



PROCEEDINGS
of the
BOARD OF TRUSTEES
of
NORTHERN ILLINOIS
UNIVERSITY

in the State of Illinois



JAMES EDGAR
Governor



January 1, 1996 - June 30, 1997

Printed by authority of the State of Illinois.

**BOARD OF TRUSTEES
of
NORTHERN ILLINOIS UNIVERSITY**

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Myron E. Siegel - Deerfield	January 1999

Nonvoting Student Member

Willie E. Fowler	June 1996
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John E. La Tourette, President
Northern Illinois University
301 Lowden Hall
DeKalb, IL 60115

PROCEEDINGS
of the
Board of Trustees
of
Northern Illinois University
January 1, 1996 - June 30, 1997

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NORTHERN ILLINOIS UNIVERSITY
BOARD OF TRUSTEES

Organizational Meeting

January 3, 1996

NORTHERN ILLINOIS UNIVERSITY

BOARD OF TRUSTEES

Organizational Meeting
January 3, 1996
10:30 a.m.

1. Call Meeting to Order
Convener: President John E. La Tourette
2. Verification of Appropriate Notice of Public Meeting
Mr. Ken Davidson
3. Introduction of the Recording Secretary
President La Tourette
4. Designation of an Interim Parliamentarian
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Minutes of the
Organizational Meeting of the
BOARD OF TRUSTEES
of
NORTHERN ILLINOIS UNIVERSITY
January 3, 1996

The special organizational meeting of the Board of Trustees of the Northern Illinois University Board of Trustees was publicly held on Wednesday, January 3, 1996, at 10:30 a.m., in the Clara Sperling Sky Room, 16th Floor, Holmes Student Center, Northern Illinois University, DeKalb, Illinois, with University President Dr. John E. La Tourette being in the chair and Recording Secretary Sharon Mimms being present.

Dr. La Tourette called the meeting to order and welcomed the Trustees, their families and friends, members of the General Assembly, representatives from various government agencies throughout northern Illinois, members of the broader University and DeKalb County community, as well as faculty, staff, students, alumni and friends of the University.

Dr. La Tourette asked Associate General Counsel Kenneth L. Davidson to verify that the meeting was being held in compliance with the Illinois Open Meetings Act. Mr. Davidson stated, "Mr. President, it is my duty to inform you that in accordance with the Illinois Open Meetings Act as amended, public notices and expected agenda for this special organizational meeting of the Board of Trustees of Northern Illinois University were posted at the President's Office, Lowden Hall 301, and on the Holmes Student Center bulletin board at least 48 hours in advance of this announced meeting. All applicable legal requirements having been fully satisfied, it is my recommendation that this special meeting proceed."

Dr. La Tourette then asked Mr. Davidson to serve as Interim Parliamentarian for the meeting.

Dr. La Tourette made the following remarks: "To say that this is a moment we have long waited for would be an understatement. Not since 1917 has Northern Illinois University had its own independent governing board. We were under the Normal School Board from 1917 to 1941, the Teachers College Board from 1941 to 1965, the Board of Governors from 1965 to 1967 and, of course, the Board of Regents from 1967 until today. It is, again, an understatement to say that I am immensely proud to be the President of this institution at this historic moment when we once again, after almost 80 years of systems governance, return to independent status. I believe that Governor Edgar, Lieutenant Governor Kustra and the leadership of the Illinois House and Senate have shown great foresight in their decision to return our University and others in the state to governance by boards that can concentrate their efforts on the advancement of individual universities with unique identities and strengths.

"We are particularly fortunate to have in our northern Illinois legislative delegation the Chairman of the Higher Education Committee, Dave Wirsing. Representative Wirsing is with us today and I would like to have him stand and be recognized at

this time. Mr. Wirsing has been a tireless supporter of NIU and was, along with the Lieutenant Governor and Senator Brad Burzynski, among the principal architects of the reorganization that led to the naming of our Board. In addition, Representative Wirsing was instrumental in obtaining the first one million dollars used in the planning stages of our Altgeld Hall renovation and continues to use his influence on our behalf in trying to advance that important project. For that and everything else you do, Dave, we are grateful. I would like to ask Mr. Wirsing to identify other members of the legislature who are joining us today, as well as to honor us with a few words at this historic occasion. Mr. Wirsing."

Representative David Wirsing made the following comments: "Thank you so much and what a great day this is. The sun is shining and it is a nice cold January morning and that's appropriate for Northern Illinois University and it's just a great day. I think that as we work through this morning, we're going to be even more enthusiastic about the new system that's going to come in place. What I did want to do first was to recognize some other elected officials that are here. First of all, Representative Terry Parke is here this morning. I welcomed Terry to DeKalb this morning and he indicated when we go to Northern at Hoffman Estates, he'd welcome me there. Representative Doug Scott from the Rockford area. We have DeKalb Mayor Greg Sparrow, DeKalb County Board Chairman Richard Underwood, and we're also fortunate this morning that we have a good representation from other County Board members in Mr. Bob Pritchard, Bob Morrison, Bev Waite, John Diablo and Dr. Akers. We also have DeKalb County Circuit Clerk Maureen Josh and DeKalb County Regional Superintendent of Schools Tom Weber.

"You know, today here at Northern starts a new system of higher education governance that will be more reflective of its particular needs. Today is a time to begin not only to set plans in motion for the future of Northern Illinois University, but also to build strong partnerships between all members of the public higher education system. What an exciting time for all of you as Trustees, an opportunity to develop new direction for Northern, but also an opportunity to effect change in the system as a whole. What an exciting time for the Northern Illinois University community, wherever that excitement might reach -- administration, business, community members, faculty, staff and most of all the students -- most of all the students in the classroom. I would offer this challenge as we end and begin today. Let today and this new year be celebrated as a new beginning for higher education in Illinois supported by you, the Trustees, by the members of the Northern Illinois University community, the legislature, the Governor and many others. As with any new endeavor, we will experience changes and challenges, ideas and solutions. Many of these changes will be tough, some easy; but all will, hopefully, be exciting, as together we set in place this new representative governance and establish and strengthen the partnerships among public universities and community colleges. The resultant benefit for all: a greater system of higher education for Illinois; a greater education opportunity for its citizens. And I'd like to say in advance, my congratulations to the Trustees. First of all, thank you for contributing your time, because you have done that, whether you know that or not, and stepping forward to be members of the Northern Illinois University Board of Trustees.

“At this time, I have the, yes, privilege, of introducing a senator who doesn’t even need to be named, but then you can all wonder who that is. Senator Brad Burzynski who certainly has played a role in what’s happening today. He’s been in office about two years longer than I have and I know that he worked diligently during those first two years and beyond. And he was one of the supporters on the Senate side to get the ultimate legislation passed and his work needs to be appreciated. I found that Brad, to work with as a Representative and a Senator, has been a little strange. I must apologize, Brad and I throw barbs at each other all the time, but I think that Brad and I have developed a working relationship which means we don’t camp on each other’s doorstep, but we are in contact. We aren’t parallel in our ideas, but we still respect and understand each other’s opinions and directions whether it’s legislation or anything else. And it’s great to have a senator that represents the House district that I represent to work with. At this time, I would present Senator Brad Burzynski.”

Senator Brad Burzynski made the following comments: “Dave forgot I get the last word. It’s the number one rule of public speaking, always know who’s speaking after you’re done. As I walked in this morning, I had the privilege to be behind Judge Countryman and Representative Wirsing and also Jim Mason who recognized Representative Wirsing as being ‘the Honorable Representative’ and then Judge Countryman came in and he said ‘the Most Honorable Judge Countryman.’ I thought, well, I wonder what he’ll say for me, and he said ‘the almost honorable Sen. Burzynski.’ So that’s the kind of respect we have here in northern Illinois.

“Certainly I’m very pleased and very proud to be a part of this celebration today. And I use that term celebration because I can think of no better term to use. This is the culmination of many years of efforts on behalf of a lot of people. I know that Rep. Parke, when I was in the House, was very supportive of the separate governing board for Northern and very supportive of the Hoffman Estates campus of NIU. I certainly do appreciate that and I know that all of us do here today as well.

“Judge Countryman, who was my predecessor, certainly was a strong advocate for Northern and I don’t have to tell any of you in the room here today that. You know that from his past actions and from the work that he did in behalf of Northern Illinois University as a State Representative and carrying the ball for many years to change the governance system for Northern Illinois University. And certainly I don’t want to put a damper on anything, but not until 1994, when we were able to change the structure, if you will, in the Illinois House and the Illinois Senate, and change leadership, were we able to move forward into what I think will provide great opportunities for this institution and others throughout the state as we enter the 21st Century. I’m very pleased to have the opportunity to serve as Chairman of the Committee on Executive Appointments and to see the quality candidates that come forward to serve on these boards. And all of you in this room know that at times this can be a thankless job. Certainly they earn their salaries, they earn their money, and I really do appreciate the quality of candidates that we’ve had. I indicated to one individual this morning that someone came up to me and said, ‘I’m very disappointed I don’t have the opportunity to serve on this particular board or on that particular board.’ The only thing I can say is that we had very fine individuals, I feel, who have the best

interests of the institutions and of the educational processes at heart as we look forward to their tenure on the Board and working with the administration. Thank you again for the opportunity to be here today. Good luck and congratulations.”

Dr. La Tourette thanked Senator Burzynski and Representative Wirsing for their remarks and their sharing of these historical moments.

Dr. La Tourette then introduced the judges who had been invited to conduct the oath ceremony for the new Trustees. “First of all, it gives me great pleasure to introduce to you Judge John Countryman, the presiding judge of the 16th Judicial Circuit, who, as Sen. Burzynski mentioned, is a former state representative from DeKalb. John is also an alumnus of the University and, as indicated by the Senator, has been a very long-term supporter of the University and we’re very, very proud of his record in the State General Assembly and his record in the 16th Judicial Circuit Court.

“Also it gives me great pleasure to introduce Judge Terrence Sheen who is an Associate Judge in the 18th Judicial Circuit. Terry, as we know him, is the former president of the NIU Alumni Association. Again, another distinguished alumnus. I ask, then, the two judges to come forward so that I can introduce the Board Members individually to you.

“First of all, from DeKalb, Mr. Robert Boey will be sworn in by Judge Countryman. Robert would you please come forward.” Judge Countryman administered the Oath of Office for Trustee to Mr. Boey.

Dr. La Tourette then introduced Ms. Susan Grans from Rockford who was sworn in as a Trustee by Judge Sheen.

Dr. La Tourette then introduced Mr. George Moser from Barrington Hills who was sworn in as a Trustee by Judge Countryman.

Dr. La Tourette then introduced Mr. James Myles from Chicago, who was sworn in as a Trustee by Judge Sheen.

Dr. La Tourette then introduced Mr. David Raymond from Glen Ellyn who was sworn in as a Trustee by Judge Countryman.

Dr. La Tourette then introduced Mr. Manuel “Manny” Sanchez from Lyle, and an NIU alumnus, who was sworn in as a Trustee by Judge Sheen.

Dr. La Tourette then introduced Mr. Myron Siegel, from Deerfield, and an NIU alumnus, who was sworn in as a Trustee by Judge Countryman.

Dr. La Tourette then introduced Mr. Willie Fowler, from NIU, who has now completed two degrees at Northern and has served as a Member of the Board of Regents in the past. He was sworn in as Student Trustee by Judge Sheen.

Recess of Meeting

The meeting was recessed by Dr. La Tourette to permit a brief break period and group photos of the newly installed Trustees.

Continuation of Meeting

Dr. La Tourette reopened the meeting and made the following remarks: "I would like to make a few remarks before we continue with the meeting. Of all the former system schools in the state, Northern Illinois University is without a doubt the strongest and best suited to rapidly advance its mission and vision in service to our students and region. As happy as we are once again to have an independent governing board, we are even more pleased by the qualifications and personal commitment of the individuals who are named to serve on it. The Governor has truly honored this institution by naming individuals of this stature and influence to our Board. In the few months since their naming as Trustees, these eight individuals have spent countless hours increasing their knowledge of Northern and meeting with faculty, staff and students to learn about the issues that must be addressed to guide NIU into the 21st Century. They have approached their new roles thoughtfully and enthusiastically and committed themselves to making this a smooth transition -- one that will allow us to move more quickly and decisively in the future.

"I would like to take this opportunity to thank Terry Sheen and Terry Burns for their leadership of the alumni association. Judge Sheen served as the President of the Alumni Association up to his appointment as Judge, and, since then, Terry Burns has assumed the leadership. I thank them because the Alumni Association played a major role in the screening process which resulted in the selection of these Trustees. Judge Sheen and Mr. Burns, you exemplify the term "a loyal alumni." I believe under the leadership of this new Board, we will find new ways to engender this standard of loyalty and commitment in more and more of our students and graduates.

"I see in this room a concentration of leadership throughout our service region. To our elected and appointed officials, business leaders, key faculty, staff and students, and other loyal NIU supporters, I offer thanks on behalf of the entire University community for your continued support of this university and your commitment for support of this new governing board.

"Finally, congratulations to all of you Trustees for an impressive display of cooperation and focus in your initial organizational efforts and consideration of your first slate of officers. Your teamwork approach has clearly set the stage for this new governance system that will put the needs of our students first. Thank you for your dedication and leadership."

Agenda Item 6: Approval of Agenda

Dr. La Tourette added item 19a to the proposed Agenda and a revision handout to replace the original section of the agenda dealing with Items #14 through #17, which Mr. Davidson distributed to the Trustees, media representatives and the public. Dr. La Tourette asked for a motion from the Board to approve the agenda as modified by the additions and revisions.

Trustee Myles moved approval of the proposed Agenda and the motion was seconded by Trustee Grans. The motion was approved.

Agenda Item 7: Board of Trustees *Bylaws* and Related Resolutions

Dr. La Tourette then directed the Board's attention to Agenda Item number 7 -- the approval of the Board of Trustees *Bylaws* and Related Resolutions. He explained the purposes of the proposal and requested a motion for approval. Trustee Myles moved for approval of the *Bylaws* and the accompanying resolutions. The motion received a second from Trustee Boey. The motion was approved.

Agenda Items 8 and 9: Election of Officers – Chair

Dr. La Tourette indicated the next agenda item was the election of the Board Chair and opened the floor for nominations. Trustee Moser nominated Myron Siegel as Chair and Trustee Myles provided a second. There being no further nominations, Trustee Grans moved to close nominations [*seconded by Trustee Raymond*]. The motion was approved. Dr. La Tourette asked the Board to approve the election of Myron Siegel as Chair by acclamation. The proposal was approved unanimously. Myron Siegel was announced as the duly elected Chair. The meeting was turned over to Chair Siegel.

Chair Siegel made these comments: "Thank you John. Thanks to all of your staff who have helped make our transition to this Board as seamless as possible.

"I told someone recently that if I was going to continue my close association with this University, it would have to be as a Board Member since I've already run through just about every other association I could have. I've been a student, an employee, a teacher . . . and the President's job is filled. The only option I had left was Trustee. But seriously, there are some good reasons for my loyalty to this school. I received an excellent education here and I've been proud to watch this university grow and meet new challenges. Like all my fellow trustees, I'm heavily involved in the life of this region called northern Illinois and I have a strong commitment to help lead its premiere public university into the next century.

"As John mentioned, we have met several times in anticipation of this day. Those of you who thought we were unorganized or unprepared – we aren't. We forged an understanding of what it means to lead a university in a way that lets the institution operate quickly and efficiently. At the same time, we are in agreement that we need to be more involved with the faculty, staff, students and alumni, and that means a fundamental change in the way we operate. I think you will find that the way this Board operates will be very different. We will be discussing a meeting schedule and committee structures that will enable us to be more accessible to the campus community and I'd like to comment briefly about two items.

"Under the Board of Regents, we met about seven or eight times a year, in two-day sessions that included one-hour committee meetings in advance of the

full Board meeting. People who wanted to address the Board on specific issues had one hour to be heard before the committees.

"In our preliminary discussions, we have directed the President and his staff to help us develop a meeting structure that relies more heavily on our working committees to facilitate the kind of interaction we need to make informed decisions. If the work of the committees requires a concentration of several meetings to fully air an issue, the committees will schedule accordingly. It is not our intention to have committee meetings, then, on the day we have Board Meetings. If an issue primarily affects students in one of our branch sites, we can hold our meetings there. We are committed to integrating NIU into the life of our region more than ever. You have heard said that we live and work in the most dynamic region in the country. We say that so often, I wonder, sometimes, if we truly grasp the implications of that statement. To be the premiere university in the country's most dynamic and economically vital region means that we absolutely must rise to the challenge of providing the most dynamic and meaningful education possible to some of the most promising students attending colleges anywhere. In order to meet that challenge, we must streamline the decision-making process and increase communication between the decision makers and those we impact with our decisions.

"We are not going to have the multilevel bureaucracy that we had under the Board of Regents. We, as a Board, have informed the President and his staff that we are not interested in excessively long reports, nor the type of paper work that bogs us down and keeps us from getting to the heart of issues. This Board will not be conducting business as usual. We believe the legislature and the Governor have given us a clear charge to quickly differentiate our governance style from that of our predecessor and we intend to rise to that occasion.

"It is obvious that the responsibilities of the president under a single campus governing board are different from the responsibilities of a president in a multicampus system. In reviewing the University's current organizational chart, it seems clear that the President cannot be expected to take on new responsibilities for Board relations and legislative relations, continue to play a major role in the University's capital campaign and still provide presidential oversight for the array of administrative functions which currently report to him.

"Therefore, we are asking the President to review the current organization of the University's central administrative functions and to provide us, as soon as practicable, with his recommendations for reorganizing those functions so as to improve the efficiency, encourage greater interaction between units with comparable or synergistic missions and to make it possible for him to devote concentrated attention to the issues and activities which will define the University's future.

"I know there has been considerable campus discussion about the make-up of a body which could be viewed as a successor to what we call "JUAC" -- the Joint University Advisory Committee of the Board of Regents. In reviewing the function of JUAC relative to the Board of Regents, it seems clear that JUAC existed to provide a forum for the development of a consensus position among faculty and staff representatives from the three Regency Universities -- primarily

on policy or procedures recommended by the Chancellor and applicable to all three campuses. Members of JUAC interacted with each other more than with Members of the Board. They met with and received background information from Academic Affairs staff in the Chancellor's Office. The Committee rarely, if ever, commented on the issues taken to the Board by the individual universities.

"There is not, in our opinion, a role for a parallel group in relation to the Trustees' role in governing a single institution. This is not to say that the Trustees do not recognize the importance of faculty and staff participation in University governance. We do!! And that role will be confirmed in our policy statements. We will also confirm the faculty's primary responsibility for the fundamental areas of academic policy and for the employment and promotion of academic staff.

"However, we all need to understand that the Trustees are not an extension of the University shared governance system. The Trustees are an extension of state government. Our responsibilities are defined by statute. We are appointed by the Governor and confirmed by the Senate and we are directly responsible to the Governor and the General Assembly for the management, control and maintenance of Northern Illinois University.

"Campus government meets state government in the office of the President. Therefore, we would urge the President of the Faculty Senate, the leaders of the Professional Staff Council and the Operating Staff Council to meet with President La Tourette to develop procedures which will allow for a meaningful campus dialogue on items being taken to the Board for action. In keeping with shared governance principles, we assume that this group would not re-review items which have already emerged through existing campus processes. We recommend that the President consider a small expansion of this advisory group in a way that recognizes the importance of the teaching faculty.

"I have a very simple philosophy about our missions as a Board, and I believe that if we all follow that vision, we can't go wrong. That vision is a mission to enhance the value of the degree obtained at Northern Illinois University. It's real simple. If we are guided by that simple principle in all that we do, we cannot fail. A degree from Northern should carry the same positive connotation as a degree from Northwestern, Penn State, or Harvard for that matter. We will enhance the value of an NIU degree by continuing to attract and retain excellent faculty and students and by increasing the availability of quality programs and access to the quality programs.

"As a first step in this process I want to address the President's compensation. Those of you who followed the activities of the Board of Regents will perhaps remember that the Regents did not perform their annual evaluation of President La Tourette, nor did they act to set a salary for Fiscal Year 1996. One Regency president left the Regency System on July 1 and a second Regency president was newly appointed at that time. President La Tourette's situation was left to the new Board of Trustees. The President has indicated that he views salary compression and the need to achieve competitive salary levels for faculty and staff to be among the major issues the University must resolve in the next few years. Since all University salaries are set in relation to the President's salary, it is essential that we get that salary set at an appropriate level as quickly as possible. Therefore, I will be charging the Executive Committee with an

immediate review of President La Tourette's compensation in relation to compensation of chief executive officers in peer institutions and other Illinois public institutions. I would also expect the committee to work with the President to set some goals for the remainder of this fiscal year so that we can implement a meaningful evaluation process going into the next fiscal year.

"I want to thank you, fellow Trustees, for your vote of confidence in electing me the first Chair of the new NIU Board of Trustees. I will work very hard in the coming year to facilitate meaningful Board interaction and efficient Board actions. Thank you President La Tourette for your leadership and all that you have done to set the stage for NIU to become the Number One resource university in the state. I want to thank all the faculty, staff, students and others who have supported me and allowed me to be here today. Many of you are in the room, too many to single out individually, but thank you once again and let's move on."

Agenda Item 10: Election of Officers – Vice Chair

Chair Siegel opened the floor for nominations for election of the Vice Chair. Trustee Sanchez nominated Trustee George Moser to be Vice Chair. Student Trustee Fowler seconded the nomination. There being no further nominations, Trustee Boey moved that nominations be closed, and this motion was seconded [*by Trustee Myles*] and approved. The Chair asked the Board to approve the election of George Moser as Vice Chair by acclamation. The proposal was approved unanimously. Trustee George Moser was announced as the duly elected Vice Chair.

Vice Chair Moser made the following comments: "Mr. Chair, thank you. Thank you fellow Trustees for your vote of confidence. I look forward to working with all of you on behalf of Northern Illinois University in the weeks and months ahead. I spent the last year as a Member of the Northern Illinois University President's Campaign Cabinet helping the University leadership make plans for Northern's first capital campaign. In the course of that work, I came to understand and appreciate the unique mission of this institution and the very important role that Northern Illinois plays in the life of this region. Additionally, I've seen first hand in my own area of Hoffman Estates what kind of impact Northern Illinois University is having in the northwest and west suburban regions. It is a significant impact and one that exemplifies Northern's commitment to providing services where they are needed. I am looking forward to working with our legislature and governor to further address the educational needs of our region. To that extent, I can help Northern get its voice heard in Springfield. I hope to make a contribution to the future of this fine institution.

"Thank you for your support. I look forward to serving with you and to working with President La Tourette and his staff in service to Northern Illinois University. Thank you."

Agenda Item 11: Election of Officers -- Secretary

Chair Siegel opened the floor for nominations for the office of Board Secretary. Trustee Sanchez nominated Trustee James Myles as Secretary, and that nomination was seconded by Trustee Moser. There being no further nominations, Student Trustee Fowler moved that nominations be closed, and this

motion was seconded *[by Trustee Sanchez]* and approved. The Chair asked the Board to approve the election of James Myles as Secretary by acclamation. The proposal was approved unanimously. Trustee James Myles was announced as the duly elected Secretary.

Trustee Myles made the following remarks: "Mr. Chair, I would like to thank all of my fellow Trustees for giving me a vote of confidence in electing me Board Secretary. Quite naturally, by me being a former member of the Illinois Board of Regents, and being the final Chair of the Board of Regents, over the years I have learned a lot about Northern Illinois University. And I am very pleased to serve on this Board and am very pleased to bring the expertise that I gained with the Board of Regents. I am also pleased to bring the leadership that I had with the Board of Regents. I intend continuing a lot of the work that I've done in the past with the Board of Regents. Specifically, I'm going to continue to fight to make sure that the recommendations of the Board task force that I chaired, the Task Force on Minority Concerns, will be carried out and I intend on doing many things that I started prior to my being chosen as a Board Member of Northern Illinois University. I would also like to let the people in the audience know that I am no stranger here. This is the first university that honored me as chair of the Board of Regents; so I'm home. And I'm going to continue to fight for the students because this is what it's all about – our children. And I just thank you all for voting me in as the Secretary and I intend on doing a very good job. Thank you very much."

Agenda Item 12: Election of Fourth Member of the Executive Committee

Chair Siegel opened the floor for nominations for election of a Trustee to the Executive Committee. Trustee Grans nominated Trustee Bob Boey, and that nomination was seconded by Trustee Sanchez. There being no further nominations, Trustee Moser moved that nominations be closed, and this motion was seconded *[by Trustee Sanchez]* and approved. The Chair asked the Board to approve the election of Trustee Robert Boey by acclamation. The proposal was approved unanimously. Trustee Robert Boey was announced as the duly elected Fourth Member of the Executive Committee.

Trustee Boey made the following remarks: "Thank you. It is an honor to serve on the Executive Committee and I look forward to it. A number of people who I've been talking to recently asked me what my attitude is in serving on the Board of Trustees, and it's very simple. In addition to what you said, Myron, I view the University as a major corporation with a \$240 million operating budget. We are nothing very different than the board of directors of that major corporation and we're going to run this institution in a businesslike fashion. And I look forward to it. Thank you."

Agenda Item 13: Election of Representative to State Universities Civil Service Merit Board

Chair Siegel opened the floor for nominations for the position of Representative to the State Universities Civil Service Merit Board. Trustee Raymond nominated Trustee James Myles and this nomination was seconded by Trustee Grans. There being no further nominations, Trustee Sanchez moved that nominations be closed, and this motion was seconded *[by Trustee Boey]* and approved. The

Chair asked the Board to approve the election of Trustee James Myles by acclamation. The proposal was approved unanimously. Trustee James Myles was announced as the duly elected Representative to the State Universities Civil Service Merit Board.

Recess of Meeting

The meeting was recessed by Chair Siegel to permit a brief break period.

Continuation of Meeting

Chair Siegel reopened the meeting and proceeded with the Agenda.

Agenda Item 14: Designation and Appointment of Treasurer

Trustee Boey moved to approve the President's recommendation that Dr. Eddie R. Williams be designated and appointed to serve as Treasurer for the Board of Trustees subject to a \$500,000 fidelity bond to the Board to be secured by the State of Illinois Department of Central Management Services Official, Surety and Fidelity Bond Plan. The motion was seconded *[by Trustee Moser]* and approved. Chair Siegel asked Dr. Williams if he would accept the appointment, and Dr. Williams declared his acceptance.

Agenda Item 15: Designation and Appointment of Assistant Secretary/Assistant Treasurer

Student Trustee Fowler moved to approve the President's recommendation that Dr. Anne C. Kaplan be designated and appointed to serve as Assistant Secretary and Assistant Treasurer for the Board of Trustees subject to a \$500,000 fidelity bond to the Board to be secured by the State of Illinois Department of Central Management Services Official, Surety and Fidelity Bond Plan. The motion was seconded *[by Trustee Boey]* and approved. Chair Siegel asked Dr. Kaplan if she would accept the appointment, and Dr. Kaplan declared her acceptance.

Agenda Item 16: Designation and Appointment of Second Assistant Secretary

Trustee Moser moved to approve the President's recommendation that George M. Shur, Esq. be designated and appointed to serve as Second Assistant Secretary for the Board of Trustees. The motion was seconded *[by Trustee Raymond]* and approved. Chair Siegel asked Mr. Shur if he would accept the appointment and Mr. Shur declared his acceptance.

Agenda Item 17: Designation and Appointment of Parliamentarian

Trustee Boey moved to approve the President's recommendation that Kenneth L. Davidson, Esq. be designated and appointed to serve as Parliamentarian for the Board of Trustees. The motion was seconded *[by Trustee Grans]* and approved. Chair Siegel asked Mr. Davidson if he would accept the appointment and Mr. Davidson declared his acceptance.

Agenda Item 18: Appointment of Trustee Liaison to Illinois Board of Higher Education

Dr. La Tourette related that in the past there has been a representative from the system boards to the Illinois Board of Higher Education. That person has typically been the Chairman of the Board. He thought it would be appropriate for the Board of Trustees to select or designate the Board Chair as the liaison to the IBHE so that he could most effectively represent the institution and provide an appropriate interface between the work of the Board of Higher Education and the work of the Board of Trustees of Northern Illinois University.

Trustee Fowler moved that Trustee Myron Siegel be designated and appointed by the Board as its Liaison to the Illinois Board of Higher Education. The motion was seconded by Trustee Sanchez and approved.

Agenda Item 19: Appointment of Trustee Liaison to Northern Illinois University Foundation

Trustee Myles moved that Trustee Robert Boey be appointed to serve as the Board's Liaison with the NIU Foundation. The motion was seconded by Trustee Grans and approved.

Agenda Item 19a: Announcement of Chair's Appointments of Standing Committee Chairs, Vice Chairs and Committee Memberships

Chair Siegel related: "The Executive Committee is formed pursuant to the *Bylaws* and will consist of Trustees Moser, Myles, Boey and myself. We will have a committee called Academic Affairs, Student Affairs and Personnel. I am going to appoint James Myles as the Chair of the Committee; the Vice Chair, Susan Grans; and as members, Trustees Raymond, Sanchez and Fowler. Finance, Facilities and Operations -- I will name as Chair Trustee Boey; as Vice Chair, Trustee Raymond; and members, Trustees Grans and Moser. On the Legislation, Audit and External Affairs Committee, the Chair will be George Moser, Vice Chair will be Trustee Sanchez, and members, Trustees Boey and Fowler. Copies of these appointments I will pass out. There should be sufficient numbers of them at the end for the press table. And as I pass these out, perhaps, President La Tourette, you want to add something."

Dr. La Tourette related: "Mr. Chair and members of the Board, I'd like to note that the *Bylaws* not only allow the appointment of members to these committees but also suggest that there be staff liaisons to the committees.

"For the benefit of you who do not have a copy of this material and do not have the *Bylaws* in front of you, in the case of the Academic Affairs, Student Affairs and Personnel Committee, both the President and Provost will be *ex-officio* members of that committee. Recognizing the importance of the academic mission of the institution, Dr. Moody, in his role as Provost, will serve as the liaison between the University and the Committee chaired by Trustee Myles, the Academic Affairs, Student Affairs and Personnel Committee.

"In the case of the Finance, Facilities and Operations Committee chaired by Robert Boey, Dr. Eddie Williams will be the liaison with that committee and will provide, as in the case of Dr. Moody, appropriate staff assistance to that committee.

"In the case of the Legislation, Audit and External Affairs Committee, the University liaison will be Ms. Kathy Swanson and she will provide appropriate staff support to that committee.

"In the case of the Executive Committee, under the *Bylaws*, the President is a nonvoting Member, and I will be responsible for the liaison with Mr. Siegel, the Chair of the Committee, for providing appropriate staff support, not only for the Executive Committee, but also for the operation of the Board.

"I thought it was important to mention those key relationships because the chairs of the various committees will have to depend upon the University staff to set agendas and to develop the business of the committees. Especially since the committees are going to play a very important role in the operation of the Board of Trustees. I thank you very much, Mr. Chair, for allowing me to make those comments."

Chair Siegel stated: "I want to make it very clear for those who are here from the University community, as well as representatives of the media, that it is the intention of this Board to work through the committees. We want the matters that are important to the University community to come up through our committees, with the exception of the January 17 date that we will be proposing for the next Board Meeting. That will be the only occasion that I am aware of that committees will actually meet only shortly before a Board Meeting. Otherwise, committee meetings will be set by the chair of those committees as the working committees for this Board. At the January 17 meeting, committee members will be oriented to the functions of the committees and their responsibilities and areas of concern. Board of Trustees action matters should ordinarily come up through these committees. They will meet as often as is reasonably necessary to deal with those issues."

Agenda Item 20: Comprehensive Organizational Resolution

Dr. La Tourette related that a typographical error in the fourth line of provision 7.a.(iii) of the proposed Conflict of Interest Policy needed correction. He advised that the recommended language should refer to "Section 4" instead of "Section 3" and indicated that correction would be reflected if the Policy is approved.

A brief procedural discussion was had concerning the presentation of the issues reflected in the proposed Organizational Resolution.

Trustee Sanchez moved for approval of the Organizational Resolution of the Board of Trustees of Northern Illinois University as presented and corrected by the President. The motion was seconded by Trustee Fowler and approved.

Agenda Item 21: Establishment of a Schedule of Meetings for Calendar Year 1996

Student Trustee Fowler moved for approval of the proposed Schedule of Meetings for the Board of Trustees for Calendar Year 1996 that would include regular business meetings on the DeKalb campus of NIU on January 17, April 17, June 19, September 18 and December 11 of 1996. The motion was seconded and approved.

Chair Siegel recognized President La Tourette for clarifying remarks. Dr. La Tourette stated: "I would like to comment on the January 17 meeting. As the Chair has already indicated, this will probably be the only meeting at which there will be formal meetings of committees. We thought it would be essential that the three standing committees other than the Executive Committee, meet on that day to review with the staff and the liaisons, in particular, the work of the committees for the next six months to a year. Therefore, I am suggesting that on January 17 the Board meet at about 10:00 a.m. with the Academic Affairs Committee Meeting first, second, the Finance, Facilities and Operations Committee Meeting and then the Legislation, Audit and External Affairs Committee Meeting for about 45 minutes each so that the staff can orient the Board -- the Committees and the Board -- to the work of these committees over the next six to twelve months. I would suggest that these meetings conclude around noon or shortly after noon, that the Board break for lunch so that we can reconvene around 1:15 p.m. and immediately go into an Executive Session, and then that the Board reconvene the public session at around 2:00 p.m. with some University business being presented at that time. It would seem to me that the committee work would take, as I've indicated, about 45 minutes each, the public meeting about two hours. So it would be from about 10:00 a.m. to 4:00 p.m. for the schedule on the 17th. If that's acceptable to the Board, I will work with the Chair to develop that agenda."

Chair Siegel agreed and said, "I think that makes sense, because that allows the committees to get a start on their work. After that, the chairs of the committees will call their meetings as necessary based upon the schedule of items reporting to those committees."

Agenda Item 22: Report to the Governor and Legislature on Establishment of the Board of Trustees.

Chair Siegel recognized Dr. La Tourette for explanation of this item. Dr. La Tourette stated: "I recommend to the Board that the Chair be designated to work with the President and my staff to develop a report to be sent to the Governor and legislative leadership to indicate that the Board has organized and is in operation. Some details might be included in that letter referring to the actions taken today to organize the Board of Trustees. This would alert the Governor's Office and the legislature that this Board is in operation and has complied with the statutes that created it."

Trustee Sanchez moved for approval of Dr. La Tourette's recommendation. The motion was seconded by Trustee Myles and approved.

Adjournment

There being no further business, Trustee Sanchez moved the meeting be adjourned. The motion was seconded by Trustee Myles and approved. The meeting was adjourned.

Sharon M. Mimms
Recording Secretary

**Approval of Board of Trustees *Bylaws*
and Related Resolutions**

RESOLVED that the *Bylaws* of the Board of Trustees of Northern Illinois University as presented in public session at its Organizational Meeting this date be approved and installed for use by the Board in execution of its broad powers, duties and responsibilities;

RESOLVED that the President of the University, or his designee, be authorized and directed to reasonably interpret and administratively review the interim rules and regulations passed to the University from the Board of Regents through Public Act 89-4 with conforming adaptations and nomenclature adjustments to reflect the reorganized structure for governance and operations of the University;

RESOLVED that the President is directed to develop a set of Board statements which incorporate the policy elements currently contained in the interim rules and regulations and present them to the Board for approval as soon as practical;

RESOLVED that the President in consultation with appropriate University shared governance bodies commence action to review and recommend beneficial substantive changes in campus rules and regulations to better position the University to efficiently address changed organizational circumstances in the future.

BYLAWS OF THE BOARD OF TRUSTEES OF NORTHERN ILLINOIS UNIVERSITY

ARTICLE I. INTRODUCTION

SECTION I. General Statement

In accordance with the Northern Illinois University Law (110 ILCS 685/30-1 *et seq.*) and related legislation, the State of Illinois charges the Board of Trustees of Northern Illinois University with responsibility to operate, manage, control and maintain Northern Illinois University (hereafter also referred to as the "University") and assigns to it broad authority for discharging this responsibility. The Board of Trustees and Northern Illinois University shall operate in accordance with the laws of the State of Illinois and the United States, these *Bylaws*, and the duly approved policies established by the Board of Trustees.

SECTION 2. General Concepts of the *Bylaws*

In order to discharge its statutory responsibilities to the People of Illinois, the Board of Trustees herewith establishes *Bylaws* intended to encourage efficiencies and facilitate its business. As a result of its statutory charge, the Board is the final institutional authority and, therefore, Board *Bylaws*, legislation, policies and *Regulations* have precedence over the constitution, policies and regulations of the University. However, the Board's focus is one of oversight and policy determination. The Board delegates the conduct of administration and management to the President. It entrusts the conduct of teaching and research through the President to the University faculty. It encourages significant student participation in decision-making processes within the limits of attainable effectiveness.

ARTICLE II. BOARD OPERATING PROCEDURES

SECTION 1. General

The Board of Trustees shall conduct its business and execute its responsibilities in conformity with the Northern Illinois University Law (110 ILCS 685/30-1 *et seq.*), as it may be amended from time to time.

SECTION 2. Quorum

The presence of four voting Members of the Board shall constitute a quorum to formally transact business. The student Member is a nonvoting Member and shall not be counted for the purpose of determining a quorum at any meeting of the Board or any of its committees.

In the absence of a quorum, a smaller number of Board Members may meet and informally discuss business, however, any proposed actions cannot become final

until formally approved or ratified by a majority of the Board present at a meeting in which a quorum exists.

SECTION 3. Rules of Order

Insofar as it is consistent with these *Bylaws* and applicable statutes, the current edition of *Robert's Rules of Order* shall govern the consideration of all business and debate in meetings of the Board or its committees. A member of the staff of the University shall serve as the parliamentarian at all meetings of the Board.

SECTION 4. Order of Business

At all regular session meetings, and at special meetings where appropriate, the Board shall observe the following order of business unless it is suspended or modified by a majority vote of those voting Members present:

1. Call to Order and Roll Call
2. Verification of Appropriate Notice of Public Meeting
3. Meeting Agenda Approval
4. Review and Approval of Minutes of the Previous Meeting
5. Reports of Board Committees and Board Liaisons
6. Reports and Recommendations of the President of the University
7. Reports and Recommendations of the Chair of the Board
8. Other Matters

SECTION 5. Appearances Before the Board

On proper motion and by majority vote, the Board may at any time recognize members of the University community for purposes of making presentations. To facilitate such appearances, individuals wishing to appear before the Board are requested to make a written request to the President ten days prior to the Board meeting. Any such request should include the name, address and position of the individual wishing to speak, the name of the organization or group represented, and a reasonable summary of the presentation. Such requests will not guarantee permission to speak. If approved by the Board, the scheduling of such presentations in relation to the meeting agenda shall be at the discretion of the Board Chair. While not required, written copies of the presentation are welcomed by the Board.

SECTION 6. Minutes and Proceedings

The Secretary of the Board, or designee, shall be responsible for the recording and preparation of the Minutes of Board meetings. Such Minutes shall provide a reasonably detailed record of the meeting but shall not be verbatim. Once approved, the Minutes shall become the official corporate record of Board meetings and shall be compiled in annual *Proceedings* covering all of the meetings of a single fiscal year. These *Proceedings* shall be distributed by the President's Office and shall be available to the public for examination upon request.

The President is authorized to make appropriate releases of information regarding Board actions or proposed actions prior to the approval of Board Minutes.

ARTICLE III. MEETINGS

SECTION 1. Regular Session Meetings

- A. The Board shall convene in regular session at least once each quarter on campus of Northern Illinois University at DeKalb, Illinois. Additional regular session meetings may be scheduled by the Board.
- B. Written notice of all regular meetings and of the proposed agenda shall be given by the President to each Member of the Board, preferably at least ten days in advance of the meeting.
- C. The President's Report and other meeting materials shall be distributed on a timely basis to Board Members, campus officers and other interested parties at the President's discretion.

