But when the state adopts programs and then does not fund them, public universities have no option but to find money in their existing budgets to accommodate them. Utility costs have escalated over 126 percent since 1998. We have lowered those costs through our energy saving performance contracts over the past ten years, which has resulted in an estimated cumulative savings of over \$20 million. So, despite all of this, our tuition and fees remain about 11 percent below the statewide average for public university tuition and fees, although they have escalated; our instructional costs are 7.2 percent below the state average. Truth-in-Tuition requires that students who enter the university as freshmen pay the same rate for four years plus, as long as they remain in good standing. Therefore, in any given year, those tuition increases that we level apply to 28 percent of the total undergraduate population.

The story this year in Springfield is not limited to budget reductions. More ominous are the ongoing and escalating discussions about pension reform for current employees and possible changes to health benefits for annuitants. It is my belief that what happens in Springfield in the next 60 days will be of critical importance to every employee and annuitant at Northern Illinois University. The decisions made by the General Assembly and the Governor regarding budgets for 2012 and reforms to state employee and annuitant healthcare and pension programs will be felt by us for years to come. I am convinced that pension and healthcare reforms for current employees are coming very soon. Illinois Speaker of the House Mike Madigan has already said that he is willing to consider reducing pension plans for current State employees. Just last week, the Governor's budget director, David Vaught, was quoted in the *Wall Street Journal* saying that "pension reforms are something that definitely should be looked at." Ultimately, the courts will be the final arbiter as to whether any significant changes to employee pension plans are constitutionally legal, but I expect the legislature to approve some plan within the next 60 to 90 days. It is far too early to know what the shape of those reforms might take, but ideas already discussed include things such as: imposing upon all employees, for pension benefits accrued in the future, the pension rules that apply to new state employees as of January 1, 2011, which are basically increased retirement

age, changes in how benefits are calculated; increased employee pension contributions from the current 9 percent to as much as 20 percent; and replacing the existing defined benefit plan with something akin to a corporate 401(k) retirement savings plan. All of those options are under discussion, and they have two things in common: decreased future benefits and increased costs to employees. I readily admit that it is unfair to lay this problem at the feet of employees. After all, in the history of the Illinois Pension System, which replaces eligibility for Social Security, employees have never failed to pay their share on time. Politicians, however, have repeatedly chosen to defer their constitutionally required contributions. As a result, the Illinois pension system today has an unfunded liability of at least \$82 billion. That shortfall is projected to grow to more than \$130 billion by 2030, if the system even can be sustained that long. Some experts say that if changes are not made, the system will be at risk of collapsing within the decade. So, it is important to note that lawmakers are looking at other changes that will affect university employees and annuitants, including increasing insurance contributions for employees, compelling retirees to pay for health insurance, taxing retirement benefits, recalculating the cost-of-living increases for retirees, reviewing the granting of sabbatical leaves for public universities, and eliminating partial tuition waivers for dependents of university employees.

We cannot wish these issues away. The state budgetary situation has reached the point that policymakers have no choice but to make changes in pension funding. To protect our futures, we must become informed and make our voices heard in the coming debate. I am committed to taking every action possible to preserve the core benefits you rely upon, and I assure you that NIU has been and will be active in the discussion of these matters. Thoughtful constructive suggestions and ideas are needed. NIU administrators are working closely with other public university administrators to develop proposals for consideration to the General Assembly and the Governor. Our legislators are diligently trying to resolve the state's deficit crisis. Many of them are recently elected and were not involved in the decisions that have contributed to the current crisis. If you intend to speak to your state legislators, please do so respectfully, on your personal time and using personal resources.

While there is much uncertainty surrounding the budget, healthcare and pension issues, I remain confident that we do have a bright future. I know that NIU faculty and staff are among the best in the state. Regardless of what happens, we will continue to put our students first. We know that we cannot rely on the State to the extent that we have in the past, and that is why we are taking things into our own hands through Vision 2020 so that we have a sustainable and prosperous future. Change is a certainty. But with change comes opportunity, and NIU will emerge from this as a stronger institution.

Trustee Sanchez, inquired whether, when the legislature talked about 401(k) issues, it was able to cite any other university or higher education programs across the country to serve as models. President Peters replied that the discussions and deliberations are not that transparent.