SECTION 2. Special Meetings

Special meetings of the Board may be called by the Board Chair, or by the Vice Chair if there is a vacancy in the office of the Board Chair, or by any three voting Members of the Board.

SECTION 3. Closed Meetings

The Board may hold meetings closed to the public to discuss matters which are excepted from public discussion under the provisions of the Illinois Open Meetings Act (5 ILCS 120/1.01 *et seq.*). Closed meetings will be held upon a majority vote of a quorum present, taken at a meeting open to the public for which notice has been given.

Minutes of closed meetings will be kept by the Secretary of the Board or designee and will be available for inspection only after the Board determines, by periodic assessment, that confidentiality of such minutes is no longer required.

ARTICLE IV. OPEN MEETINGS POLICY

The Board of Trustees encourages appropriate openness in the conduct of University business and governance. Consistent with this principle, the Board and its committees will perform their duties in open session subject only to the limited exceptions authorized by the state law. All reasonable efforts will be made to accommodate and provide balanced responses to requests from communication media and citizens who are interested in the actions of the Board.

ARTICLE V. OFFICERS AND OTHER LEADERSHIP POSITIONS OF THE BOARD OF TRUSTEES

SECTION 1. Elected Officers and Terms of Office

The elected officers of the Board shall consist of a Board Chair, Board Vice Chair and Board Secretary. The Board Chair, Vice Chair and Secretary shall be elected annually (except the first group of officers shall be elected to a term expiring on June 30, 1997); however, they shall retain their office until a successor is elected. The position of Board Chair may be held by the same Board Member for no more than two consecutive terms and the same limitation shall apply to the Vice Chair position.

In case of a vacancy in an elective office, for any reason, the Board shall hold an election to fill the office for the unexpired term.

SECTION 2. Appointed Officers, Fiduciary Roles and Terms of Office

The appointed officers of the Board shall consist of Treasurer, Assistant Secretary/Assistant Treasurer, Second Assistant Secretary and Parliamentarian. The appointed officers shall be University staff members appointed by the Board on the recommendation of the President to serve as *ex officio* corporate officers and not as Members of the Board. These officers shall have a fiduciary duty to faithfully discharge their responsibilities to the Board of Trustees. Where a majority of the Board determines it is necessary or appropriate, the appointed officers may be directed to serve the Board of Trustees in special roles and may have occasional responsibilities or duties that relate exclusively to the Board of Trustees and be separate from their roles and reporting relationships as employees of the University.

Once appointed, these officers shall hold office until removal, resignation or termination of employment with the University.

SECTION 3. Removal from Office

Any elected or appointed officer including the President, may be removed from office by vote of five of the voting Members of the Board. A motion to remove an officer can only be made at a regular or special meeting of the Board, and must be preceded by the conveyance of notice to each Board Member and to the officer ten days prior to the meeting. Such notice shall clearly set forth the proposed action.

SECTION 4. Other Board Leadership Positions

In addition to the above officers, other Board leadership positions shall be the elected delegate to the State Universities Civil Service System Board, appointed chairs of the Board standing committees, and appointed liaisons to the Northern Illinois University Foundation and the Illinois Board of Higher Education. These positions shall be filled with voting Members of the Board.

SECTION 5. Election of Officers

Elections of Board officers shall take place by secret ballot at the meeting preceding July 1, (except the first election shall take place upon the adoption of these *Bylaws*). Officers will assume their duties on July 1 (except the first elected officers shall assume their duties immediately). All voting Members shall be entitled to vote, including Members whose terms have expired if the Governor and Senate have not acted to fill the vacancy. Elections shall not be postponed because of such expired terms or pending gubernatorial or Senate action on appointments.

Procedures for the election of officers shall be as follows:

- nominations for a given officer position can be made in any number by any Member of the Board (including nonvoting Members) and shall be closed only by a motion to close the nominations;
- only the voting Members of the Board shall be entitled to cast votes in officer elections;
- if a majority of votes cast is not achieved by one nominee in the first balloting, the nominee with the fewest number of votes shall be dropped on the succeeding ballot. This process shall continue through three successive ballots. If at the conclusion no nominee shall have achieved a majority, the Board Chair shall declare the election at a stalemate and reopen nominations;
- an absolute majority of the Board shall be required to be elected, even if fewer than seven Board Members choose to vote;
- Board Members shall be entitled to vote by written absentee ballot. However, absentee ballots shall be counted only for Members who have been nominated. Absentee ballots must be filed with the Board Secretary in writing prior to the meeting at which the elections are to occur.

SECTION 6. Duties of Officers

A. Board Chair

The Board Chair shall:

1. Preside at all Board meetings, with full power to discuss all matters before the Board and to vote when necessary to break a tie;
2. Serve as member and presiding officer of the Board Executive Committee and as *ex officio* member of all Board standing committees;
3. Appoint the chairs of the Board standing committees and make committee assignments from among the Board membership;

4. Sign, with the Secretary or an Assistant Secretary of the Board as attesting official, any contracts and other legal documents approved by the Board, provided others delegated by the Board may sign such documents in accordance with their respective delegations;
5. Coordinate Board business with the President and foster communications among Board Members;
6. Assist new Board Members in becoming familiar with the operations of the Board and the University and in identifying and developing potential Board leadership;
7. Engage in external activities on behalf of the Board and the University, and represent the Board and the University in a ceremonial capacity at public functions.

B. Board Vice Chair

The Board Vice Chair shall:

1. Serve as presiding officer of the Board in the absence of the Board Chair with full power to vote on and discuss all matters before the Board and to vote when necessary to break a tie;
2. Serve as a member of the Board Executive Committee;
3. Assist the Board Chair in facilitating communications among Board Members and in identifying and developing Board leadership;
4. Assist the Board Chair in external relations and in representing the Board and the University in a ceremonial capacity at public functions.

C. Secretary

The Secretary shall:

1. Serve as a member of the Board Executive Committee;
2. Sign as attesting official, with the Board Chair, any contracts and other legal documents approved by the Board, provided others delegated by the Board may sign such documents in accordance with their respective delegations;
3. Determine that the minutes and records of the proceedings of the Board are kept, published and distributed as required by law;
4. Maintain a record of the names of all Members of the Board, the dates of their appointments and the dates of the expiration of their terms of office. The Secretary shall also maintain a record of Board officers and terms of elective office.

D. Treasurer

The Treasurer shall:

1. Be the chief custodian of all funds held in the name of the Board of Trustees and Northern Illinois University and be responsible for overseeing the issuance and sales of revenue bonds and other financial instruments on behalf of the Board;
2. Be responsible for complying with various financial requirements of bond resolutions, oversight of investment and banking relationships, and coordination and development of information for bond holders. Make a financial report to the Board reflecting securities held and all receipts and disbursements on an annual basis, or as required;
3. Provide for the orderly reimbursement or payment, consistent with state law, for Board Member travel and expenses, and establish necessary procedures incident thereto;
4. Exercise direct or facsimile signature authority, as authorized and appropriate, on necessary certificates or contracts and other documents approved by the Board on behalf of the Board Chair or the Secretary.

E. Assistant Secretary-Assistant Treasurer

When the Board Chair, Secretary or Treasurer are not practically available to perform one of their ministerial duties, the Assistant Secretary-Assistant Treasurer may provide an authorized signature on necessary certificates or contracts and other documents approved by the Board on behalf of the Board Chair, the Secretary or the Treasurer, and shall provide such other assistance to the Secretary or Treasurer as either may request and shall carry out such other functions as the Board may assign.

F. Assistant Secretary

The Assistant Secretary shall provide such assistance to the Secretary or Assistant Secretary-Assistant Treasurer as may be requested and shall carry out such other functions as the Board may assign.

G. Parliamentarian

The Parliamentarian shall be a member of the University staff who advises the Board Chair and the University President on matters of parliamentary procedure.

SECTION 7. Duties of Appointed Leadership Positions

Standing Committee Chairs

Standing Committee Chairs shall:

1. Preside over committee meetings;
2. Prepare reports of committee meetings to be presented to the Board, such reports to include notation of the committee members present, description of the agenda covered, and a summary of decisions and recommendations of the committee;
3. Keep informed of the major issues, actions and needs of the University in the areas of responsibility covered by the committee;
4. Work with the President and staff in formulating agendas and preparing for meetings;
5. Maintain communications with other members of the committee and work to keep them informed of issues and needs.

ARTICLE V. BOARD COMMITTEES

Section 1. Executive Committee

A. Purpose

The Executive Committee shall have as its purpose to act on behalf of the Board and to discuss and offer counsel on University operations as needed.

B. Membership

The Executive Committee shall be comprised of the Board Chair, the Board Vice Chair, the Board Secretary and a Member of the Board elected by the Board.

C. Meetings

The Executive Committee shall meet upon the request of the Board Chair, the President or any two of the members of the Committee.

D. Powers and Duties

Between meetings of the Board, the Executive Committee may discuss and act upon all matters pertaining to the Board of Trustees and Northern Illinois University except policy changes. The Executive Committee will take action only on routine matters that require Board action between regular Board meetings or on other matters when specifically requested to do so by the full Board.

The Committee shall have the power to make final determinations as to matters of the Board of Trustees, provided its acts shall not conflict with action taken by the Board of Trustees. Actions of the Committee normally shall be reported to the full Board at the next meeting of the Board and entered in the minutes of that meeting.

SECTION 2. Academic Affairs, Student Affairs and Personnel Committee

A. Purpose

The Academic Affairs, Student Affairs and Personnel Committee shall have as its purpose to review Board-level policy concerns and transactions related to academic programs, student affairs and personnel administration and to provide the full Board its advice and counsel relative to such matters.

B. Membership

The Academic Affairs, Student Affairs and Personnel Committee shall be comprised of four voting Members of the Board selected by the Board Chair and the nonvoting student Member. The Board Chair, the President and the Provost shall serve as *ex officio* members, the first being able to vote to break a tie and the second and third without vote. The Board Chair shall designate one member of the Committee to serve as its Chair and may designate another member to serve as Vice Chair. The Provost shall provide the Committee such additional staff assistance as needed.

C. Meetings

The Academic Affairs, Student Affairs and Personnel Committee shall meet at the request of the President, the Provost or the Chair of the Committee. Committee meetings will be scheduled so as to facilitate timely review of matters under consideration by the Board.

SECTION 3. Legislation, Audit and External Affairs Committee

A. Purpose

The Legislation, Audit and External Affairs Committee shall have as its purpose to monitor pending state and federal legislation as well as administrative agency activity that impacts University interests. The Committee will assist the University in articulating its concerns to elected representatives and will periodically review the internal control, accounting and reporting practices of the University to ensure that those practices provide for proper accountability. It shall also serve to receive and bring to the Board's attention, as necessary, information on any problems or irregularities in that regard.

B. Membership

The Legislation, Audit and External Affairs Committee shall be comprised of three voting Members of the Board selected by the Board Chair. The Board Chair and the President shall serve as *ex officio* members, the first being able to vote to break a tie and the second without vote. The Board Chair shall designate one member of the Committee to serve as its Chair and may designate another member to serve as Vice Chair. The President shall

designate a staff liaison to the Committee and shall provide the Committee such additional staff assistance as needed.

C. Meetings

The Legislation, Audit and External Affairs Committee shall meet at the request of the President, the Chair of the Committee, or the staff liaison. The Committee shall meet at least semi-annually in order to receive a report of activities of the campus internal auditor and staff and to confer regarding legislative and external affairs.

SECTION 4. Finance, Facilities and Operations Committee

A. Purpose

The Finance, Facilities and Operations Committee shall have as its purpose to review Board-level policy concerns and transactions related to financial affairs, physical facilities and operations, and to provide the full Board its advice and counsel relative to such matters.

B. Membership

The Finance, Facilities and Operations Committee shall be comprised of four voting Members of the Board selected by the Board Chair. The Board Chair and the President shall serve as *ex officio* members, the first being able to vote to break a tie and the second without vote. The Board Chair shall designate one member of the Committee to serve as its Chair and may designate another member to serve as Vice Chair. The President shall designate a staff liaison to the Committee and shall provide such additional staff assistance as needed.

C. Meetings

The Finance, Facilities and Operations Committee shall meet at the request of the President the staff liaison or the Chair of the Committee. Committee meetings will be scheduled so as to facilitate timely review of matters under consideration by the Board.

SECTION 5. Ad Hoc Committees

Special purpose or ad hoc committees may be established by the Board either at the discretion of the Board Chair or on motion properly put and approved by the Board. Such committees shall remain in existence only so long as warranted by their assigned purpose or charge. Their operations shall be consistent with state laws on open meetings and applicable Board *Bylaws*, policies and regulations.

ARTICLE VI. PRESIDENT OF THE UNIVERSITY

The President is the chief executive officer of the University and of the Board of Trustees in its governance and policy responsibilities for the University. The

President shall be appointed by the Board and shall be directly responsible to the Board. The Board prescribes the duties of the President, contracts with the President and, for good cause, can remove the President. The President shall have the authority and responsibility, within the framework of policies established by the Board for the organization, management, direction and general supervision of the University and shall be held accountable by the Board for the effective administration and management of the institution.

The President has the overall responsibility for the provision of staff services to Members of the Board of Trustees and shall maintain a staff adequate for the performance of the Board's governance responsibilities and the President's duties as chief executive officer. The President shall make all recommendations for appointments to University positions under the Board of Trustees and shall implement such information systems and reporting requirements as are necessary for the Board to perform its responsibilities.

All communications related to official University business from any faculty member, officer or other employee of the University, addressed to the Board of Trustees of the University or to any committee thereof, shall be transmitted through the President of the University.

All rules, regulations, directions, orders or instructions of the Board of Trustees or any committee or member thereof, addressed to any faculty member, officer or other employee of the Board shall be transmitted through the President of the University.

In those areas on campus where the responsibility for the conduct and development of the University is shared, the President shall ensure the involvement of faculty, students and staff in the internal governance of the University. The President shall be responsible for keeping the Board informed of campus interests, concerns and needs, and shall then be responsible for communications with Board Members and for coordinating Board reviews and actions.

ARTICLE VII. CONFLICTS OF INTEREST

Members of the Board of Trustees, officers of the Board, officers of the University and all employees of the Board of Trustees of Northern Illinois University must conduct their personal affairs in such a manner as to avoid any possible conflict of interest with their duties and responsibilities as members of the Northern Illinois University organization. A conflict of interest is present whenever a Trustee, officer or employee has a material personal interest in a proposed contract or transaction to which the corporation is a party. This interest can occur either directly or indirectly; the Trustee or officer may be personally involved with the transaction, or may have an employment or investment relationship with an entity with which the corporation is dealing, or it may arise from some family relationship.

Any duality on the part of any Trustee or officer shall be disclosed to the Board of Trustees, and made a matter of record through an annual procedure and also

when the interest becomes a matter of Trustee or officer action. In general, a Trustee's or officer's conflict will be cleared of any consequence by, first, full disclosure and, second, approval or ratification of the subject action by a disinterested majority of Trustees. Any Trustee having a duality of interest shall not vote or use personal influence on the matter, and shall not be counted in determining the quorum for the meeting. The minutes of the meeting shall reflect that a disclosure was made, the abstention from voting and the quorum situation.

Any new Trustee or officer will be advised of this *Bylaw* restriction upon entering the duties of office.

ARTICLE VIII. INDEMNIFICATION

Section 1. subject to applicable law, the availability of funds, and the terms and conditions of the Board's Self-Insurance Program, the Board of Trustees shall indemnify each present or former Trustee, officer, employee and agent of the Board, except independent contractors, against all expenses which may be reasonably incurred or paid in connection with any claim, or actual or threatened action, suit, proceeding or investigation (civil, criminal or other, including appeals) in which he or she may be involved by reason of being or having been a Trustee, officer, employee or agent or was serving at the written request of the Board as a director or officer of any other corporation, partnership, joint venture, trust; or other cooperative, consortium or enterprise; or by reason of any action or omission or alleged action or omission (including those antedating the adoption of this *Bylaw*) in any official or personal capacity; and against any amount or amounts which may be paid (other than to the Board) in reasonable settlement of any claim, action, suit or proceeding where it is in the interest of the Board that settlement be made.

Section 2. In cases where an action, suit or proceeding advances to final adjudication, indemnification shall not extend to matters as to which it shall be adjudged that the Trustee, officer, employee or agent is liable for misconduct in the performance of his or her duties to the Board. Neither a judgment or conviction nor the entry of any plea in a criminal case shall of itself be deemed an adjudication that the Trustee, officer or agent was liable for misconduct in the performance of duties to the Board if he or she acted in good faith, for a purpose which he or she reasonably believed to be in the best interests of the Board, and was not aware that the conduct was unlawful.

Section 3. The determination whether a settlement was reasonable and in the interest of the Board or whether the Trustee, officer, employee or agent acted in good faith for a purpose which he or she reasonably believed to be in the best interests of the Board and was not aware that the conduct was unlawful may be made by a majority of the disinterested Trustees acting on the proposal though less than a quorum, or by any one or more disinterested persons to whom the question may be referred by the Board of Trustees.

Section 4. As used in this Article of the *Bylaws*, the term "expenses" includes without limitation, attorneys' fees, costs, judgments, fines, penalties and other liabilities.

Section 5. The rights of indemnification provided for are severable, are not exclusive of other rights to which any Trustee, officer or agent may now or hereafter be entitled, and continue in effect notwithstanding the fact that the individual ceases to be a Trustee, officer, employee or agent at the time the action is instituted, while it is pending or after the judgment is rendered.

Section 6. The indemnification referred to above covers the conduct of the Trustees, officer, employee or agent which occurred both before and after the adoption of this Article of the *Bylaws* and shall insure to the benefit of his or her estate.

Section 7. If any part of these *Bylaws* or any payment made pursuant to it is for any reason held invalid, the provisions of this Article of the *Bylaws* are not otherwise affected but remain in full force and effect.

ARTICLE IX. ADOPTION, REVIEW AND AMENDMENT OF BYLAWS

Bylaws may be adopted at any regular meeting by majority vote of the total voting membership of the Board. The *Bylaws* shall be reviewed periodically as needed.

Articles of the *Bylaws* of the Board of Trustees may be amended at any regular meeting of the Board by majority vote of the total voting membership of the Board, provided that notice of the intention to amend the *Bylaws* shall have been presented in writing at the regular meeting immediately preceding. Such notice shall provide so far as possible the exact wording of the amendment proposed.

**APPROVAL OF APPOINTED BOARD OFFICERS
AND
BONDING REQUIREMENTS**

Item 14

The President recommends in accordance with the Northern Illinois University Law and the Board of Trustees *Bylaws* that the Board designate and appoint Dr. Eddie R. Williams to serve as Treasurer for the Board of Trustees provided that Dr. Williams furnishes a fidelity bond to the Board in the amount of \$500,000 to be secured by the State of Illinois Department of Central Management Services Official, Surety and Fidelity Bond Plan.

Item 15

The President recommends in accordance with the Northern Illinois University Law and the Board of Trustees *Bylaws* that the Board designate and appoint Dr. Anne C. Kaplan to serve as Assistant Secretary and Assistant Treasurer for the Board of Trustees provided that Dr. Kaplan furnishes a fidelity bond to the Board in the amount of \$500,000 to be secured by the State of Illinois Department of Central Management Services Official, Surety and Fidelity Bond Plan.

Item 16

The President recommends in accordance with the Board of Trustees *Bylaws* that the Board designate and appoint George M. Shur, Esq., to serve as Second Assistant Secretary for the Board of Trustees.

Item 17

The President recommends in accordance with the Board of Trustees *Bylaws* that the Board designate and appoint Kenneth L. Davidson, Esq., to serve as Parliamentarian for the Board of Trustees.

**Appointment of Board of Trustees Committees
(Academic Affairs - Finance & Facilities - Legislation)**

Executive Committee [Chair, Vice Chair, Secretary and one member elected at large]

Chair: Myron Siegel
Vice Chair: George Moser
Secretary: Jim Myles
Elected: Bob Boey
President: John La Tourette (nonvoting)

Academic Affairs, Student Affairs and Personnel

Chair: Jim Myles
Vice Chair: Sue Grans
Members: David Raymond
Manny Sanchez
Willie Fowler
Ex Officio: Board Chair (voting**); President and Provost (both nonvoting)
Liaison: J. Carroll Moody, as Provost

Finance, Facilities and Operations

Chair: Bob Boey
Vice Chair: David Raymond
Members: Sue Grans
George Moser
Ex Officio: Board Chair (voting**); President (nonvoting)
Liaison: Eddie Williams

Legislation, Audit and External Affairs

Chair: George Moser
Vice Chair: Manny Sanchez
Members: Bob Boey
Willie Fowler
Ex Officio: Board Chair (voting**); President (nonvoting)
Liaison: Kathy Swanson

***NOTE:** A Trustee need not be a member of the Committee to attend and participate in any Committee meeting.

****NOTE:** Board Chair only votes to break a tie.

Bob Boey: NIU Foundation Liaison

Executive Committee (Elected Member)
 Finance, Facilities and Operations (Chair)
 Legislation, Audit and External Affairs

Willie Fowler: Academic Affairs, Student Affairs and Personnel
 Legislation, Audit and External Affairs

Sue Grans: Academic Affairs, Student Affairs and Personnel (Vice Chair)
 Finance, Facilities and Operations

George Moser: Vice Chair
 Executive Committee (Vice Chair)
 Finance, Facilities and Operations
 Legislation, Audit and External Affairs (Chair)

Jim Myles: Secretary
 Executive Committee (Secretary)
 Academic Affairs, Student Affairs and Personnel (Chair)
 Civil Service Merit Board

David Raymond: Academic Affairs, Student Affairs and Personnel
 Finance, Facilities and Operations (Vice Chair)

Manny Sanchez: Academic Affairs, Student Affairs and Personnel
 Legislation, Audit and External Affairs (Vice Chair)

Myron Siegel: Chair
 Executive Committee (Chair)
 Illinois Board of Higher Education (IBHE) Liaison

**NIU BOARD OF TRUSTEES
OFFICERS, COMMITTEE ASSIGNMENTS,
LIAISONS AND OTHER ASSIGNMENTS**

Chair	Myron Siegel
Vice Chair	George Moser
Secretary	Jim Myles
Treasurer	Eddie Williams
Assistant Secretary/Assistant Treasurer	Anne Kaplan
Second Assistant Secretary	George Shur
IBHE Liaison	Myron Siegel
Civil Service Merit Board	Jim Myles
NIU Foundation Liaison	Bob Boey
Board Parliamentarian	Ken Davidson

**Approval of Comprehensive Organizational Resolution
of the
Board of Trustees of Northern Illinois University**

- Item 20b. Corporate Seal
- Item 20f. Conflict of Interest Policy for Trustees and Officers of Northern Illinois University
- Item 20g. Policy Statement Relating to Expenses of Members of the Board of Trustees of Northern Illinois University
- Item 20h. Board of Trustees Liability Self-Insurance Plan

**ORGANIZATIONAL RESOLUTION
OF THE
BOARD OF TRUSTEES OF NORTHERN ILLINOIS UNIVERSITY**

WHEREAS, the General Assembly and Governor of the State of Illinois joined to create the Northern Illinois University Law through adoption of Public Act 89-4 effective January 1, 1996, and

WHEREAS, such Act created a body politic and corporate to be known as the Board of Trustees of Northern Illinois University to operate, manage, control and maintain Northern Illinois University in accordance with the rights, powers and duties vested by law in that Board, and

WHEREAS, the Governor has duly appointed seven (7) voting Members of the Board of Trustees with the advice and consent of the Senate and the Oaths of such members having been administered and recorded,

NOW THEREFORE BE IT RESOLVED that the voting Members and the nonvoting student Member bind themselves together to commence service in the public interest to promote and foster the ability of Northern Illinois University to offer such courses of instruction, conduct such research and offer such public services as are now provided and as may be prescribed in the future by this Board of Trustees and to promote and foster the general welfare of Northern Illinois University, its students, faculty and staff;

BE IT FURTHER RESOLVED that the *Bylaws* of the Board of Trustees of Northern Illinois University as presented in public session at its Organizational Meeting this date be approved and installed for use by the Board in execution of its broad powers, duties and responsibilities;

BE IT FURTHER RESOLVED that the President of the University, or his designee, be authorized and directed to administratively review and reasonably interpret the interim rules and regulations passed to the university from the Board of Regents through Public Act 89-4 with conforming adaptations and nomenclature adjustments to reflect the reorganized structure for governance and operation of the University;

BE IT FURTHER RESOLVED that the President is directed to develop a set of Board statements which incorporate the policy elements currently contained in the interim rules and regulations and present them to the Board for approval as soon as practical;

BE IT FURTHER RESOLVED that the President in consultation with appropriate University shared governance bodies commence action to review and recommend beneficial substantive changes in campus rules and regulations to

better position the University to efficiently address changed organizational circumstances in the future;

BE IT FURTHER RESOLVED that the Board of Trustees Corporate Seal as presented in public session at its Organizational Meeting this date be approved and accepted;

BE IT FURTHER RESOLVED that the duly elected or designated officers of the Board of Trustees and the University be empowered to execute any and all documents necessary to fully transfer all pending business from the Board of Regents to the Board of Trustees of Northern Illinois University, including but not limited to contracts, financial matters, related signature authorizations and notices, in order to make such transfers and successor powers, duties and responsibilities fully effective;

BE IT FURTHER RESOLVED that to allow for more timely purchases and contracts, and to improve overall efficiency and effectiveness of the University by streamlining processes and reducing bureaucracy and having decisions made close to the ultimate users, *i.e.*, the faculty, staff and students, the contracting and expenditure authority of the President, or his designee, is adjusted by the Board on an interim basis as follows until such time as more permanent, formal revisions or reorganization of relevant University rules and regulations can be more fully evaluated and completed —

- Purchases: up to \$250,000
- Consultant and Professional Services: up to \$100,000
- Leases of Facilities: up to \$250,000 a year, including multiyear contracts and optional renewals
- Capital Projects: up to \$250,000 including architectural and engineering fees, construction costs, all change orders and contingencies.

provided that transactions in excess of these amounts shall be subject to the approval of the Board, and that, regardless of cost, all capital projects involving the development of significant new space or which reflect significant programmatic expansion be subject to the approval of the Board, and provided further that the President shall provide the Board a quarterly summary report on capital, leases, consultant/professional service transactions and purchases in excess of \$100,000 whether delegated to the campus or approved by the Board, and that the President provide the Board an annual summary of all transactions by category;

BE IT FURTHER RESOLVED that the Conflict of Interest Policy for Trustees and Officers of Northern Illinois University as presented in public session at its Organizational Meeting this date be approved and installed for use by the Board and the University;

BE IT FURTHER RESOLVED that the Policy Statement Relating to Expenses of Members of the Board of Trustees of Northern Illinois University as presented in public session at its Organizational Meeting this date be approved and installed for use by the Board and the University;

BE IT FURTHER RESOLVED that the Board of Trustees Self-Insurance Policy as presented in public session at its Organizational Meeting this date be approved and installed for use by the Board and the University.

Approved by action of the Board of Trustees _____, 199__.

Dated 12/15/1995

**NORTHERN ILLINOIS UNIVERSITY
CORPORATE SEAL**

Northern Illinois University and the Board of Regents adopted the design pictured below as the University's official seal in 1983. Formerly, a version of the state seal was used as Northern's seal as well; a new design was requested to eliminate confusion between the two and to develop an identity more specific to NIU.

The seal's official University use is restricted to official documents, including diplomas, and documents emanating from the President's Office and representing the university as a whole. It is not used as the logo for the University on stationery, routine publications or advertising. The new logo (introduced as part of Northern's centennial celebration) also uses the castle motif and school colors, bringing a unity to the major symbols used to represent NIU: the official seal, the logo, and the red and black athletic colors.

The seal is registered as a licensed property and can be used by manufacturers of school supplies, soft goods and other "University bookstore" items who pay the University a fee for its use. There are restrictions on its use built into the licensing agreement, and each individual request for use is reviewed by the University Relations area.

The President recommends that the Board of Trustees use the symbol indicated below on official documents requiring the University's corporate seal to be affixed.



Recommendation: The President recommends approval of the Conflict of Interest Policy for Trustees and Institutional Officers of Northern Illinois University.

Board of Trustees
Document No. 1996-_____

**CONFLICT OF INTEREST POLICY
FOR
TRUSTEES AND INSTITUTIONAL OFFICERS
OF
NORTHERN ILLINOIS UNIVERSITY**

The Board of Trustees intends this Policy Statement to carry out provisions of the *Bylaws* of the Board of Trustees of Northern Illinois University, Article VII, "Conflicts of Interest." This Policy Statement supplements and is to be applied in conformity with applicable state law and judicial decisions interpreting such law.

1. **Scope.** The following statement of policy applies to each Member ("Trustee") of the Board of Trustees and to all officers of Northern Illinois University. These officers will include the University President, Vice Presidents and attorneys in the Office of General Counsel. The Board of Trustees further intends for the policy statement to serve as guidance for all persons employed by the institution in positions of significant responsibility for purchasing, contracting, fiscal matters and/or resolution of administration claims or disputes.

The primary obligation of all employees, including staff who are officers of the Board, is to Northern Illinois University. Nevertheless the Board encourages employee service, with or without remuneration, to the education community at large such as service to accreditation agencies or membership and involvement in activities of professional or educational organizations. Further, it is acknowledged that University employees will have the opportunity to serve with a variety of other boards and agencies, both public and private. In all such service the employee must be mindful of actual or potential conflicts of interest and shall conduct himself or herself according to this Policy Statement, University regulations and applicable law.

2. **Fiduciary Responsibilities.** Members of the Board, officers and employees of the University serve the public trust and have a clear obligation to fulfill their responsibilities consistently with this fact and applicable laws. All decisions of the Board and officers of the administration and faculty are to be made solely from a desire to promote the best interests of the institution and

the public good. The University's integrity must be protected and advanced at all times. No Trustee, officer or employee shall participate in a decision or action involving any asset or benefit for his or her own interest except insofar as the benefit is de minimis or incidental to the person's membership in a large class such as that of University faculty or staff.

Men and women of substance inevitably are involved in the affairs of other institutions and organizations. An effective board, administration and faculty cannot consist of individuals entirely free from at least perceived conflicts of interest. Although most such potential conflicts are and will be deemed to be inconsequential, everyone has the responsibility to ensure that they make the Board or its designee aware of situations that involve personal, familial or business relationships that have an actual conflict of interest or perceived appearance of impropriety.

A Trustee or officer should be sensitive to any interest he or she may have in a decision to be made by the President or Board of Trustees and, as far as possible, recognize such interest prior to the discussion or presentation of such a matter to the President or the Board. When a Trustee or officer has a direct or indirect interest in a transaction being considered by the President or Board, the Trustee or officer shall disclose the conflict before the President or Board of Trustees takes action on the matter. Upon disclosure by the Trustee or officer, the President or Board shall provide a disinterested review of the matter.

No Trustee or officer shall knowingly participate in the breach of fiduciary responsibility by another Trustee or officer, participate in concealing such breach, or knowingly or negligently permit such breach to occur.

3. Definitions. For purpose of this Policy Statement, the following words and phrases shall have the following meanings.

Business Relationship: One in which a Trustee, officer or a Member of his or her family as defined below serves as an officer, director, employee, partner, trustee or controlling stockholder of an organization that does substantial business with the university, or has a fiduciary relationship to any entity.

Confidential Information: Information a Trustee or officer has obtained or may obtain by virtue of his or her status as a Trustee or officer and which is not available to the public.

Family Member: A spouse, parent, sibling, child, mother-in-law, father-in-law or grandparent residing in the same household as the Trustee or officer.

Financial Interest: An interest in a business as an owner, partner, shareholder, investor, trustee, beneficiary, lender, officer, director, member, employer or consultant.

Official Act: An official decision, resolution, determination, recommendation, approval, disapproval or other action that involves the use of discretionary authority.

Substantial Benefit or Business Dealings: When a Trustee or officer or a member of the Trustee's or officer's family (1) is the actual or beneficial owner of seven and one-half (7½) percent or more of the voting stock or controlling interest of an organization that does substantial business with the university or (2) has other direct or indirect dealings with such an organization from which the Trustee or officer or a member of the Trustee's or officer's family benefits directly, indirectly or potentially from nonemployment-related cash or property receipts totaling \$10,000 or more annually.

4. **Disclosures.** Conflicts of interest involving a Trustee or University officer are not inherently illegal nor are they to be regarded as a reflection on the integrity of the Board or individual Trustees or officers. It is the manner in which the Trustee or officer and the Board deals with a disclosed conflict which determines the propriety of the transaction.

Where disclosures reveal actual or potential conflicts of interest, they will be examined by designated counsel in the Office of General Counsel. Appropriate actions will be taken based on the results of this examination.

A. Annual Disclosures. The Board requires each Trustee and institutional officer annually (1) to review this Policy statement; (2) to reveal any possible personal, familial or business relationships that reasonably could produce a direct or indirect conflict involving the University; and (3) to acknowledge by his or her signature that he or she is in conformance with the letter and spirit of this policy. Full copies of Statements of Economic Interest required to be filed with (1) the Secretary of State pursuant to the Illinois Governmental Ethics Act, and (2) the Illinois Board of Ethics pursuant to Executive Order 3 shall also be filed with the Northern Illinois University Office of General Counsel.

B. Updated Disclosures. Each Trustee or officer required to file by this Policy Statement shall update his or her Disclosure Form within forty-five (45) days of the date that:

- (i) He or she or any family member acquires a financial interest in any business engaging or, to the Trustee's or officer's knowledge, proposing to engage in a transaction with the Board or the University;
- (ii) He or she learns that a family member of such Trustee or officer has a financial interest in a business which, to the Trustee's or officer's knowledge, is engaging or proposing to engage in a transaction with the Board or University; or
- (iii) He or she learns that a business in which such Trustee or officer (or family member) has a financial interest is engaging or, to the Trustee's or officer's knowledge, proposing to engage in a transaction with the Board or the University.

Failure to timely file State-Required Statements of Economic Interest and the Board of Trustees Disclosure Form, and any required updated disclosures, the willful making of a false, misleading or incomplete statement and the failure to cooperate with the Board or its designee in inquiries shall be violations of this Policy Statement, and shall be grounds for sanctions or disciplinary action.

5. **Restraint on Participation.** Trustees or officers who have declared or been found to have a conflict of interest will refrain from participating in consideration of proposed transactions, unless for special reasons the Board or administration requests information or interpretation from him or her. Persons with conflicts will not vote, nor participate in discussions, or be present at the time of vote.
6. **Gifts.** No Trustee or officer may, directly or indirectly, solicit or accept any money or other thing of value (a) that is conditioned upon or given in exchange for performing or promising to perform an official act, or (b) which may influence the manner in which he or she performs an official act.

Any gift, or honorarium, valued in excess of \$500 for any entity or person, doing or seeking to do business with the Board or any element of the University, received by a Trustee or officer, shall be reported in writing to the Board of Trustees or designee at the next regularly scheduled Board meeting.

7. **Conflict of Interest Transactions**

A. **Prohibited Transactions**

- (i) *Official Act.* No Trustee or officer shall take an official act which may directly or indirectly benefit his or her or a family member's financial position.
- (ii) *Confidential Information.* No Trustee or officer shall utilize confidential information to benefit his or her or a family member's financial position.
- (iii) *Transactions.* No business in which a Trustee or officer (or family member thereof) has a financial interest shall engage in a transaction with the Board or University unless (a) the Trustee or officer has disclosed his or her or family member's financial interest in the business to the Board of Trustees or designee in the manner provided in Section 4 above prior to engaging in the transaction, and (b) the transaction is approved by a majority of all Trustees having no financial interest in the transaction, or the President.

- B. **Other Employment.** Trustees and officers shall not engage in or accept employment or render services for other persons when that employment or service is incompatible with or affects the discharge of their official duties or when that employment may tend to impair their

independence of judgment or action in the performance of their official duties.

C. Exceptions. Nothing in this Conflict of Interest Policy shall be deemed or construed to limit the right of any:

(i) Trustee or officer to have a financial interest in any financial institution in which Board or University funds are or are to be deposited or which is or is to be acting as trustee or agent under any financial transaction to which the Board is a party; or

(ii) Appointed officer or employee of the Board or University to hold an appointment or contract of employment with the Board or University.

8. Travel and Related Expenses. The policy of the Board is that the reasonable expenses of travel and lodging for its Trustees and officers traveling on official business on behalf of the Board or University shall be paid by the Board unless provided by an educational agency, organization or professional association in connection with their service or participation as a consultant, reviewer, presenter or similar role; however, if, in the opinion of the Chair of the Board and the University President, the interests of the Board or University are well served by accepting travel and related expenses from another source to attend any conference, convention, seminar or other business meeting, the Board may specially authorize the acceptance of the expenses by any Trustee or officer. The Board Policy Statement Relating to Expenses of Members of the Board of Trustees are adopted by separate action.

9. Political Activities. A Trustee or officer shall not, through his or her position with the Board or University, (a) coerce, command, advise or solicit anyone to pay, lend or contribute money or other thing of value to any partisan party, committee, organization, agency or person for political purposes; (b) use Board or University funds, resources or time for any political candidate or partisan purpose other than education.

10. Sanctions and Penalties. Violation of any part of this Policy Statement may subject the violator to disciplinary action, and to such other penalties as may be provided by law.

11. Standard for Interpretation. This Policy Statement shall be liberally construed to protect the public interest consistent with applicable laws and judicial decisions relating to conflicts of interest. Where appropriate, the Office of General Counsel is designated to review conflicts of interest concerns and report findings to the Board Chair and the President.

APPROVED by action of the Board of Trustees _____, 199 ____.

**DISCLOSURE FORM
FOR
TRUSTEES AND UNIVERSITY OFFICERS
OF
NORTHERN ILLINOIS UNIVERSITY**

Completion and filing of this Disclosure Form are required annually on or before March 31 for individual Trustees and officers of the University. It is to be returned to the Office of General Counsel and maintained annually subject to only limited disclosure for protection of the interests of the Board of Trustees and the University. Updated information should be filed in accordance with the Policy Statement for changed conditions. Please provide the following information and return this Form in the envelope provided.

1. Are you aware of any relationships with the University between yourself or a member of your family, as defined by the letter or spirit of the Board's Conflict of Interest Policy Statement, that may represent a conflict of interest?

YES NO

If Yes, please list or thoroughly explain such relationships and the details of annual or potential financial benefit as you can best estimate them. Use additional sheets if necessary.

2. Did you or a member of your family receive, during the past 12 months, any compensation, stipends, honoraria, gifts or loans from any source as a result of the University buying specific goods or services or otherwise having specific substantial business dealings?

YES NO

If Yes, please list each such item, its source, and its approximate value here, using additional sheets if necessary.

<i>Item</i>	<i>Name of Source</i>	<i>Approximate Value</i>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Recommendation: The President recommends approval of the Policy Statement Relating to Expenses of Members of the Board of Trustees of Northern Illinois University.

Board of Trustees
Document No. 1996-_____

Policy Statement
Relating to Expenses of Members of the Board of Trustees
of Northern Illinois University

For purposes of clarity and understanding, it is appropriate to articulate practical principles that will govern certain internal matters of the Board of Trustees of Northern Illinois University. The Northern Illinois University Law provides that Members of the Board of Trustees "shall be entitled to reasonable amounts of expenses necessarily incurred in the performance of their duties. Such expenses incurred by the student member may at the discretion of the Chairman of the Board be provided for by advance payment to the student member, who shall account therefor to the Board immediately after each meeting" (110 ILCS 685/30-20). The University President will designate a staff member to handle Trustee expense accounting and administration.