You can find just about anything you want across the country about how these things are configured. Whether you are a private or a public university, how much money the university puts in, whether or not the university pools its own money to pay for the pension plans. However, it is fair to say that across the country there has been a movement away from defined benefit to more annuitized 401(k) type pensions.

UNIVERSITY RECOMMENDATIONS FORWARDED BY THE BOARD COMMITTEES

Agenda Item 9.a.(1) – Fiscal Year 2012 Student Fee Recommendations

The university has several activities, program services and operations that are supported to various degrees through the assessment of student fees, Dr. Peters said. We have an extensive process where student committees evaluate the various needs through a representative process, and those recommendations eventually come to me. The subcommittees are responsible for evaluating and developing fee recommendations. The increases recommended for your approval this morning represent an average of 2.73 percent for students who pay for health insurance coverage. For those who opt out of health insurance coverage, the average 3.97 percent.

I just wanted to restate my comments during committee and thank President Peters and Dr. Williams for allowing me to vet all my questions and concerns about the fee increases for the next fiscal year, Student Trustee Sorsby said, and say that I am in full support.

Chair Strauss asked for a motion to approve the FY12 Student Fee Recommendations. Trustee Murer so moved, seconded by Trustee Sanchez.

Agenda Item 9.a.(2) – Fiscal Year 2012 Room and Board Rate Recommendations

The next item for approval establishes room and board rates for Fiscal Year 2012, the President said. Only students who reside in residence halls are assessed these rates. These moderate increases address the increased costs, contractual services, salary increments, general operating expense increases and contribution to the reserves, as well as sprinkler system mandates for residence hall improvements. Again, we established a committee process for this and the room and board rate review committee is recommending an increase in room rates averaging 6.5 percent and no increase in board rates. When combined, these changes represent an average of 5.2 percent net in standard room and board rates.

I am glad to see that there is no increase in the board fees, Trustee Sanchez said, and I am sure our Student Trustee can confirm how seriously we take any of the increases on the room and board. We and would not do it if we did not have to, and we keep them at the smallest percentages allowable.

Chair Strauss asked for a motion to approve the FY12 Room and Board Rate Recommendations. Trustee Sanchez so moved, seconded by Trustee Murer. The motion was approved.

Agenda Item 9.a.(3) – Fiscal Year 2012 Athletic sports Camp Housing and Meal Expenditure
Agenda Item 9.a.(4) – Fiscal Year 2012 International Programs Division Expenditures

Consent agenda items.

Agenda Item 9.a.(5) – Fiscal Year 2012 NIU Foundation Professional Services Contract

In light of our diminishing state support, President Peters said, the NIU Foundation contract supports the fundraising services and activities provided by the Foundation on behalf of the university.

I made this comment at the committee meeting, Trustee Murer said, and I echo what you say, because the Foundation is our lifeline at this point. What is more important is the relationship that has been built among the Alumni Association, the Foundation and the university. That bond is not always there in other institutions.

Yes, it is very encouraging, the President said. We finished our True North Campaign at \$162.4 million, but we continue to raise money. The Foundation is a legally separate institution with its own governance structure, but they serve to raise money for us for the purposes we deem important, such as student scholarships and professorships.

I have wanted to articulate this comment, Trustee Sanchez said, and it is long overdue. My recollection when I first came on the Board of Trustees was the total separate silos that the Alumni Association and the Foundation had, and it has been a beautiful coalescence that has developed in the last decade where they are truly working hand-in-hand. The transition has been remarkable, and the beneficiaries are the students, the faculty and the staff here at the university. As a proud alum, it is an honor for me to publicly applaud the transition. It is a wonderful thing, particularly, when our Chair talked about the international experience he had. That is NIU, and it truly speaks volumes for where we are today in 2011.

Those are important comments and the person who should get the credit for this is could not be with us today, but it is Mike Malone who, as the university Vice President for Advancement, coordinates the activities of the independent Alumni Association and Foundation and has melded those two independent units into a cooperative relationship.

Chair Strauss asked for a motion to approve the renewal of the FY12 NIU Foundation Professional Services Contract. Trustee Murer so moved, seconded by Trustee Sanchez. The motion was approved.

Agenda Item 9.a.(6) – Fiscal Year 2012 ITS Document Services and Materials Management Copy Paper Contract Renewal

Agenda Item 9.a.(7) – Fiscal Year 2012 Document Services Copiers and Controller Systems Contract Renewal

Agenda Item 9.a.(8) – Fiscal Year 2012 Mass Transit contract Renewal

Agenda Item 9.a.(9) – Fiscal Year 2012 NIU Naperville Catering Services Contract Renewal

Agenda Item 9.a.(10) – Fiscal Year 2012 Northern Star Contract Renewal

Agenda Item 9.a.(11) – Fiscal Year 2012 NIU Outreach Radiation Oncology Physician Services Contract Renewal

Consent agenda items.

Agenda Item 9.a.(12) – Fiscal Year 2012 Student Accident and Sickness Insurance Contract Renewal

Currently, the President said, we are in the sixth year of a nine-year renewal option for our student accident and sickness insurance contract. As the Board knows, University Health Services provides group health insurance, funded by student fees, to students and their families, which enables us to have a good group rate. The semester rate of \$415 is included in the FY12 fee recommendations approved earlier. Students may waive their participation to this plan if they have proof of comparable health insurance.

Due to the health reform bill allowing parents to keep students on their health insurance to age 26, Trustee Murer asked if that had any impact on this program. Dr. Williams stated that to his knowledge, there has been no impact. When you compare the cost of \$415 per semester for coverage with what it would cost to add coverage at a family rate, he said, it is far cheaper for the students to use NIU insurance than to pursue it through family options.

Chair Strauss asked for a motion to approve the FY12 Student Accident and Sickness Insurance Contract Renewal. Student Trustee Sorsby so moved, seconded by Trustee Sanchez. The motion as approved.

Agenda Item 9.a.(13) – Broadband Technology Opportunity Northwest Project Grant Revision

The Finance, Facilities and Operations Committee spent considerable time discussing the wonderful opportunities of the university's expertise in broadband technology and what it represents to our region, President Peters said. As I mentioned during my opening statement, NIU has attracted over \$110 million in federal, state and local funds to assist the northern Illinois region in developing that capability. It is necessary to amend the previous grant request to name iFiber, a nonmember, not-for-profit organization, as an additional named entity on our Broadband Technology Opportunity Northwest Project Grant and to enter into an agreement with iFiber to assist in project management for Fiscal Year 2011 through Fiscal Year 2014. They would help manage and keep track of all the operations and procurement of the four other entities involved in this grant.

I was at a meeting with some physicians out of Chicago yesterday, Trustee Murer said, and NIU was mentioned. This statement came from a radiation oncologist who is aware of hospitals around Illinois, and the comment was, "I am so impressed with NIU. I cannot believe what you are doing in the area of broadband and what a contribution it is to the hospitals and health systems of the state of Illinois." Wally Czerniak, Associate Director for Information Technology Services, was identified specifically. The doctor had heard you speak at a meeting, Trustee Murer told Mr. Czerniak, and you are a fine representative of NIU.

Chair Strauss asked for a motion to approve the Broadband Technology Opportunity Northwest Project Grant Revision. Trustee Sanchez so moved, seconded by Student Trustee Sorsby. The motion was approved.

Agenda Item 9.a.(14) – ITS – Telecommunications Services Communication Services Amendment

The President indicated that it is necessary to increase the open order for ITS-Telecommunications Services Communication Services for the balance of Fiscal Year 2011 to provide NIU with local communication services for telephone, Internet, inbound and outbound services, individual telephone

lines, DSL service, and physical connection to the public telephone network. The amendment before you today requests approval for an additional \$100,000 to continue the Frontier communications trunking system to prevent disruption of essential communication services, he said. Chair Strauss asked for a motion to approve the ITS-Telecommunications Services Communication Services Amendment. Trustee Sanchez so moved, seconded by Trustee Murer. The Chair asked for a roll call vote which was as follows:

Trustee Butler	Yes	Trustee Murer	Yes
Trustee Sanchez	Yes	Student Trustee Sorsby	Yes
Chair Strauss	Abstain		

The motion was approved with four voting yes and one abstention.