Receipted expenses that qualify for routine payment will include travel, taxis, lodging, meals and other reasonable ancillary expenses such as telecommunications, postage or document delivery services, while attending or preparing to attend regular or special Board meetings, committee meetings of the Board, associational meetings related to Board service including seminars and annual conventions, meetings with other Trustees, meetings with University officers, meetings of the Illinois Board of Higher Education, or official functions of the University or some department of the University. This is not intended to be regarded as an exhaustive list, but one that is illustrative. Travel and lodging expenses of a spouse or personal companion may be reimbursed when a scheduled social function is associated with the meeting. Expenses for alcoholic beverages are always to be regarded as personal and not reimbursable from public funds.

The University will pay receipted expenses for participation in meetings and activities of university governing board associations. Association of Governing Board membership dues and subscription expenses for higher education publications related to governance responsibilities will be paid directly by the University.

When invited to participate in special events sponsored by the University or one of its departments, Trustees may accept discounted or complimentary

admissions, transportation, lodging and meals for themselves and a companion to the extent they offer such amenities as a part of the written invitation to participate. These invitations should primarily be for the benefit of the University. Trustees may accept invitations to accompany University athletic teams to out-of-town competitions and related activities as members of the University's "official part." Invitations may also be appropriate for observing nonathletic intercollegiate competitions; music, drama or other performing artists; fine art showings; lectures or demonstrations; and other University-related activities or official functions.

If questions or uncertainties arise about reimbursement for unusual or unique purposes or specific allowable amounts, the Chair of the Board or the Executive Committee, as applicable, is authorized to decide the appropriateness of such reimbursements. Current reimbursement standards for University employees as set by the State Travel Control Board may be a nonbinding resource for determinations of reasonableness.

APPROVED by action of the Board of Trustees _____, 1996.

Agenda Item 20h
January 3, 1996

Action

Recommendation: The President recommends approval of the Board of Trustees of Northern Illinois University Liability Self-Insurance Plan.

Background: Northern Illinois University has been covered by a liability self-insurance program since 1986. An explanation of the overall liability protection program for Board of Trustees Members, as prepared by Kenneth L. Davidson, was transmitted to Board Members in mid-November.

The proposed Plan that would be effective as of January 1, 1996 provides for legal representation of Board Members, employees, students in academic clinical placement programs and volunteer workers in the event of a claim or suit against such individuals. The Plan provides primary indemnification coverage for damages as a result of such claim or suit except for cases which should be before the Court of Claims, are covered by the State of Illinois Employee Indemnification Act, or are found to involve intentional or wilful and wanton misconduct. Other terms, conditions and exclusions in the proposed Plan closely parallel standard provisions and practices for self-insurance programs of public higher education institutions in Illinois.

The President has set a ninety percent (90%) confidence level on a claims-made basis as the appropriate initial funding goal. This level should also be adequate to provide tail coverage to the Board of Regents for pending claims as well as unasserted claims involving Northern Illinois University interests, which was as a condition established by the Board of Regents for liquidation of its Reserve Fund. The funding decision was based on an independent actuarial review by Miller, Rapp, Herbers, Brubaker & Terry, Inc. of Bloomington, Illinois. The source of funding for the Plan will be the assets received from the Board of Regents Self-Insurance Reserve Fund later this month. Future funding levels will be determined on an experience basis, with annual contributions to the Reserve Fund to be determined by the President.

This Liability Self-Insurance Plan is needed to fill a gap in the Board's liability protection program caused by the reorganization mandated by Public Act 89-4. As a matter of policy the Liability Self-Insurance Plan will be the primary management system for coordinating and resolving liability and indemnification matters for the Board and the University.

**SELF-INSURED LIABILITY PLAN STATEMENT
BOARD OF TRUSTEES OF NORTHERN ILLINOIS UNIVERSITY**

ARTICLE I. ISSUING AUTHORITY AND PLAN ADMINISTRATOR

A. Fund Authorization/Program Authorization

The Board of Trustees of Northern Illinois University Liability Self-Insurance Plan ("Self-Insured Plan" or "Plan") is authorized by Section 30-60(b) of the Northern Illinois University Law (Illinois Compiled Statutes Chapter 110, Section 685/30-60(b), as it exists as of January 1, 1996 and as it may be amended in the future). The Plan design relies upon the privileges and immunities provided by the Eleventh Amendment of the U.S. Constitution in federal matters, as well as the protections accorded by the Illinois Court of Claims Act, 705 ILCS 505/1 *et seq.*, State Employees Indemnification Act, 5 ILCS 350/0.01 *et seq.*, and all other sources of legal protection for a public entity of the State and the officers and employees of such entity. Neither the approval of this Plan document nor the maintenance of the conditional coverages by the Board of Trustees shall be deemed a waiver of any constitutional, statutory, common law or other defense or immunity.

The Plan is subject to applicable State and Federal laws. Any provision herein which is in conflict with such laws is amended to conform to such laws.

B. Effective Date

The Plan is issued and effective as of 12:01 a.m. Central Standard Time, January 1, 1996, and remains in effect until revoked, rescinded or canceled by the Board of Trustees of Northern Illinois University.

C. Plan Administrator

The President of Northern Illinois University shall designate a Plan Administrator to implement the provisions of this Plan. The Plan Administrator shall have such authority and responsibilities as are reasonable and necessary to execute the duties established by the Plan, including development of suitable loss prevention and control programs. The Plan Administrator will approve disbursements from the Plan Fund and make policy determinations for the Plan's operation in consultation with the President.

The Plan Administrator may require a report from all agents and independent contractors, including retain attorneys, in regard to the status of their Plan-related work for the Board, problems encountered during the performance of their duties and recommendations for improvements in the performance of the Plan or functions of Board operations.

ARTICLE II. DEFINITIONS

As used in this Plan Statement, the following shall mean:

1. "Allocated defense costs" are those costs which are allocated to individual cases under the bookkeeping and accounting system utilized by the Plan or Board.
2. "Board," "University," and "Employer" is the Board of Trustees for Northern Illinois University, a body corporate and politic of the State of Illinois.
3. "Covered Person" is any current or former Member of the Board, or Board employee, officer, or Northern Illinois University student participating in University-authorized internships, externships, professional practice programs, and similar work/learning opportunities, or volunteer worker participating in a University-established and authorized activity, and their heirs or legal representatives. "Covered Person" also is any individual, partnership, corporation or other entity specifically afforded coverage under the Program as an "added Insured Person" pursuant to a written Certificate of Coverage authorized by the Plant administrator.
4. "Damages" shall mean any monetary consideration approved under the Plan for payment to a claimant or the amount of a final judgment awarded to a claimant by a court of competent jurisdiction, including but not limited to money, services, and waiver of amounts payable from individuals who receive University services, but excluding payments of back pay for service rendered, fines, monetary penalties, costs of cleaning up contaminated sites, and payments which are contrary to public policy.
5. Gender references shall be understood to apply equally to males and females.
6. "Injury" is the physical damage to or destruction of tangible property, bodily or mental injury, sickness or disease, including death, to which the Plan applies and resulted from an "occurrence" in the conduct of University business. The term "injury" shall not be deemed to mean intentional torts.
7. "Occurrence" is any incident or accident while the Plan is in effect, including continuous or repeated exposure to conditions, which results in an "injury" or "personal injury" not expected or intended from the standpoint of the covered person.
8. "Personal injury" means damages to which the Plan applies sustained by any person or organization and arising out of one or more of the following committed in the conduct of University business.
 - a. False arrest, detention or imprisonment, or malicious prosecution.
 - b. The publication or utterance of a libel or slander or of other defamatory or disparaging material, or a publication or utterance in violation of an individual's right of privacy.
 - c. Wrongful entry or eviction, or other invasion of the right of private occupancy.

- d. Sexual harassment, humiliations, or discrimination.
 - e. Infringement of copyright, title or slogan.
 - f. Plagiarism, piracy, or unauthorized use of materials.
 - g. Advertising, broadcasting, telecasting or publishing activities.
 - h. Unfair competition.
 - i. False or improper service of process.
 - j. Violation of property rights
 - k. Violation of a civil or constitutional right.
9. "Plan" means the Board of Trustees of Northern Illinois University Self-Insurance Plan as set forth in this document.
10. "Reserve Fund" is the fund established by the Board and managed by the Treasurer of the Board of Trustees for the payment of such sums as may lawfully and properly be incurred through the operation of the Plan.
11. "Suit" means any action initiated in any state or federal court, or before any state or federal administrative agency. Suit does not include actions in the Illinois Court of Claims, arbitration proceedings or any other proceeding not defined as a suit.
12. "Wrongful Act" means (a) any action, error or omission by a Covered Person in the scope of such person's authorized duties on behalf of the Board of Trustees for Northern Illinois University which causes an injury or personal injury, and (b) in the case of students participating in University-authorized internships, externships, professional practice programs, and similar work/learning opportunities, their actions, errors or omissions occurring in the scope of their approved academic programs.

ARTICLE III. COVERAGE STATEMENT

A. Primary and Excess Coverage Conditions

To the extent that a covered Person has valid and collectible insurance, state or federal immunities, or state-provided indemnification, the coverage afforded under this Plan shall be excess or secondary coverage and such other protections shall be deemed to provide primary coverage. The coverage afforded by the Plan shall apply in excess of any other valid and collectible insurance purchased by the Board.

B. General Coverage Undertakings

Subject to the conditions and exclusions directly or indirectly set forth in the Plan, the Board of Trustees of Northern Illinois University Liability Self-Insurance

Reserve Fund shall pay on behalf of any Covered Person all sums which the Covered Person shall become legally obligated to pay for a claim first made while this Plan is in effect due to a Wrongful Act.

The limits and conditions for coverage under the Board Self-Insurance Program, as set forth herein, shall not be waived or changed as a general matter. On a case-by-case basis, however, the Plan Administrator, with the consent or direction of the President or the Board of Trustees, may make limited exceptions where the best interests of the University or the general public are served thereby.

C. General Defense Undertakings

Subject to the conditions and exclusions directly or indirectly set forth in the Plan, the Plan shall defend any suit against a Covered Person on account of allegations of a Wrongful act even if the allegations are groundless, false or fraudulent. The Plan Administrator or Board may investigate or settle any claim or suit as it deems proper.

D. Plan Liability Limits

The limits of liability for Coverage afforded under the Plan shall be the unexpended balance of the Reserve Fund at the time of execution of settlement or final judgment. The Board does not make any commitment to pay sums in excess of such available balance of the Reserve Fund. The Plan Reserve Fund shall be the sole source of all payment made pursuant to the Plan and in no circumstance shall any other funds of the Board, any officer, Member of the Board individually, any employee or any other Covered Person be liable or responsible for payment of any Plan obligation.

The Plan's Reserve Fund shall not be available for the payment of any claims brought about as a result of an insolvency or failure to pay by an insurance company or claims outside of the scope of coverage established under this Plan; provided, however, that the Plan shall administer and pay for all efforts authorized by the President and Plan Administrator to collect payments from insurance companies.

ARTICLE IV. EXCLUSIONS

The following categories of claims or suits are specifically excluded from coverage under the Plan:

1. Claims or suits against the Board founded upon any law of the State of Illinois, or under any regulation thereunder by an executive or administrative officer or agency.
2. Claims or suits against the Board founded upon contracts entered into or authorized by the Board. This exclusion does not disqualify fee or expense claims for loss control programs, insurance services, actuaries, auditors, attorneys or similar professionals engaged for analysis, loss prevention,

consultation, or defense/investigation services when these are authorized by the President or the Board of Trustees.

3. Claims or suits against the Board sounding in tort.
4. Claims or suits sounding in tort against any employee of the Board involving the operation of a vehicle owned, leased or controlled by the Board.
5. Claims authorized by Section 10-55(a) of the Illinois Administrative Procedure Act (Ill. Comp. Statutes, Ch. 5, Sec. 100.10-55(a) as amended).
6. Claims or suits involving intentional or willful and wanton misconduct on the part of the insured person.
7. Claims for matters in which commercial aggregate and excess liability insurance coverage is not contemporaneously provided.
8. Claims for punitive or exemplary damages.
9. Claims for liability of individuals otherwise covered for acts committed outside the scope of their duties and powers.
10. Parts of causes of action seeking nonmonetary claims, such as injunction, mandamus and declaratory relief.
11. The payment of the attorneys' fees of opposing counsel or other court costs where a judgment providing no other monetary relief to the plaintiff is entered.
12. Causes of actions grounded solely in contract except for validly extended contractual obligations of the University to indemnify third parties. For a contractual obligation to be validly extended by the University to indemnify third parties, such contractual obligation must be expressly approved by the Plan Administrator and normally conditioned upon its being "subject to applicable state law including the Illinois Court of Claims Act and the Illinois Employee Indemnification Act."
13. Causes of action seeking only back pay or retroactive salary increases based upon alleged discrimination.
14. Allegations relating to the area of liquor liability beyond the scope of coverage provided within the commercial excess of aggregate liability insurance policies purchased by the Board.
15. Any obligation for which the Board or any carrier as its insurer may be held liable under any workers' compensation law, occupational diseases law, unemployment compensation law or disability benefits law, or under any similar law.
16. Claims for physical damage to or destruction of tangible property owned by or leased to the Board.

17. Claims for liability assumed by a Covered Person in guaranteeing the result of any service or product.
18. Claims for liability arising out of any activity of an incorporated or unincorporated student, staff or faculty organization.
19. Claims for liability and damages caused intentionally or resulting from any dishonest, fraudulent or criminal statement, act or omission.
20. Claims for liability and damages arising from the rendering of emergency aid and assistance not in the scope of University duties.
21. Claims for liability incurred by a Covered Person arising from the performance of services for fees, compensation or profit which are derived or intended to be derived from a source other than the Employer for purposes of personal income and not for institutional income.
22. Claims for liability and damages arising from the failure of corporate stock or other securities to perform as represented by a Covered Person or arising from the investment or noninvestment of funds.
23. Claims for liability, damages or financial obligations arising under any law, regulation, administrative order or court order for the cleanup of a landfill or other contaminated site.

ARTICLE V. DEFENSE AND COOPERATION

A. Assistance of Covered Person

A Covered Person shall cooperate with the Board and, upon the Board's or Plan Administrator's request, assist in making settlements, conducting suits and enforcing any right of contribution or indemnity against any person or organization who may be held liable to the Covered Person because of injury or damage with respect to which coverage is afforded under the Plan; and the Covered Person shall attend hearings and trials and assist in securing and giving evidence and obtaining the attendance of witnesses. The Covered Person shall not except at his own cost, voluntarily make any payment, assume any obligation or incur any expense. Failure to provide such cooperation and assistance may result in the denial of coverage.

In the event that the Covered Person elects to employ his own legal counsel to assist the counsel provided by the Attorney General or the Board, such employment of legal counsel shall be at the personal expense of the Covered Person; however, the Employer and its chosen counsel for the claim or suit shall retain the right to make all decisions in regard to the defense of the claim or suit.

B. Optional Defense by Covered Person

Whatever the Plan Administrator or Board proposes to settle any pending claim or suit where the amount of that proposed settlement shall exceed Five Thousand Dollars (\$5,000), the Covered Person shall be given advance notice of that settlement. Such notice may be given by the establishment of a reserve *[in]* an amount in excess of Five Thousand Dollars (\$5,000), provided that the amount of the settlement does not exceed the amount reserved. The Plan administrator or designee shall, however, endeavor to give specific oral or written notice to a Covered Person of the exact amount of any proposed settlement in excess of Five Thousand Dollars (\$5,000) at least fourteen (14) days prior to the date at which the Plan Administrator or Board proposes to bind itself to pay such settlement amount. It is recognized by the Board that under some circumstances, the Plan Administrator or designee may not be able to give fourteen (14) days' prior oral or written notice of the proposed settlement. The Plan Administrator, designee or University officers, employees or independent contractors of the Board shall attempt to give the Covered Person as much notice of the intended settlement as is practical under the circumstances of each case.

In the event that a Covered Person should disagree with the amount at which the Plan Administrator or Board proposes to settle a case or claim, the Covered Person may exercise its right to prevent a settlement at the agreed upon amount. The Plan Administrator may require that such objection be transmitted in writing. In the event that the Plan Administrator or Board does not settle a case based upon the objections of a Covered Person, the Plan shall continue to provide a defense to the Covered Person unless the Covered Person should desire to undertake the responsibility for the defense.

In the event that the case or claim is eventually resolved through a settlement or judgment in an amount less than the amount at which the case could have been previously settled by the Plan Administrator or Board, then the Covered Person which has undertaken the costs of his own defense shall be entitled to his additional actual costs, including reasonable attorneys' fees, up to the level at which his costs and the prior allocated defense costs of the Board, including reasonable attorneys' fees, are equal to the amount at which the case could have been settled by the Board.

To the extent that the case or claim is resolved through settlement or judgment at an amount greater than that at which the case or claim could have been previously settled by the Board, the covered Person shall be obligated to pay that portion of the settlement or judgment which exceeds the sum of money at which the case could have earlier settled by the Board including all allocated defense costs of the Board. If at any time the amount of the allocated defense costs of the Board devoted to the case shall equal or exceed the amount at which the case could have been settled, the Board may require periodic supplementary payments from the Covered Person if the Covered Person wishes to have the Board continue to provide the defense.

The Plan Administrator or Board may establish the amount at which it could have settled the case through a written settlement offer by the plaintiff or through other competent evidence of the availability of the settlement at a particular sum or the desire of the Covered Person to preclude settlement discussions and the sum at which the Plan Administrator or Board believed the case could have been settled.

ARTICLE VI. CLAIMS ADMINISTRATOR

A. Notice of Claim or Suit

Each Covered Person shall notify the Plan Administrator or designee when knowledge is gained as to any event, action or omission which might reasonably give rise to a claim or suit. The notification should report particulars sufficient to identify injured person(s), potentially covered persons, witnesses and the time, place and circumstances of the occurrence. Each Covered Person shall notify the Plan Administrator immediately upon receipt of a formal claim or service of a suit.

Failure of the Covered Person to cooperate with the Employer or give any notice required under the Plan or deliver summons and complaint to the Plan Administrator or President not later than fifteen (15) calendar days after service of process shall constitute a waiver of the coverage provisions provided by the Plan. The Covered Person shall not, except at his own cost, voluntarily make any payment, assume any obligation or incur any expense with respect to the claim or suit.

B. Claims Administration

1. Procedures. The Plan Administrator shall review all reported claims to determine coverage within thirty (30) days of the receipt of the claim report and all required supporting documentation. The University shall assign appropriate staff to assist the Plan Administrator in making a determination of coverage. The Plan Administrator shall be permitted to decline to provide coverage for such claims if, in his opinion, the claim is not within the scope of coverage accorded by the Plan. The Plan Administrator may also agree to accept the claim and provide a defense but may reserve the right of the Plan or Board to withdraw from the defense or refuse to provide indemnification against the claim in the event that it is later determined that the claim is not properly within the scope of protection accorded by the Plan. If there is a final determination by the Plan Administrator that a claim is not covered by the Plan, the claim will be closed. The decision of the Plan Administrator shall be final in the absence of fraud or a clear abuse of discretion.

Upon determination that a claim is covered by the Plan, the Plan shall establish a confidential reserve amount for the claim. Reserves shall cover anticipated case costs and reasonably probable amounts for payment of damages. In making a determination of reserve amounts, the Plan Administrator may engage the services of an actuary, claims administrator or other consultant. The Plan Administrator shall direct the Treasurer to place said reserve amount as a contingent liability against the Self-Insurance Reserve Fund for purposes of accounting and maintenance of actuarial soundness of the Fund.

2. Settlements. The Plan Administrator and the University General Counsel may explore settlement options with regard to each claim which is finally determined to be covered by the Plan. If settlement cannot be reached or if the

claimant commences litigation in a court or administrative agency, the President in conjunction with the University General Counsel shall select legal counsel to represent the Board of Trustees of Northern Illinois University in such litigation. Defense of claims shall normally be defended by the Illinois Attorney General unless compelling circumstances prevail which justify other counsel. The Office of General Counsel shall work with the Plan Administrator and the President throughout the litigation of the claim.

ARTICLE VII. SUBROGATION RIGHTS

The Board shall be subrogated to all rights of recovery of the Covered Person, to the extent of payment under the Program for or on behalf of the Covered Person. The Covered Person agrees to render assistance to secure such rights and shall not cause, permit or allow any action which might prejudice such rights.

ARTICLE VIII. FUND ADMINISTRATION

A. General

The Self-Insurance Reserve Fund is administered by the Treasurer of the Board of Trustees of Northern Illinois University. The Treasurer shall administer contributions to the Fund, investment of Fund assets and disbursements from the Fund.

B. Maintenance of the Fund

The level of the Fund and the source of funding shall initially be set by the University President. The funding requirements shall be actuarially examined at least biannually in order to determine necessary adjustments. From time to time and as needed, outside assistance shall be secured to make a full actuarial evaluation of the Fund.

C. Contributions to the Fund

Annual contributions to the Fund shall be determined by the President and the Plan Administrator. In observation of sound budgeting practices, efforts shall be made to maintain some year-to-year consistency in the annual contributions.

Unless otherwise directed by the Board, separate claim settlements paid on an "exception" basis pursuant to the Limits of Coverage provision of these Program Operating Guidelines shall be reimbursed to the Fund within three (3) years of the disbursement.

D. Investment of the Fund

The Treasurer of the Board, in coordination and consultation with the University's investments committee, is responsible for the investment and reinvestment of monies of the Self-Insurance Reserve Fund, and maintains records of all investments of the Fund. In investing monies of the Self-Insurance Reserve Fund, approved University investment policies shall be followed as well as good

professional practices. A confidential report of investment activity and performance for the Reserve Fund is presented directly to Board Members annually.

E. Disbursements

Funds may be used only for purposes that are consistent with the Northern Illinois University Law and the terms and conditions of the Plan. As circumstances warrant, the Plan Administrator will direct the Treasurer to make payments for documented purposes permitted by the Plan. Disbursements from the Reserve Fund to implement properly approved settlements shall require approval of the Board in addition to the Plan Administrator and President if they are for Fifty Thousand (\$50,000) or more. The signatures of any two elected or appointed officers of the Board of Trustees on a suitable authorization form are required for all disbursements from the Reserve Fund.

The Treasurer keeps records of all disbursements and performs monthly account reconciliation. The status of the Reserve Fund is reported monthly on a confidential basis to both the President and the Plan Administrator. Operational information concerning current litigation, insurance administration and settlements are exempt from public disclosure under the Illinois Freedom of Information Act, 5 ILCS 146/7(1).

From time to time, disbursements may be made from the Fund to facilitate the payment of insurance premiums. In such instances, the University shall be obligated to reimburse the Fund for such outlays on a timely basis.

Claims shall be paid in the order (1) in which final judgments are rendered and all appeals authorized by the Board or President have proved unsuccessful; and (2) with regard to settlements, in the order that such written settlements are reached and approved. The priority of payment shall be ranked according to completion dates of the claims adjudication or settlement.

In the event that the Plan is discontinued, all funds held in reserve shall be maintained until all reported claims covered under the Plan are resolved. Should any funds remain upon resolution of all such claims, the funds shall be used for other Board of Trustees of Northern Illinois University insurance purposes.

ARTICLE IX. AUDITS AND OTHER OVERSIGHT

The Self-Insurance Reserve Fund is subject to periodic internal audit and external compliance review under the general authority of the Illinois Auditor General. In addition, the operations of the Plan and the Fund shall be reviewed as needed by the Legislation, Audit and External Affairs Committee of the Board of Trustees of Northern Illinois University.

ARTICLE X. RISK MANAGEMENT ADVISORY COMMITTEES

Risk management advisory committees composed of concerned and skilled staff may be established to work with the President's staff and the Plan Administrator

to address insurance needs, loss control needs and educational programs to prevent losses. Such committees may be established by the President.

ARTICLE XI. MISCELLANEOUS PROVISIONS

A. Action Against Employer Under the Plan

No action shall be brought or maintained against the Board under the Plan unless, as a condition precedent thereto, there shall have been full compliance by the Claimant with all of the terms of the Plan, nor until the amount of the Plan's obligation to pay shall have been finally determined either by final judgment against the Covered Person or by written agreement of the Employer and the Claimant.

No person or organization shall have any right under the Plan to join the Board as a party to any action against the Covered Person to determine the Covered Person's liability, nor shall the Employer be impleaded by the Covered Person or his legal representative. Nothing in the Plan shall be construed as a waiver of any governmental immunity or legal remedy or defense of the Board, Northern Illinois University or any Board Member, officer, employee or student.

B. Assignment

No interest hereunder of any Covered Person is assignable. If the Covered Person shall die or be adjudged incompetent, this coverage shall thereupon terminate, but shall cover the Covered Person's legal representative as the Covered Person with respect to damages previously incurred and to which this Plan applies.

C. Cancellation

The Board may at any time terminate the Plan and cancel the coverage provided therein. Notice of such termination of the Plan and cancellation of coverage will be given to all Covered Persons by publication in a newspaper or general circulation in DeKalb County at least thirty (30) days prior to the effective date of such termination and cancellation.

D. Plan Severability

In the event that any part of the Plan is held to be unconstitutional or otherwise declared illegal or invalid, the other part of the Plan will remain in full force and effect, subject to Board action.

E. Changes in the Plan

Any amendments to the Plan subsequent to the date of first approval of the Plan by the Board of Trustees of Northern Illinois University shall be subject to approval as to legal form by the University Office of General Counsel and may be adopted by the President without notice to Covered Persons. The Plan and all

amendments thereto approved by the President shall be available for inspection at reasonable times in the University Office of General Counsel.

No item in this report for release prior to 2:00 p.m. January 17, 1996.

PRESIDENT'S REPORT

No. 1

January 17, 1996

No item in this report for release prior to 2:00 p.m., January 17, 1996.

NORTHERN ILLINOIS UNIVERSITY
BOARD OF TRUSTEES
January 17, 1996

Schedule

- 10:00 a.m. Academic Affairs, Student Affairs and Personnel
Heritage Room
- 10:45 a.m. Finance, Facilities and Operations
Heritage Room
- 11:30 a.m. Legislation, Audit and External Affairs
Heritage Room
- 12:15 p.m. Lunch - University Suite
- 1:15 p.m. Public Meeting of the Board Convened
Regency Room
*(Immediately following roll call, Board will recess to Executive
Session in the University Suite)*
- 2:15 p.m. Meeting of the Board Reconvened
Regency Room

AGENDA

Call to Order and Roll Call

Verification of Appropriate Notice of Public Meeting

Agenda Approval

Minutes of January 3, 1996 Meeting.....4

Reports of Board Committees and Board Liaisons

President's Report No. 173
(Including orientation to University mission, vision and priorities)

Chair's Report No. 176

Other Matters

Adjournment

Minutes of the Meeting of the
BOARD OF TRUSTEES
of **NORTHERN ILLINOIS UNIVERSITY**
January 17, 1996

Call to Order and Roll Call

The meeting was called to order by Chair Myron Siegel at 1:45 p.m. Recording Secretary Mimms conducted a roll call of Trustees. Present for the meeting were Trustees Robert Boey, Susan Grans, George Moser, James Myles, David Raymond, Manuel Sanchez, Student Trustee Willie Fowler and Chair Siegel. Having noted the presence of a quorum, the meeting proceeded.

Chair Siegel recognized George Shur, University General Counsel, to orient the Board on legal staff functions. Mr. Shur stated that the Office of General Counsel consists of three attorneys and two law students. Ken Davidson, Norden Gilbert and George Shur are the three attorneys for Northern Illinois University as a corporate entity and represent the corporation — the Board of Trustees. They provide legal assistance to the Board on corporate matters and matters of Board structure and organization. Mr. Shur handed out a copy of the Illinois Open Meetings Act to the Trustees. Shur stated that occasionally the services of the Attorney General's Office are utilized to provide representation in litigation filed against either the Board or particular employees of the institution. Also, outside attorneys, such as bond counsel, is retained on occasion to assist or represent NIU or its attorneys.

Mr. Shur introduced Norden Gilbert who gave a brief explanation of his responsibilities which consist mainly of the business matters handled by the University. Mr. Gilbert stated that his primary responsibility is to serve as contracts administrator which involves contracts for all sorts of services to the University, including consultants, architects and engineers, performing artists, subcontracts under various grants and other professional services. Mr. Gilbert also reviews construction contracts, leases and licenses for the use of space, and various contracts for the purchase and lease of computers, and the purchase and licensing of software. Mr. Gilbert's office handles services received by the University and reviews grants and contracts for services rendered by the University such as various academic cooperative programs, consulting of various kinds to business around the state, and contracts with various hospitals and other centers where students are placed in affiliation and other clinical kinds of programs. In addition to contracts, Mr. Gilbert handles intellectual property on behalf of the University; however, outside counsel is generally used for patents, copyrights and trademarks.

Mr. Davidson gave a brief summary of his primary responsibilities saying that they relate to Board of Trustees legal requirements, Board and University conflict of interest policy implementation, Board liability self-insurance administration, labor law advice, and representation of University interests in contested proceedings. He also serves as the University's representative to the Illinois Public Higher Education Cooperative, which is comprised of Illinois public universities that have combined to form a statutorily authorized purchasing group

for various forms of commercial insurance and commodities which are used in high volume on the campuses. Additionally, Mr. Davidson serves on assigned University committees, including the university's Human Subjects Research Institutional Review Board as well as the Vehicle Accident Review Board.

Mr. Davidson brought to NIU six years of experience at the Board of Regents and, prior to that, 14 years at Oklahoma State University and its governing board. Mr. Gilbert was in private practice in Chicago for some years and has been at NIU for almost 20 years. Mr. Shur has been at NIU for 13 years. Before that he was in private practice in Maine.

Chair Siegel called for a motion to close the meeting for an Executive Session to discuss legal and risk management matters as generally described under §2.c (11) and (12) of the Open Meetings Act; collective bargaining matters as generally described under §2.c.(2) of the Open Meetings Act; and personnel matters as generally described under §2.c.(1) of the Open Meetings Act. Trustee Boey so moved, seconded by Trustee Myles. A roll call vote of the Trustees to recess to Executive Session was unanimous.

BOARD OF TRUSTEES MEETING RECONVENED

The public meeting was reconvened by Chair Siegel at approximately 3:15 p.m. All Board members were in attendance.

Chair Siegel expressed regret and sympathy to the families and friends of seven Northern Illinois University students and their friends who were recently killed or injured in an automobile accident.

Verification of Appropriate Notice of Public Meeting

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

Approval of Agenda

Trustee Sanchez moved for approval of the Agenda. Trustee Myles seconded the motion. The motion was approved.

Approval of Minutes

Trustee Myles moved for approval of the Minutes of the January 3, 1996 meeting. Trustee Moser seconded the motion. The motion was approved.

REPORTS OF BOARD COMMITTEES AND BOARD LIAISONS

Academic Affairs, Student Affairs and Personnel Committee

Committee Chair James Myles reported that Provost Moody made a presentation on a schedule of reports to be presented to the Board of Trustees and Illinois

Board of Higher Education through the end of the year. Dr. Barbara Henley, Vice President for Student Affairs, familiarized the Board with the Student Affairs Office programs and services related to student learning and office personnel. Mr. Steve Cunningham, Director of Human Resource Services and Personnel, gave a summary of the campus work force, various benefit packages and several employee help programs offered by the University.

The Student Affairs Committee was in the process of setting up meetings with student group leaders to discuss any concerns they might have.

The next meeting of the Academic Affairs, Student Affairs and Personnel Committee was scheduled for Tuesday, March 7, at 12:30 p.m.

Finance, Facilities and Operations

Committee Chair Robert Boey gave the report for the committee. He stated that Committee Liaison Eddie Williams gave an overview of who NIU is and what it is about to the new Board of Trustee members. One of the points made was that NIU has over 11% of the statewide public university enrollment and State funding is at 8%. Also discussed was the fact that of NIU's total appropriated operating budget, only 39% is State funded and the rest is non-State funded. Another matter discussed was the proposed new Debit Card program. The Debit Card will be used for both University identification and a debit card at the same time. The Debit Card program was unanimously approved by the Committee. The next Committee meeting was scheduled for February 27 in the Heritage Room at 12:30 p.m.

Legislation, Audit and External Affairs

Committee Chair George Moser gave the report for the Legislation, Audit and External Relations Committee which met at 12:15 p.m. He stated that Kathy Swanson gave a report and reviewed numerous Senate and House Bills currently under consideration at the legislature in Springfield. There was a review of the legislative session overview of higher education issues. Craig Burkhardt, the Northern Illinois University Alumni Association lobbyist, was introduced and gave a report. During the meeting, President John La Tourette was congratulated on the fine work he did with the President's Campaign Planning Cabinet, on which Trustee Moser served with President La Tourette and Tom Mitchell. The committee was given a report by Doug Moore, the University Controller, who coordinates the external audit process for NIU which eventually leads to a hearing before the Legislative Audit Commission. Sharon Downen, NIU's Director of Internal Audit, gave the Legislative Audit Commission report. Our next Legislation, Audit and External Affairs Committee meeting is scheduled for March 19 at 12:00 a.m. at Hoffman Estates.

Chair Siegel commented that from the Trustees' reports and future meeting dates, the Board was going to be active and accessible. Chair Siegel suggested that faculty, staff, students and other interested people who would like to see some sort of action taken regarding the 11% enrollment and 8% funding issue should direct their attentions to the state legislature in an effort to help increase that number from 8% to 11% which would allow NIU to do a number of things, including cutting tuition remarkably.

PRESIDENT'S REPORT NO. 1

Report on Grants and Contracts Awards

President La Tourette said that a report of our grants and contract awards for the current fiscal year will be reported on a regular basis. The report presented in this meeting included the last month of activity during December and January and an accumulative total. It was expected that this report would be broadened and enhanced for future meetings.

Debit Card Contract

Dr. La Tourette said that the Debit Card program, through a contractual arrangement with the TCF Bank, combines in one card the possibility of an identification card and a debit card and provides a location for local banking and ATM services. RFP's were sent to 15 debit card vendors; three responses were received. The TCF response was considered the most appropriate because it provides the most favorable financial considerations both for card users (the students) and the University. The TCF Bank would establish a branch bank in the Holmes Student Center and install two ATM's for student use on campus. This program can be expanded, ultimately, to include faculty and staff. It also can be expanded to include a credit card arrangement and checking arrangement with the use of the card. This would not only allow the students to identify themselves on campus for appropriate University services, but also to make small transactions, not only in the bookstore, but perhaps at vending machines. And, as it is expanded under University concurrence to the community, the students could use such a card with local vendors. The program was examined very closely by NIU staff from the point of the convenience to students and to faculty and staff if they become users, to the University and to the vendors. President La Tourette asked the Board to approve the endorsement of the Finance, Facilities and Operations Committee.

President La Tourette recognized Tammy Farley who represented the team that worked on the Debit Card program by learning a great deal about these systems and provided a matrix of analysis showing that this was the best approach for the University. Dr. La Tourette thanked Ms. Farley and everyone else involved from all areas of the University.

Chair Siegel called for a motion to approve the Debit Card program. Trustee Boey so moved, seconded by Trustee Grans. The motion was approved.

Orientation: University Mission Vision and Priorities

President La Tourette gave an overview of the University mission, vision and priorities. We feel it's very important, he said, for the new Trustees to have a full understanding of Northern Illinois University's unique mission, vision for the future and the priorities needed to make this vision a reality.

Fundamentally, La Tourette said, there is a three-part mission for all universities consisting of the discovery, transmission and application of knowledge. First, in

a sense, NIU is a comprehensive institution because we commit ourselves to excellence in undergraduate education and carrying out the mission of a liberal arts institution. Secondly, we have a major research role, basically in fundamental research which makes us similar to a research university. Then too, one of our important missions is applied research and the application of the knowledge to the region to assist industry, business and government. In that sense, the University acts like a land-grant institution focusing on applied research that is immediately relevant to the region's economic development. Finally, in a sense, the institution combines the aspects of a community college service role and the land-grant university tradition. But in one sense the most important variable for the University is its region. This region has helped us recruit the high-quality faculty that distinguishes the University. It provides the partnerships that give us such unique opportunities for educational research and service. These opportunities for innovative teaching, research and public service are not available in many other regions.

President La Tourette asked Dr. Moody to provide information in more detail about the service region without which NIU would be a radically different university in size and scope.

Dr. Moody gave the boundaries of NIU's service region which extends from the Mississippi on the west to Chicago on the east and encompasses 23 counties with a total population of 8.5 million. Almost six million people live in our service region outside the City of Chicago. NIU's off-campus education centers in Rockford and Hoffman Estates and our programs at the Multiuniversity Center in Oakbrook in partnership with the University of Illinois at Urbana and Chicago are clearly located to serve large population pockets in our region. Our student population mirrors regional demographics. A significant number are located in the Rockford area, a small number reside in other small communities around and to the west of DeKalb. Another significant number comes from the Chicago metropolitan area. But the largest number, by far, are coming from the suburbs, particularly the western and northwest suburbs.

NIU's undergraduate profile differs from most other universities in Illinois. Forty-four percent enter as transfer students, 33% commute to campus (that's about 5,000 students), 91% are from this service region, and 89% return to the service region for their first jobs. NIU's graduate population, about 6,600 students participate in higher education by taking advantage of programs while maintaining employment and family obligations. Sixty-eight percent commute to campus or one of our off-campus centers, 33% take classes off campus and 69% of our graduate students attend part-time.

Dr. La Tourette introduced Mr. Tom Mitchell, Vice President for Development, and asked him to talk briefly about the need for increased private support to the University.

Vice President Mitchell spoke briefly on the status of Foundation work to date, a review of its fund raising program, progress toward Foundation objectives, a projected time line for continued work and the challenging issues that will be confronted in the near future.

Trustee Boey said that before his assignment to the Board of Trustees, he served on the Foundation's Executive Committee and the Strategic Planning Task Force, and commended Mr. Mitchell and his staff on their work.

Trustee Raymond asked for clarification on the relationship between the NIU Board of Trustees and the IBHE with respect to program eliminations and how the university relationship with IBHE would proceed in the future with respect to the P•Q•P program.

Chair Siegel said the "P•Q•P Initiative" is going to continue for some time. Chair Siegel asked if perhaps either President La Tourette or Provost Moody could give a little more information on P•Q•P. President La Tourette explained that the Board of Higher Education has the authority to establish new programs and centers and other educational activities of significant form; but only the Board of Trustees has the authority to delete those programs. The P•Q•P Initiative, as it's referred to by Chairman Quern, was promulgated on the basis of streamlining the universities and, at the same time, saving funds or reducing costs, so that those funds could be reallocated.

It was President La Tourette's hope that this Board can help NIU a great deal in articulating the importance of the region and how the University relates to the region, and draw out of those discussions the guidelines that are appropriate for this institution.

Chair Siegel called for a motion to accept President's Report No. 1 as supplemented by the comments of Mr. Mitchell, Provost Moody and President La Tourette. Trustee Sanchez moved for approval of President's Report No. 1 as supplemented and Trustee Grans seconded the motion. The motion was approved.

CHAIR'S REPORT NO. 1

The Chair's Report contained an amendment to the University Constitution that clarifies the status of the Professional Librarians as faculty, and to make other housekeeping changes as necessary, to provide the Professional Librarians appropriate representation in the University's governance process. Chair Siegel called for a motion to accept the change to the University Constitution. Trustee Boey so moved, seconded by Trustee Sanchez. The motion was approved.

OTHER MATTERS

Chair Siegel mentioned that he had received correspondence from Dr. Charles Larson on a Faculty Senate proposal for an advisory group to the Board, and understood that the Senate was in the process of completing that proposal.

The Chair thanked President La Tourette, all the liaisons and all of the staff who helped prepare the materials for the meeting materials, and the staff who were so instrumental in providing the facilities, beverages and food stuffs.

Chair Siegel entertained a motion to adjourn. Trustee Sanchez so moved, seconded by Trustee Moser. The motion was approved.

The meeting was adjourned at 4:40 p.m.