Agenda Item 9.a.(15) – Electrical Infrastructure Campuswide Replacement – Phase I

Beginning in Fiscal Year 1996 and each year thereafter, President Peters said, the university has requested support from the state to address the continued demise of our campus electrical distribution system. Unfortunately, the funds have not been appropriated, and when we tried to set aside funds to take care of deferred maintenance, over \$2 million was cut by the state just a few years ago. So, every time we have an emergency now, we have to find the funds within our budget. Much of the electrical system, distributed in concrete and below grade case conduits, was constructed in the sixties, and the basic components such as electrical cables, transformers and switches at the substations are beyond their normal life cycle. As you know, we had recent power failures on campus that brought down our entire communications network for 24 hours. That reflects the urgent need to initiate a program of systematic replacement of much antiquated electrical infrastructure, and planning is underway. During our committee meeting, Jeff Daurer described the various phases of that replacement program. Chair Strauss asked for a motion to approve Phase I of the campuswide replacement of the electrical distribution system not to exceed \$2.875 million. Trustee Sanchez so moved, seconded by Trustee Butler. The motion was approved.

Agenda Item 9.a.(16) – Campus Alert System – Upgrade Thirteen Buildings on Campus – Capital Project Approval

Agenda Item 9.a.(17) – Lincoln Hall – Recaulk Building Envelope – Capital Project Approval

Agenda Item 9.a.(18) – NIU Outreach Lease Renewal

Consent agenda items.

Agenda Item 9.a.(19) – Recommendations for Faculty and Supportive Professional Staff Sabbatical Leaves for the 2011-2012 Academic Year

On behalf of the NIU faculty and staff, Dr. Peters said, I want to thank the Board for their continued support for our sabbatical program which is a misnomer. It is truly a merit-based professional development program because of the positive impact it has on our students, our classroom instruction and research. Chair Strauss requested a motion to approve the Recommendations for Faculty and Supportive Professional Staff Sabbatical Leaves for the 2011-12 Academic Year. Trustee Murer so moved, seconded by Trustee Sanchez. The motion was approved.

Agenda Item 9.a.(20) – Requests for New Emphases

Agenda Item 9.a.(21) – Request for New Minors

Agenda Item 9.a.(22) – Request to Delete a Specialization

Every year the university evaluates our curriculum to insure that we remain current and are accommodating our students with new developments and technology across disciplines, the President said. The following three agenda items, 9.a.(20), (21) and (22), all reflect the results of extensive deliberation at the department, college and university levels as well as a final review by our Provost. Therefore, with the Board's permission, I would like to group these three together.

Agenda Item 9.a.(20) requests approval for a new Emphasis in Sustainable Energy within the B.S. degree in Mechanical Engineering within the College of Engineering and Engineering Technology; and a new

Emphasis in Environment and Health within the Bachelor of Science in Public Health and a new Emphasis in Health Promotion within the Bachelor of Science in Public Health in the School of Nursing and Health Studies within the College of Health and Human Sciences.

Agenda Item 9.a.(21) requests approval to establish a new Minor in International Marketing in the Department of Marketing within the College of Business, and a new Minor in Deafness Rehabilitation in the School of Allied Health and Communicative Disorders within the College of Health and Human Sciences.

Agenda Item 9.a.(22), due to low enrollment, requests approval to delete a Specialization in Comparative and Development Administration within the Master of Public Administration within the College of Liberal Arts and Sciences.

It is important to comment that this is the most relevant thing that we do with the university, Trustee Murer noted, especially as things continue to change in such a dramatic way. The Provost and the deans are commended for their attentiveness to this issue. As we have talked about in committee, I also like the fact that we not only add programs, but we replace them when they are no longer the most relevant at that particular time.

Chair Strauss asked for a motion to approve Agenda Items 9.a.(20), (21) and (22) in omnibus fashion. Trustee Sanchez so moved, seconded by Trustee Butler. The motion was approved.