Respectfully submitted,

Sharon M. Mimms
Recording Secretary

**NORTHERN ILLINOIS UNIVERSITY
BOARD OF TRUSTEES MEETING**

January 17, 1997

**PRESIDENT'S REPORT
DEBIT CARD ITEM**

The University plans to expand the use of the University Identification Card to include financial transactions. The Identification Card will be adapted to function as a debit card for the purchase of goods and services at locations both on campus and off campus, as well as to perform typical Automated Teller Machine (ATM) transactions to access cash and make deposits to the cardholder's optional demand deposit account. In addition, the proposed system will accommodate the electronic transfer of student payroll and net financial aid credits of the cardholder's account. Implementation of access to the demand deposit account and to the ATM functions is planned for July 1, 1996.

The University recognized the importance in working with a financial institution to satisfy compliance issues related to Regulation E and other applicable state and federal banking/depository requirements. The University researched various options, studied the impact of Senate Bill 93 and determined that partnering with a financial institution would be in the best interests of the students, faculty, staff and the larger University community.

A Request for Proposal (RFP) was sent on November 3, 1995 to fifteen debit card vendors to solicit sealed proposals from financial institutions interested in establishing a partnership with the University. Of the fifteen RFP's sent out, six were sent to local DeKalb-Sycamore-area financial institutions, six to Chicago-area financial institutions, and the remaining three were sent out of state.

The University received three responses to the RFP. Each of the three responses was completed in the established time frame and met the University's criteria for evaluation. Since all three responses presented a plan for a high level of service to the University community, the group evaluating the proposals made their unanimous recommendation to select the TCF Bank as the University's financial partner for the debit card program based on every favorable financial considerations for both card users and the University. A contributing factor in the selection of TCF Bank was the number and location of TCF Bank offices throughout northern Illinois.

The University seeks authorization to expand significantly financial services to students by entering into a contract with the TCF Bank which has the following elements:

1. The TCF Bank proposal would locate a branch bank facility in the Holmes Student Center and two TCF Bank ATM's on campus. The University will provide the basic services and shell for the branch bank, and TCF Bank will be responsible for all costs associated with the actual branch bank interior construction. With the opening of the TCF branch

bank facility and added ATMs, the students will have the convenience of a broad range of financial services accessible directly on the University's campus. The students will be offered an optional demand deposit account that will be linked to the University Identification Card for debit card functions. The terms of the optional bank account with TCF Bank are: no minimum balance required, no monthly service fees, and no ATM transaction fees for transactions completed at TCF Bank-owned ATMs.

2. The linking of financial functions to the University Identification Card allows the University to offer a single card solution to the students, faculty and staff. Financial services associated with the demand deposit account include the direct deposit of payroll, the electronic transfer of student financial aid net credits, the purchase of goods and services both on campus and off campus, and ATM access. The ability to utilize the card for small dollar copier, Laundry and vending transactions will be implemented as an additional debit (declining balance) feature. In addition, a long distance calling card option will be available to the cardholder. The benefits to the student (cardholder) are a combination of new financial services offered by the University's debt card program and the convenience of a multi-purpose, single card system.
3. In addition, the University will receive rental income from TCF Bank for the lease of the branch bank space as well as for the ATMs. Revenue will also be provided to the University from TCF Bank based on the number of active demand deposit accounts and the volume of certain transactions.
4. The initial term of the agreement will be five year, running through June 30, 2001. The agreement shall be subject to an additional five year renewal through June 30, 2006 subject to mutual agreement.

The President recommends Board of Trustees approval.

No item in this report for release prior to 2:00 p.m. January 17, 1996.

CHAIR'S REPORT

No. 1

January 17, 1996

January 17, 1996

Action

Amendment of University Constitution – Second Reading

The attached amendments to the *University Constitution* are presented to the Board of Trustees for concurrence to clarify the status of professional librarians as faculty and to make other “housekeeping” changes as are necessary to provide the professional librarians appropriate representation in university governance.

No item in this report for release prior to 1:00 p.m., February 21, 1996.

PRESIDENT'S REPORT
to the
EXECUTIVE COMMITTEE

February 21, 1996

A G E N D A

**BOARD OF TRUSTEES
OF NORTHERN ILLINOIS UNIVERSITY
EXECUTIVE COMMITTEE MEETING
February 21, 1996
11:30 a.m. - Heritage Room**

- 11:30 a.m. Call to Order, Roll Call and Verification
- 11:35 a.m. Executive Session - Lunch in University Suite
- 1:00 p.m. Reconvene Public Meeting

- 1. Call to Order and Roll Call
- 2. Verification of Appropriate Notice of Public Meeting
- 3. Meeting Agenda Approval
- 4. Review and Approval of Minutes of Previous Meeting (none)
- 5. Recommendations of the President of the University
 - a. IPHEC Recommendation and Association Resolutions.....84
 - b. Collective Bargaining Agreement88
 - c. Interim Personnel Transactions and Report Guidelines89
 - d. Self-Insurance Fund Recommendation92
- 6. Recommendations of the Chair of the Executive Committee
 - a. University Advisory Committee Approval
- 7. Other Matters

Minutes of the
NIU Board of Trustees
EXECUTIVE COMMITTEE
February 21, 1996

CALL TO ORDER AND ROLL CALL

The meeting was called to order by Chair Siegel at 11:30 a.m. Recording Secretary Mimms conducted a roll call of Trustees. Present for the meeting were Chair Siegel, Vice Chair Moser, and Trustee Boey. Not present was Secretary Myles. Having noted the presence of a quorum, the meeting proceeded. Secretary Myles arrived at 12:45 p.m.

VERIFICATION OF APPROPRIATE NOTICE OF PUBLIC MEETING

Chair Siegel asked Parliamentarian Ken Davidson for verification of appropriate notice of public meeting. Mr. Davidson confirmed that all proper notices had been prepared and posted.

Before going into Executive Session, Chair Siegel stated to the members of the press that the Executive Committee of the Board of Trustees is different from the Board of Regents in that it will meet from time to time between meetings of the full Board and has full authority to act for the entire Board on all nonpolicy matters. Actions related to these matters do not have to be ratified by the full Board, he said.

Chair Siegel let the assembly know that a five-minute time limit would be imposed on presentations coming before the Board unless it is decided later to extend them. That will not include questions and further explanations in response to questions.

EXECUTIVE SESSION

Chair Siegel then asked for a motion to close the public meeting to conduct an Executive Session to discuss the following subjects authorized by the Illinois Open Meetings Act: personnel matters as generally described under Section 2(c)(1) of the Open Meetings Act, including compensation of the University President; collective bargaining matters as generally described under Section 2(c)(2) of the Open Meetings Act; and risk management matters as generally described under Section 2(c)(12) of the Open Meetings Act. Trustee Moser moved to close the meeting for an Executive Session per the cited provisions of the Open Meetings Act; Trustee Boey seconded. The motion was unanimously approved on a roll call vote. Chair Siegel declared the meeting closed.

PUBLIC MEETING RECONVENED

The public meeting was reconvened by Chair Siegel at approximately 1:12 p.m. Recording Secretary Mimms conducted a roll call of Trustees. All Board members were in attendance. Parliamentarian Davidson gave verification of appropriate notice of public meeting.

RECOMMENDATIONS OF THE PRESIDENT OF THE UNIVERSITY

Agenda Item 5.a. - IPHEC Recommendation and Associated Resolutions

The Chair announced a revision of the proposed IPHEC Resolution by substituting two pages on Item 5.a.

There being no minutes to approve, the Chair turned to the recommendations of the President of the University.

President La Tourette presented two items dealing with the Illinois Public Higher Education Cooperative which is a cooperative that makes mass purchases for the benefit of the universities involved. This is a resolution which allows NIU to participate in that organization. The President recommended approval as amended. Secretary Myles moved for approval and was seconded by Trustee Boey. The motion to approve both the Delegation Resolution, as amended, and the Affiliation Resolution passed.

Agenda Item 5.b. - Collective Bargaining Agreement

President La Tourette then presented a recommendation to approve a contract bargained with the Fraternal Order of Police, Lodge #86 and asked for the Board's approval. Trustee Moser moved for approval and was seconded by Trustee Myles. The motion passed.

Agenda Item 5.c. - Transitional Authority for Personnel Transactions

The next item presented by President La Tourette was the Transitional Authority for Personnel Items, which outlines procedures for personnel transactions to guide the institution during the interim period until the Board's new regulations. These procedures will be incorporated in the regulations dealing with personnel and are expected to be presented to the full Board at the April meeting. Secretary Myles moved approval and was seconded by Trustee Boey. The Transitional Authority for Personnel Transactions passed.

Agenda Item 5.d. - Self-Insurance Fund Recommendation

The last item in the President's Report was the recommendation on the Liability Self-Insurance Program. A Liability Self-Insurance Plan was established at the Board of Trustees' January 3 meeting. President La Tourette recommended that initial funding for the Liability Self-Insurance Plan be set at an approximately 95+% level of confidence for the period January 31, 1996 through January 30, 1997. He further recommended that the University experience with the fund be reviewed annually by the President to determine if adjustments to the level of funding or additional contributions to the plan are required. Board approval was requested. Trustee Boey moved for approval and was seconded by Trustee Myles. The motion carried.

RECOMMENDATIONS OF THE CHAIR OF THE EXECUTIVE COMMITTEE

Agenda Item 6.a. - University Advisory Committee Approval

Chair Siegel presented a proposal for a University Advisory Committee from the University Council and the Steering Committee of the University Council. The Advisory Committee would provide the Board with input and the perspectives of faculty and staff on matters being considered by the Board. Dr. Larson was asked to nominate three faculty members for the Committee.

Secretary Myles asked how this would differ from the Joint University Advisory Committee (JUAC). Chair Siegel said they differed greatly in that JUAC dealt with multiuniversity issues and with reconciling them. He explained that the University Advisory Committee (UAC) would be more heavily weighted toward the academic community and would also be working with the working committees of the Board. Secretary Myles asked about faculty reaction to the proposal. Dr. Larson stated that the University Council endorsed the proposal unanimously.

Chair Siegel was advised by Parliamentarian Davidson that this action would have to be formally ratified at the April meeting. For purposes of moving forward and involving the University Advisory Committee in our upcoming Committee meetings, Chair Siegel said, the Committee can be endorsed now subject to formal ratification. The Chair then asked for a motion to endorse the proposed University Advisory Committee as set forth in Chair's Report Item 6.a. Vice Chair Moser moved to endorse the University Advisory Committee. Secretary Myles seconded the motion. The motion passed.

OTHER MATTERS

Chair Siegel gave the following tentative meeting dates: February 27 for the Finance, Facilities and Operations Committee; March 7 for the Academic Affairs, Student Affairs and Personnel Committee; March 19 for the Legislative, Audit and External Affairs Committee; and April 17 for the next Board Meeting.

An announcement was made by Chair Siegel regarding the African American Leadership Conference coming up on April 10 through April 12. He stated that some very interesting people will be here with some very interesting messages and encouraged the Trustees and others present to try to attend some part or all of the conference.

One other item mentioned by Chair Siegel was monies transferred from the Board of Regents scholarship fund. He indicated that at some point in the future, the Trustees should look into establishing something similar for the Board of Trustees.

Regarding the issue of presidential compensation, Chair Siegel stated that the Board must set presidential compensation at NIU at a level that will allow NIU to be competitive when recruiting faculty and other administrators and, in the future, when recruiting new presidents. He said that the Board needed to ensure that

our current president is being fairly compensated compared with other CEO's at comparable institutions with comparable years of experience.

Three issues we considered. First, the level of presidential compensation at NIU does not reflect the institution NIU has become in the last 15 years. The salary no longer compares favorably to salaries at other institutions and, in many instances, NIU's salary lags considerably behind the salary levels set for presidents at much smaller and less complex schools. Second, this particular president has not had a salary adjustment in more than a year and a half. During the same period, every other NIU employee received market and merit adjustments, the presidents of other former Board of Regents schools received substantial salary adjustments, and the average presidential salary increase at universities throughout the Midwest increased substantially. Third, the President has taken on duties which were formerly handled by a System Chancellor.

The Board asked the University's Human Resource Services staff to analyze these issues and to present us with information on comparable salaries. Based on the information they were able to collect, it appears that the president's compensation at NIU lags behind the compensation of comparable chief executives by as much as 32%. It was noted that this information shows that faculty salaries at NIU, while lagging in many areas, have not lagged as significantly as the presidential salary when compared with the same institutions.

In light of the factors mentioned above, the Executive Committee discussed presidential compensation. Chair Siegel asked for an appropriate motion, based upon Executive Session discussion. Vice Chair Moser moved to adjust the President's compensation effective March 1, 1996 to an annual salary level of \$160,000. Trustee Boey seconded the motion. The motion carried. Chair Siegel directed President La Tourette to undertake a similar study of faculty and staff compensation at Northern Illinois University and to provide the Board with appropriate updates on that study at a future meeting of the Board.

President La Tourette said he was pleased that the Board has been concerned about faculty and staff compensation. He said he and his staff will move forward, using an analysis similar to that employed by the Board, to look at faculty and staff salaries and to develop plans to make those salaries more competitive.

There being no further business, Chair Siegel asked for a motion to adjourn. Secretary Myles made the motion and Vice Chair Moser seconded. The motion carried.

The meeting was adjourned at 4:40 p.m.

Respectfully Submitted,

Sharon M. Mimms
Recording Secretary

No item in this report for release prior to 1:00 p.m., February 21, 1996.

PRESIDENT'S REPORT
to the
EXECUTIVE COMMITTEE

February 21, 1996

**APPROVAL OF RESOLUTIONS AUTHORIZING CONTINUATION OF
AFFILIATION WITH ILLINOIS PUBLIC HIGHER EDUCATION
COOPERATIVE AND DELEGATING CERTAIN PURCHASING
FUNCTIONS AND RESPONSIBILITIES**

Summary: The Illinois Higher Education Cooperation Act, Public Act 77-2813, as amended, authorizes establishment of programs of interinstitutional cooperation between various educational organizations including public colleges and universities. In furtherance of the purposes of this law, the public higher education governing boards several years ago acted to form the Illinois Public Higher Education Cooperative, commonly referred to as "IPHEC."

IPHEC operates as an unincorporated association of public higher education institutions with governance under a set of formal bylaws and a management board of trustees. The primary activities of IPHEC relate to purchasing commodities and various forms of insurance. These functions are conducted in accordance with the Illinois Purchasing Act and the duly adopted purchasing rules that apply to state universities. Experience has proven IPHEC to be a beneficial vehicle to consolidate and minimize purchasing costs of generic commodities as well as to amplify the bargaining power of the universities when arranging insurance for such common risk coverages as property, boiler and machinery, crime, and excess liability.

Annual dues paid by the institutions support the centralized administrative support activities required to conduct the competitive purchasing processes for designated generic needs as mandated by state law. The University of Illinois and Southern Illinois University have contracts with IPHEC for performance of most of these processes. Arthur J. Gallagher & Co.-Schaumburg is IPHEC's contracted Broker of Record for insurance procurement assistance.

The institutions are represented on the IPHEC Board of Trustees by appointed staff employees of the institutions. Kenneth L. Davidson has served as a Member of the IPHEC Board of Trustees representing the interests of Northern Illinois University since 1991. Mr. Davidson's representation role would be continued by the President if the Resolutions are approved.

Recommendation: The President recommends approval of the attached Affiliation Resolution and the related Delegation Resolution.

AFFILIATION RESOLUTION

**Affiliation Between the Board of Trustees
of Northern Illinois University
and the Illinois Public Higher Education Cooperative**

WHEREAS, the several Illinois public universities have established an association under the laws of the State of Illinois known as the Illinois Public Higher Education Cooperative (referred to as "IPHEC"); and

WHEREAS, Northern Illinois University has been represented in IPHEC and enjoyed the various economies and benefits of participation in IPHEC prior to the reorganization of public higher education governance pursuant to Public Act 89-4; and

WHEREAS, the IPHEC Board of Trustees has invited the Board of Trustees of Northern Illinois University to continue its affiliation with the University of Illinois, Southern Illinois University and other public universities that constitute the membership of IPHEC;

NOW THEREFORE BE IT RESOLVED that the Board of Trustees of Northern Illinois University hereby agrees to join the Illinois Public Higher Education Cooperative (IPHEC), effective immediately, and authorizes the University President to appoint a university employee to serve as a trustee on the Board of said Cooperative; and

BE IT FURTHER RESOLVED that the Illinois Public Higher Education Cooperative is hereby authorized to act for Northern Illinois University in the pursuit of collective higher education activities, except that neither the Cooperative nor any of its members is authorized to obligate Northern Illinois University for any purpose or to obligate Northern Illinois University for any expenditure over and above the amount of any dues which have been previously authorized or paid to the Cooperative by Northern Illinois University.

APPROVED by action of the Board of Trustees: _____, 1996.

DELEGATION RESOLUTION

Cooperative Purchasing Activities by the Illinois Public Higher Education Cooperative on behalf of the Board of Trustees of Northern Illinois University

WHEREAS, the several Illinois public universities have established an association under the laws of the State of Illinois known as the Illinois Public Higher Education Cooperative (referred to as "IPHEC"), and the Board of Trustees of Northern Illinois University (referred to as the "Board") has by Resolution adopted on even date herewith agreed to join IPHEC as a participating Member; and

WHEREAS, IPHEC has established a Purchasing Division for the purpose of providing assistance in the cooperative and joint purchasing of commodities, equipment and services by the several Illinois public universities; and

WHEREAS, IPHEC has established a Risk Management Division for the purpose of providing assistance in the cooperative and joint purchasing of insurance by the several Illinois public universities; and

WHEREAS, it is the desire of the Board to participate in the benefits and economies of joint and cooperative purchasing of commodities, equipment, services and insurance through the utilization of the services of IPHEC;

NOW THEREFORE BE IT RESOLVED by the Board of Trustees of Northern Illinois University that

- (1) IPHEC or its designee is authorized, as agent and on behalf of the Board, to prepare specifications and advertise, receive, open, tabulate and evaluate competitive bids or proposals for such commodities, equipment, services and insurance as may from time to time be specified by the Board's duly authorized representative(s) as designated by the President of Northern Illinois University. In all such activities IPHEC or its designee shall identify the Board as its principal.
- (2) Bids shall be accepted or rejected and contracts shall be awarded by and in the name of the Board in accordance with procedures heretofore or hereafter established by the President of Northern Illinois University or designee. Generic commodities purchased or contracted for in the IPHEC collective bid process shall be exempt from the requirement of specific Board approval and the Board's duly authorized representative(s), as designated by the President of Northern Illinois University, is authorized to accept or reject bids and award contracts on behalf of and in the name of the Board provided they are within the contracting and spending limits previously or prospectively established by the Board. Changes (additions or deletions) in the list of generic

commodities may be made from time to time based on specific recommendations to and approval of the President of Northern Illinois University.

- (3) All advertising, receiving, opening, recording and tabulating of bids or proposals by IPHEC or its designee and the award of any contract shall be in accordance with the *Joint Purchasing Rules Governing Procurement and Bidding at State Universities in Illinois* heretofore adopted by the Board's predecessor, to the extent they are consistent and in accordance with the provisions of the laws of the State of Illinois, including the Illinois Purchasing Act, as either of the same may be amended from time to time.
- (4) This Resolution shall remain in effect until modified or rescinded by the Board.

APPROVED by action of the Board of Trustees: _____, 1996.

COLLECTIVE BARGAINING AGREEMENT

Summary: The following collective bargaining agreement has been ratified by the bargaining unit and is submitted for approval by the Executive Committee on behalf of the Board of Trustees.

Bargaining Agent: Fraternal Order of Police, Lodge No. 86 representing 21 Police Officers and four Telecommunicators.

Scope of Negotiations: FY96 Wage Reopener

Tentative Agreement for Board Action: Agreement regarding the implementation of an average 3.3% base increment effective July 1, 1995. Terms of agreement are consistent with University fiscal year increment guidelines and University policies.

**TRANSITIONAL AUTHORITY
FOR PERSONNEL TRANSACTIONS**

Summary: The attached summary of personnel-related administrative procedures and reports is submitted for approval by the Executive Committee on behalf of the Board of Trustees. The outline itemizes personnel transaction and report categories formerly presented to the Board of Regents under the *action* or *information* format along with proposed recommendations for prospective administration of these transactions and reports under the authority of the NIU Board of Trustees. Executive Committee approval is requested for these procedures to transition the procedural administration of these University personnel transactions.

Recommendation: The President recommends approval of the prospective procedures for administering and reporting on University personnel transactions as contained in the Outline of Proposed University Personnel Transaction Procedures and Reports.

TRANSITIONAL AUTHORITY FOR PERSONNEL TRANSACTIONS

OUTLINE OF PROPOSED PERSONNEL TRANSACTIONS PROCEDURES AND REPORTS				
Type of Appointment	Current Procedure	BOR Format	Proposed Procedure	Proposed Format
New Positions	Board authorization of new administrative positions	Action	President will seek Board concurrence for new administrative positions at the vice presidential level	Action
Appointment/Promotions to Major Administrative Positions	Board authorization for two reporting levels below President, including acting, interim or temporary	Action	Board authorization for Vice Presidential and Dean positions, including acting or interim appointments to such positions	Action
New Faculty Appointment with Tenure Granted	All require Board action	Action	No change	Action
- 91 - Salary Adjustments	Any adjustment in salary other than part of the annual increment process for faculty or SPS requires Board action	Action	Temporary or permanent adjustments associated with promotions, matching offers or the assumption of new duties and responsibilities will be authorized by the President	N/A
Promotion	Any promotion in academic rank	Action	No Change	Action
Educational Leave with Pay/Sabbaticals	All require Board action	Action	No Change	Action
Tenure	Recommendations for tenure status all require Board action	Action	No Change	Action
Initial Appointments	Initial appointments to tenure-track positions	Information	No Change	Information (also incorporated in annual report)

OTHER REPORTS				
Type of Report	Current Procedure	BOR Format	Proposed Procedure	Proposed Format
Annual Report on Personnel Transactions - 92 -	Summary report of transactions approved by the Board during previous fiscal year - provided to Board in December	Information	Summary report of transactions approved during previous fiscal year and report of all regular faculty and SPS appointments provided to the Board in December Report comprised of: 1. Summary of Board approved personnel transactions 2. Summary of all other regular faculty and SPS appointments processed during the year 3. Comprehensive report of current faculty and SPS appointments	Information
Fiscal Year Increment Guidelines	Specific annual increment associated with annual appropriation, approved by the Board	Action	No Change	Action
Fiscal Year Internal Operating Budget and Salary Report	Confirmation of increment included in report	Action	Retain increment confirmation. Move detailed salary report to December as part of the summary report.	Action
Faculty Profile/Rank and Tenure Report	Provided in May	Information	Used as internal planning document only	N/A

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**NORTHERN ILLINOIS UNIVERSITY
LIABILITY SELF-INSURED PROGRAM FUNDING LEVEL**

Summary: At the January 3, 1996 meeting of the Board of Trustees, the Board approved the establishment of a Liability Self-Insurance Plan. Concurrent with recommending the program to the Board, the President set a ninety percent (90%) confidence level on a claims-made basis as the appropriate initial funding goal. This level should also be adequate to provide close-out coverage to the Board of Regents for pending claims as well as unasserted claims involving Northern Illinois University interests, both of which were conditions established by the Board of Regents for the liquidation of its Reserve Fund. The funding required for a ninety percent (90%) level of confidence was based on an independent actuarial review by Miller, Rapp, Herbers, Brubaker & Terry, Inc. of Bloomington, Illinois.

Recommendation: The President recommends that the initial funding for the Liability Self-insurance Plan be set at an approximately ninety-five percent-plus (95%+) level of confidence for the period January 31, 1996 through January 30, 1997 and that the University's experience with the fund be reviewed annually by the President to determine if adjustments in the level of funding or additional contributions to the plan are required.

No item in this report for release prior to 2:00 p.m. April 17, 1996.

PRESIDENT'S REPORT

No. 2

April 17, 1996

No item in this report for release prior to 1:15 p.m. April 17, 1996.

A G E N D A

**BOARD OF TRUSTEES
of
NORTHERN ILLINOIS UNIVERSITY
April 17, 1996
1:15 p.m. - Regency Room**

- 11:00 a.m. Finance, Facilities and Operations Committee
- 12:00 a.m. Lunch - University Suite
- 1:30 p.m. Call to Order, Roll Call and Verification

1. Call to Order and Roll Call
2. Verification of Appropriate Notice of Public Meeting
3. Meeting Agenda Approval
4. Review and Approval of Minutes of April 17, 1996
5. Reports of Board Committees and Board Liaisons
 - a. Executive Committee
 - b. Academic Affairs, Student Affairs and Personnel Committee
 - c. Finance, Facilities and Operations Committee
 - d. Legislation, Audit and External Affairs Committee
6. President's Report No. 2
 - a. Personnel Transactions *Action* ..104
 - b. Administrative Reorganization *Action* ..109
 - c. Financial Transactions *Action* ..111
 - d. Summary of Grant Contract Awards *Information*
 - e. Quarterly Report on Transactions *Information*
 - f. Computing and Connectivity *Information*
 - g. Introduction of 1996 Presidential Research Professors,
Presidential Teaching Professors and Winners of the
Excellence in Undergraduate Teaching Award *Information*
7. Chair's Items
8. Other Matters
9. Next Meeting Date
10. Adjournment

Minutes of the Meeting of the
BOARD OF TRUSTEES
of **NORTHERN ILLINOIS UNIVERSITY**
April 17, 1996

The meeting was called to order by Chair Myron Siegel at 1:25 p.m. Recording Secretary Mimms conducted a roll call of Trustees. Present for the meeting were Trustees Robert Boey, Susan Grans, Willie Fowler, George Moser, James Myles, David Raymond, Manuel Sanchez and Chair Siegel. Having noted the presence of a quorum, the meeting proceeded.

Verification of Appropriate Notice of Public Meeting

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

Meeting Agenda Approval

Trustee Sanchez moved for approval of the Agenda. Trustee Grans seconded the motion. The motion was approved.

Approval of Minutes

Trustee Sanchez moved for approval of the Minutes of the January 17, 1996 meeting. Trustee Myles seconded the motion. The motion was approved.

REPORTS OF BOARD COMMITTEES AND BOARD LIAISONS

Executive Committee

Chair Siegel gave a brief report on the February 21 meeting of the Executive Committee. The committee approved a resolution authorizing the University's continuing affiliation with the Illinois Public Higher Education Cooperative (IPHEC) and authorized IPHEC to act on behalf of the Board in certain purchasing activities. The Board also approved a collective bargaining agreement with the Fraternal Order of Police for implementation of the FY96 increments. Transitional procedures for administering and reporting on University personnel transactions were outlined by the University and approved by the committee for the Board. These procedures will be reflected in the Board's new *Regulations* when they are fully adopted by the Board later this year. The Board approved the President's recommendation for the initial funding of the liability self-insurance plan at a 95%+ level of confidence for the period January 31, 1996 through January 30, 1997.

The committee endorsed the concept of the University Advisory Committee (UAC) and recommended the full Board ratify this action subject to review of the committee's operation in 18 months.

Chair Siegel asked Dr. Larson, President of the University Council and a UAC representative, if things were working out with the University Advisory

Committee. Dr. Larson responded that UAC is meeting on a regular basis and that the UAC liaisons to the BOT committees have reported back to the University Council and the Faculty Senate on the Board's very cordial treatment of them. UAC is reviewing the proposed new Board *Regulations* and will be offering advice to the Board on various aspects of that document.

Chair Siegel asked for a motion to ratify the Executive committee's endorsement of the University Advisory Committee. Trustee Myles so moved; Trustee Grans seconded. The motion was approved.

Finally, Chair Siegel reported that the Executive Committee set the FY96 salary for the President of the University at \$160,000, effective March 1, 1996, and directed the President to commence a study of NIU faculty and staff compensation for presentation to the Executive Committee. Administrative staff will be consulting with appropriate campus bodies.

Academic Affairs, Student Affairs and Personnel Committee

Committee Chair Myles reported on the Academic Affairs, Student Affairs and Personnel Committee meeting of March 7. The committee reviewed sabbatical recommendations and recommendations for tenure and promotion of faculty. The committee's endorsements will be considered for action of the full Board through the President's Report. Several student leaders were introduced and spoke briefly to the committee. The next meeting of the AASAP Committee was set for May 16.

Finance, Facilities and Operations Committee

Committee Chair Boey reported on the Finance, Facilities and Operations Committee meeting of February 27 at which the following items were reviewed and endorsed: FY97 busing contract; FY97 student health insurance contract; 1996-97 academic year tuition fees and room and board rates; College of Business delivery fee for the Rockford Education Center; and the Holmes Student Center remodeling project. These items were to be presented to the Board for approval in the President's Report. The committee also discussed a residence hall master plan to be presented at the May 29 meeting of the Finance, Facilities and Operations Committee. It was recommended that the Trustees schedule tours of the residence halls in order to familiarize themselves with the facilities. It was also noted that security of residence halls is a top priority of the master plan.

The committee met again on April 17 and endorsed an additional funding request for the Altgeld Hall renovation and a lease agreement for Business and Industry Services. These items were to be presented to the Board for action in the President's Report. The committee also authorized appointment of a delegate from the Finance, Facilities and Operations Committee to meet with the Audit Subcommittee of the Legislation, Audit and External Affairs Committee.

Trustee Fowler asked for a brief update from Dr. Williams on the status of projects such as the recreation facility, the recycling facility, and computing facilities.

Dr. Williams gave a brief statement on the progress of various construction projects. Those identified by students as priorities for the coming fiscal year included a recycling center and additional recreation fields on the west campus. A preliminary report on these projects and the Phase 1 report of the residence hall improvement program were scheduled for the May 29 FFO Committee meeting.

Trustee Fowler and Chair Siegel urged student organization presidents who are interested in these projects and other facilities to attend the May 29 meeting.

Legislation, Audit and External Affairs Committee

Committee Chair George Moser reported on the Legislation, Audit and External Affairs Committee meeting on Tuesday, March 19, at the Hoffman Estates Education Center. This was the Trustees' first official meeting at one of the University's off-campus centers. Trustee Raymond and several guests from Sears Corporate Offices attended as did State Representative Terry Parke, who sponsored legislation in the House to allow Northern Illinois University to hold a full Board meeting at either the NIU Hoffman Estates Education Center or the NIU Rockford Education Center.

The LAEA Committee received a report from Kathy Gilmer, Director of the NIU Hoffman Estates Education Center, who addressed the problematic delivery issues related to the Hoffman Estates campus and the fact that the Hoffman Estates Center has reached its enrollment capacity. Representative Parke asked that the Board consider expanding the Hoffman Estates Center, citing the tremendous needs that cannot be met without additional space at Hoffman Estates. Mary Rose Hennessy, Director of the Business Industry Services (BIS) program in Oak Brook, reported that the BIS program is financially strong and is actively developing relationships with diverse Illinois businesses throughout the state. BIS analyzes needs and provides training for companies at every level of the organization.

Committee Liaison Kathy Swanson presented an overview of pending legislation affecting higher education: House Bill 2836, which would allow local retention of university income funds; Representative Parke's bill, permitting Northern Illinois University Board of Trustees to hold Board meetings at the Hoffman Estates and Rockford centers; and Senator Weaver's gaming initiative, which allocated \$25 million dollars from riverboat gaming proceeds to university athletic capital improvement funds.

Steve Cunningham, Director of Human Resource Services, presented an overview of pension legislation issues. Although several initiatives were currently under consideration in Springfield, little action was expected in this area until later in the year. Eddie Williams presented a report on the FY94 Compliance Audit, the findings of which had been fully addressed by the President and his staff. President La Tourette and Kathy Swanson met with the Legislative Audit Commission to explain the actions taken by the University to address the findings. The University anticipated approval of the audit at the Legislative Audit Commission's April 29 meeting in Springfield.

The LAEA Committee created an Audit Compliance Subcommittee to review audit findings on a regular basis. The Finance and Facilities Committee was invited to send a delegate to the subcommittee.

The meeting closed with a brief update from the NIU Public Radio Programming Task Force. Both WNIU and WNIJ have begun to take steps to address some of the committee's concerns. The committee indicated its understanding of the need to balance the public service function of WNIU/WNIJ with the need to enhance NIU's presence in the region.

PRESIDENT'S REPORT NO. 2

Agenda Item 6.a. - Personnel Transactions

President La Tourette introduced personnel transactions reviewed by the Academic Affairs, Student Affairs and Personnel Committee in its March 7 meeting. He noted the importance of the sabbatical leave program in keeping faculty up to date and in enhancing the quality of instruction for students.

Agenda Item 6.b. - Administrative Reorganization

In accordance with instructions from the Board, President La Tourette reviewed the administrative organization of the University, taking into account the shift from a multicampus system to a single university. The President has been given additional responsibilities for Board relations, legislative relations and fund raising. Dr. La Tourette reviewed his thinking about reorganization with the Executive Committee in Executive Session on February 21. He recommended a new Division of Academic and Student Affairs under an Executive Vice President and Provost; merging the Division of Business and Operations with the Division of Finance and Planning to create a new Division of Finance and Facilities under a Senior Vice President; and consolidating all other administrative support areas under a Vice President for Administration. President La Tourette asked the Board for approval of two new vice presidential titles — Executive Vice President and Provost, and Senior Vice President for Finance and Facilities. These titles will replace the existing titles of Vice President and Provost and Vice President for Finance and Planning. Approval was also sought for the creation of a new vice presidential-level position, Vice President for Administration, and for the appointment of Dr. Anne Kaplan to that position. Associated with this change will be the elimination of the position of the Executive Assistant to the President for Administration and Human Resource Services. The president explained that the proposed organization will reduce the number of people reporting to him and allow him to assign responsibility to various teams to address the major business of the University. It will free the President's Office for support of the Board of Trustees and allow the president to engage more extensively in legislative relations and in the development of external funding for the University.

Agenda Item 6.c. - Financial Transactions

President La Tourette recommended approval of the actions reviewed by the Finance, Facilities and Operations Committee at its meetings on February 27 and April 17. These included a busing contract for the operation of the student-supported bus system at a slight reduction in the cost and a recommendation for a new health insurance contract with improved benefits for students. Dr. La Tourette congratulated the students on the continued operation of a very successful bus system which has the second largest ridership in the state of Illinois, second only to the Chicago Transit Authority.

Following previous action of the Board of Regents, the president recommended a 5.75% general tuition increase and an 8.43% tuition increase for the College of Law for the 1996-97 academic year. An increase of approximately 4.48% was recommended in fees and room and board rates. Recommendation was also made for the establishment of a \$137 per credit hour College of Business delivery fee for M.B.A. courses at the Rockford Education Center.

The President recommended a budget of \$422,900 for the Holmes Student Center Bookstore remodeling project. Additional funding was recommended for professional work related to the renovation of Altgeld Hall, including architectural and engineering work on asbestos abatement, soil testing and acoustic consulting in the amount of \$159,176.

President La Tourette recommended a lease expanding the space available for the University's Business and Industry Services located in Oak Brook. As noted, this has been a very successful university program offering consultation and programs in training for business and industry. The operation is self-supporting and the necessary rental funds will be generated by the expansion of the operation.

Chair Siegel called for motions to approve the items in the President's report.

Agenda Item 6.a. – Personnel Transactions: Trustee Grans made the motion and Trustee Myles seconded. The motion was approved.

Agenda Item 6.b. – Administrative Reorganization: New vice presidential titles of Executive Vice President and Provost and Senior Vice President for Finance and Facilities, replacing the existing titles of Vice President and Provost and Vice President for Finance and Planning; and a new vice presidential position of Vice President for Administration, promotion of Dr. Anne C. Kaplan to that position, and elimination of the position of Executive Assistant to the President/Administration and Human Resource Services.

Trustee Fowler expressed his hope that, in light of the new administrative organization, students would continue to be given access to the President's Office. Chair Siegel emphasized that these changes are intended to provide a better and higher level of service than has previously been available and that access should continue to be equal to or greater than it was. Trustee Sanchez made a motion to accept the administrative reorganization and Trustee Boey seconded. The motion was approved.

Agenda Item 6.c. - Financial Transactions

Trustee Sanchez moved for approval of the Financial Transactions set forth in Agenda Item 6.c., the busing contract for \$1,833,000; the health insurance contract for \$4 million; the tuition increase of 5.75% and the College of Law increase of 8.43% for the 1996-97 academic year; the fees/room and board rate increase of 4.48%; the College of Business delivery fee at the Rockford Education Center of \$137 per credit hour on the M.B.A. courses; the \$422,900 renovation and remodeling of the Holmes Student Center Bookstore; the \$159,176 Altgeld Hall renovation project; and the approval of the Business and Industry Services lease agreement. Trustee Grans seconded. The motion was approved.

President La Tourette said he thought the Board's committee structure was working very well and that it gives students, faculty and staff opportunity to interact with the Board more than in formal meetings of the full Board.

Agenda Item 6.d. - Summary of Grant and Contract Awards

President La Tourette noted that the university continues to do well in grants and contracts generated by faculty and staff. There has been a decrease in federal funding in the last few years, but through grants and contracts with the state and with corporate sponsors, a slight increase was experienced for FY95.

The president corrected the title of the Quarterly Summary Report, saying it should read "... for the Period ... through March 15, 1996" instead of "... March 1." The title will also be changed from "Quarterly ..." to "Periodic ..." to reflect variations in report intervals.

Agenda Item 6.e. - Quarterly Report on Transactions

For the period of January 1 through March 15, President La Tourette reviewed and approved five transactions above \$100,000 and under \$250,000. The name of the vendor will be provided on future reports along with any additional information requested by the Board. An annual report will be presented at the end of the year to summarize all transactions between zero and \$100,000, \$100,000 to \$250,000, and above \$250,000. Equipment purchases authorized through the Capitol Development Board (CDB) will also be reported since the university acts as an agent of the CDB when the state builds an academic building for the institution.

Agenda Item 6.f. - Computing and Connectivity

John Tuecke, Associate Vice President of Systems, provided a review of the computing and connectivity resources for faculty and students at NIU, including data on the number of computers, percentage connected to a network, the age or capacity of the machines, and information on the progress made in the last year in all three categories. He estimated that as of January 1996, approximately 85% of tenure track faculty had personal computers in their offices or labs. Tuecke indicated that capacity had increased greatly in the last ten months with

Pentium PC power processors and stated that the technology now in use is approximately 63% current, 24.5% older and 12.4% obsolete. In the instructional computing labs 68% of the technology is current, 25% old and 7.7% obsolete.

Dr. La Tourette demonstrated the use of Northern's new homepage on the World Wide Web. He told the Board that the Magellan Internet Guide, which rates North American college and university Internet sites, recently gave Northern Illinois University four stars, its highest rating for an Internet site that provides extensive information about the university, registration, phone and e-mail directories, campus services, news and events, academic departments, and other university resources. The homepage is the result of a collaborative effort involving about 20 faculty and staff. This is an increasingly important means of communication, La Tourette said, which enables universities to reach out to prospective students and parents, the news media and, in the future, the Board of Trustees.

Agenda Item 6.g. – Introduction of 1996 Presidential Professors and Excellence in Undergraduate Teaching Awardees

Dr. La Tourette gave a brief history of the Presidential Teaching Professor and Presidential Research Professor Awards. He recognized Dr. William Monat, former NIU President and currently Adjunct Regency Professor, Public Administration, who established the Presidential Research Professor Awards 14 years ago to encourage and reward outstanding faculty members who had made major contributions to research in their fields. A total of 41 outstanding researchers have been named Presidential Research Professor. The Presidential Teaching Professor program was established in 1990 and carries with it the same financial and leave incentives as the Research Award program. Since its inception, 18 people have received this award. At the conclusion of a four-year designation as a Presidential Teaching or a Presidential Research Professor, the individual becomes a Distinguished Research or Teaching Professor, a designation that the faculty maintain throughout their tenure at NIU.