Given the budgetary challenges this university has faced the last several years, Trustee Sanchez commented, It is particularly amazing that we continue, nonetheless, to grow the programs we have, make them current and go with the times. One would think that was impossible, given what is happening in Springfield and the economic challenges we have. But somehow, somehow, the President, the Provost and their management teams come up with these, and somehow, somehow we are able to actually implement them, notwithstanding the economic challenges. I, along with my fellow Trustees, applaud the university for that. It makes me quite proud of my alma mater.

I want to echo those sentiments, Student Trustee Sorsby remarked. It is always refreshing to see the university continue to push and pull to provide us, the students, with the most competitive studies possible.

The Chair then asked for a motion to approve the requests made in Agenda Items 9.a.(20), (21) and (22) in omnibus fashion. Trustee Sanchez so moved, seconded by Trustee Butler. The motion was approved.

Agenda Item 9.a.(23) – Oral English Proficiency Annual Report 2009-2010

Consent agenda items.

UNIVERSITY REPORTS FORWARDED FROM THE BOARD COMMITTEES

Agenda Item 9.b.(1) – Fiscal Year 2011 Salary Stabilization Summary Report

Agenda Item 9.b.(2) – Quarterly Summary Report of Transactions in Excess of \$100,000

Agenda Item 9.b.(3) – Periodic Report on Investments

Agenda Item 9.b.(4) – Second Annual Report on the Outcomes of Sabbatical Leaves

Agenda Item 9.b.(5) – Bringing NIU Policies/*Regulations* into Compliance with Public Act No. 96-1513

Agenda Item 9.b.(6) – 97th General Assembly Report

Agenda Item 9.b.(7) – Congressional Report

Agenda Item 9.b.(8) – Intercollegiate Athletics Report

Agenda Item 9.b.(9) – Freedom of Information Act Requests for June 1, 2010 – February 18, 2011

Consent agenda items.

ITEMS DIRECTLY FROM THE PRESIDENT

Agenda Item 9.c.(1) – Appointment of Vice President and General Counsel

It gives me great pleasure to bring to the Board this morning, the appointment of Vice President and General Counsel Jerry Blakemore, President Peters said. Jerry is one of the most well-known and respected higher education attorneys in Illinois and in the U.S. He brings broad experience in higher education in Illinois having already been tested in providing counsel to an independent governing board. He has served as vice president and general counsel at Southern Illinois University since 2005. His previous experience in public policy, regulatory and legislative affairs and risk management will prove exceedingly helpful to NIU. Jerry was only 30 years old when he became Deputy Governor and Legal Counsel to former Illinois Governor James R. Thompson. He remains the youngest person and the first African American to assume that post. Appointed as Chair of the Illinois Board of Higher Education in 1992, he served as a member of the IBHE Board for 12 years. He also served previously as Assistant Secretary for Public and Intergovernmental Relations in the U.S. Department of Labor. Prior to joining SIU, Jerry worked as CEO and General Counsel of the Illinois Sports Facilities Authority, the municipal corporation that built and still maintains and operates U.S. Cellular Field. He is a board member of the National Association of College and University Attorneys and a member and past chairman of the Midwest Higher Education Compact. His experience also includes regulatory work with the Illinois Commerce Commission and private sector experience as general counsel to a St. Louis manufacturing company and a Chicago-based law firm.

Jerry earned his bachelor’s degree in Political Science from Princeton University and a law degree from John Marshall Law School. Chair Strauss asked for a motion to approve the appointment of Jerry Blakemore as Vice President of University Legal Services and General Counsel, effective April 1, 2011. Trustee Murer so moved, seconded by Trustee Sanchez. The motion was approved.

I want to thank Jennifer Rosato and the search committee which did a very speedy and thorough job in filling this vacancy, Chair Strauss commented. The Trustees echoed those thank yous and welcomed Mr. Blakemore to the NIU community. One of the first things you learn being General Counsel is to be short, direct and polite, Mr. Blakemore said, thank you very much.

Agenda Item 9.c.(2) – Real Property – Lease for School of Art

During the past 15 years, the university has leased art studio space in DeKalb to support the 3-D graduate art programs, the President said. The current lease expires June 30, 2011, so we required a rebid. The College of Visual and Performing Arts recommends entering into a five-year lease of the property located at 215 North Fourth Street in DeKalb, believing this space fits the current and future needs of the program. The new lease, which includes renovation of this space per the needs of the college, will begin on July 1, 2011 and will expire June 30, 2016. The space includes 2,800 square feet at a rate of \$7.499 per square foot. The lease incorporates and is consistent with all applicable state statutes and Board *Regulations*.

Chair Strauss asked for a motion to approve the request to enter into a five-year lease agreement plus renewal options under the above terms and conditions for the School of Art. Trustee Sanchez so moved, seconded by Trustee Murer. The Chair requested a roll call vote, which was as follows:

Trustee Butler	Yes	Trustee Murer	Yes
Trustee Sanchez	Yes	Student Trustee Sorsby	Yes
Chair Strauss	Abstain		

The motion was approved with four voting yes and one abstention.

Agenda Item 9.c.(3) – Grant and Contract Awards

Consent agenda items.

CHAIR'S REPORT NO. 50

Agenda Item 10.a. – Honorary Doctorate Recommendations

On behalf of the university's honorary degree committee and President Peters, Chair Strauss said, I am recommending Board approval of two honorary doctorate degrees to be presented at the May 2011 graduate commencement ceremonies.

Eric D. Isaacs is a prominent University of Chicago physicist and Director of Argonne National Laboratory. He was nominated for an honorary doctorate by NIU Physics Professor Carol Thompson and Chair Larry Lurio. Dr. Isaacs is a fellow of the American Physical Society and served on a number of national scientific advisory committees and is author or co-author of more than 140 scientific papers and presentations. Based on his continuing record of excellence and his work in fostering collaborations between Argonne and NIU, the university's honorary degree committee unanimously recommends that Dr. Isaacs receive an honorary Doctor of Science from Northern Illinois University at our May Graduate School commencement ceremony.

Leland Strom currently serves as chairman and CEO of the Farm Credit Administration and Chair of the Board of the Farm Credit System Insurance Corporation. He was nominated for an honorary degree by Dr. Denise Schoenbachler, Dean of the College of Business. Mr. Strom's honorary degree represents the culmination of a vision he had more than 30 years ago as a farmer in Kane County, Illinois. He aspired to earn an NIU degree, but family illness intervened and he had to focus on running the family farm. He has become the most influential individual in his field in the U.S. and is recognized and consulted internationally by the agriculture industry and farm credit services. Based on his reputation as a leader in his field and with his longstanding ties to Northern Illinois University, the university's honorary degree committee unanimously recommends that Mr. Strom receive an honorary Doctor of Humane Letters from Northern Illinois University at the May Graduate School commencement ceremony.

Chair Strauss asked for a motion to approve the awarding of an honorary Doctor of Science to Dr. Eric D. Isaacs and the awarding of an honorary Doctor of Humane Letters to Mr. Leland Strom at the May Graduate School commencement ceremony. Trustee Murer so moved, seconded by Trustee Butler. The motion was approved.

EXECUTIVE SESSION

Chair Strauss 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, as amended: personnel matters as generally described under §2(c)(1) and (3) of the Open Meetings Act, collective bargaining matters are generally described under §2(c)(2) of the Open Meetings Act, and property matters as generally described under §2(c)(5) and (6) of the Open Meetings Act. Trustee Sanchez so moved, seconded by Trustee Murer. A roll call vote of the Trustees to recess to Executive Session was unanimous.

A roll call vote of the Trustees to recess to Executive Session was as follows:

Trustee Butler	Yes	Trustee Murer	Yes
Trustee Sanchez	Yes	Student Trustee Sorsby	Yes
Chair Strauss	Yes		

The roll call vote of the Trustees to recess to Executive Session was unanimous.

BOARD OF TRUSTEES MEETING RECONVENED

Chair Strauss reconvened the public meeting of the Board of Trustees at approximately 12:10 p.m.

REPORTS OF BOARD COMMITTEES AND BOARD LIAISONS

Executive Committee

The Executive Committee did not meet.