The 1996 Presidential Teaching Professors, Research Professors, and those selected for this year's Excellence in Teaching Awards were introduced by President La Tourette. Recognized as Presidential Teaching Professors were Elliott Lessen from the Department of Educational Psychology, Counseling and Special Education; James Lockard from the Department of Leadership and Educational Policy Studies; and Lorys Oddi, from the School of Nursing. The Presidential Research Professors were History Professor Stephen Haliczzer and Philosophy Professor Harold Brown.

Since its inception in 1966, 96 NIU teachers have received the Excellence in Undergraduate Teaching Award which reflects student opinion at NIU and includes a \$2,000 stipend underwritten by the NIU Foundation. This year, three outstanding undergraduate teachers were honored: Elizabeth Kay from Allied Health, Sean Shesgreen from English, and Gordon Hilton from Political Science.

Chair Siegel and Dr. Charles Larson on behalf of the Faculty Senate added their congratulations to those of Dr. La Tourette to the professors selected for recognition of their accomplishments. Dr. La Tourette noted that a reception was

to be held for the recipients in the Sky Room immediately following the Board meeting.

CHAIR'S ITEMS

Chair Siegel stated that the Board of Trustees was now reviewing portions of a new set of Board *Regulations*. The materials were also being reviewed by members of the University Advisory Committee. Suggestions from the Advisory Committee, as well as the Trustees, were to be made by May 3 to the President's Office. Suggestions from the Trustees were to be forwarded to Chair Siegel who would then work with the President's Office to bring the new *Regulations* to the June 19 meeting.

Trustee Boey introduced Mr. Jerry Rich, who has been working with President La Tourette and Tom Mitchell, Vice President, Development and University Relations, for the last two years as Chair of the Campaign Planning Committee to help prepare the University for its first major fund raising initiative. Noting that the University's operating budget of \$240 million was only 39% state supported and that state support is declining, Trustee Boey said that emphasis must more than ever be placed on fund raising and private support.

Mr. Rich applauded the opportunity provided by the new Board and described the development of the President's Campaign Planning Cabinet and its goals. The committee has been working with some major corporations and is frequently told that universities and colleges today are living in a global world and that students must be educated for the global competitiveness that is going to exist in the 21st Century; globalized companies are spending the dollars it takes to stay ahead in education and technology. These major corporations have to be attracted back to the universities, and to NIU in particular. It will take a lot of money, Rich said, to compete for the students and faculty of the future. Students are going to come to NIU because we've got the latest to offer. Faculty are going to come to NIU because we've got the latest in equipment and the smartest students.

Public universities must pursue support from sources other than state government in order to compete with corporations doing their own training. With everyone working together in this fund raising effort, we can make Northern a university which can do a lot for its communities — for the business communities and for the people who live in the communities around us.

Chair Siegel introduced Mr. Don Prince, Assistant to the Executive Director of the Illinois Student Assistance Commission (ISAC), who spoke to the Board.

Mr. Prince emphasized ISAC's respect for mutual efforts in helping students finance their education at Northern. The challenges of recruitment, retention and affordability are major concerns for NIU and the basis of a good working relationship with ISAC.

ISAC's mission includes direct monetary award grants, other grants, the Illinois State Scholar program, the Illinois Merit Scholarship program, the Federal Stafford Loan program, its own Alternative Loan program, a secondary market for educational loans, a savings and investment program named ICAN, the creation

of new initiatives for meeting college costs and providing a broad source of information on financial aid. In fiscal 1995, ISAC awarded \$10,045,575 in direct nonrepayable grants to 4,742 Northern Illinois University students. Through the Federal Stafford Loan program in the same year, ISAC serviced loans through private lenders to 9,725 Northern students, totaling \$27,589,345. This academic year, ISAC has developed its own Alternative Loan program which supplements federal loans. Director Larry Matejka has had discussions with President La Tourette about offering the Alternative Loan program on a pilot basis to NIU Law School students.

A new initiative, the Illinois Incentive for Access, awards \$500 per year in addition to any MAP or Monetary Award Program to freshmen with zero expected family contribution. ISAC also now has a program called Higher Ed Net which provides information on more than 200,000 scholarships.

As a final Chair's item, Chair Siegel congratulated the members of the Board of Trustees on how well the committees are working. He thanked the Trustees, saying the effort and time they put in made the Chair's job easy and enjoyable.

Under Other Matters, Trustee Fowler thanked all the Board members and members of the NIU community, particularly the Office of Public Affairs, and many of the other offices and administrative units, for their outstanding support of the Leadership Conference held the previous week. NIU deserves a lot of credit, he said, for all the support given the students.

The Next Meeting Date of the Board was scheduled for Wednesday, June 19, at 1:30 p.m. Academic Affairs, Student Affairs and Personnel Committee was scheduled for May 16; the Finance, Facilities and Operations Committee Meeting for May 29; and the Legislation, Audit and External Affairs Committee will meet at 11:00 a.m. prior to the full Board meeting on June 19.

Chair Siegel thanked the UAC representatives Linda Sons, Judy Bischoff, Gordon Shneider, Charlie Larson, Jim Russell and Kate Romano for their efforts in working with the Trustees' committees.

Chair Siegel also confirmed that the June 19 Board meeting will be the last meeting for Student Trustee Fowler and congratulated him on his outstanding service as a Student Regent and Student Trustee of Northern Illinois University.

Chair Siegel then called for a motion to adjourn. Trustee Sanchez so moved; Trustee Moser seconded. The motion was approved.

The meeting was adjourned at 3:00 p.m.

Respectfully submitted,

Sharon M. Mimms
Recording Secretary

PERSONNEL TRANSACTIONS

The President recommends that the Board approve the following personnel actions reviewed by the Academic Affairs, Student Affairs and Personnel (AASAP) Committee at its meeting of March 7, 1996: the promotion of 14 faculty members from Associate to full Professor, the promotion of 29 faculty members from Assistant to Associate Professor, the granting of tenure to 35 faculty members (25 of whom are also being promoted to Associate Professor), and sabbatical leaves for 56 faculty members and one member of the supportive professional staff. Since the timing of the sabbaticals of several faculty members has changed since the March AASAP Committee Meeting, the lists of personnel actions reviewed by the Committee are included in this Board report with the updated information.

**Recommendations for Faculty and Staff
Sabbatical Leaves
Fall 1996 and Spring 1997**

The following individuals are being recommended by the President for sabbatical leave:

<u>FACULTY</u>	<u>DEPARTMENT</u>	<u>SEMESTER</u>
College of Business		
Johnson, Linda M.	Accountancy	Spring 1997
King, Albert	Management	Fall 1996
Lauer, Jim	Operations Management & Info Systems	Spring 1997
College of Education		
Barnhart, June E.	Curriculum & Instruction	Fall 1996
Everett, Ronald E.	Ldrshp & Educational Policy Studies	Summer 1996/1997
Lambrecht, Keith W.	Physical Education	Spring 1997
Lockard, James A.	Ldrshp & Educational Policy Studies	Summer 1996/1997
Minor, Carole W.	Educational Psych, Couns & Special Educ	Spring 1997
Ottens, Allen J.	Educational Psych, Couns & Special Educ	Fall 1996/Spring 1997
Pickle, Judy	Curriculum & Instruction	Fall 1996
Senese, Guy	Ldrshp & Educational Policy Studies	Fall 1996
Shaw, Carla C.	Curriculum & Instruction	Spring 1997
College of Engineering & Engineering Technology		
Gupta, Abhijit	Mechanical Engineering	Fall 1996
College of Health & Human Sciences		
Andrews, James R.	Communicative Disorders	Spring 1997
Cassidy, Virginia R.	School of Nursing	Spring 1997
Seaver, Earl J.	Communicative Disorders	Fall 1996
College of Law		
Austin, John	Law	Summer 1996/1997
Parness, Jeffrey	Law	Spring 1997
College of Liberal Arts & Sciences		
Ahmad, Ibrahim	Mathematical Sciences/Div of Statistics	Spring 1997
Albritton, Robert	Political Science	Spring 1997
Amaral, Samuel	History	Fall 1996
Anderson, Kevin	Sociology	Fall 1996
Bachrach, Steven	Chemistry	Spring 1997
Bloom, Frederick	Mathematical Sciences	Spring 1997
Burchfield, Joe	History	Fall 1996
Coover, Gary Darrow	Psychology	Spring 1997
Creamer, Winifred	Anthropology	Fall 1996/Spring 1997
Esseks, J. Dixon	Political Science/Division of Public Admin	Spring 1997

Giles, James	English	Fall 1996
Gonzales, Michael	History	Fall 1996
Harrison, William	Foreign Languages & Literatures	Spring 1997
Kapitan, Tomis	Philosophy	Fall 1996
Kevill, Dennis	Chemistry	Spring 1997
Linner, Anders	Mathematical Sciences	Fall 1996
Mallela, Parthasaradhi	Economics	Spring 1997
Miller, Susan	Sociology	Spring 1997
Naples, Virginia	Biological Sciences	Fall 1996
Nissen, Christopher	Foreign Languages & Literatures	Fall 1996
O'Gorman, Thomas	Mathematical Sciences/Div of Statistics	Fall 1996
Rubin, Irene	Political Science/Division of Public Admin	Fall 1996
Schubert, James	Political Science	Fall 1996
Self, Robert T.	English	Spring 1997

University Libraries

Baker, William	University Libraries	Spring 1997
Parot, Joseph John	University Libraries	Spring 1997

College of Visual & Performing Arts

Adducci, Alexander	Theatre Arts	Fall 1996
Bauer, Paul	School of Music	Spring 1997
Blickhan, Charles Timothy	School of Music	Fall 1996
Carp, Richard	School of Art	Fall 1996
Chappell, Robert	School of Music	Fall 1996
DeLap, Dennis	School of Art	Spring 1997
Fleisher, Robert	School of Music	Fall 1996/Spring 1997
Mahmoud, Ben	School of Art	Spring 1997
Newsom, Randall	Theatre Arts	Spring 1997
Phelps, James	School of Music	Spring 1997
Ridge, Patricia	Theatre Arts	Spring 1997
Terruso, Gene	Theatre Arts	Spring 1997

Supportive Professional Staff

Monteiro, Marilyn	Affirmative Action	Fall 1996
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**Recommendations for faculty promotions, tenure
And promotions with tenure
Effective August 1996 - FY97**

The following individuals are being recommended by the President for promotion, promotion with tenure, and tenure only. An asterisk (*) denotes tenure along with promotion.

FROM ASSOCIATE PROFESSOR TO PROFESSOR

<u>Name</u>	<u>Department</u>
Bachrach, Steven	Chemistry
Bellout, Hamid	Mathematical Sciences
Cassidy, Virginia R.	School of Nursing
Fleisher, Robert	School of Music
Gebo, Daniel L.	Anthropology
Glenn, Gary D.	Political Science
Goldenberg, William	School of Music
Hashemian, Reza	Electrical Engineering
Hedin, David	Physics
Masur, Elise Frank	Psychology
Middleton, Peter C.	School of Music
Miranda, Wilma, R.	Leadership & Educational Policy Studies
Schwantes, Frederick M.	Psychology
Willis, Suzanne E.	Physics

FROM ASSISTANT PROFESSOR TO ASSOCIATE PROFESSOR

*Abdel-Motaleb, Ibrahim	Electrical Engineering
*Barbe, Katharina	Foreign Languages & Literatures
*Baumgartner, Melanie	Theatre Arts
*Chandler, Lynette K.	Educational Psych, Counseling & Special Educ
*Forest, Kay B.	Sociology
*Frasz, Paula	Theatre Arts
*Fulmer, Connie L.	Leadership & Educational Policy Studies
Green, Leona	Law
*Greene, Richard P.	Geography
*Hardy, Donald E.	English
*Hu, Hui	Mathematical Sciences
*Jones, Christopher N.	Theatre Arts
*Kay, Elizabeth D.	School of Allied Health Professions
*Larry, Charles	University Libraries
*Lash, Ayhan	School of Nursing
Luna, Guadalupe	Law
*MacFarlane, Pamela A.	Physical Education
*O'Gorman, Thomas	Mathematical Sciences/Division of Statistics
*Phelps, James	School of Music
*Ponzo, Mark	School of Music
*Roig-Francoli, Miguel A.	School of Music
*Ryan, Jodell N.	Communicative Disorders
*Song, Xueshu	Technology
*Stafstrom, Joel	Biological Sciences
*Temple, Judy A.	Economics
*Tollerud, Toni R.	Educational Psych, Counseling & Special Educ
Vohra, Promod	Technology
*Wade, David R.	Management
Walton, John	Law

TENURE ONLY

Fallahi, Behrooz
Gasser, Kenneth
Johnson, Irene
Levin, Amy K.
Necas, Jindrich
Norrell, Elizabeth
Robertson, Julie
Sullivan, Dale L.
Taylor, David
Wilson, Steven

Mechanical Engineering
Biological Sciences
Educational Psych, Counseling & Special Educ
English
Mathematical Sciences
Human & Family Resources
School of Nursing
English
Law
Communication

ADMINISTRATIVE REORGANIZATION

Background

In his comments on the occasion of the first meeting of the Board of Trustees, Chair Siegel indicated that the responsibilities of the president under a single-campus governing board would be different from the responsibilities of a president in a multi-campus system. The President, the Chair said, could not be expected to take on new responsibilities for Board relations and legislative relations, continue to play a major role in the University's capital campaign and still provide presidential oversight for all of the administrative functions currently reporting directly to the President's Office.

The Trustees responded by asking the President to review the existing organization of administrative functions and to provide recommendations for reorganizing those functions to improve efficiency, encourage greater interaction between units with comparable or synergistic missions, and allow the President to devote concentrated attention to the issues and activities most likely to define the University's future.

Pursuant to this request, the President considered the organizational options commonly used on university campuses, giving particular attention to those which would make the best use of existing staff. He discussed available options with the Trustees in Executive Session on February 21 and sought their concurrence in the establishment of three new titles at the vice presidential level. He discussed the proposed changes with affected members of his staff in early March and, in the case of the Executive Vice President's position, with representatives of the faculty senate. He announced the first changes on March 7, 1996 and the remaining changes on March 19, 1996.

The reorganized administrative structure merges the former Division of Student Affairs with the former Division of Academic Affairs to form a new Division of Academic and Student Affairs under an Executive Vice President and Provost (Dr. J. Carroll Moody). Similarly, the former Division of Business and Operations has been merged with the former Division of Finance and Planning to create a new Division of Finance and Facilities under a Senior Vice President for Finance and Facilities (Dr. Eddie R. Williams). The remaining units reporting to the President or to the Assistant to the President (Human Resource Services, Computing and Telecommunications, Intercollegiate Athletics, and the Offices of the General Counsel, Affirmative Action, the Ombudsman and Internal Audit) will be organized in a new Division of Administration under a Vice President for Administration (Dr. Anne C. Kaplan).

The new structure will create a team of three staff at the vice presidential level with direct responsibility for the University's central academic and educational

mission, for the management of public monies and the maintenance of the University's physical plant, and for the support and oversight services required by both the academic and financial operations of the institution. Added to that team will be two staff responsible for key external functions, governmental relations (Ms. Kathryn A. Swanson) and development and university relations (Mr. Thomas J. Mitchell). The central administrative team, thus, includes the staff liaisons to the three working committees of the Board of Trustees (Dr. Moody, Dr. Williams and Ms. Swanson), the Treasurer of the Board (Dr. Williams), the Assistant Secretary/Assistant Treasurer (Dr. Kaplan), and the Executive Director of the NIU Foundation (Mr. Mitchell). Each member of the team will establish similar working groups within their respective areas of responsibility.

Recommendation

At this time, I seek Board approval for two new vice presidential titles — “Executive Vice President and Provost” and “Senior Vice President for Finance and Facilities.” These titles will replace the existing titles of “Vice President and Provost” and “Vice President for Finance and Planning.” I also seek approval for the creation of a new vice presidential level position, that of Vice President for Administration, and for the promotion of Dr. Anne C. Kaplan to that position. Associated with this promotion will be the elimination of the position of Executive Assistant to the President/Administration and Human Resource Services.

FINANCIAL TRANSACTIONS

The President recommends Board of Trustees approval of the following items which were approved by the Finance, Facilities and Operations Committee at its February 27 meeting.

Busing Contract

A contract with ATC/VANCOM of Oakbrook Terrace, IL in an amount of \$1,833,000 for University busing services for Fiscal Year 1997. The contract includes a four-year renewal provision.

Health Insurance Contract

A contract with the Chickering Group of Cambridge, MA in an amount not to exceed \$4,000,000 for student health insurance for Fiscal Year 1997. The bid provides an opportunity to renew for four additional one-year periods.

Tuition

A 5.75% general tuition increase and an 8.43% College of Law tuition increase for the 1996-97 academic year.

Fees/Room and Board Rates

An increase of fees and room and board rates which in the aggregate represent a maximum 4.48% increase for the 1996-97 academic year.

College of Business Delivery Fee - Rockford Education Center

The establishment of an off-campus delivery fee of \$137 per credit hour for MBA courses offered at the Rockford Education Center.

Holmes Student Center Bookstore Remodeling Project

Project approval and authorization to develop project documents, advertise, receive bids, and issue contracts and work orders to complete all work associated with remodeling Holmes Student Bookstore within an established budget of \$422,900.

Subject to approval by the Finance, Facilities and Operations Committee at its April 17 meeting, the President recommends Board of Trustees approval of the following items.

Altgeld Hall Renovation

Funding for additional professional architectural and engineering services for Altgeld Hall, including asbestos abatement design, soils testing and acoustical consulting in an amount of \$159,176.

Business and Industry Services Lease

Approval of a lease agreement for Business and Industry Services to provide additional space to accommodate office and training facility requirements.

PRESIDENT'S REPORT
to the
EXECUTIVE COMMITTEE

June 6, 1996
and
June 19, 1996

No item in this report for release before 9:00 a.m. Thursday, June 6, 1996.

AGENDA

**Board of Trustees
of Northern Illinois University
EXECUTIVE COMMITTEE MEETING
Thursday - June 6, 1996
9:00 a.m. - Hoffman Estates Educational Center
Wednesday - June 19, 1996
1:15 p.m. - Holmes Student Center**

June 6, 1996

- 9:00 a.m. Call to Order, Roll Call and Notice Verification
(It is expected the Board Executive Committee will approve a motion to close the public meeting to consider matters permitted by §2 of the Illinois Open Meetings Act in Executive Session on June 6 and 19.)
- 9:45 a.m. Adjourn to Executive Session (Woodstock Conference Center)
- 4:00 p.m. (approx.) Recess Executive Session

June 19, 1996

- 1:15 p.m. Reconvene Executive Committee in DeKalb

June 6 - 9:00 a.m.

1. Call to Order and Roll Call
2. Verification of Appropriate Notice of Public Meeting
3. Meeting Agenda Approval
4. Review and Approval of Minutes of February 21, 1996
5. Recommendations of the President of the University
 - a. Personnel Transactions..... *Action*
 - b. Professional Services Transactions..... *Action*
6. Comments by Chair of the Executive Committee
7. Adjourn to Executive Session

June 19 - 1:15 p.m.

8. Reopen Executive Committee Meeting
9. Other Matters
10. Adjournment

June 19 - 1:30 p.m.

- Convene Board of Trustees Meeting

Minutes of the
NIU Board of Trustees
EXECUTIVE COMMITTEE

June 6, 1996 - NIU Hoffman Estates Education Center
June 19, 1996 - Holmes Student Center, Northern Illinois University

CALL TO ORDER AND ROLL CALL

The meeting was called to order on Thursday, June 6, 1996 at the NIU Hoffman Estates Education Center by Chair Myron Siegel at 9:05 a.m. Recording Secretary Mimms conducted a roll call of Trustees. Present for the meeting were Vice Chair George Moser, Secretary James Myles, Trustee Robert Boey and Chair Siegel. Also present were Trustee David Raymond, President John La Tourette and Parliamentarian Kenneth Davidson. Having noted the presence of a quorum, the meeting proceeded.

VERIFICATION OF APPROPRIATE NOTICE OF PUBLIC MEETING

Chair Siegel asked Parliamentarian Ken Davidson for verification of appropriate notice of public meeting. Mr. Davidson confirmed that all proper notices had been prepared and posted.

MEETING AGENDA APPROVAL

A motion was made by Vice Chair Moser, seconded by Secretary Myles, to approve the minutes of February 21, 1996. The motion was approved.

RECOMMENDATIONS OF THE PRESIDENT OF THE UNIVERSITY

Agenda Item 5.a. - Personnel Transactions

President La Tourette presented background information on Dr. Alfonzo Thurman, presently Acting Dean of the College of Education, and recommended his appointment to Dean of the College of Education. Dr. Thurman has been at Northern for several years, holds the rank of professor in the college and has served as associate dean of the college, administrative assistant to the provost and director of the Office of Special Projects. He holds the M.S. and Ph.D. in Educational Policy Studies from the University of Wisconsin-Madison and a Bachelor of Science Degree in English from Wisconsin State University-LaCrosse. His appointment, which has significant support within the college, is the result of a national search. Dr. Thurman is also highly regarded by those in the state working in public education. In the last ten years, there has been some drift away from the college's historic strong interface with the school districts in northern Illinois and throughout the state, and with the State Board of Education. Dr. Thurman is working to restore those contacts and to again develop the reputation of the college as a very important provider of teachers in northern Illinois and principals, superintendents and other leaders in public education.

Before calling for approval of the recommendation, Chair Siegel commented on Northern's historic reputation in the education field stating that NIU's network reached from top to bottom, in higher education as well as in elementary and secondary education. "We have to be very sure that the message is delivered to the College of Education," Chair Siegel stated, "that we want to see those relationships reestablished and we want to move back to where we were ten or fifteen years ago as the predominant and premiere provider of educational instruction in the state."

Secretary Myles stated that he supported the comments of the Chair and those of Trustee Boey regarding the need to pursue the university's public service mission in all fields. Mr. Myles asked the Board to be informed of measures being taken to reestablish those relationships. Chair Siegel stated that the subject should be handled through the Academic Affairs, Student Affairs and Personnel Committee chaired by Trustee Myles. President La Tourette suggested to Chair Siegel that a summary of these remarks be shared with the Provost and himself with the suggestion that the way in which academic units interface with the region in terms of partnerships with business, industry and government, as well as education, be a topic for Mr. Myles' committee at an appropriate time.

Chair Siegel called for a motion appointing Dr. Thurman as Dean of the College of Education. Trustee Boey moved for approval, seconded by Secretary Myles. The motion was approved. President La Tourette noted that Dr. Thurman is the first African American appointed as a dean at the university.

President La Tourette then presented recommendations for 1996-97 sabbatical leave changes. Vice Chair Moser questioned the cancellation of a sabbatical leave. President La Tourette stated that the cancellation was at the faculty member's request. Trustee Moser moved approval; Trustee Boey seconded. The motion was approved.

Agenda Item 5.b. - Professional Services Transactions

Under the delegation of authority given Dr. La Tourette in January, approval was given to contract with an individual in Naperville for \$85,000 to provide training services for Business and Industry Services. Given the volume of activity and the demands for this kind of training, the director has asked that the original amount be raised from \$85,000 to \$125,000. The Board's approval is required for contractual services over \$100,000. Dr. La Tourette indicated that this type of action will not be required after the Board approves the new Board *Regulations* at the June 19 meeting. Chair Siegel called for a motion to approve the item. Vice Chair Moser made the motion, seconded by Trustee Boey. The motion was approved.

Chair Siegel asked for a motion to recess to executive session to consider minutes of previous executive sessions, personnel matters, collective bargaining matters, property matters, and legal and risk management matters. Vice Chair Moser made the motion, seconded by Secretary Myles. A unanimous roll call vote was taken. The meeting was recessed to executive session at 9:35 a.m.

EXECUTIVE COMMITTEE RECONVENED AND ROLL CALL

The Executive Committee meeting was reconvened by Chair Myron Siegel at 1:15 p.m. on Wednesday, June 19, in the Regency Room of the Holmes Student Center at Northern Illinois University. Recording Secretary Mimms conducted a roll call of Trustees. Present for the meeting were Vice Chair Moser, Trustee Boey and Chair Siegel. Also present were Trustees Susan Grans, George Moser, David Raymond, Manuel Sanchez and Willie Fowler, President John La Tourette and Board Parliamentarian Kenneth Davidson. Not present was Secretary James Myles. Having noted the presence of a quorum, the meeting proceeded.

VERIFICATION OF APPROPRIATE NOTICE OF CONTINUATION OF PUBLIC MEETING

Chair Siegel asked Parliamentarian Kenneth Davidson for verification of appropriate notice of public meeting. Mr. Davidson confirmed that all proper notices had been prepared and posted.

Chair Siegel stated that an Executive Committee Meeting was held on Thursday, June 6, at the NIU Hoffman Estates Center, where an agenda was approved which included routine matters as well as action on recommendations from the university President. The committee considered and approved recommendations on personnel transactions and a professional service contract. Thereafter a motion was proposed and approved to adjourn to executive session to consider matters authorized for closed meeting discussions under Section 2 of the Illinois Open Meetings Act. The Executive Session was held at the Woodstock Conference Center later on June 6 and concluded that afternoon.

At Woodstock the committee approved minutes of previous executive sessions, discussed personnel matters, collective bargaining matters, property matters, and legal and risk management matters.

Chair Siegel stated that the committee meeting was reconvened in open session to complete the approved agenda. There being no Other Matters to be considered, Chair Siegel entertained a motion to adjourn the meeting of the Executive Committee. Trustee Boey so moved, seconded by Trustee Moser. The motion was approved.

The meeting was adjourned at 1:20 p.m.

Respectfully submitted,

Sharon M. Mimms
Recording Secretary

PRESIDENT'S REPORT
to the
EXECUTIVE COMMITTEE

June 6, 1996

PERSONNEL TRANSACTIONS

Appointment

Action

Alfonzo Thurman (Ph.D.) of the College of Education is recommended for appointment as dean of the college at a salary of \$8,334 per month, effective May 16, 1996. Dr. Thurman is currently a tenured professor and has been serving as acting dean.

Changes in Sabbatical Leaves, 1996-97

Action

Cancellation

Paul Bauer - School of Music - College of Visual and Performing Arts

Change

From

Dennis Kevill - Department of Chemistry - College of Liberal Arts and Sciences - Spring 1997

To

Dennis Kevill - Department of Chemistry - College of Liberal Arts and Sciences - Fall 1996

Tenure Track Appointments

Information

<u>Name/Degree</u>	<u>Department</u>	<u>Rank/Title</u>	<u>Monthly Salary</u>	<u>Effective</u>
Basu, Sanjib (Ph.D.)	Mathematical Sciences	Assistant Professor	\$4,889	08/16/96
Gunkel, David (Ph.D.)	Communication	Assistant Professor	\$4,000	08/16/96

Recommendation: The President recommends these personnel actions for appointment of a dean and changes in sabbaticals be approved, and notes, for the Board's information, the new tenure track faculty appointments.

**PROFESSIONAL SERVICES TRANSACTIONS
University Professional and Artistic Contract
Requiring Board of Trustees Approval**

Consulting Services for Business and Industry Services - FY96

Original President's approval was received on June 19, 1995 in the amount of \$85,000 to provide training services for Business and Industry Services. Board of Trustees approval is requested for additional monies in the amount of \$40,000 to accommodate additional demand.

Gregory J. Ziols, Naperville

Original Amount	\$ 85,000
Additional Amount Requested	<u>40,000</u>
Total Not to Exceed	\$ 125,000

Funding is to be provided through Institutional Funds - Business and Industry Services.

Under the Illinois Purchasing Act, this item is exempt from bidding.

Recommendation:

The President recommends approval of the additional services to meet the increased demand for training services.

No item in this report for release prior to 1:30 p.m. June 19, 1996.

PRESIDENT'S REPORT

No. 3

June 19, 1996

No item in this report for release prior to 1:30 p.m. June 19, 1996.

A G E N D A

**BOARD OF TRUSTEES
of
NORTHERN ILLINOIS UNIVERSITY
June 19, 1996
1:30 p.m. - Regency Room**

- 10:15 a.m. Finance, Facilities and Operations Committee - Regency Suite
- 11:00 a.m. Legislation, Audit and External Affairs Committee - Regency Suite
- 12:00 a.m. Lunch - University Suite
- 1:15 p.m. Reopen Executive Committee Meeting (Consideration of Agenda Items, if Appropriate) and Adjournment
- 1:30 p.m. Board of Trustees - Call to Order, Roll Call and Verification

1. Call to Order and Roll Call
2. Verification of Appropriate Notice of Public Meeting
3. Announcements
4. Executive Session
5. Meeting Agenda Approval
6. Review and Approval of Minutes of April 17, 1996
7. Reports of Board Committees and Board Liaisons
 - a. Executive Committee
 - b. Academic Affairs, Student Affairs and Personnel Committee
 - c. Finance, Facilities and Operations Committee
 - d. Legislation, Audit and External Affairs Committee
 - e. Illinois Board of Higher Education
 - f. University Civil Service Merit Board
 - g. Northern Illinois University Foundation
8. President's Report No. 3
 - a. Academic Program Recommendations*Action*
 - b. Financial Transactions*Action*
 - c. Summary of Grant and Contract Awards*Information*
 - d. Quarterly Report on Transactions*Information*
 - e. FY97 Salary Increment Guidelines.....*Action*
 - f. Presentation on Intercollegiate Athletics*Information*
9. Chair's Report No. 2
 - a. Executive Session Minutes Release*Action*
 - b. Approval of *Regulations*: Articles I, II , III, IV and Sections II, III, V, VI and VII*Action*
10. Other Matters
11. Next Meeting Date
12. Adjournment

Minutes of the Meeting of the
BOARD OF TRUSTEES
of **NORTHERN ILLINOIS UNIVERSITY**
June 19, 1996

The meeting was called to order by Chair Myron Siegel at 1:25 p.m. Recording Secretary Mimms conducted a roll call of Trustees. Present for the meeting were Trustees Robert Boey, Susan Grans, George Moser, David Raymond, Manuel Sanchez, Willie Fowler and Chair Siegel. Not present was Trustee James Myles. Having noted the presence of a quorum, the meeting proceeded.

Verification of Appropriate Notice of Public Meeting

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

Announcements

June 30, 1996 was the expiration date of Student Trustee Willie Fowler's term. Chair Siegel presented a resolution to Student Trustee Fowler as follows:

RESOLUTION

WHEREAS *Willie E. Fowler was selected by his constituents at Northern Illinois University to represent their interests and has faithfully served the Board of Trustees of Northern Illinois University as its first Student Trustee; and*

WHEREAS *Willie E. Fowler was previously selected by his constituents at Northern Illinois University to represent their interests and faithfully served the predecessor Board of Regents as a Student Regent from Northern Illinois University; and*

WHEREAS *in said positions Mr. Fowler capably discharged those duties and responsibilities while at the same time keeping in mind the interests of all the people of the State of Illinois in addition to the well-being of Northern Illinois University; and*

WHEREAS *Mr. Fowler has demonstrated devotion to, cooperation with and support for the Board, Northern Illinois University, and the faculty, staff and student personnel of same; and*

WHEREAS *the Board of Trustees of Northern Illinois University has received the benefit of his helpful insights which have been of special worth; and*

WHEREAS *the Board of Trustees wishes to officially express its appreciation for the many splendid contributions by Mr. Fowler to all of the above mentioned interests of this Board,*

NOW THEREFORE LET IT BE RESOLVED *that the Board of Trustees of Northern Illinois University, in formal meeting herein assembled, extends its grateful appreciation to Mr. Willie E. Fowler for his outstanding and loyal service.*

BE IT FURTHER RESOLVED that this **RESOLUTION** be presented to Mr. Fowler and a copy of this document be placed in the official files of this Board as a part of the permanent record of the great State of Illinois and as a lasting tribute to the performance and accomplishments of Mr. Willie E. Fowler.

Adopted in a regular meeting assembled this **19th** day of **JUNE**, 1996.

**Board of Trustees of
Northern Illinois University**

SEAL

*Myron E. Siegel, Chair
James W. Myles, Secretary*

Expressing the hope that future Student Trustees would be as competent and qualified as Mr. Fowler, Chair Siegel presented a plaque from the Board of Trustees:

To Willie Fowler, in recognition of his significant contributions as the first student member of the Northern Illinois University Board of Trustees.

Trustee Fowler said that it had been an honor to serve as a Student Trustee and noted that the new NIU Trustees truly care about students, the university, DeKalb County and the entire state of Illinois. "They say that the team we're sending to the Olympics is a dream team," he said, "but I think that the Governor, when he appointed this Board, gave NIU the real dream team." Fowler thanked all the faculty and staff who helped him grow in his positions of Student Regent and Student Trustee for Northern Illinois University.

Trustee Boey then presented Senator Burzynski with the following resolution:

RESOLUTION

WHEREAS Senator J. Bradley Burzynski was elected in 1992 to represent the people of the 35th District, which includes Northern Illinois University and its faculty, staff and students; and

WHEREAS Senator Burzynski represented the Northern Illinois University community in the House of Representatives from 1990-1992; and

WHEREAS Senator Burzynski was appointed to the Senate Higher Education Committee where he has actively served to promote the needs of Northern Illinois University, while at the same time keeping in mind the interests of the people of the 35th District and all Illinoisans; and

WHEREAS the Board of Trustees and Northern Illinois University wish to thank Senator Burzynski for his leadership and sponsorship of House Bill 2836, which will allow public universities in Illinois to retain their tuition and fee revenues instead of returning the funds to Springfield for appropriation; and

WHEREAS the Board of Trustees wishes to further express its appreciation to Senator Burzynski for his support for a \$976,000 General Revenue Fund appropriation to Northern Illinois University to begin the expansion of Founders Memorial Library;

NOW THEREFORE BE IT RESOLVED that the Board of Trustees in formal meeting herein assembled, extends its grateful appreciation to Senator Burzynski for his outstanding representation and service to Northern Illinois University.

BE IT FURTHER RESOLVED that this **RESOLUTION** will be presented to Senator Burzynski and a copy of this document be placed in the official files of this Board as a part of the permanent record of the great State of Illinois and as a lasting tribute to the representation of Senator J. Bradley Burzynski.

Adopted in a regular meeting assembled this **19th** day of **JUNE**, 1996.

Board of Trustees of
Northern Illinois University

SEAL

Myron E. Siegel, Chair
James W. Myles, Secretary

Trustee Moser presented the following resolution to Representative Wirsing:

R E S O L U T I O N

WHEREAS Representative Dave Wirsing was first elected in 1992 to represent the people of the 70th District, which includes Northern Illinois University and its faculty, staff and students; and

WHEREAS Representative Dave Wirsing was named Chair of the House Higher Education Committee where he has actively served to promote the needs of Illinois' higher education institutions, including Northern Illinois University, while at the same time keeping in mind the interests of the people of the 70th District and all Illinoisans; and

WHEREAS Representative Wirsing has emerged as an advocate and leader for higher education in the General Assembly; and

WHEREAS the Board of Trustees and Northern Illinois University wish to thank Representative Wirsing for his leadership and sponsorship of House Bill 2836, which will allow public universities in Illinois to retain their tuition and fee revenues instead of returning the funds to Springfield for appropriation; and

WHEREAS the Board of Trustees wishes to further express its appreciation to Representative Wirsing for his persistence in successfully finding \$976,000 in state General Revenue Funds to begin the expansion of Founders Memorial Library;

NOW THEREFORE BE IT RESOLVED that the Board of Trustees in formal meeting herein assembled, extends its grateful appreciation to Representative Dave Wirsing for his outstanding representation and service to Northern Illinois University.

BE IT FURTHER RESOLVED that this **RESOLUTION** be presented to Representative Wirsing and a copy of this document be placed in the official files of this Board as a part of the permanent record of the great State of Illinois and as a lasting tribute to the representation of Representative David Wirsing.

_Adopted in a regular meeting assembled this 19th day of JUNE, 1996.

**Board of Trustees of
Northern Illinois University**

SEAL

*Myron E. Siegel, Chair
James W. Myles, Secretary*

Senator Burzynski and Representative Wirsing made remarks after their presentations noting the leadership role of NIU's new Board and the positive impact the Trustees were having on Northern's reputation in the legislature.

Chair Siegel called for a motion to approve all three resolutions. Trustee Sanchez made the motion, seconded by Trustee Grans. The motion was approved.

Chair Siegel then called for a motion closing the public meeting to conduct an Executive Session for discussion of the following subjects authorized by the Illinois Open Meetings Act: legal and risk management matters as generally described under §2(c)(11) and §2(c)(12) of the Open Meetings Act; personnel matters as generally described under §2(c)(1) of the Open Meetings Act; and property matters as generally described under §2(c)(5) and §2(c)(6) of the Open Meetings Act. Trustee Sanchez so moved and Trustee Moser seconded the motion. A roll call vote of the Trustees to recess to Executive Session was unanimous.

BOARD OF TRUSTEES MEETING RECONVENED

Meeting Agenda Approval

Trustee Sanchez moved for approval of the Agenda. Trustee Grans seconded the motion. The motion was approved.

Approval of Minutes of April 17, 1996

Trustee Grans moved for approval of the Minutes of the April 17 meeting. Trustee Sanchez seconded the motion. The motion was approved.

REPORTS OF BOARD COMMITTEES AND BOARD LIAISONS

Executive Committee

Chair Siegel announced that the Executive Committee Report had been given at the reconvening of the Executive Committee held at 1:15 p.m.

Academic Affairs, Student Affairs and Personnel Committee

Trustee Grans, Vice Chair of the Academic Affairs, Student Affairs and Personnel Committee, reported that the committee met on May 16 and forwarded several academic recommendations to the Board for approval. These included: two new degree programs; three new program minors; five program deletions; and authority for four degrees at off-campus sites.

Finance, Facilities and Operations Committee

Trustee Boey, Chair of the Finance, Facilities and Operations Committee, said the committee meeting on May 29, 1996, included an overview summarizing several major capital issues to be faced by the university in the coming year. Dr. Williams provided a schedule of capital projects, including those that may be part of a bond offering: residence hall renovations; recycling center; University Resources for Latinos and Latin American Studies Center; recreation fields, campus roadway and landscape improvement, land acquisition; and a child care facility. Authorization and funding for these projects is to be considered at the September Board of Trustees meeting.

In addition to these reports, the following items were recommended to the Board for approval: contract renewals for Printing Services printing and copier equipment, FY97 Northern Illinois University Foundation professional services contract renewal, International Programs operational authorization, project and budget authorization for the Swen Parson computer center air conditioning and raised flooring upgrade, and an FY96 appropriated funds line item transfer..

Another FFO Committee meeting was held at 10:30 a.m. on June 19 to discuss the purchase of combination refrigerator/freezer/microwave units to be installed in the university residence halls. The committee approved a request to authorize the President, upon receipt of a final recommendation after field tests, and with the concurrence of the Chair of the Board of Trustees and the Chair of the Finance, Facilities and Operations Committee, to accept a bid for the purchase of 3,095 refrigerator/freezer/microwave units up to a maximum total cost of \$1.33 million, which includes a 5% contingency. This item was recommended to the Board for approval.

Legislation, Audit and External Affairs Committee

Trustee Moser, Chair of the Legislation, Audit and External Affairs Committee reported that the committee met at 11:00 a.m. on June 19 and received an extensive report from Kathy Swanson, the university's Government Relations representative, detailing the results of the legislative session.

The General Assembly, after considerable deliberation, accepted the Governor's 1997 budget recommendations for higher education leaving intact the university's 1997 operating budget. Legislation permitting Illinois public universities to retain tuition revenues locally was passed by the General Assembly and awaits the Governor's signature. Chair Siegel, President La Tourette, Kathy Swanson and Chair Moser were scheduled to meet with the Governor's Office to discuss the legislation in detail. President La Tourette and several Board members also sent

letters to the Governor encouraging him to sign the bill. Sen. Brad Burzynski and Rep. Dave Wirsing were instrumental in assisting Northern Illinois University in obtaining a \$976,000 appropriation for planning and utility work on the expansion of Founder's Memorial Library. The expansion will provide collection storage for the library through a basement build-out which will free up other area to address critical space needs. The total project is estimated at approximately \$4.5 million.