Academic Affairs, Student Affairs and Personnel Committee

Committee Chair John Butler reported that the Academic Affairs, Student Affairs and Personnel Committee met on Thursday, March 3, 2011. At that meeting, the committee considered and endorsed several action items: Recommendations for Faculty and Supportive Professional Staff Sabbatical Leaves for the 2011-2012 Academic Year; Requests for New Emphases in Sustainable Energy within the B.S. in Mechanical Engineering and two Emphases within the B.S. in Public Health – Environment and Health, and Health Prevention; and a request for New Minors in International Marketing within the Department of Marketing, and Deafness Rehabilitation within Allied Health and Communicative Disorders; a Request to Delete a Specialization in Comparative and Developmental Administration within the M.S. in Public Administration; and acceptance of the Annual Report on Oral English Proficiency for the 2009-2010 Academic Year. The committee heard reports on three information items. Professor J.D. Bowers of the Department of History recently completed his sabbatical and provided the committee with a summary of his research, the second Annual Report on the Outcomes of Sabbatical Leaves was presented, and a report was received on Outreach and Engagement Developments.

Finance, Facilities and Operations Committee

Dr. Eddie Williams, Liaison to the Finance, Facilities and Operations Committee, gave the report in the absence of the committee chair and vice chair. He reported that the Finance, Facilities and Operations Committee met on Thursday, March 3, 2011. Committee Vice Chair Robert Boey presided at the meeting in Chair Manuel Sanchez's absence. At that meeting, the committee considered several action items, all of which the Board reviewed and voted on this morning. The committee spent an inordinate amount of time, which was valuably invested, in reviewing the various recommendations for student fees and room and board rates. The committee was very much focused on all of the specific action items, especially the Broadband Technology Opportunity Grant received by the university. Also, there was an in-depth presentation on the electrical distribution system problem, which the President emphasized in his presentation today. Mr. Daurer gave a much more in-depth presentation at the committee meeting to give the Board an opportunity to see the extent of the problem. The item voted on this morning is Phase I of a three-phase project.

Legislation, Audit and External Affairs Committee

Committee Chair Cherilyn Murer reported that the Legislation, Audit and External Affairs Committee met on March 3. The meeting began with a report given by Dr. Cunningham on what NIU is doing to bring our policies and regulations into compliance with the recently signed Public Act 96-1513, also known as the Religious Freedom and Civil Union Act. The committee then received a General Assembly legislative update from Ms. Buettner. She highlighted a number of bills that may affect the university in the future and reminded us that NIU would be making its annual presentation before the House Higher Education and Senate Appropriations Committees in Springfield on March 9 and 10.

Lori Clark provided the committee with a federal update and warned us that the budget climate in D.C. remains uncertain. Washington has been operating under a series of continuing resolutions without a budget as members are locked in debate about where and how much and how deep the cuts should be. Lori informed us that President Obama's federal Fiscal Year 2012 budget request is looking to execute cuts in student financial assistance as well as in research and development.

Jeff Compher spoke to the committee about a number of items such as the successful reaccreditation of NIU's athletic program with the NCAA and how NIU's student athletes have just completed their eleventh straight semester of maintaining a 3.0 or above GPA. Also, he reminded us that both our volleyball and football teams both went to MAC championships this year.

Kathy Buettner gave the committee an update on the state of NIU's branding and marketing initiative. She explained that the tag line her committee developed is "Learning Today, Leading Tomorrow," and that she is also spearheading a redesign of the present NIU logo.

Our committee meeting finished with a brief report on Freedom of Information Act requests. We learned that in just over six months, the university had received 102 FOIA requests. I am pleased to say we responded in an appropriate, compliant and as timely manner as possible. Also, as Chair of LAEA, I met with Ms. Danielle Schultz this morning regarding audit, and discussed general issues as well as her audit plan.

Illinois Board of Higher Education

The last meeting of the Illinois Board of Higher Education was held on February 15 at National Lewis University. There were two items of interest to the Board. First, the Governor's budget was presented to the board and the other item of interest is that the new executive director of the IBHE, George Reid, was introduced. He is a person of great academic experience. He came from the University of Maryland most recently, where he was in the system office and planning, and he is a former college president of Kentucky State University. The next meeting of the IBHE will be April 12 at NIU Naperville. This is the first time we have hosted the IBHE in about a decade.