Concerning audit issues, the university's 1994 Compliance Audit was accepted by the Legislative Audit Commission on April 29, 1996. The Auditor General recently released Northern Illinois University's 1995 Compliance Audit with only ten findings, five of which were repeats. This contrasts favorably with 24 findings in 1994. President La Tourette and Dr. Williams met with the Controller to discuss the 1995 audit findings and determine appropriate measures to address them. The university has already accepted and implemented most of the recommendations.

Finally, the committee was presented with the results of an arena fiscal impact study conducted by the Center for Governmental Studies at the request of the City and the County of DeKalb. The study indicated the City of DeKalb would derive approximately \$9 million in local sales, excise and potential ticket tax if an arena were constructed. The City Council voted by a 4-3 margin to continue discussions with the university.

There were no reports from the Illinois Board of Higher Education, the University Civil Service Merit Board or the Northern Illinois University Foundation.

Chair Siegel recognized Dr. Charles Larson, President of the University Advisory Council, for comments. Dr. Larson thanked the Board for the cordiality and cooperation that had allowed them all to work together for a common goal during the four months of UAC's existence. Most recently, the example of the Board asking for UAC input on Board *Regulations*, he said, struck him as the kind of relationship and collegiality that was hoped for when the organization was formed. Dr. Larson also, in behalf of the University Advisory Council, added his thanks and congratulations to exiting Student Trustee Willie Fowler.

Chair Siegel thanked Dr. Larson, Gordon Shneider, Jim Russell, Kate Romano, Linda Sons and Judy Bischoff for their help and hard work on the University Advisory Council and the Board committees.

PRESIDENT'S REPORT NO. 3

Chair Siegel asked President La Tourette to introduce the President's Report items.

Agenda Item 8.a. - Academic Program Recommendations

President La Tourette stated that the first item was a recommendation of the Academic Affairs, Student Affairs and Personnel Committee on academic program approvals:

1. Two new degree programs: Bachelor of Science in Education in Health Education; Master of Science in Taxation;
2. Three new program minors: Minor in Marketing (within the B.S. in Marketing); Minor in Electrical Engineering Technology (B.S. in Technology); Minor in Manufacturing Engineering Technology (B.S. in Technology);
3. Deletions of existing program: Ed.S. in Counseling; Ed.S. in Curriculum and Instruction; Specialization in Administration and Supervision in the M.S.Ed. in Special Education; Minors in Drawing, Electricity/Electronics and Metals in the B.S. in Technology (nonteaching); Minors in Industrial Arts Education, including Minors in Drawing, Electricity/Electronics, Metals and Woods in B.S. in Technology ; and
4. Degree authority at five off-campus sites: M.S.Ed. in School Business Management at Hoffman Estates Education Center (Elgin Community College District); Master of Public Administration (M.P.A.) at Hoffman Estates Education Center (Elgin Community College District) and via distance education at the Quad Cities Graduate Studies Center (Blackhawk Community College District); Master of Science in Taxation (M.S.T.) at Hoffman Estates Education Center (Elgin Community College District); B.S. in Technology at Rockford Education Center (Rock Valley College Community College District).

Chair Siegel called for a motion to approve the academic program recommendations. Trustee Grans made the motion, seconded by Trustee Raymond. The motion was approved.

Agenda Item 8.b. - Financial Transactions

President La Tourette presented items reviewed and approved at the May 29 meeting of the Finance, Facilities and Operations Committee. These actions included a contract for renewal of existing printing equipment lease/purchase and service maintenance agreements in the amount of \$434,000 and multiyear copier equipment and central control mechanisms in the amount of \$696,000; renewal of the Northern Illinois University Foundation professional services contract in the amount of \$325,313 for FY97; International Programs operational authorization for FY97 disbursements up to \$2.2 million; the Swen Parson computer center air conditioning replacement and flooring upgrade in the amount of \$398,600; and the line item transfer of \$350,000 in contractual services to Medicare (\$200,000) and Commodities (\$150,000).

Chair Siegel asked for a motion to approve the items. Trustee Boey so moved, seconded by Trustee Sanchez. The motion was approved.

President La Tourette stated that, the Finance, Facilities and Operations Committee, meeting the morning of June 19, recommended approval of the purchase of 3,095 combination refrigerator/freezer/microwave units to be installed in the university residence halls prior to the opening of the Fall semester. After bids were received, the university requested that the three

vendors whose bids appeared to meet the basic specifications provide additional information regarding the specifications and ratings of the equipment proposed, as well as a sample unit for field testing. The university requested that authorization be given to the President, and upon receipt of a final recommendation after the field tests, with the concurrence of the Chair of the Board of Trustees and the Chair of the Finance, Facilities and Operations Committee, to accept a bid for the purchase of refrigerator/freezer/-microwave units up to a maximum total cost of \$1.33 million, which includes a 5% contingency.

Chair Siegel asked for a motion, per the recommendation of the Finance, Facilities and Operations Committee as stated by President La Tourette, to approve the purchase of refrigerator/freezer/microwave units. Trustee Boey made the motion and Trustee Sanchez seconded. The motion was approved.

Agenda Item 8.c. - Summary of Grant and Contract Awards

Chair Siegel asked President La Tourette to review the grant and contract awards summary. At the present time, NIU is reporting almost \$15 million in outside grants and contracts awarded during the current fiscal year. The number and volume of federal grants has tended to decline. Some of this decline has been offset by increased activity at the state and corporate levels.

Agenda Item 8.d. - Quarterly Report on Transactions

Under authority granted by the Board in January to streamline purchasing processes on campus, authorization was given to the President to approve transactions under \$250,000. There were five purchases ranging between \$100,000 and \$250,000, and one capital project of \$126,000.

Agenda Item 8.e. - FY97 Salary Increment Guidelines

President La Tourette explained the salary increment guidelines stating that provisions had been made to distribute a 3.0% merit pool from State funds for faculty and staff with an additional 1% of reallocated funds available for market and equity adjustments. The university requested approval of the recommended guidelines.

Chair Siegel asked for a motion to approve the recommended salary increment guidelines. Trustee Sanchez made the motion, seconded by Trustee Moser. The motion was approved.

Chair Siegel commented that the Board and university did not feel that the increase from state funds was adequate and that they had worked very hard to reallocate funds to bridge the gap. He promised to strive toward a higher goal next year. Trustee Fowler noted that the faculty do an outstanding job teaching students. He hoped progressively higher salary increments could be allocated in the future so that NIU can retain its best faculty and continue to be competitive with other institutions, not only in the state of Illinois, but throughout the country.

Dr. La Tourette said he appreciated the comments made by the Chair and Trustee Fowler. He said it was difficult to reallocate more than 1%, but the Board and university are committed to looking at this issue over the next several years to see if the university can augment whatever the State provides.

Agenda Item 8.f. – Presentation on Intercollegiate Athletics

Dr. La Tourette stated that this report is important because the university is obligated to respond to the Board of Higher Education with a report on August 15 of this year. He reviewed the questions raised by the IBHE about intercollegiate athletics at the public universities in Illinois. These questions relate to the mission of the program; the size, scope and level of competition; the education and other experiences provided for students; the benefits to the university; and the resources required or provided.

Throughout the initial and ensuing discussion of intercollegiate athletics and P•Q•P, the President noted that IBHE staff reports and discussions continually confused the issue of state support and appropriated support, in some cases referring to a phase-out of state support; in others, a phase-out of appropriated support.

The distinction is important because several public universities had never used state GR (tax) dollars to support intercollegiate athletics. In the case of Northern Illinois University and the other universities under the Board of Regents, there was a Board regulation, dating from the early 1970s, which explicitly prohibited the use of state GR dollars — that is tax dollars — to support intercollegiate athletics.

After considerable campus and Board discussion and with the recognition that different institutional responses were beginning to emerge, the Board of Regents approved plans for Illinois State University, Northern Illinois University, and Sangamon State University to phase out income fund support for intercollegiate athletics. That occurred in 1994.

All the universities presented phase-out plans, which essentially reallocated the income fund dollars to undergraduate instruction and computer support for students. These plans, therefore were consistent with the original IBHE resolution in 1992 that we strengthen instruction and provide more support for computer use by students. The Board of Regents approved these plans and authorized a phase-in of higher student athletic fees to continue to support intercollegiate programs at the three universities.

The Board, and particularly ISU, was criticized by the IBHE staff for the increase in fees. In the interim, the response by other institutions made it clear that the original IBHE recommendation was not operative. Each institution examined its own situation and came up with what appeared to be appropriate for its intercollegiate athletic program. Institutional responses were complicated by the fact that, the federal government was pushing on gender equity and requiring all institutions, to increase their support for women's sports. This, of course, would require additional dollars.

By 1995, it was clear that the original IBHE dictate was not going to work. In a May 1995 report, the IBHE staff blamed NCAA sports regulations and the reluctance of institutions to examine the P•Q•P priorities for the failure of the program, while ignoring the fact that all the institutions and boards were struggling with this issue. At the July 1995 meeting, two new resolutions were considered and then carried over to the following meeting. At the September 1995 meeting, the IBHE voted to set aside the original policy on phasing out all tax funds for intercollegiate athletics by July 1, 1996, and asked the public universities to submit a report on intercollegiate athletics by August 15, 1996 addressing the issues outlined earlier.

The record of NIU over the past twenty years, the President said, has been one of continued assessment of intercollegiate athletics, and these evaluations have repeatedly reaffirmed the mission, scope, size, and level of competition and the commitment of the university resources to intercollegiate athletics for the benefit of students and the university.

Dr. La Tourette then asked Cary Groth to briefly review where the university is now in self-studies, internal and external reviews, and related actions over the past twenty years in athletics.

Ms. Groth stated that two years ago, when she was hired as director of athletics, a strategic plan was put together to move the athletic program forward.

The number one goal was to improve the academic success of the NIU program — both department grade point average and the graduation rate. The department has done that. The number two goal was to hire and retain outstanding staff. NIU has an outstanding Athletic Department staff. The number three goal was to align NIU with a conference that mirrors the university mission. This has been done. Northern Illinois University will enter the Mid-American Conference July 1, 1997 which means that, for the first time, all NIU sports programs will be aligned under one conference affiliation. The number four goal was to improve facilities. The institution has some of the most outstanding outdoor facilities in the Midwest. Work has continued towards phase two of the east side of Huskie Stadium. The number five goal was to increase external funding, probably the most critical goal for university intercollegiate athletic programs across the country. The university has the people in place and is working on the relationships it needs to realize this goal. The final goal was to improve the overall image of intercollegiate athletics, on campus and off campus.

Ms. Groth stated that a successful intercollegiate athletic program is built on five key areas: *Integrity* and *values*. In May of 1994, Northern Illinois University's athletic program was certified at the highest level within the NCAA — one of the first eight institutions in the country. *Academics* — the program must recruit top students, increase the grade point average and the graduation rate. *Resources* — existing resources must be used very wisely and augmented by growth in external funds. *Commitment* and *Leadership* — from the Board of Trustees to the university community and our constituents, all have to be moving in the same direction and believe in the direction we are headed. Of course, *vision* is the most key area, Groth said, not to “keep up with the Joneses,” but to be a leader in intercollegiate athletics.

Ms. Groth provided the Trustees with an informational booklet on IA with detailed information on budgets, staffing, and academic patterns.

Chair Siegel commended Ms. Groth on the past season and thanked her for all of her efforts. He encouraged all the Trustees to go to some of the games, especially the away games to see the programs and facilities of other schools, especially those in the Mid-American Conference and of similar size.

To answer a question from Trustee Fowler, Ms. Groth stated that the one reason for the increase in GPA's in Northern's athletics department is the fact that the coaches try to instill pride in the fact that the students are Huskies. Students are required to wear Huskie apparel in practice instead of T-shirts and other apparel bearing other university names. The athletes understand that less than one percent of collegiate student athletes go on to professional sports. Therefore, having a degree is very important. Finally, the accountability of coaches has increased because they know that fifty percent of their evaluation is on the academic success of students in their programs.

CHAIR'S REPORT NO. 2

Agenda Item 9.a. - Executive Session Minutes Release

Chair Siegel asked for a motion to approve the release of Executive Session Minutes. Trustee Sanchez made the motion, seconded by Trustee Fowler. The motion was approved.

Agenda Item 9.b. - Approval of *Regulations*: Introduction and Sections II, III, V, VI and VII

Chair Siegel stated that a great deal of time was spent going over the *Regulations*, modifying and rewriting sections, with Dr. Anne Kaplan and other university staff. The University Advisory Committee was given a copy and given time to make comments, suggest changes, modifications or adjustments. Chair Siegel inquired if UAC representative Larson was satisfied with the *Regulations* presented. Dr. Larson indicated that he was.

Chair Siegel asked for a motion to approve the Introduction of the *Regulations* and Sections, II, III, V, VI and VII, subject to correction of editing errors or omissions, if any. The motion was approved.

Trustee Sanchez so moved, seconded by Trustee Raymond. The motion was approved.

Agenda Item 11 - Next Meeting Date

The next meeting date of the Board of Trustees is currently set for September 18.

Chair Siegel then called for a motion to adjourn. Trustee Sanchez made the motion, seconded by Trustee Boey. The motion was approved.

The meeting was adjourned at 4:35 p.m.

Respectfully submitted,

Sharon M. Mimms
Recording Secretary

ACADEMIC PROGRAM RECOMMENDATIONS

Following endorsement by the Academic Affairs, Student Affairs and Personnel Committee, the President recommends approval of the following academic program requests:

New Degree Programs

1. *B.S.Ed. in Health Education* — The degree will be offered by the Department of Physical Education in the College of Education. It meets the expectations of the Illinois State Board of Education (ISBE) for health education certification programs, and graduates will be able to teach in middle schools and high schools. No new state resources will be required to deliver the program.
2. *Master of Science in Taxation (M.S.T.)* — This is a professional program which has been designed for accounting professionals seeking technical expertise in taxation. It will be offered at the Hoffman Estates Education Center to meet the needs of part-time students employed in the area. The program will be offered by currently employed faculty on an overload basis. Costs will be covered by a special program delivery fee similar to the fees in effect for the off-campus M.B.A. program and the M.S. in Computer Science. No new state resources will be required to deliver the program. A request for off-campus degree authority will accompany the request to the IBHE for approval of the program.

New Program Minors

1. *Minor in Marketing (within the B.S. in Marketing)* — Using existing courses, the minor covers the basic principles and practices of marketing and will serve both majors in other business disciplines and majors in programs outside the College of Business.
2. *Minor in Electrical Engineering Technology (B.S. in Technology)* — As a result of the review and streamlining of its entire curriculum, the Department of Technology proposes two new minors to replace a number of more specialized minors. These broadly constructed minors will be more accessible to and useful for students in other disciplines. The minor in electrical engineering technology will make an important area of engineering technology available as a supplementary area of study for majors in other fields, such as computer science, the physical sciences, and some areas of business. The minor uses existing courses and requires no new resources.

3. *Minor in Manufacturing Engineering Technology (B.S. in Technology)* — The minor provides a broad introduction to the area of manufacturing engineering technology and will be useful to students in other fields who are planning careers in manufacturing industries. The minor uses existing courses and requires no new resources.

Existing Program Deletions

1. *Ed.S. in Counseling* — Following the expansion of the master's program in counseling, demand for the Ed.S. program has declined. The IBHE has urged universities to consider eliminating educational specialist (Ed.S.) programs unless they fulfill an identifiable professional role. In the course of its regularly-scheduled review of its academic programs during 1995-96, the Department of Educational Psychology, Counseling, and Special Education has concluded that the program no longer serves its original purpose and that its deletion will have no negative impact on student opportunities, faculty assignments or other programs.
2. *Ed.S. in Curriculum and Instruction* — Interest in the Ed.S. program has dropped substantially in recent years. The program serves no distinct professional purpose and the department believes students seeking study beyond the M.S.Ed. are best served by the more structured experience provided through enrollment in the doctoral program. Its deletion will not affect faculty assignments or other programs.

[NOTE: The university has one remaining Ed.S. program in the field of educational administration. That program leads to school superintendency certification, a direct professional outcome, and will be retained.]

3. *M.S. Ed. in Special Education, Specialization in Administration and Supervision* — The department believes that students seeking careers in special education administration can be better served by completing an educational administration degree program with some courses in special education.
4. *B.S. in Technology (nonteaching): Minors in Drawing, Electricity/Electronics, and Metals* — The department considers these minors to be too specialized and somewhat outdated and wishes to replace them with the new program minors described above. Deletion of the minors is contingent upon approval of the proposed new minors and the recognition of those minors by the IBHE as "reasonable and moderate extensions" of existing degree authority.
5. *B.S. in Technology: Minors in Industrial Arts Education including Minors in Drawing, Electricity/Electronics, Metals, and Woods* — These minors represented choices within the industrial arts education minor. The department eliminated its teacher preparation program, the B.S.Ed. in Technology, in 1993 and now plans to eliminate the four industrial arts education minors.

Degree Authority at Off-Campus Sites

1. *M.S. Ed. in School Business Management at Hoffman Estates Education Center (Elgin Community College District)* — The M.S. Ed. in School Business Management has been offered at off-campus sites for many years and, until a few years ago, was authorized in the Elgin district. The university deleted that authorization anticipating consolidation of its off-campus offerings in the northwestern suburbs in the Harper district. Since the Hoffman Estates Education Center is, in fact, located in the Elgin district, the university now seeks to have its former degree authority reinstated so that the program can use that facility.
2. *Master of Public Administration (M.P.A.) at Hoffman Estates Education Center (Elgin Community College District) and, via distance education, at the Quad Cities Graduate Studies Center (Blackhawk Community College District)* — Courses in the Master of Public Administration are already being offered at various off-campus sites in the northwestern suburbs, often in space donated by municipalities. Increasing need for computer access and for greater efficiency in program delivery dictates consolidation of these courses at the Hoffman Estates Education Center. If the request for degree authority in the Elgin district is granted, it will be possible to respond to requests that the program also be offered at the Quad Cities Graduate Studies Center. Distance education technology is available at the Hoffman Estates Education Center and would allow the public administration faculty to transmit courses being taught there simultaneously to the Quad Cities Graduate Studies Center. This is the only way the faculty can accommodate demand in the Quad Cities area.
3. *Master of Science in Taxation (M.S.T.) at Hoffman Estates Education Center (Elgin Community College District)* — The request for the M.S.T. is described above under new program approvals. Since the program will be offered only at an off-campus site, approval of the request for off-campus degree authority is essential to the program's initiation.
4. *B.S. in Technology at Rockford Education Center (Rock Valley College Community College District)* — The Department of Technology in the College of Engineering and Engineering Technology has designed this program to accommodate the baccalaureate completion needs of students who have earned the Associate of Applied Sciences (A.A.S.) degree. The A.A.S degree emphasizes technical expertise over general education coursework, making the transition to a baccalaureate completion program difficult. This program was planned in consultation with Rock Valley College's Industrial Advisory Committee and fulfills the goals of the Tech Prep initiative. The FY97 budget includes \$50,000 in new state resources which will be dedicated to this program.

FINANCE, FACILITIES AND OPERATIONS COMMITTEE
FINANCIAL TRANSACTIONS

Combination Refrigerator/Freezer/Microwave Units

Advertised, sealed bids were requested for combination refrigerator/freezer/microwave units in an amount sufficient to equip each occupied room in all of the university's residence halls. Results of the bid opening will be discussed at the Finance, Facilities and Operations Committee Meeting on June 19 and the Committee's recommendations will be presented by the President to the full Board.

Following endorsement by the Finance, Facilities and Operations Committee at the May 29 Committee Meeting, the President recommends approval of the following financial transactions:

I. Printing Services

A. Renewal of existing printing equipment lease/purchase and service maintenance agreements with Xerox Corporation of Schaumburg for the following:

1. Docutech NP135-2 Network Service
Not to exceed: \$144,000
2. Docutech NP135-2 with signature booklet Market and Bypass Transport Unit
Not to exceed: \$160,000
3. Docutech NP135-2 Installed in Holmes Student Center
Not to exceed: \$130,000

B. Renewal of existing contracts with Gordon Flesch Co. of St. Charles and Danyl Corp. Providing multiyear copier equipment and central control mechanisms as follows:

1. Gordon Flesch Co. of St. Charles providing 210 copier machines
Total not to exceed: \$570,000
2. Danyl Corp./Gordon Flesch Co. for Central Control Mechanism
Not to exceed: \$126,000

II. Foundation Contract

Northern Illinois University Foundation professional services contract of \$325,313 for Fiscal Year 1997.

III. International Programs

International Programs operational authorization for Fiscal Year 1997 disbursements up to \$2.2 million.

IV. Swen Parson Computer Center

Swen Parson Computer Center air conditioning replacement and flooring upgrade - \$398,600.

V. Line Item Transfer

Fiscal Year 1996 line item transfer of \$350,000 in contractual services to Medicare (\$200,000) and Commodities (\$150,000).

FY97 SALARY INCREMENT GUIDELINES

Summary: In accordance with Board *Regulation* III.C.2.a., annual salary increment guidelines are approved by the Board of Trustees. The approval of annual salary increment guidelines authorizes distribution of a comprehensive annual increment, a process which typically occurs at the beginning of each fiscal year. Following completion of the fiscal year salary adjustment process, increment totals are verified and provided to the Board of Trustees in summary form in conjunction with the annual review and approval of internal budgets. The FY97 salary increment guidelines incorporate two components, a 3.0% merit increment and a 1.0% market equity increment. For purposes of administering and verifying the FY97 increment, the percentage specifications will pertain to three independent employment categories, comprising salary pools, within which total adjustments will be made consistent with the FY97 increment guidelines. These categories are as follows:

1. Regularly appointed instructional faculty (including department chairs)
2. Regularly appointed FLSA-exempt employees (excluding instructional faculty)
3. Regularly appointed hourly Civil Service employees

The FY97 increment authorization also provides for a total 3.0% increment to be provided to graduate assistant positions.

Recommendation: The President recommends approval of the FY97 salary increment guidelines.

FY97 SALARY INCREMENT GUIDELINES

1. Salary Adjustments will be based on a 3.0 percent merit pool for faculty and staff with an additional 1.0 percent pool to be available for market and equity adjustments.
2. The increment pools are exclusive of adjustments for promotion in academic rank or for administrative title changes reflecting the assumption of additional duties, but inclusive of all other salary adjustments. This authorization does not include previously approved incrementation/reallocation plans associated with specific departments and positions.
3. Increment parameters shall be applied to the salary pools generated by the following employment categories:
 - a. Regularly appointed instructional faculty (including department chairs)
 - b. Regularly appointed FLSA-exempt employees (excluding instructional faculty)
 - c. Regularly appointed hourly Civil Service employees

Graduate Assistant positions will be incremented by 3.0 percent. Employees on temporary contracts who are reappointed during FY97 may receive salary increases in conjunction with the reappointment subject to the availability of funds.

4. The effective dates for the above salary recommendations will be July 1 for administrative, professional, Civil Service and faculty staff members who are on 12-month contracts. For regular faculty, the incrementation date will be at the beginning of the contract period or August 15.

CHAIR'S REPORT

No. 2

June 19, 1996

EXECUTIVE SESSION MINUTES RELEASE

Summary: The Illinois Open Meetings Act, as amended, requires public bodies to review minutes of their executive sessions on a semiannual basis and determine what parts of such minutes they should make available to the public because they no longer require confidential treatment. Accordingly, this item is proposed for complying with this legal requirement by taking action upon the duly approved Minutes of January, 1996 through May, 1995, executive sessions of either the full Board of Trustees or committees of the Board.

Upon review and advice of the Board's Parliamentarian and legal counsel, the following sections of executive session minutes for the relevant period are proffered for release from confidentiality:

January 17, 1996 - Executive Session of the NIU Board of Trustees

1. Legal and Risk Management Matters
2. Collective Bargaining Matters
3. Personnel Matters

February 21, 1996 - Executive Session of the Executive Committee of the NIU Board of Trustees

1. Collective Bargaining Matters
2. Risk Management Matters
3. Personnel Matters

Recommendation: The Chair recommends that the Board approve the release from confidentiality of the specified sections of executive session minutes as reviewed and advised above. Those sections, if any, which are still subject to confidentiality, together with sections from subsequent meetings, will be considered again in six months.

APPROVAL of *REGULATIONS*

INTRODUCTION

SECTION II

SECTION III

SECTION V

SECTION VI

SECTION VII

APPROVAL OF REGULATIONS:

Article I - INTRODUCTION

p. 2 Section 2 - Access and Quality

Article II - ORGANIZATION AND OPERATION OF THE BOARD OF TRUSTEES

p. 3

Article III

p. 4 Section 2 - General Administration
Section 3 - Statutory Context
p. 5 Section 4 - Categories of Staff
p. 6 Section 5.A. - Tenure
p. 7 Section 6 - Academic Freedom
p. 7-8 Section 7 - Participation in University Governance
p. 8 Section 9 - Students

Article IV

p. 9 Section 2 - *Bylaws*
Section 6 - Adoption, Review and Amendment of *Bylaws*
p. 10 Section 7 - Adoption and Amendment of Board *Regulations* (3)

SECTION II

Subsection A

p. 11 2.a. - Position Authorization
p. 12 2.b.(4) - Temporary Appointments
3.a.
3.b.(1) - Professor
3.b.(2) - Associate Professor
p. 13 3.c. - Exceptions
p. 13-14 5. - POSITION ADMINISTRATION
p. 14 8. - FAMILY RELATIONSHIPS
p. 15 10.a.(3)
p. 16 10.b.(2)(c)
p. 17 12.d. - Locus of Tenure
12.e. - Probationary Service Expectations

Subsection B

p. 20 1.b
1.c.
3. - DISCLOSURE OF ECONOMIC INTERESTS

- p. 21 3.a.
- 3.b.
- 3.c.
- 3.d.
- p. 22 6.a.(3)
- 6.a.(4)
- p. 23 7.a.(1)
- 7.a.(2)

Subsection C - Salary Administration

- p. 24 1. - SALARY ADMINISTRATION POLICY
- 2.a. - Approval
- 2.b. - Criteria

Subsection D - Benefits

- p. 30 9.a. - Employees

Subsection E - Sabbatical Leave

- p. 35 1. - PURPOSE
- 2. - PROCEDURES
- 2.a.
- 2.g.

SECTION III - CIVIL SERVICE EMPLOYEES

Subsection A - Appointments

- p. 41 2.a.(b)
- 2.a.(c)
- p. 43 5. - FAMILY RELATIONSHIPS
- p. 51 7.a. - Employees
- p. 53 13. - TRANSFER OF BENEFITS

SECTION V - FINANCIAL AFFAIRS

Subsection B - Obligation of financial Resources

- p. 57 1.d. - Professional Services and Consulting
- p. 58 2.a.(2)
- 2.a.(3)
- 2.a.(4)
- p. 59 2.d.
- 2.d.(1)

Subsection I. - Not-for-Profit Corporations

- p. 67 2. - LIAISON BETWEEN THE BOARD OF TRUSTEES AND CORPORATIONS

Subsection J - Contributions to the University and Not-for-Profit Organizations

- p. 68 1. - GENERAL STATEMENT
- 2. - LIAISON BETWEEN THE BOARD AND SUCH CORPORATIONS
- P. 68-69 3. - NORTHERN ILLINOIS UNIVERSITY FOUNDATION

- P. 69 4. - NORTHERN ILLINOIS UNIVERSITY ALUMNI
 ASSOCIATION
 5. - CONTRIBUTIONS
 6. - CONTRIBUTIONS INVOLVING A COMMITMENT OF
 RESOURCES
 7. - FUNDS NOT RECOGNIZED AS CONTRIBUTIONS
 8. - REPORTS TO THE BOARD

Subsection L - Reimbursable Business Expenses

- p. 72 ENTERTAINMENT AND PROMOTION

SECTION VI. - PHYSICAL FACILITIES

Subsection A. - Real Property

- p. 78 2.d. - Leases (Board as Lessor)
 2.e. - Child Care Services *[from 2.c. to 2.e.]*

Subsection B. - Capital Projects

- p. 80 1. - PROJECT APPROVAL

SECTION VII. - OTHER OPERATIONAL MATTERS

Subsection B. - Collective Bargaining

- p. 85 1 - POLICY

Subsection D. - Legal representation and Indemnification

- p. 88 1. - BOARD MEMBERS, EMPLOYEES AND STUDENTS

PROCEEDINGS
of the
BOARD OF TRUSTEES
of
NORTHERN ILLINOIS
UNIVERSITY
in the State of Illinois

JAMES EDGAR
Governor

[State Seal]

July 1, 1996 - June 30, 1997

**BOARD OF TRUSTEES
of
NORTHERN ILLINOIS UNIVERSITY**

Officers

Robert T. Boey, Chair
George A. Moser, Vice Chair
James W. Myles, Secretary
Eddie R. Williams, Treasurer
Kenneth L. Davidson, Parliamentarian
Anne C. Kaplan, Assistant Secretary/Assistant Treasurer
George M. Shur, Second Assistant Secretary
Sharon M. Mimms, Recording Secretary

Appointed Members

Term Expires

Robert T. Boey - DeKalb	January, 2001
Susan E. Grans - Rockford	January, 1999
George A. Moser - Barrington Hills	January, 2001
James W. Myles - Chicago	January, 1999
David W. Raymond - Glen Ellyn	January, 1999
Manuel Sanchez - Lisle	January, 2001
Myron E. Siegel - Deerfield	January, 1999

Nonvoting Student Member

David Marquez	June, 1997
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John E. La Tourette, President
Northern Illinois University
301 Lowden Hall
DeKalb, IL 60115

No item in this report for release prior to 10:00 a.m., August 9, 1996.

PRESIDENT'S REPORT
to the
EXECUTIVE COMMITTEE

August 9, 1996

No item in this report for release before 10:00 a.m. Friday, August 9, 1996.

A G E N D A

**NIU Board of Trustees
EXECUTIVE COMMITTEE
Teleconference Meeting
Conference Room 304 - Lowden Hall
Friday - August 9, 1996**

1. Call to Order and Roll Call
2. Verification of Appropriate Notice of Public Meeting
3. Meeting Agenda Approval
4. Recommendations of the President of the University
 - a. Collective Bargaining Agreements
 - b. Flood Damage Recovery Efforts
5. Chair's Comments
6. Other Matters
7. Adjournment

Minutes of the
NIU Board of Trustees
EXECUTIVE COMMITTEE
Teleconference Meeting
August 9, 1996

CALL TO ORDER AND ROLL CALL

The teleconference meeting was called to order by Chair Myron Siegel at 10:10 a.m. Recording Secretary Mimms conducted a roll call of Trustees. Present for the meeting were Vice Chair George Moser, Secretary James Myles, Trustee Robert Boey and Chair Siegel. Also present were President John La Tourette and Parliamentarian Kenneth Davidson. Having noted the presence of a quorum, the meeting proceeded.

VERIFICATION OF APPROPRIATE NOTICE OF PUBLIC MEETING

Chair Siegel asked Parliamentarian Ken Davidson for verification of appropriate notice of public meeting. Mr. Davidson confirmed that all proper notices had been prepared and posted, including notice of public access to the teleconference meeting in Lowden Hall, Room 304, on the DeKalb campus of the university.

Meeting Agenda Approval

Chair Siegel asked for a motion to amend the agenda to include item 4.b. - Flood Damage Recovery Efforts. Vice Chair Moser so moved and Trustee Boey seconded. The motion was approved.

Chair Siegel then asked for a motion to approve the agenda as amended. Vice Chair Moser made the motion, seconded by Secretary Myles. The motion was approved.

Chair Siegel asked President La Tourette to introduce Agenda Item #4 - Recommendations of the President of the University.

RECOMMENDATIONS OF THE PRESIDENT OF THE UNIVERSITY

Agenda Item 4.a. – Collective Bargaining

President La Tourette complimented Mr. Steve Cunningham, Assistant Vice President for Administration and Human Resource Services, on the excellent job done in bringing the bargaining unit negotiations to a conclusion within the salary increment guidelines established by the Board for all employees.

Chair Siegel called for a motion to approve the contract negotiated with the American Federation of State, County and Municipal Employees, Local No. 963. Trustee Boey so moved, seconded by Secretary Myles. The motion was approved.

Chair Siegel called for a motion to approve the contract negotiated with the International Union of Operating Engineers, Local No. 399. Vice Chair Moser made the motion and Secretary Myles seconded. The motion was approved.

Chair Siegel called for a motion to approve the contract negotiated with Teamster's Local No. 331. Vice Chair Moser so moved; Trustee Boey seconded. The motion was approved.

Chair Siegel called for a motion to approve the contract negotiated with the Northern Illinois and Eastern Iowa District Council of Carpenters, Local No. 790. Vice Chair Moser made the motion, seconded by Trustee Myles. The motion was approved.

Agenda Item 4.b. – Flood Damage Recovery Efforts

Chair Siegel asked if there were any comments concerning Agenda Item 4.a. - Flood Damage Recovery Efforts. Trustee Boey asked about a reference Dr. La Tourette made regarding a future plan to try to minimize or correct the flooding problems experienced in July and August.

Dr. La Tourette explained that, in the past, NIU submitted requests to the Board of Higher Education, which in turn, submitted requests to the Governor. These requests eventually went to the legislature. Dr. La Tourette explained that Watson Creek has been recognized as an historic problem. The development of new apartment units and other housing to the west and northwest of the campus have created a greater run-off over the last decade or so. Consequently, the historic problem with Watson Creek has been exacerbated by the further development around the university. Through a funding request from the legislature several years ago, NIU received \$1.4 million; but, the total cost of providing adequate flood control and water retention is considerably more than that.

It was noted that several legislators, particularly in the House, experienced severe flooding problems in their districts and throughout the western suburbs of Chicago and that there will be a number of emergency requests going to the legislature during the Fall veto session. Dr. La Tourette said NIU is looking at landscaping and other changes associated with the remodeling of Stevenson Towers with flood control issues in mind; therefore, this is a good time for the university to move forward with a comprehensive plan for increased water retention on the West Campus as well as for solutions to the Watson Creek problems.

Dr. La Tourette said that application documents for flood relief were received on Tuesday, August 6. Mr. Davidson advised that authority be sought from the Board of Trustees for the president to sign these papers so that they can be submitted on a timely basis.

Chair Siegel called for a motion delegating authority to the president to apply for flood relief funds. Trustee Boey so moved, seconded by Secretary Myles. The motion was approved.

There being no further business, Chair Siegel wished everyone an enjoyable summer and asked for a motion to adjourn. Vice Chair Moser made the motion, seconded by Secretary Myles. The motion was approved.

The meeting was adjourned at 10:23 a.m.

Respectfully Submitted,

Sharon M. Mimms
Recording Secretary

COLLECTIVE BARGAINING AGREEMENT

Submitted for: Action

1. **Summary:** The following collective bargaining agreement has been ratified by the bargaining unit and is submitted for approval by the Executive Committee on behalf of the Board of Trustees.

Bargaining Agent: American Federation of State, County & Municipal Employees, Local No. 963, representing 300 building and food service employees.

Scope of Negotiations: Full contract

Tentative Agreement for board Action: Approval of a successor contract extending until 06/30/99. The agreement includes an average 3.0% base increment for FY97 effective July 1, 1996. Terms of the successor contract and base increment are consistent with university fiscal year increment guidelines and university policies.

2. **Summary:** The following collective bargaining agreement has been ratified by the bargaining unit and is submitted for approval by the Executive Committee on behalf of the Board of Trustees.

Bargaining Agent: International Union of Operating Engineers, Local No. 399, representing 33 heating plant employees.

Scope of Negotiations: Full contract

Tentative Agreement for board Action: Approval of a successor contract extending until 06/30/99. The agreement includes an average 3.0% base increment for FY97 effective July 1, 1996. Terms of the successor contract and base increment are consistent with university fiscal year increment guidelines and university policies.

3. **Summary:** The following collective bargaining agreement has been ratified by the bargaining unit and is submitted for approval by the Executive committee on behalf of the Board of Trustees.

Bargaining Agent: Teamsters, Local No. 331, representing 10 bus drivers and mechanics.

Scope of Negotiations: Full contract

Tentative Agreement for board Action: Approval of a successor contract extending until 06/30/98. The agreement includes an average 3.0% base increment for FY97 effective July 1, 1996. Terms of the successor contract and base increment are consistent with university fiscal year increment guidelines and university policies.

4. **Summary:** The following collective bargaining agreement has been ratified by the bargaining unit and is submitted for approval by the Executive Committee on behalf of the Board of Trustees.

Bargaining Agent: Northern Illinois and Eastern Iowa District Council of Carpenters, Local No. 790, representing 16 carpenters.

Scope of Negotiations: Full contract

Tentative Agreement for Board Action: Approval of a successor contract extending until 06/30/99. Salary rates in effective for the bargaining unit are established in accordance with the prevailing wage statute. Terms of the successor contract are consistent with university guidelines and policies.

FLOOD DAMAGE RECOVERY EFFORTS

Severe storms and flooding on July 18, 1996 in the DeKalb area resulted in substantial damage, losses and cleanup expenses to Northern Illinois University. Although all costs are yet to be determined, it is apparent that the University will be facing unbudgeted expenses of up to \$1 million.

Governor Jim Edgar has requested and received federal disaster status for 11 northern Illinois counties, including DeKalb County. The Illinois Emergency Management Agency (IEMA) and the Federal Emergency Management Agency (FEMA) are the respective governmental offices responsible for administration of aid to affected counties.

August 6, 1996 representatives of IEMA and FEMA held an orientation briefing in DeKalb County for representatives of affected governmental units. At that meeting, our legal counsel obtained the preliminary documents for initiation of our participation in these support and recovery programs. These documents have now been reviewed and we are prepared to proceed.

Recommendation: Grant applications and related documents will need to be executed on behalf of the University to fully participate in these programs. It is recommended that the Board confirm the President's authority to execute documents related to these disaster aid programs in order to formally facilitate the University's participation.

PRESIDENT'S REPORT

No. 3

September 18, 1996

No item in this report for release prior to 1:15 p.m. September 18, 1996.

A G E N D A

**BOARD OF TRUSTEES
of
NORTHERN ILLINOIS UNIVERSITY
September 18, 1996
1:15 p.m. - Regency Room**

11:30 a.m. Legislation, Audit and External Affairs Committee - Regency Room
12:00 noon Lunch - University Suite
1:15 p.m. Board of Trustees - Regency Room

1. Call to Order and Roll Call
2. Verification of Appropriate Notice of Public Meeting
3. Announcements
4. Executive Session
5. Meeting Agenda Approval
6. Review and Approval of Minutes of June 19, 1996
7. Reports of Board Committees and Board Liaisons
 - a. Executive Committee
 - b. Academic Affairs, Student Affairs and Personnel Committee
 - c. Finance, Facilities and Operations Committee
 - d. Legislation, Audit and External Affairs Committee
 - e. Illinois Board of Higher Education
 - f. University Civil Service Merit Board
 - g. Northern Illinois University Foundation
8. President's Report No. 4
 - a. FY97 Internal Budget *Action*
 - b. FY97 Increment Summary Report *Information*
 - c. FY98 Budget Guidelines *Action*
 - d. FY98 Capital Budget *Action*
 - e. Real Property - Lease for School of Art *Action*
 - f. Bond Offering *Action*
 - g. Collective Bargaining Agreement *Action*
 - h. Summary of Grant and Contract Awards *Information*
 - i. Periodic Report on Transactions *Information*
9. Chair's Report No. 3

- a. Approval of *Regulations* - Section I*Action*
- 10. Other Matters
- 11. Next Meeting Date
- 12. Adjournment

Minutes of the Meeting of the
BOARD OF TRUSTEES
of **NORTHERN ILLINOIS UNIVERSITY**
September 18, 1996

The meeting began at 1:22 p.m. Before the meeting was called to order, Chair Siegel announced that Secretary Myles would administer the oath of office to the new Student Trustee, David Marquez. Former Student Trustee Willie Fowler was also present for the swearing in. Secretary Myles then administered the oath of office to Mr. Marquez.