Universities Civil Service Merit Board

Universities Civil Service Merit Board Liaison Barbara Giorgi Vella reported that the 179th meeting of the State Universities Civil Service System was held on February 16 at their offices at Sunnycrest Center in Urbana, and she participated by audio conference. Highlighting a couple of things, the board took action on two discharge cases. One involved a construction worker from the UI, and a 60-day suspension was voted by the board. The other was a service worker at UI Chicago, and the board voted to discharge the employee. The board discussed matters of proposed legislation which would call for the reorganization of the Merit Board and the Universities Civil Service Office. No action was taken as far as our recommendation to the legislature, but the board intends to visit it at the next meeting. The board reviewed a proposal regarding rule revision again regarding exemption procedures. No action was taken. We heard an updated report from UIC regarding the audit issues, about exemption issues, which really is the reason for all the attention that the board has received from the legislature. Again, no action was taken but they will report back to us. The board also received a series of reports from various committees. The next meeting of the Universities Civil Service Merit Board is scheduled for May 18 at 10 a.m. at the office of the Civil Service Center.

NIU Foundation

Trustees Boey and Murer deferred to Mr. Dennis Barsema, NIU Foundation Board of Directors Chair Designate, for the report on the NIU Foundation. We have great momentum coming out of the True North Campaign, he reported. Gifts are up about 23 percent this year from the same time last year. In 2008 and 2009, giving was down for the first time in 20 years on a year-over-year basis. For us to be up 23 percent as a Foundation and as a university is quite significant. We have had some wonderful new gifts. There are two I would like to draw your attention to simply because they are from my college, the College of Business. The first was from an accountancy alumnus, Dean DuCray, from Florida. He has committed one million dollars to the accountancy program, part of which will be a challenge gift to other accountancy alumni. The vehicle for this gift is actually a great model for other retired donors to follow. He is making distributions from his IRA, which are allowed to be made to charitable organizations like ours, beginning at age 70-and-a-half. The second is from marketing alumnae Cindy Crocker. She and her husband Doug, also from Florida, recently pledged a half million dollars to establish an endowment for scholarships in the College of Business, preferably for young women. A portion of the endowment will also be used to support leadership development initiatives, again, particularly focused on women students. Cindy was also elected to the Foundation Board of Directors this past fall and has been a very engaged member.

To the Board of Trustees and to Dr. Peters, we are very pleased that several members of the Foundation Board were invited to participate in the Vision 2020 Steering Committee and work groups. It is a great opportunity for the Foundation to again bring our relationship with the Board of Trustees and the

university to a new level. Speaking as somebody who is on one of those work groups, I look at it as not only a great challenge, but as something that has enthused me tremendously to be a part of this process. I thank Dr. Peters and the Board for allowing us to be a part of this process.

It is clear to all that there is no choice that private giving must increase over the course of the next few years in order to sustain and enhance the vibrancy of our university and get us through these tough economic conditions. We want to assure you that the Foundation remains committed to helping to provide the leadership for those efforts. To that point, the Foundation staff has gone through an extensive screening and sifting process to evaluate untapped capacity of our NIU alumni. I am happy to report that roughly 8,000 alumni have been identified with major gift potential. The Foundation Board will embark on its own strategic planning process next fall. We will draft behind Vision 2020 to make sure that we are in alignment.

Finally, I look forward to beginning my term as the Chair of the Foundation Board this fall. It is a great honor, and I remain committed to finding new ways to partner with not only the university, but the Board of Trustees as well, and bring our two organizations even closer together.

Northern Illinois Research Foundation

The Northern Illinois Research Foundation Board did not meet.

OTHER MATTERS

Chair Strauss thanked Vickie Gillio for acting as Board Parliamentarian for our spring committees and the full Board meeting, and welcomed NIU's new Vice President and General Counsel/Board Parliamentarian, Jerry Blakemore, who will begin his new duties on April 1.

NEXT MEETING DATE

The Chair announced that the next regular full Board of Trustees meeting is scheduled for Thursday, June 9, 2011 on the main campus in DeKalb.

ADJOURNMENT

Chair Strauss entertained a motion to adjourn. Trustee Murer so moved, seconded by Trustee Butler. The motion was approved. The meeting was adjourned at approximately 12:27 p.m.

Respectfully submitted,

Sharon Banks-Wilkins
Recording Secretary