Mr. Fowler made brief remarks congratulating Mr. Marquez and offered to be of assistance in the future if necessary. Chair Siegel also congratulated Mr. Marquez, noting the importance of his role as the only Student Trustee. Mr. Siegel remarked on the new challenges facing Mr. Marquez, particularly the need to balance his duties as a Student Trustee for students and for the university as a whole, while fulfilling his main purpose at the university, getting an education. Chair Siegel said, "We welcome you and we look forward to your participation on the Board of Trustees."

Mr. Marquez dedicated his comments to his homeland, Puerto Rico, and to his mother. He thanked S.A. President Ryan Eggert for appointing him and many other people for helping him maintain his humbleness, dedication and focus on serving students.

Mr. Marquez has served in the Student Association for approximately five years. He said he is a person who likes to do research so he knows what he's talking about when a subject comes up. He looks forward to working for the students and the people. In his closing remarks, Mr. Marquez thanked all those who attended the meeting to show their support for him.

Call to Order and Roll Call

Chair Siegel called the meeting to order at 1:28 p.m. Recording Secretary Mimms conducted a roll call of Trustees. Present for the meeting were Trustees Robert Boey, George Moser, James Myles, David Raymond, Manuel Sanchez, David Marquez and Chair Siegel. Not present was Trustee Susan Grans. Having noted the presence of a quorum, the meeting proceeded.

Verification of Appropriate Notice of Public Meeting

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

There were no other announcements. Chair Siegel entertained a motion to close the public meeting to conduct an Executive Session to discuss the following subjects authorized by the Illinois Open Meetings Act: legal and risk management matters as generally described under Section 2(c)(11) and 2(c)(12) of the Open Meetings Act; collective bargaining matters as generally described under Section 2(c)(2) of the Open Meetings Act; and property matters as

generally described under Section 2(c)(5) and 2(c)(6) of the Open Meetings Act. Trustee Sanchez so moved, seconded by Trustee Moser. A roll call vote of the Trustees to recess to Executive Session was unanimous.

BOARD OF TRUSTEES MEETING RECONVENED

The public meeting of the Board of Trustees was reconvened by Chair Siegel at 2:35 p.m.

Chair Siegel took a few minutes to report the results of his summer meetings with faculty and staff from various academic and nonacademic departments. Siegel said he had encouraged an open dialogue to allow each department to talk about anything they wanted. His goal was to find out first-hand what issues were important to faculty and to learn about each department. There were some departments with specific issues but the global issues seemed to be mainly about technology — lack of equipment, lack of PC's, connectivity to the university computer backbone, the cost of connections to the university computer backbone, and access charges. Those issues were passed on to the administration and a request for significant additional funds for technology enhancements has been included in the budget request being presented today. Another issue that concerned faculty was the library and the effects some of the budget cuts have had on the ability to obtain journals for research. An enrollment-driven model for funding was discussed and is in the process of being developed. The faculty were very gracious and clearly wanted to be involved in helping to recruit and retain students.

Another global issue of concern to faculty was communication. Siegel said we are all working on increasing the information flow. Other issues included the admission and recruitment process, especially in the area of the graduate school; the funding formula and the fact that NIU receives only 8% of the appropriated dollars but has 12% of the students; deferred maintenance problems; and some areas of program expansion.

Trustee Myles commended the chair for his efforts. Trustee Boey said that he agreed with Trustee Myles and complimented Chair Siegel saying that he thought the university had benefited from the six months of his strong leadership.

Meeting Agenda Approval

President La Tourette noted that items 8.b. and 8.c. should be switched on the agenda. Chair Siegel asked for approval of the agenda as amended. Trustee Moser made the motion and Trustee Myles seconded. The motion was approved.

Approval of Minutes

Trustee Sanchez moved for approval of the Minutes of the June 17, 1996 meeting. Trustee Myles seconded the motion. The motion was approved.

REPORTS OF BOARD COMMITTEES AND BOARD LIAISONS

Executive Committee

There was no report from the Executive Committee.

Academic Affairs, Student Affairs and Personnel Committee

Committee Chair Myles said that a meeting scheduled for Rockford had been canceled for lack of agenda items. He had met with a campus committee which will continue to look at issues raised in the Minority Task Force Committee Report completed by a working committee of the Board of Regents. He thanked those on the campus committee.

Finance, Facilities and Operations Committee

Committee Chair Boey said the Finance, Facilities and Operations Committee met on September 5, 1996. The Committee accepted informational report on the following topics: (1) the income fund extension bill, (2) the microwave/refrigerator installations, (3) capital project status reports on the residence hall master plan, the recycling center feasibility study, the Center for University Resources for Latinos and Latin American Studies, the campus child care feasibility study and the West Campus Master Plan. An informational report on heavy rainfall and flood damage was also given. The following action items were endorsed by the Committee and recommended for approval by the Board: (1) the Fiscal Year 1997 Internal Operating Budget, (2) FY98 Budget Guidelines to be used for development of the university budget requests to the Board of Higher Education and the State legislature, (3) the FY98 Capital Budget Request, and (4) the real property lease for the School of Art. A presentation was given on the West Campus master Plan. Representatives from First Chicago Capital Markets and the law firm of Chapman and Cutler presented detailed information regarding the issuance of government bonds to support the projects being undertaken. The Resolution authorizing this financing was recommended to the Board for approval at this meeting along with the other action items described above.

Legislation, Audit and External Affairs Committee

Committee Chair Moser stated that the Legislation, Audit and External Affairs Committee met at 11:30 a.m. in the Regency Room. An extensive report was received from Kathy Swanson, the university's government relations representative, outlining the Governor's actions on higher education-related legislation which passed the General Assembly this past spring. House Bill 2836, permitting Illinois public universities to retain tuition revenues locally, was passed by the General Assembly and signed into law by Governor Edgar on August 2, 1996. Moser thanked Board Chair Myron Siegel and the other members of the Board for their efforts in behalf of this legislation. Chair Moser stated, "It has been said that, next to the bill creating independent governing boards for each public university, this was the most important piece of legislation affecting higher education in over 40 years." He noted that the legislation was sponsored by DeKalb's own legislators, Representative Dave Wirsing and Senator Brad Burzynski and thanked them for their leadership on such important

issues. Moser also thanked President La Tourette for his persistent leadership on this issue over the last few years as well as Dr. Eddie Williams, Senior Vice President for Finance and Facilities, and Kathy Swanson, Assistant to the President for Government Relations, for all of their hard work and the countless hours they spent responding to legislative and executive branch staff inquiries about the bill, attending meetings, traveling to Springfield to alleviate concerns and answer questions. All of these actions were crucial to the success of this legislation.

Kathy Swanson, in conjunction with NIU Foundation government relations consultant Craig Burkhardt, presented the outstanding higher education-related issues remaining for the Veto Session. The Governor utilized his amendatory veto powers on House bill 2406 which contains the University of Illinois at Chicago's redevelopment initiative. The Governor recommended that the legislature eliminate the quick-take provisions as well as the exemptions from state approval granted the university in the original legislation. The Governor also set very clear parameters for the utilization of revenues generated from such a redevelopment initiative. These include demolition, land and property acquisition, utility extension and streetscape work. The legislature is expected to support the Governor's changes when it convenes during the Veto Session in November.

Chair Siegel said that a recent report in the *Northern Star*, stating that Trustee Moser as Chair of the Legislation, Audit and External Operations Committee, had appointed a task force for the radio station was erroneous. Upon investigation, Chair Siegel found that the "task force" was an ad hoc committee from Development and University Relations appointed prior to the March 19 meeting of the Legislation, Audit and External Affairs Committee.

ILLINOIS BOARD OF HIGHER EDUCATION

Chair Siegel reported that he had been asked to attend a meeting along with all the state university board chairs on September 30.

University Civil Service Merit Board

Trustee Myles reported that the agenda for the last meeting of the Merit Board was very light. No cases were presented from NIU or any of the other universities. There is a meeting planned for September 25 with an extensive agenda, but no cases from NIU.

Northern Illinois University Foundation

Trustee Boey stated that the Foundation Board was scheduled to meet next week.

Chair Siegel recognized UAC Representative Charles Larson. Dr. Larson thanked Chair Siegel on behalf of the many departments he visited during the summer. He said this initiative was unprecedented on campus and that the issues highlighted with regard to improving the flow of information was welcome news. He also said that an informal poll from his class of 105 students regarding

the recent installation of the combination microwave/refrigerator units in the dorms received a resounding thumbs-up.

Chair Siegel said he was glad to hear that. He stated that he tries to maintain an open relationship with all the UAC members. In looking at the Board minutes for June 19, he noted the section regarding the Board *Regulations* that were presented to UAC for their input and Dr. Larson's comments that this was the kind of relationship and collegiality that they had hoped for when the organization was formed. Dr. Larson said that was still true.

PRESIDENT'S REPORT NO. 4

Agenda Item 8.a. - Academic Program Recommendations

President La Tourette requested that the Board of Trustees approve the FY97 Internal Budgets for the university as summarized, following the recommendation of the Finance, Facilities and Operations Committee in its meeting on September 5. That recommendation included endorsement of the procedures used and the FY97 salary adjustments awarded faculty and staff as administered by the university through the President. As a result of suggestions made by the Finance and Facilities Committee, FY96 data was included for a comparison between FY96 and the FY97 budget. The budget for FY96 was \$136,843,900 and expenses were estimated at \$136,051,600. The reason for the \$800,000 difference, President La Tourette stated, is that when the university was under the previous budget development procedure, prior to the income fund bill, enrollments had to be estimated from 18 months to two years in advance of the fiscal year. He then asked the Board to approve these internal budgets.

Trustee Raymond said the itemized comparison was very helpful and questioned why there had been so much discussion about the need for improved maintenance and deferred maintenance of property when the chart showed that actual expenditures for 1996 came out below what was budgeted for repair and maintenance and other capital improvements. Dr. La Tourette explained that the university has always tried, as much as possible, to provide a great deal of funding for repairs, maintenance and other kinds of improvements but, given the tightness of the budget, those things could not be done and decisions to address higher priorities had to be made during the year.

There being no further discussion, Chair Siegel asked for a motion approving the FY97 Internal Budget. Trustee Boey so moved and Trustee Sanchez seconded. The motion passed.

Agenda Item 8.b. - FY97 Increment Summary Report

President la Tourette introduced this item stating that this report was a result of the implementation of the guidelines the Board established relative to salary increments. The university was authorized to implement the salary increments associated with the funds provided by the General Assembly, as well as a one percentage point pool of funds referred to as a "market equity distribution pool."

Included in the administration of salary increases were the traditional faculty and staff promotions

The university is attempting to achieve salary averages which are comparable to national averages at similar institutions. President La Tourette said he was very pleased that this Board allowed the identification of funds to move us toward reaching at least those averages.

Agenda Item 8.c. - FY98 Budget Guidelines

Dr. La Tourette said that partly as a result of the visits undertaken by the Chair during the summer, the budget items reflect some of the input received from faculty and staff. The first item the university recommended the Board approve was a request for a 5% faculty and staff salary increase. Once approved, this request will go to the Illinois Board of Higher Education, which will align all the requests of the various public universities in order to make one consolidated request that would typically be approved at the January meeting of the Board of Higher Education and then sent to the Governor and the legislature. An appropriations bill, approved by the legislature and the Governor, will come out in September.

The other budget items requested were a 4% general price increase to meet the increased costs of goods and services; a 5% utility increase to cover projected increases in utilities; a 10% increase for library acquisitions, materials and technology; an increase of \$342,900 to provide sufficient funds to meet mandated contributions for Medicare; an increase of \$514,700 to provide sufficient funds to meet mandated payments for sick leave payouts; \$3.4 million for program improvements including expansion of access to computer technology for faculty, staff and students; and deferred maintenance.

The formula we are proposing to determine deferred maintenance needs on an annual basis is an amount equal to two-thirds of one percent of the replacement cost of the facilities on the university campus. This would generate \$3 to \$4 million per year for NIU. For this first year, the university requested an additional \$1.5 million, or about half the real deferred maintenance need. This is a question of interest to legislators as well as the universities, so it is hoped that some kind of formula will emerge from the legislative discussions.

Moving to another funding issue, the president noted that Congress had recently acted to increase the minimum wage and that bill was approved by President Clinton. However, no funds were provided for this mandate in the FY97 budget because the new rates became effective long after the budget process started more than a year ago. It is estimated that the cost of increasing the minimum wage in two steps, to \$5.15 an hour at Northern Illinois University, would be approximately \$425,000. Of that \$425,000, about \$260,000 would be in the appropriated budget; the rest would be in the nonappropriated budget. Therefore, President La Tourette requested an additional \$260,000 for FY98 to cover the increased cost of minimum wages. Because this issue had to be dealt with so late, President La Tourette said he would start meeting with some of the student leaders to talk about how to address the funding situation this year. Students may have to trade off a higher minimum wage for a lower number of

hours worked. Complicating this issue is the number of students on work-study funds who have already had their financial aid packages put together for current fiscal year.

Chair Siegel asked for a motion to approve the FY98 Budget Guidelines. Trustee Moser so moved, Trustee Myles seconded. The motion was approved.

Agenda Item 8.d. - FY98 Capital Budget

The FY98 Capital Budget request included basic capital budget requests and requests for repair and renovation projects. President La Tourette explained that a number of these items represent what was called "Build Illinois" under Governor Thompson. That program was initiated to provide some support to maintain facilities in which the state had invested for a number of years. Nine of the major capital projects presented had not been funded for two years, since the two-thirds vote in both sections of the General Assembly necessary to raise the State's bond ceiling had not been secured, thus causing a tremendous backlog of capital projects. Those problems are shared by a whole range of state agencies, including the corrections facilities. It was hoped that after the November elections that logjam might be broken and additional funding made available to universities, not only for repair and renovation, but also for major capital projects. President La Tourette went on to give a brief description of each of the items contained in the Capital Budget Request: Altgeld Hall renovation; storm water management and flood control project, Phases I and II; Founders Library basement build-out; East Campus chilled water production and distribution; campus infrastructure improvements; Stevens Building renovation; Montgomery Hall HVAC system rehabilitation; College of Business, Wirtz Hall renovation, Phase II; elevator rehabilitation and renovation; Williston Hall roof replacement; Faraday chilled water connection; Theatre Arts, rigging system replacement; East Campus water main loop, Altgeld section; and ADA, signage completion project.

President La Tourette asked Board approval of the above mentioned FY98 Capital Budget Requests projects.

Chair Siegel asked for a motion to approve the FY98 Capital Budget. Trustee Sanchez made the motion, seconded by Trustee Myles. The motion was approved.

Agenda Item 8.e. – Real Property - Lease for School of Art

President La Tourette explained that the School of Art required additional studio space for the sculpture program and some of its other related programs.

Chair Siegel asked if the university had been guaranteed it was receiving the lowest available rate. Dr. Williams and Dr. La Tourette both stated that it had and that the contract had been negotiated at a rental rate per square foot equivalent to rates for comparable property in the area.

Chair Siegel called for a motion to approve the proposed lease. The motion was made by Trustee Boey and seconded by Trustee Raymond. The motion was approved.

Agenda Item 8.f. - Bond Offering

Chair Siegel stated there would be a couple of presentations which would be timed and held to ten minutes each.

President La Tourette stated that the university was asking that the Board fully endorse the bond offering issue which had been discussed for the past few months with the Finance, Facilities and Operations Committee and that the full Board and refer it to the Executive Committee for final action when appropriate after the student advisory referendum which had been scheduled for early the following week. He made a brief introduction to the presentations.

Mr. Swinford and Mr. Dale Sasson were present from the firm of Johnson, Johnson & Roy of Chicago, which was retained by the university to develop a tentative master plan for the West Campus. Mr. Swinford said the goals of the master plan were to identify sites for both near-term and potential long-term development and to enhance the quality of life for residents of the West Campus. A framework plan was developed with the help of a campus committee, and a long-term, detailed master plan will be developed from this framework plan which should be completed no later than early 1997. Five organizational concepts used to accomplish the West Campus framework plan were: finding a location for the child care center; finding a location for the new recycling center; locating intramural field space; storm water management improvements; and overall campus open space improvements. Some of the most important problem areas brought to the Committee's attention were multiple pedestrian/vehicular conflict points, including the duplication of vehicular routes from the West Campus to the main campus, and quality-of-life spaces on the West Campus not being comparable to those found in other parts of NIU. [This presentation was given in whole to the Finance, Facilities and Operations Committee. For more detail, refer to Agenda Item 6.d.(5) - West Campus Master Plan, in the September 5, 1996 Minutes of the FFO Committee.]

Michael Boisvert, a representative from the First Chicago Capital Markets, Inc., gave a presentation on the proposed bond issue financing. The bond issue would consist of two parts — approximately \$36 million for new projects (Stevenson Tower renovations, the recycling center, the child care facility, the Latino Center and some West Campus improvements) and approximately \$12 million to refinance existing 1985 bond issue debt. Mr. Boisvert stated that refinancing the 1985 bond issue raised anticipated savings to approximately \$525,000 as of this meeting date. [This presentation was also given in whole to the Finance, Facilities and Operations Committee. For more detail, refer to Agenda Item 7 - Bond Offering, in the September 5, 1996 Minutes of the FFO Committee.]

Dr. La Tourette thanked both presenters and underscored the lower cost of bond issuance which represented approximately a third of the cost for the last bond issue of the Board of Regents. The President then asked the Board to approve

the bond issue to be recommended to the Executive Committee for appropriate action.

Chair Siegel asked for a motion to approve the resolution for the bond offering subject to Executive Committee final approval on the terms set forth in the resolution. Trustee Boey made the motion, seconded by Trustee Moser. The motion was approved.

Agenda Item 8.g. - Collective Bargaining Agreement

President La Tourette stated that this agreement had been negotiated within the guidelines established for employees and incorporated merit, market equity and other base increases fully consistent with university fiscal guidelines already approved by the Board.

Chair Siegel asked for approval of the item. Trustee Sanchez so moved and Trustee Raymond seconded. The motion was approved.

Agenda Item 8.h. - Summary of Grant and Contract Awards

Agenda item 8.i. - Periodic Report on Transactions

Chair Siegel asked the Board if there was any discussion of these information items on the agenda. There was none.

CHAIR'S REPORT NO. 3

Agenda Item 9.a. - Approval of *Regulations* - Section I

Chair Siegel asked for approval of the Board *Regulations*, Section I, Academic Programs, that had been rewritten and discussed with UAC. Trustee Raymond so moved, seconded by Trustee Boey. The motion was approved.

Chair Siegel added one other matter to the Chair's Report. He asked the Board to ratify the following resolution, concerning the acquisition of the property of Rosemary Greek Neale, which was duly approved by the Board of Trustees Executive Committee in Executive Session on June 6, 1996.

RESOLUTION RE: Property of Rosemary Greek Neale

WHEREAS the General Assembly of the State of Illinois has enacted Public Act 89-4 authorizing through Article 30 thereof, the Board of Trustees of Northern Illinois University to acquire such real property as it shall deem appropriate by purchase, eminent domain, or otherwise; and

WHEREAS the Board of Trustees of Northern Illinois University has considered the existing facilities and the extensions necessary to be made in order that the same may adequately serve the current and/or future needs of Northern Illinois University;

NOW, THEREFORE, BE IT RESOLVED by the Board of Trustees of Northern Illinois University that it is necessary and for the best interests of Northern Illinois University that the one parcel of real property ("Greek property") [full legal description follows and is incorporated herein by reference], 1.368 acres more or

less, in DeKalb, Illinois, be acquired for educational purposes of Northern Illinois University;

BE IT FURTHER RESOLVED that the Board's Treasurer is authorized and directed to negotiate on behalf of the Board of Trustees of Northern Illinois University with the owner or owners of the hereinabove described real property for the purchase thereof by Northern Illinois University at a fair market value based on reference to current real estate tax assessment values or reports of appropriate independent appraisers retained to determine fair market value, *provided however* that any contract or acquisition shall be expressly subject to approval by the Board of Trustees of Northern Illinois University.

BE IT FURTHER RESOLVED that the University president is authorized to engage appropriate external legal counsel to serve any needs associated with this acquisition.

BE IT FURTHER RESOLVED that this Resolution shall take effect and be in full force from and after its passage by the Executive Committee of the Board of Trustees of Northern Illinois University.

Legal Description of the Greek Property: Rosemary Greek Neale (property owner), Tax Identification Number: 08-21-226-002-0000

A part of the Northeast 1/4 of Section 21, Township 40 North, Range 4, East of the Third Principal Meridian: beginning on the east line thereof at the northeast corner of Lot 4 of Willard Orchard Subdivision, thence west along the north line of said Lot 4, 289.8 feet; thence north and parallel to the east line of said Section 21, 361 feet; thence easterly 290 feet to a point on the east line of Section 21, 371.8 feet north of the point of beginning and 458.5 feet south of the northeast corner of said Section 21; thence south 371.8 feet along said east line to the point of beginning; (excepting therefrom a part of the Northeast 1/4 of Section 21, Township 40 North, Range 4, East of the Third Principal Meridian, described as follows: beginning at the east line of Section 21 at the northeast corner of Lot 4 of Willard Orchard Subdivision; thence northerly along said Section line, a distance of 109.45 feet to the point of beginning; thence continuing northerly along said Section line, a distance of 262.35 feet to a point, which point is 458.5 feet southerly of the northeast corner of said Section 21; thence westerly at an angle of 87 degrees 55 minutes measured clockwise from the last described course, a distance of 289.5 feet to a point; thence southerly at an angle of 92 degrees 05 minutes measured clockwise from the last described course, a distance of 252.5 feet to a point; thence easterly at an angle of 89 degrees 51 minutes measured clockwise from the last described course, a distance of 289.55 feet to the east line of Section 21 and the point of beginning), situated in DeKalb County, Illinois.

Trustee Sanchez made the motion to ratify approval of the resolution concerning acquisition of the Rosemary Greek Neale property, seconded by Trustee Raymond. The motion was approved.

The Chair then asked for a motion from the Board of Trustees to ratify the following resolution concerning the acquisition of the property of Ruth A. Gau, which was duly approved by the Board of Trustees Executive Committee in Executive Session on June 6, 1996.

RESOLUTION RE: Property of Ruth A. Gau

WHEREAS the General Assembly of the State of Illinois has enacted Public Act 89-4 authorizing through Article 30 thereof, the Board of Trustees of Northern Illinois University to acquire such real property as it shall deem appropriate by purchase, eminent domain, or otherwise; and

WHEREAS the Board of Trustees of Northern Illinois University has considered the existing facilities and the extensions necessary to be made in order that the same may adequately serve the current and/or future needs of Northern Illinois University;

NOW, THEREFORE, BE IT RESOLVED by the Board of Trustees of Northern Illinois University that it is necessary and for the best interests of Northern Illinois University that the one parcel of real property ("Ruth A. Gau property") [full legal description follows and is incorporated herein by reference], 2.71 acres more or less, with the street address of 131 Annie Glidden Road, DeKalb, Illinois, be acquired for educational purposes of Northern Illinois University;

BE IT FURTHER RESOLVED that the Board's Treasurer is authorized and directed to negotiate on behalf of the Board of Trustees of Northern Illinois University with the owner or owners of the hereinabove described real property interests for the purchase thereof by Northern Illinois University at a fair market value based on reference to current real estate tax assessment values or reports of appropriate independent appraisers retained to determine fair market value, *provided however* that any contract or acquisition shall be expressly subject to approval by the Board of Trustees of Northern Illinois University.

BE IT FURTHER RESOLVED that the University president is authorized to engage appropriate external legal counsel to serve any needs associated with this acquisition.

BE IT FURTHER RESOLVED that this Resolution shall take effect and be in full force from and after its passage by the Executive Committee of the Board of Trustees of Northern Illinois University.

Legal Description of the Ruth A. Gau Property: *Ruth Alyce Gau (property owner), 131 Annie Glidden Road, DeKalb (DeKalb County), Illinois. (Tax Identification Numbers 08-21-276-008-0000, 08-21-276-009-0000, 08-21-276-010-0000, 08-21-276-011-0000)*

The south 108.708 feet of the north 208.708 feet of the east 366.292 feet of Lot 5 of Willard Orchard, a subdivision of a part of the northeast 1/4 of Section 21, Township 40 North, Range 4, East of the Third Principal Meridian, situated in DeKalb County, Illinois;

and the south 200 feet of the north 408.708 feet of the west 208.708 feet of Lot 5 of Willard Orchard, a subdivision of a part of the northeast 1/4 of Section 21, Township 40 North, Range 4, East of the Third Principal Meridian, situated in DeKalb County, Illinois;

and the south 100 feet of the north 308.708 feet of the east 366.292 feet of Lot 5 of Willard Orchard, a subdivision of a part of the northeast 1/4 of Section 21, Township 40 North, Range 4, East of the Third Principal Meridian, situated in DeKalb County, Illinois.

Trustee Boey made the motion to ratify the resolution concerning the acquisition of the property of Ruth A. Gau, seconded by Student Trustee Marquez. The motion was approved.

Other Matters

Chair Siegel reminded the Board members that their presence would be needed at the December 15 graduation ceremonies.

Next Meeting Date

The next meeting of the Board of Trustees is scheduled for December 11.

The Chair asked for a motion to adjourn. Trustee Sanchez so moved; Trustee Moser seconded. The motion was approved.

The meeting was adjourned at 3:56 p.m.

Respectfully submitted,

Sharon M. Mimms
Recording Secretary

FY97 INTERNAL BUDGET

Summary: Each year after appropriations have been approved by the Illinois General Assembly and the Governor, the university prepares an internal budget which delineates the allocation of all anticipated appropriated and nonappropriated funds. These allocations are pursuant to established Board of Trustees and university guidelines on salary increases, program support and program priorities. Tables 1, 2 and 3 provide a summary of the FY97 recommended internal budget allocation of anticipated funds by fund source and specific line items.

Recommendation: The President requests that the Board of Trustees approve the FY97 Internal Budgets for the university as summarized in the following tables per the recommendation of the Finance, Facilities and Operations Committee in its meeting of September 5. This approval includes approval of the procedures used and the FY97 salary adjustments awarded faculty and staff as administered by the university through the President.

Table 1

**FY97 NORTHERN ILLINOIS UNIVERSITY
SUMMARY OF REVENUES BY SOURCE**
(\$ in thousands)

	<u>FY96</u>	<u>FY97</u>
Appropriated Revenues		
General Revenue Fund	\$80,536.6	\$83,135.9
University Income Fund	45,306.5	47,569.7
Education Assistance Fund	11,000.8	11,330.8
<i>Total Appropriated Revenues</i>	<u>\$136,843.9</u>	<u>\$142,036.4</u>
Nonappropriated Revenues		
Revenue Bond Operations	\$42,570.3	\$41,904.0
Auxiliary Enterprises	11,034.1	12,177.7
Gifts, Grants and Contracts	22,100.0	21,800.0
Local Funds	24,286.4	23,793.5
<i>Total Nonappropriated Revenues</i>	<u>\$99,990.8</u>	<u>\$99,675.2</u>
 <i>TOTAL ANTICIPATED REVENUES</i>	 <u>\$236,834.7</u>	 <u>\$241,711.6</u>

Table 2
NORTHERN ILLINOIS UNIVERSITY
APPROPRIATED INTERNAL BUDGET
 (Current Year/Prior Year Comparison)
 (\$ in thousands)

Object Classification	FY96 Budget	Estimated FY96 Expenditures	FY97 Budget
Personal Services	\$ 106,456.0	\$ 106,456.0	\$ 109,727.5
Social Security	812.7	1012.0	837.1
Contractual Services	14,933.5	14,791.2	16,955.6
Commodities	2,652.7	2,800.0	2,660.7
Travel	975.3	975.3	977.3
Automotive Operation	396.7	356.0	396.7
Equipment/Library Books	6,507.9	6,507.9	7,021.4
Telecommunications	1,319.8	1,319.8	1,320.8
Awards and Grants, and Federal matching Funds	421.5	421.5	421.5
Repairs, Maintenance and Other Capital Improvements	2,367.8	1,411.9	1,717.8
TOTAL	\$ 136,843.9	\$ 136,051.6	\$ 142,036.4

Table 3
NORTHERN ILLINOIS UNIVERSITY
NONAPPROPRIATED INTERNAL BUDGET
(Current Year/Prior Year Comparison)
(\$ in thousands)

Object Classification	FY96 Budget	Estimated FY96 Expenditures	FY97 Budget
Personal Services	\$ 33,583.8	\$ 32,125.8	\$ 33,489.3
Social Security	978.0	727.4	731.1
Contractual Services	25,524.0	25,110.0	26,474.7
Commodities	16,005.0	15,913.0	16,412.6
Travel	2,046.0	1,817.0	2,034.0
Automotive Operation	504.0	395.0	466.8
Equipment/Library Books	8,731.0	8,448.2	8,729.1
Telecommunications	744.0	585.6	708.8
Awards and Grants	3,220.0	3,110.0	2,877.2
Indirect and Other Cost	2,482.0	1,700.7	1,387.7
Debt and Repair Transfers	<u>6,173.0</u>	<u>6,037.9</u>	<u>6,363.9</u>
<i>TOTAL</i>	<i>\$ 99,990.8</i>	<i>\$ 95,970.6</i>	<i>\$ 99,675.2</i>

FY98 BUDGET GUIDELINES

Summary: Each year the university prepares and submits to the state, a budget request which establishes salary, price and program needs for the coming fiscal year. The budget request, by state statute, is submitted to the Board of Higher Education (IBHE) for review, revisions and inclusion in the IBHE Higher Education Operating Budget recommendation to the State Legislature and the Governor. In establishing the FY98 requests, the university recommends the following guidelines as approved by the Finance, Facilities and Operations Committee in its September 5 meeting (Table 1 provides the financial summary of these guidelines):

1. 5% Faculty and Staff Salary Increase: To address salary competitiveness and market catch-up of salaries provided to university faculty and staff.
2. 4% General Price Increase: To meet the increased cost of goods and services resulting primarily from inflation.
3. 5% Recommended Utility Increase: To cover projected cost increases for utility services.
4. 10% Library/Technology Increase: To meet the unique increases for library and technology materials and equipment.
5. \$342,900 Medicare Increase: To provide sufficient funds to meet mandated contributions for Medicare.
6. \$514,700 Sick Leave Increase: To provide sufficient funds to meet mandated payments for sick leave payouts.
7. \$3,400,000 In Program Improvements: Undergraduate Education, Technology, Expanded Capacity in Health Programs, Off-Campus Program and Distance Education
8. Deferred Maintenance Plan: The university will include a request to provide resources in the operating budget to address ongoing deferred maintenance of state-owned buildings. This amount will be based on an established guideline that continuous and proper maintenance of facilities requires an annual expenditure equal to approximately two-thirds of one percent of the replacement value of the facility. As this amount would be too large for a single year request, the FY98 operating budget will include the first phase of a multiyear request. Table 1

provides a summary of the effects of the recommended FY98 guidelines on the FY97 base budget.

Recommendation: The university recommends Board of Trustees approval of the FY98 Budget Guidelines. Following Board approval, the university will submit the resulting FY98 Budget Request to the Illinois Board of Higher Education for consideration, review and inclusion in the IBHE FY98 Higher Education Operating Budget recommendation.

Table 1

FY98 Operating Budget Request
(\$ in thousands)

	<u>FY97 Base Budget</u>	<u>Salary Increase</u>	<u>Price Increase</u>	<u>Medicare/ Sick Leave Increase</u>	<u>Program Increase</u>	<u>FY98 Request</u>
Faculty/Staff Salaries	\$109,727.5	\$5,212.1	\$ --	\$ --	\$ --	\$114,939.6
General Goods and Services	22,565.2	--	902.6	--	--	23,467.8
Utilities	5,278.8	--	93.9	--	--	5,372.7
- 180 - Library/Technology Materials	3,627.8	--	362.8	--	--	3,990.6
Medicare	837.1	--	--	342.9	--	1,180.0
Sick Leave	565.3*	--	--	514.7	--	1,080.0
Program Improvements	--	--	--	--	3,400.0	3,400.0
Deferred Maintenance	--	--	--	--	1,500.0	1,500.0
Total	\$142,036.4	\$5,212.1	\$1,359.3	\$ 857.6	\$4,900.0	\$154,365.4

*FY97 Sick Leave payout is included in the Personal Services line and is shown separately for information only. It is included in the total.

FY98 CAPITAL BUDGET

Summary: The Appropriated Capital Budget Request is prepared in the Fall prior to the budget year in order to meet the Illinois Board of Higher Education and state capital project review and approval submission dates and other requirements. For example, October 1 is the IBHE's deadline for submission of Fiscal Year 1998 capital requests. The capital budget request consists of two principal categories of capital projects which profile the university's requirements for capital improvement and construction projects in order of priority. Table 7.0 lists major projects which typically exceed an estimated budget of \$1 million or require phasing of planning, construction and equipment appropriations. Table 7.0R lists repair and renovation projects with estimated budgets in excess of \$100,000 (but less than \$1 million) which are not included in the campus permanent improvement funding allocations. Requests may include improvements to existing facilities and systems, building additions, infrastructure and site/roadway/utility improvements. The attached tables provide a summary of the FY98 capital request.

The university did not receive capital appropriations for Fiscal Years 1996 or 1997, although \$976,000 was received in a special appropriation in the 1997 budget to plan and design the Founders Memorial Library basement build-out project. Given this lack of capital support, the university has been required to juggle priorities and pursue make-shift solutions to capital needs and deferred maintenance requirements.

Recommendation: The university recommends Board of Trustees approval of the FY98 Capital Budget Request. The university will submit the Capital Budget Request to the Illinois Board of Higher Education for consideration and inclusion in the statewide FY98 IBHE capital budget recommendation.

Table 7.0
Summary of Capital Budget Requests
Listed in Priority Order for the Budget Year FY98
Northern Illinois University

Priority	Project Description	Project Code	Budget Category	Amount Requested	Cumulative Total
1	Altgeld Hall Renovation	98-1	Remodeling and Rehabilitation	\$19,150,400	\$19,150,400
2	Storm Waterway Management & Flood Control Project - Phases II and III	98-2	Utility Improvement	6,364,200	25,514,600
3	Founders Library Basement Build-Out	98-3	Remodeling and Rehabilitation	3,524,500	29,039,100
4	East Campus Chilled Water Production and Distribution	98-4	Utility Improvement	6,645,300	35,684,400
5	Campus Infrastructure Improvements - Campus Roadway Repair/Electrical Distribution	98-5	Utility Improvement	5,768,800	41,453,200
6	Stevens Building Renovation	98-6	Remodeling and Rehabilitation	6,691,100	48,144,300
7	Montgomery Hall HVAC System Rehabilitation	98-7	Utility Improvement	2,426,200	50,570,500
8	College of Business - Wirtz Hall Renovation - Phase II	98-8	Planning	254,800	50,825,300
9	Elevator Rehabilitation & Renovation	98-9	Remodeling and Rehabilitation	921,800	51,747,100

Table 7.0R
Summary of Capital Budget Requests
for Repair and Renovation Projects
Listed in Priority Order for the Budget Year FY98

Priority	Project Description	Project Code	Budget Category	Amount Requested	Cumulative Total
1	Williston Hall Roof Replacement	98-R1	Remodeling and Rehabilitation	\$340,000	\$340,000
2	Faraday Chilled Water Connection	98-R2	Remodeling and Rehabilitation	230,000	570,000
3	Theater Arts - Rigging System Replacement	98-R3	Remodeling and Rehabilitation	297,000	867,000
4	East Campus Water Main Loop - Altgeld Section	98-R4	Remodeling and Rehabilitation	410,000	1,277,000
5	ADA - Signage Completion Project	98-R5	Remodeling and Rehabilitation	190,000	1,467,000

REAL PROPERTY – LEASE FOR SCHOOL OF ART

Summary: During the past several years, the university has leased art studio space to support the graduate program in sculpture. Upon notification that this space was no longer available for lease a larger space was identified which will address the immediate needs of the program and thereby positively impact students and faculty at all levels of the School of Art.

The original Wurlitzer property located on east Pleasant Street contains a desirable 18,000 square foot area which is immediately available at an affordable price. Relocation to this space is proposed in a two-phase plan under a five-year agreement:

Phase I: (October 1, 1996 - June 30, 1997) 10,000 square feet (including bathrooms, parking, loading dock, minimal build-out). Functions will include sculpture, fiber, metal/jewelry and will provide studio, classroom and office space for 20 graduate and 12 undergraduate students and three faculty members.

Phase II: (July 1, 1997 - June 30, 2001) An additional 8,000 square feet will be provided. This space will be occupied by an additional 20 graduate and 15 undergraduate students and three faculty members. Expanded functions will include ceramics and a small faculty/student art gallery.

Rental, including required build-out for Phase I, is offered at \$2.75 per square foot, exclusive of insurance and utilities, for a nine-month total of \$20,250; rental for the first year of Phase II (July 1, 1997 through June 30, 1998) will be \$2.75 per square foot for a combined 18,000 square foot total sum of \$27,500. In years three through five of the contract, the basic rate of \$2.75 per square foot will be adjusted by the Consumer Price Index (CPI). Utility estimates are \$12,500 for year one and \$22,500 for each following year. Lease payments and related expenses will be funded through existing allocations to academic and administrative units.

Recommendation: The university recommends Board of Trustees approval to enter into a four-year, nine-month lease agreement (including a five-year renewal option) with Rose Venture, Inc., of Elgin, Illinois, under the above terms and conditions.

BOND OFFERING

Summary: As presented at the September 5 meeting of the Finance, Facilities and Operations Committee, the university now seeks approval for the issuance of revenue bonds in support of various campus improvements. The specific improvements include:

- Stevenson Towers Renovation
- Recycling Center
- Center for University Resources for Latinos and Latin American Studies
- Child Care Facility
- Recreation Fields/Facilities
- Infrastructure Improvements (including roads, walkways, park and landscape related improvements and land use applications)
- West Campus Master Plan Improvement

These projects have been discussed with the Board of Trustees, and each project is being developed using a universitywide process, including broad campus participation and appropriate professional expertise to assure quality and effectiveness in addressing stated needs and objectives. Very favorable market conditions, as well as the critical need to begin the residence hall improvement project, prompt the university to seek action on the bond issue at this time. Each individual project will be submitted for Board of Trustees approval prior to any work or other expenditures. In addition, the university will undertake a student referendum regarding these projects.

Presentations were made to the FFO Committee by representatives of the underwriters (First Chicago Capital Markets, Inc.) and bond counsel (Chapman and Cutler). As a result, the FFO Committee recommended that the full Board approve the attached Board resolution.

Recommendation: The university requests Board of Trustees approval of the attached Board Resolution which provides the authority for the required Bond Documents and delegates authority to proceed to the Executive Committee of the Board.

BOARD RESOLUTION

1. Adoption of a Third Supplemental Auxiliary Facilities System Revenue Bond Resolution authorizing and providing for the issuance of Northern Illinois University Auxiliary Facilities System Revenue Bonds, Series 1996 (the "*Bonds*"), to be issued by the Board on behalf of Northern Illinois University (the "*University*"), prescribing all the details of the Bonds and providing for the security and payment thereof (the "*Third Supplemental Resolution*").¹
2. Approval of the Escrow Agreement referred to in the Third Supplemental Resolution providing for the deposit of certain cash and Government Securities (the "*Refunding*") for the payment of (i) a portion of the outstanding Northern Illinois University Auxiliary Facilities System Revenue Bonds, Series 1985 (Refunding and Improvement) and (ii) a portion of the outstanding Northern Illinois University Auxiliary Facilities System Revenue Bonds, Series 1992 on the maturity or redemption dates therefor.¹
3. In order to offer the Bonds for sale, the Board Treasurer, the Underwriters and Chapman and Cutler be and are hereby authorized to prepare and distribute a Preliminary Official Statement and an Official Statement.¹
4. Approval of the Bond Purchase Agreement with First Chicago Capital Markets, Chicago, Illinois, as representative of the underwriters (the "*Underwriters*"), wherein the Underwriters agree to purchase from the Board and the Board agrees to sell to the Underwriters all (but not less than all) of the Bonds.¹
5. Approval of the Refunding and the additions, repairs and improvements to the Auxiliary Facilities System of the Board (the "*Project*") to be funded with the proceeds of the Bonds; provided that such Bonds for the Refunding shall only be issued if there are savings in every year as a result thereof.
6. That the Bonds shall be issued in an aggregate original principal amount not to exceed \$50,000,000, shall mature no later than 30 years from their dated date, shall bear interest at rates or approximate original yields to maturity for each maturity not in excess of those permitted by law, shall bear a yield (determined in accordance with Section 148 of the Internal Revenue Code of 1986) to maturity for the entire issue not to exceed 6.75%, shall be sold so that the cost of issuance, including the Underwriters discount, but not including the bond insurance premium or original issue discount, shall not exceed 1% of the original principal amount of the Bonds, and the Bonds that pay interest on a semi-annual basis may be callable prior to maturity at a premium not to exceed 103% of the principal amount being redeemed.
7. That the Chair, President, Treasurer and other authorized officers of this Board be and they are hereby authorized and empowered to do and perform such other acts and things and to make, execute and deliver all such other instruments and documents on behalf of this Board as may be by them deemed necessary or appropriate to comply with or to evidence compliance with, the terms, conditions or provisions of the Third Supplemental

Resolution, the Escrow Agreement and the Bond Purchase Agreement, including the authorization and distribution of a Preliminary Official Statement and a final Official Statement with respect to the sale of the Bonds, and all acts and things whether heretofore or hereafter done or performed by the officers of this Board which are in conformity with the intents and purchases hereof shall be and the same are hereby in all respects, ratified, confirmed and approved; provided, however, that such Bonds shall not be sold unless the Executive Committee of the Board shall have first approved the officers of this Board proceeding with the sale of the Bonds, to which Executive Committee authority for such approval is delegated by the Board.

¹A copy is filed with the Secretary of the Board for record and the appropriate officers of the Board are hereby authorized and directed to execute the same in the name and on behalf of or with such changes as may be approved by the officer or officers of the Board executing the same, his or their execution thereof to constitute conclusive evidence of the Board's approval of all changes from the form thereof presented to this meeting, provided, however, that if any such changes constitute a substantial change in the form thereof presented to this meeting they shall first be approved by the Executive Committee of the Board, to which authority for such approval is delegated by the Board.

COLLECTIVE BARGAINING AGREEMENT

The following collective bargaining agreement has been ratified by the bargaining unit and is submitted for approval by the Board of Trustees.

Bargaining Agent: University Professionals of Illinois, Local 4100,
representing 130 Instructors

Scope of Negotiations: FY97 wage reopener

Tentative Agreement for Board Action: Implementation of FY97 salary increases for eligible bargaining unit members. The FY97 increment incorporates merit, market equity and other base increases. Terms of the FY97 salary increases are consistent with university fiscal year guidelines.

CHAIR'S REPORT

No. 3

September 18, 1996

APPROVAL OF REGULATIONS

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No item in this report for release prior to 12:00 noon October 3, 1996.

**TELECONFERENCE MEETING
of the
Board of Trustees
of
Northern Illinois University**

October 3, 1996

A G E N D A

**BOARD OF TRUSTEES
OF NORTHERN ILLINOIS UNIVERSITY
Teleconference Meeting
Thursday - October 3, 1996
12:00 noon**

1. Call to Order and Roll Call
2. Verification of Appropriate Notice of Public Meetings
3. Meeting Agenda Approval
4. Announcements
5. Review and Approval of Minutes of Previous Meetings
6. President' Report No. 5
 - a. Business and Industry Services Storage Space Lease
 - b. Bond Offering
 - c. Residence Hall Master Plan - Phase I — Architects and Engineers for Implementation
7. Other Matters
8. Adjournment

Minutes of the
BOARD OF TRUSTEES
OF NORTHERN ILLINOIS UNIVERSITY
Teleconference Meeting
October 3, 1996

Call to Order and Roll Call

The teleconference meeting of the Board of Trustees was called to order by Chair Myron Siegel at 12:02 p.m. Recording Secretary Mimms conducted a roll call of Trustees. Present for the meeting were Trustees Susan Grans, George Moser, James Myles, Manuel Sanchez and Chair Siegel. Having noted the presence of a quorum, the meeting proceeded. Joining the conference later in the meeting were Trustee David Raymond and Student Trustee David Marquez. Not present was Trustee Robert Boey.

Verification of Appropriate Notice of Public Meeting

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

Meeting Agenda Approval

Trustee Grans moved for approval of the Agenda, seconded by Trustee Myles. The motion was approved.

Approval of Minutes

Trustee Grans moved for approval of the Minutes of the Executive Committee for the June 6 and 19 meeting and August 9 Teleconference meeting. Trustee Moser seconded the motion. The motion was approved.

PRESIDENT'S REPORT NO. 5

Agenda Item 6.a. - Business and Industry Services Storage Space Lease

President La Tourette stated that the BIS program wanted to add the rental of storage space on the lower level of their present building to the office space lease previously approved by the Board. The lease is effective through July 31, 1998, the termination date of the existing leases, at a cost of \$810 per year. Funding will be provided through existing program revenues. Under the above terms and conditions, the president asked for approval of the BIS lease for additional storage space.

Chair Siegel asked for any discussion. There being none, he asked for a motion to approve the additional BIS lease. Trustee Raymond so moved and Trustee Grans seconded. The motion was approved.

Agenda Item 6.b. - Bond Offering

President La Tourette stated that at their September 18 Board Meeting, the Board of Trustees approved a resolution for the Executive Committee to approve issuance and sale of Northern Illinois University Auxiliary Facilities System Revenue Bonds, Series 1996. If market conditions remain favorable, the bonds

could conceivably be sold at an approximate 5.8% interest rate, realizing an approximate savings of \$100,000. Refinancing the outstanding bonds, President La Tourette said, could conceivably save an estimated \$425,000 to \$525,000 if acted on immediately. It was requested that the full Board consider and approve this matter in lieu of the Executive Committee.

After a brief discussion, Chair Siegel asked for a motion for the Board to revoke the prior delegation to the Executive Committee for approval of the bond offering and, instead, act itself to approve issuance and sale of the Northern Illinois University Auxiliary Facilities System Revenue Bonds, Series 1996, and to authorize the officers of the Board to proceed to perform all necessary acts in furtherance thereof. Trustee Myles so moved with Trustee Moser seconding the motion. The motion was approved.

Agenda Item 6.c. - Residence Hall Master Plan - Phase I – Architects and Engineers for Implementation

Chair Siegel asked President La Tourette to introduce Agenda Item 6.c. President La Tourette stated that the Board of Regents had previously selected the architectural firm of Solomon, Cordwell, Buenz & Associates to plan and implement Phase I of the Residence Hall Master Plan. The Board of Regents approved contracting for the planning phase of the renovations. Construction is planned to commence in spring 1997 so that the project can be completed by August 1998 in time for fall semester occupancy. In order to meet this schedule, specific project design must begin immediately. Implementation of this phase would exceed the \$250,000 allowed for university approval, therefore the university requests Board of Trustees approval for the architects and engineers to proceed.

A motion was made by Trustee Sanchez approving a contract with the previously selected architectural and engineering firm at a rate not to exceed CDB guidelines with the total project not to exceed \$25 million. The motion was seconded by Trustee Moser. The motion was approved.

Dr. La Tourette stated to the Board that a student group was present and wished to address a matter of concern with the Board. Chair Siegel said he had not been previously informed that any other matters were to be discussed at the meeting. When the chair asked the other Trustees and, specifically, Student Trustee Marquez, if they had been made aware of any such matters, they stated that they had not. Chair Siegel said Board policy states that any matters to be brought before the Board must be submitted in writing before they will be heard.

Chair Siegel then asked for a motion for adjournment. Trustee Sanchez made the motion and Trustee Moser seconded. The motion was approved.

The meeting was adjourned at 12:30 p.m.

Respectfully submitted,

Sharon M. Mimms
Recording Secretary

**BUSINESS AND INDUSTRY SERVICES
STORAGE SPACE LEASE**

Summary: At its meeting on April 17, the Board approved an expansion of classroom and office space for the Business and Industry Services (BIS) program at 1520 Kensington Road, Oak Brook. This approval should have included additional storage space which the university can lease on the lower level of 1520 Kensington road for a period of two years for \$810 per year in addition to the rent payable for the classroom and office space. This additional lease will run until July 31, 1998, the termination date of the existing leases. Funding will be provided through existing program revenues.

Recommendation: The university recommends approval of an additional lease for Business and Industry Services with MFD Oak Brook, Inc. under the above terms and conditions.

BOND OFFERING

Summary: At its September 18 meeting, the Board of Trustees approved a resolution that provided for issuance of Northern Illinois University Auxiliary Facilities System Revenue bonds, Series 1996. That Resolution authorized the Board's Executive Committee to approve the officers of the Board signing all necessary documents to approve the sale of the bonds. In lieu of the Executive committee meeting to consider this approval the full Board is meeting to consider this and other matters.

Recommendation: The university requests the Board of Trustees to approve issuance and sale of the Northern Illinois University Auxiliary Facilities System Revenue Bonds, Series 1996, and to authorize the officers of the Board to proceed to perform all necessary acts in furtherance thereof.

**RESIDENCE HALL MASTER PLAN – PHASE I
ARCHITECTS AND ENGINEERS FOR IMPLEMENTATION**

Summary: As required by Public Act 87-673 and board of Trustees Regulations, Section VI.B.5.a., the university has utilized the “Procedure for Selection of Architects, Engineers, and Land surveyors” in its selection of Solomon, Cordwell, Buenz & Associates to design and implement Phase I of the Residence Hall Master Plan. The competitive selection was approved by the Board of Regents, as well as the contract for the planning phase of the renovations. The project schedule calls for construction to commence in Spring 1997 in order that project completion can occur by August 1998, in time for the fall semester occupancy. In this time frame a minimum of impact on the student residents is anticipated. Completion of portions of the work during the 1997-98 academic year will dramatize the university’s intent to improve the facilities for student use and returning students will have first-hand experience with the renovated facilities. In order to meet this schedule, the architects and engineers must commence project design immediately. As the implementation of this phase will entail a project of more than \$250,000, Board of Trustees Regulations, Section VI.B.1.b. requires Board approval of the architects and engineers to proceed.

Following confirmation of funding, the university will submit to the Finance, Facilities and Operations Committee a project approval item for committee review and recommendation to the Board of Trustees. At that time a project scope, budget and schedule will be presented for review and approval.

Recommendation: The university requests authority to contract with the firm of Solomon, Cordwell, Buenz & Associates for professional services to assist with implementing Phase I of the renovations of the Stevenson Towers complex.

PRESIDENT'S REPORT

No. 6

December 11, 1996

No item in this report for release prior to 11:30 a.m. Wednesday, December 11, 1996.

A G E N D A

**BOARD OF TRUSTEES
of
NORTHERN ILLINOIS UNIVERSITY**

**December 11, 1996
11:30 a.m. - Clara Sperling Sky Room**

11:30 a.m. Call to Order, Roll Call, Notice Verification, Recess to Executive Session
12:00 a.m. Executive Session Working Lunch - University Suite
1:30 p.m. Reconvene Public Meeting

1. Call to Order and Roll Call
2. Verification of Appropriate Notice of Public Meeting
3. Announcements
4. Executive Session
5. Meeting Agenda Approval
6. Review and Approval of Minutes of September 18, 1996 and Teleconference of October 3, 1996
7. Reports of Board Committees and Board Liaisons
 - a. Executive Committee
 - b. Academic Affairs, Student Affairs and Personnel Committee
 - c. Finance, Facilities and Operations Committee
 - d. Legislation, Audit and External Affairs Committee
 - e. Illinois Board of Higher Education
 - f. University Civil Service Merit Board
 - g. Northern Illinois University Foundation
8. President's Report No. 6

- a. Personnel Transactions
 - (1) New Appointments (1996 Summary) *Information*
 - b. Financial Transactions *Action*
 - (1) Center for University Resources for Latinos and Latin American Studies *Action*
 - (2) Recycling Center *Action*
 - (3) Campus Child Care Facility *Action*
 - (4) Stevenson Towers Renovation - Phase I *Action*
 - (5) West Campus Site Improvements - Phase I *Action*
 - (6) *Northern Star* Printing and Delivery Service *Action*
 - c. Summary of Grant Contract Awards *Information*
 - d. Periodic Status Report on Capital Projects in Excess of \$250,000 *Information*
 - e. Periodic Summary Report on Transactions *Information*
 - f. Tuition *Information*
 - g. Annual Report on Oral English Proficiency *Information*
 - h. 1997 Meeting Dates *Action*
- 9. Chair's Report No. 4
 - a. Executive Session Minutes Release *Action*
 - b. Approval of Board *Regulations* - Section IV *Action*
 - c. Review of 1996 Meetings *Information*
 - 10. Other Matters
 - 11. Next Meeting Date
 - 12. Adjournment

Minutes of the Meeting of the
BOARD OF TRUSTEES
of **NORTHERN ILLINOIS UNIVERSITY**
December 11, 1996

Call to Order and Roll Call

The meeting was called to order by Chair Myron Siegel at 11:45 a.m. Recording Secretary Mimms conducted a roll call of Trustees. Present for the meeting were Trustees Robert Boey, Susan Grans, James Myles, David Raymond, Manuel Sanchez, Student Trustee David Marquez and Chair Siegel. Not present was Trustee George Moser. Having noted the presence of a quorum, the meeting proceeded.

Verification of Appropriate Notice of Public Meeting

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

Chair Siegel called for a motion to close the public meeting to conduct an Executive Session to discuss personnel, property and Executive Session minutes. Trustee Myles so moved, seconded by Trustee Sanchez. A roll call vote of the Trustees was unanimous.

BOARD OF TRUSTEES MEETING RECONVENED

The public meeting of the Board of Trustees was reconvened by Chair Siegel at 1:40 p.m.

Announcements

Chair Siegel recognized State Representative Dave Wirsing, thanked him for being at the meeting and asked if he'd like to say a few words.

Representative Wirsing said he appreciated the opportunity to say a few things. He complimented the NIU Board for its consistent sense of direction. Rep. Wirsing stated that, from a legislative perspective, the next two years would be a little more challenging, but that he, as well as some of his fellow legislators who believe strongly in higher education, are up to that task. The Veto Session, Rep. Wirsing said, would be an opportunity to talk to legislators from the other side of the aisle who are strong supporters of higher education and who may support the direction created during the 89th General Assembly. It is my hope, Rep. Wirsing stated, to be the minority spokesperson on the House Higher Education Committee.

Rep. Wirsing said he would be holding a meeting of all the higher education entities, the Lieutenant Governor, the Governor's Office and the IBHE on January 6, in Springfield. This would be a continuation of two meetings held in Spring 1995 to give direction to the public universities and the community college

system regarding the new governance system. The January meeting would allow for a review and assessment of the new governance system after one calendar year.

Chair Siegel thanked Rep. Wirsing for his kind words, support and help during the last year. He said that Rep. Wirsing had been instrumental in this Board's successes in 1996 and, on behalf of the Board, thanked him.

Trustee Boey said that he agreed with Chair Siegel and appreciated the effort the Representative had put forth for NIU on many occasions. Trustee Boey said he wanted to thank Rep. Wirsing for his effort and that he looked forward to the Representative's continued support in future years.

Chair Siegel reminded those present that, since the last Board meeting, the Illinois Board of Higher Education Chair, Art Quern, was tragically killed in an accident. The Chair expressed his sympathy and condolences.

President La Tourette stated that he too had extended his condolences to Mr. Quern's family. There were many important things on the agenda for the Illinois Board of Higher Education at the time of Mr. Quern's death. He said that it was too soon to predict exactly what will take place with the Board of Higher Education, particularly in the area of P•Q•P initiated by Mr. Quern. Given the constraints on the State budget he assumed there would be continued pressure to reallocate budget funds from lower to higher priorities.

Given the changes occurring in higher education, for example in the need for ever more technology, regardless of what may occur with the P•Q•P initiative, NIU will be required to set priorities and determine where funds can be reallocated to provide the best possible up-to-date education for NIU students. President La Tourette closed by publicly extending his sympathy to Mrs. Quern and her daughters and to other members of the family, as well as to the executive director at the Board of Higher Education, Dr. Wagner, who, the president said, also felt a great sense of loss.

Meeting Agenda Approval

Trustee Sanchez moved for approval of the Agenda. Trustee Grans seconded the motion. The motion was approved.

Approval of Minutes

Trustee Myles moved for approval of the Minutes of the September 18, 1996 meeting. Trustee Raymond seconded the motion. The motion was approved.

REPORTS OF BOARD COMMITTEES AND BOARD LIAISONS

Executive Committee

There was no report from the Executive Committee.

Academic Affairs, Student Affairs and Personnel Committee

Committee Chair Myles stated that there was no report. However, he said there had been conversation between other Committee members and himself. He said

that he did not want the students to feel, because the AASAP Committee had not met, that the Board is not concerned with student affairs. Discussions had been held regarding the continuance of meetings on minority concerns and the retention of faculty and minority students. After conversation with the Provost, it was decided that Dr. Bernard Ray, Director, Academic Support Services, would convene those meetings on campus. In 1997, AASAP Committee meetings will be held to approve sabbatical leaves, promotions, tenure, etc. Program matters will be considered by the Board in June before being submitted to the Illinois Board of Higher Education. Another area that will be considered by the Committee is the impact of the IBHE's P•Q•P program. Chair Myles said it was his belief that the Board needed to understand the past and potential impact of P•Q•P reallocations, especially on the university's ability to respond to the increased regional demand for more access to graduate programs. Trustee Myles said that appropriate meetings would be scheduled to examine these issues.

Finance, Facilities and Operations Committee

Committee Chair Boey stated that the Finance, Facilities and Operations Committee met on December 6, 1996. The Committee accepted the following informational reports: Periodic Status Report on Capital Projects in Excess of \$250,000; Periodic Summary Report of Purchases, Leases, Capital Projects and Professional Services in Excess of \$100,000; Summary of Architectural/Engineering Firm Selection and Contract Fee Guidelines; and a report on a potential tuition increase for the upcoming year.

The following actions were included in the President's Report for presentation and Board approval. The Committee approved and recommended full Board approval of the project scope, architectural/engineering firm selection and budget for the following capital projects: (1) Center for University Resources for Latinos and Latin American Studies, (2) Recycling Center, (3) Campus Child Care Facility, (4) Stevenson Towers Renovation-Phase I and (5) West Campus Site Improvements-Phase I. The Committee also approved and recommended Board approval of an increase in expenditure authorization for printing and delivery of the *Northern Star*.

Legislation, Audit and External Affairs Committee

Committee Liaison Kathy Swanson delivered the report for Chair Moser in his absence. Ms. Swanson provided the Board with a brief update on the status of the General Assembly Veto Session. A comprehensive capital bonding bill, called for a vote in the House, failed to obtain the 71 votes necessary to pass. Swanson said it appears that capital needs across the state will continue to climb. Discussions are scheduled to begin again in January between legislative leaders and the Governor regarding a capital bill during the Spring Session. Discussion of a supplemental budget should occupy the bulk of the two remaining legislative days. Legislative leaders indicate the supplemental budget proposed by the Governor is set at \$53 million, but higher education needs in general are not addressed as only the most dire emergency funding issues were included. The President and Ms. Swanson met with over 18 legislators and staff in Springfield to discuss the capital needs of the university. There was a fair amount of receptivity on the part of the House and Senate leaders, Democrat

and Republican alike. However, Swanson said, the State's financial needs are great, and funding is extremely limited. Inclusion in the supplemental will be an uphill battle for all higher education institutions. If an agreement on the size and scope of the supplemental budget can be reached between the Governor and the legislature, the vote would be held on January 6 and 7.

The 90th General Assembly convenes on January 8. Michael Madigan will return as House Speaker with a 60-58 vote margin. Lee Daniels will return as Minority Leader. Republicans held the Senate in the November elections by a slim 212 vote margin and now hold 31 seats while the Democrats hold 28. Senate President Philip and Minority Leader Emil Jones will continue in their positions. The prospects for higher education under a divided House and the committee assignments will be discussed at the January LAEA meeting. A combined session calendar is being prepared by the President's Office for the Board's reference.

The Board of Higher Education is scheduled to release its FY98 budget recommendations in early January. These recommendations will then be forwarded to Governor Edgar for consideration as he drafts his FY98 State budget for the legislature's review. During the past three years, Governor Edgar and the Bureau of the Budget have fully funded the IBHE's budget recommendations. NIU will be working in conjunction with the other universities to lobby the Governor and his staff in January and February. The Boards of Trustees at the universities will be asked to assist in this effort. A progress report will be given in the January LAEA Committee meeting.

Swanson noted that Senate Bill 1122, requiring full disclosure of legislative scholarship recipients, passed both houses with the Governor's changes incorporated during the Veto Session. Legislative scholarship winners will have to sign an affidavit of residency and indicate the university, program of study and value of the tuition waiver prior to receipt of the scholarship. The University of Illinois-Chicago Redevelopment Initiative, with the Governor's changes requiring additional accountability, also passed both houses during the Veto Session.

On the local level, Swanson said that the Office of Public Affairs was producing a series of issue papers about the university. The first paper provides information about the university's current enrollment and is designed to reflect the changing nature of Northern Illinois University's student interests and needs. Several local business owners have been critical of the decline in residential enrollment at the university over the last ten years. Since 1981, enrollment at the university has decreased by 16%. During the same period, the number of high school seniors in our service region has declined nearly 23%. Thus, NIU has remained ahead of the base line decline. The university is very aggressively pursuing additional recruitment strategies through new marketing initiatives. Furthermore, while residential enrollment has dropped, the number of commuting students has risen dramatically, reflecting the changing nature of the delivery of higher education. Swanson indicated that the series of white papers reflects the President's belief that communication with the greater DeKalb community is critical to NIU's long-term success in attracting and retaining qualified students. The next paper will focus on the economic impact of the university on the community and will be published in late January or early February. Ms. Swanson said that she will also

be working closely with Representative Wirsing and other business, industry and local government leaders to further promote partnerships between the university and the community.

The next meeting of the Committee is scheduled for January 23 at 10:30 a.m.

Trustee Boey stated that local leader response to the first paper on issues of community interest is very positive. He said that he endorsed the concept and thought the series should be continued. Chair Siegel said he thought it was an excellent piece and also congratulated Ms. Magara and Mr. Malone for their work.

Rep. Wirsing said it would be only a few days until the 90th General Assembly started. No committee chairs are in place as yet, so there is some uncertainty at this time. Higher education faces a challenging two years, Wirsing said, because outside of Chicago, it is not a high priority of the Speaker of the House. That is not partisan, he said, it is just a matter of historical record. He thought that all of education throughout the state of Illinois would be the big challenge during this session.

Chair Siegel thanked Rep. Wirsing and said that there was a great deal of interest at the university in when capital bonding funds might be raised so that some of the deferred maintenance and other issues could be addressed.

Student Trustee Marquez said a group of students also went down state with the Student Association's governmental affairs advisor to meet with representatives and discuss the issue of NIU's fair share of public funds in light of the fact that the university serves 12% of the state's public university population but receives only 8% of the funds. Rep. Wirsing complimented the students who visited, saying that they showed a good representation.

Illinois Board of Higher Education Report

President La Tourette attended both the October and November meetings of the IBHE. The October 1 meeting was devoted primarily to P•Q•P reports which had been submitted earlier. The independent colleges and universities and the proprietary institutions provided a perspective on their reallocation plans. Presentations were given by the community colleges on the results of their overall assessment from the Illinois Community College Board, and some talked about their response to particular P•Q•P programs. The Illinois Mathematics and Science Academy also presented a P•Q•P report. In presenting NIU's report, President La Tourette said that he emphasized the transition the university was undergoing with the new Board and the kind of briefings the Board had been given on budget conditions at NIU and on the status of the P•Q•P process. He noted that over the four-year period from FY93 to FY96, NIU had reallocated over \$10 million from lower to higher priorities. In FY96, the reallocation was approximately \$3.3 million — \$1.5 million of that reallocation went to strengthening undergraduate education and just under \$1 million went to improving technology. It was also mentioned that several administrative positions had been eliminated or held open in order to provide funds for reallocation.

Another topic of interest in October was a follow-up discussion on the need for a public university presence in Lake County. This initiative was undertaken by Rep. Lachner who indicated there was a need for programs to be offered in Lake County by a public university at public university tuition prices. In September, the Board of Higher Education endorsed the concept of a multiuniversity center, advanced by the Executive Director, Dr. Wagner, who cited the success of the Multiuniversity Center (MUC) at Oak Brook as justification for this move. The existing MUC is supported only by Northern Illinois University and the University of Illinois. Originally, the MUC in Lake County was supposed to attract programming from all the public universities as well as private institutions. Instead, what has been approved as a result of discussion in September and October is an \$85,000 budget for a center to be coordinated by the University of Illinois. This was accompanied by a request to universities to increase programming in Lake County. NIU has responded by offering a technology course for undergraduates similar to those being instituted in Rockford to see if a market exists. Dr. Wagner stated that he would consider a request by institutions for additional funding for off-campus programming.

Of continuing concern is the number of programs being approved for off-campus delivery in northern Illinois. During the October meeting, seven new bachelor's degrees, four new master's degrees and 15 new associate's degrees were approved to be offered throughout northern Illinois by independent colleges and universities.

Also disturbing was the uneven treatment of the universities' various P•Q•P reports. The reports were submitted in advance of the October meeting; the universities were allowed the opportunity to comment on the reports at the October meeting, and then received a written assessment provided by the staff of the Board of Higher Education on their P•Q•P reports. There appears to be continued pressure for program elimination and reduction, particularly at NIU. The IBHE staff continues to be critical of graduate programs at NIU, not recognizing their significance to our mission, both on and off campus, to offer affordable access to people who need to upgrade their education to be effective in their professions. NIU is a major provider of master's programs in northern Illinois which meet these work force needs. It is important to realize, the President said, that in the last four years, less than 5% of our reallocated funds came from program elimination or reduction. In other words, there is no direct link between program elimination and increased productivity. Major priorities like technology and connectivity and the improvement of retention and graduation rates through advising and counseling of students will not be addressed through this emphasis on program elimination and reduction. It is very important for the Academic and Student Affairs Committee, chaired by Mr. Myles, to look at this question, because NIU has been asked by the Board of Higher Education, along with all other public institutions, to do yet another assessment and report on graduate education. Dr. La Tourette closed saying that Northern's \$10 million reallocation is well within the guidelines established by the Board of Higher Education for a two to three percent reallocation per year over the life of P•Q•P.

University Civil Service Merit Board

Trustee Myles said he was unable to attend the meeting, but the agenda he received contained no items from NIU.

Northern Illinois University Foundation

There was no report from the Northern Illinois University Foundation.

PRESIDENT'S REPORT NO. 6

Personnel Transactions

Agenda Item 8.a.(1) – New Appointments (1996 Summary)

This was an information item which listed new regular faculty and administrative appointments processed at Northern Illinois University during the 1996 calendar year in accordance with Board *Regulation II.A.*

Financial Transactions

The following action items were previously introduced, reviewed and approved in the Finance and Facilities Committee. The university requested Board approval to establish a total budget for each of these projects and to select the architectural and engineering firm which will design the projects.

Agenda Item 8.b.(1) – Center for University Resources for Latinos and Latin American Studies

In response to a question from Student Trustee Marquez, President La Tourette stated that Board of Trustees *Regulations* require the university to bring a project back to the Board any time the established budget amount is exceeded. Architectural and Engineering firms are informed by the university of the budget limitation for each project. If the targeted amount is exceeded, the architectural and engineering firm must absorb the extra cost.

In the case of the Center for University Resources for Latinos and Latin American Studies, the university requested Board of Trustees approval to contract with the firm of Wendell Campbell and Associates to provide all design documents, construction administration services and any other architectural and engineering services based on fee guidelines established by the Capital Development Board. Approval was requested to set the total project budget at \$600,000 and to advertise and receive bids, execute construction contracts, and issue work orders necessary to complete all work associated with this project.

Chair Siegel asked for a motion in accordance with the recommendation to approve Agenda Item 8.b.(1). Trustee Sanchez so moved, seconded by Trustee Raymond. The motion was approved.

Item 8.b.(2) – Recycling Center

This item was a proposal to construct a facility to replace the inadequate space currently used for the Recycling Center. The university recommended Board of Trustees approval to contract with the firm of Pedriana Gustafson Inc. to provide architectural and engineering services at fees consistent with Capital Development Board guidelines, to advertise and receive bids, execute construction contracts and issue work orders necessary to complete all work associated with this project. The total budget was established at \$1.2 million, which is inclusive of all the items listed in the above recommendation.

Chair Siegel asked for a motion to approve the university recommendation for Item 8.b.(2). Trustee Grans so moved, seconded by Student Trustee Marquez. The motion was approved.

Agenda Item 8.b.(3) – Campus Child Care Facility

The university recommended Board of Trustees approval to contract with Burnidge-Cassell Associates for architectural and engineering services, to advertise and receive bids, execute construction contracts and issue work orders necessary to complete all work associated with this project. The project scope and budget was set at \$3.1 million. Student Trustee Marquez so moved, seconded by Trustee Myles. The motion was approved.

Item 8.b.(4) – Stevenson Towers Renovation-Phase I

The university recommended Board of Trustees approval of the project scope and a total project budget of \$14,430,400, and sought permission to advertise and receive bids, execute construction contracts, and issue work orders necessary to complete all work associated with this project.

Chair Siegel called for a motion to approve the Stevenson Towers Renovation recommendation. Trustee Sanchez so moved, seconded by Trustee Raymond. The motion was approved.

Agenda Item 8.b.(5) – West Campus Site Improvements - Phase I

The university recommended Board of Trustees approval to engage the architectural and engineering services of Johnson, Johnson & Roy, utilizing consultant fee guidelines developed by the Capital Development Board. Approval was also requested to advertise and receive bids, execute construction contracts, issue work orders necessary to complete all work associated with the project, and to establish the total project budget at \$6 million.

Chair Siegel asked for a motion to approve Phase I of West Campus Site Improvements. Trustee Grans so moved, seconded by Student Trustee Marquez. The motion was approved.

Agenda Item 8.b.(6) – Northern Star Printing and Delivery Service - Multiple Bids

The University recommended Board of Trustees approval of an increase of \$37,000 in expenditure authorization for *Northern Star* printing and delivery service for a total amount of \$286,000.

Chair Siegel asked for a motion to approve the expenditure increase for *Northern Star* printing and delivery service. Trustee Sanchez so moved, seconded by Trustee Myles. The motion was approved.

Item 8.c. – Summary of Grant and Contract Awards

Dr. La Tourette stated that this was an information item on awards for the year to date. Last year there was a significant drop in federal funds available for research. While there is some indication that some funds not available last year may become available this year, it is too soon to know if funding will return to its previous level.

Agenda Item 8.d. – Periodic Status Report on Capital Projects in Excess of \$250,000

Agenda Item 8.e. – Periodic Summary Report on Transactions

Agenda Item 8.f. – Tuition

Agenda Item 8.g. – Annual Report on Oral English Proficiency

Chair Siegel noted that these were all information items and asked if the Trustees had any comments or questions on them.

Regarding tuition, Trustee Raymond noted, as he had indicated at the Finance Committee Meeting on January 17, that this is a process that the Trustees should very carefully review and thoroughly consider since this will be the first tuition increase this Board will be acting on. He said that tuition increases have been receiving a lot of attention in the media over recent months and will most likely be part of a public policy debate. There have been many statistics and studies published in Washington recently tracking tuition increases over the last ten to twenty years, he stated, showing that the increases have exceeded the rate of inflation over the longer period of time. Trustee Raymond noted that some of Illinois' other state universities had already approved tuition increases that exceeded, in some cases, twice the rate of inflation in the past year. We have to assure ourselves, he said, that action is being taken to cost-effectively and efficiently run the university.

President La Tourette reviewed with the Board members the issues that have to be considered by the university. There were three main issues: (1) A recommendation for tuition for FY98 which begins on July 1 of 1997. (2) A projection of tuition over the next three or four years. This kind of projection has been encouraged by the IBHE, but tuition is heavily dependent on what the State provides. Currently, approximately 40% of the funds received by NIU come from the State. (3) The rate of increase in tuition for special areas such as the Law School and graduate education must be based on the increase for undergraduate education and result in charges comparable to those in effect at

other state institutions. The proposed tuition increase for the NIU Law School matches the increases already approved by the University of Illinois and Southern Illinois University boards. Another consideration is the continuing reduction in course fees developed in the early 1980s to cover the installation, maintenance and upgrading of certain computer facilities being used by students in a few disciplines at that time. Many of these facilities are now open to all students and, thus, should be funded generally rather than through course-specific fees.

For information purposes, Dr. La Tourette stated that the median tuition for undergraduates at research and doctoral institutions was \$2,937 for the 1995 academic year. Last Fall at NIU, the figure for the typical student would taking 13½ credit hours per semester would have been \$2,422 or about 82.5% of the national median. Dr. La Tourette also noted that the way in which the budget is constructed actually forces the institution to make a tuition increase at least as large as the general increase in state funds being recommended by the Board of Higher Education. Without such an increase, the effective increase on the State side would be reduced by one-third.

Kathy Swanson reiterated that there was a fairly strong sentiment developing among those interested in higher education in Springfield that the Governor may not be able to fully fund the Board of Higher Education's recommendations. NIU will be asking the Board members to help lobby the Governor to consider fully funding those recommendations. He has done so for the last three years, but, because of competing resources and a very limited supply of additional funds, the university is faced with some uncertainty as to whether the full recommendations of the Board of Higher Education will be endorsed by the Bureau of the Budget and the Governor's staff as the 1998 budget is prepared.

Agenda Item 8.h. – 1997 Meeting Dates

This item listed the dates of January 23, April 24, June 12, September 25 and December 11 as 1997 meeting dates for the NIU Board of Trustees.

Chair Siegel asked for a motion to approve these dates. Chair Myles so moved, seconded by Trustee Marquez. The motion was approved.

CHAIR'S REPORT NO. 4

Agenda Item 9.a. – Executive Session Minutes Release

In accordance with the Illinois Open Meetings Act, as amended, Chair Siegel recommended that the Board approve the release of specified sections of executive session minutes from confidentiality as reviewed and advised in the Chair's Report. Trustee Sanchez so moved, seconded by Trustee Myles. The motion was approved.

Agenda Item 9.b. – Approval of Board *Regulations* - Section IV

Referring to the subsection of Section IV of the *Regulations*, Trustee Raymond requested that the Board receive information about waivers granted on a regular

basis. Dr. La Tourette explained that this section of the *Regulations* merely requires that the university be in compliance with state and federal laws. There is legislative authorization for the university to waive up to 4% of the undergraduate tuition collected for particular types of students. The only information related to waivers that can be made public is the criteria the committee uses to make these decisions, the process used and the number of students in each category. President La Tourette stated that he does not receive specific student information and deferred to university General Counsel George Shur. Mr. Shur stated that the Board and the central staff is certainly entitled to know the number of grants by category, in state and out of state; the names of the students, however, would be confidential. Only department heads in each student's area of specialization would receive that information on a need-to-know basis. No one else at the university receives this information. Chair Siegel asked Dr. Williams to provide the Board with a copy of the report on tuition waivers that he submits to the IBHE on a periodic basis.

Chair Siegel entertained a motion to approve Section IV of the *Regulations*. Trustee Sanchez so moved, seconded by Trustee Grans. The motion was approved.

Agenda Item 9.c. – Review of 1996 Meetings

Chair Siegel commented that his records indicated the Board and its committees had met over 20 times in 1996, and that things seem to be going well. He asked Dr. Charles Larson for comments from the perspective of UAC. Dr. Larson thanked the Board on behalf of the University Advisory Committee for their cooperation, not only at the general Board Meetings, but in the Committee meetings as well. He thought the UAC representatives were pleased with the opportunity to have input and with the closer ties to the campus being experienced with the new Board.

Other Matters

Chair Siegel announced that graduation was the following weekend (December 15) and that all members of the Board of Trustees would be attending the various graduations in full academic regalia.

Student Trustee Marquez recognized Peter Adrian, recycling director; Michael Coakely, housing director; Becky Kasten, president of RHA; Chris Herrmann, campus child care director; Ryan DeParr, assistant recycling director; John Actin, programming vice president of RHA; Culley Sullivan, hall counsel president; and Frank Fuente, program coordinator for University Resources for Latinos for their help and continued involvement with the West Campus Master Plan.

Dr. Larson stated that faculty and operating staff and supportive professional staff were very pleased with the plans for a new child care center. Needs are there not only for students, he said, but also for employees, and everyone is very pleased that this action is being taken.

Next Meeting Date

The next meeting date was scheduled for January 23, 1997.

Chair Siegel wished happy holidays to everyone and entertained a motion to adjourn. Trustee Sanchez so moved, seconded by Trustee Grans. The motion was approved.

Respectfully submitted,

Sharon M. Mimms
Recording Secretary

Agenda Item 8.b.
December 11, 1996

Action

FINANCIAL TRANSACTIONS

The following items, including the university's recommendations, were presented to the Finance, Facilities and Operations Committee on December 6, 1996 for its review. The results of this review are being brought to the Board at this time.

**CENTER FOR UNIVERSITY RESOURCES FOR LATINOS
AND LATIN AMERICAN STUDIES**

Summary: Currently, the Center for Latino and Latin American Studies occupies space in Adams Hall while University Resources for Latinos is located in a converted 4,220 square foot residential structure at 515 Garden Road. The architectural firm of Wendell Campbell and Associates recently completed a feasibility study for the university to assess the structural integrity of the existing facility and to explore design options and cost estimates for the consolidation of both programs into one building. The study recommended that both groups consolidate into a completely renovated facility. The new building program includes a two-level addition of 2,615 square feet and the complete reconfiguration of the existing 4,220 square foot structure.

The cost estimate developed by the consultant recommends a total project budget of \$600,000 and includes the cost of construction, architectural and engineering fees, furnishings, equipment and contingency. The anticipated project schedule is sequenced for design to begin in January 1997, bidding in the late spring, construction to commence in June, with substantial completion during Fall 1997.

Recommendation: The university requests Board of Trustees' approval to contract with the firm of Wendell Campbell and Associates to provide all design documents and construction administration services necessary to accomplish this project. Architectural and engineering fees will be based on guidelines established by the Capital Development Board. The university also requests permission to set the total project budget at \$600,000 and to advertise and receive bids, execute construction contracts, and issue work orders necessary to complete all work associated with this project.

RECYCLING CENTER

Summary: Construction of the proposed Recycling Center is intended to form the foundation for continued solid waste reduction. Comprehensive analysis of the university's materials reclamation requirements indicates that a facility of approximately 8,000 square feet is needed to adequately process solid waste material streams for the campus. The current facility is approximately 2,300 square feet and totally unsuitable for expansion or enhancement to meet the facility requirements of the campus.

The proposed facility will build on the current operation, which is managed and staffed entirely by students. Heat, running water and restrooms, none of which are in the current facility, will be incorporated into the design, thus bringing the program up to minimum standards for safety and sanitation. Overhead doors for truck delivery and pickup of materials will be provided to improve the efficiency and reduce litter on the site. In addition to expanded employment and management training opportunities for students, the new facility will highlight the educational component of the recycling program by accommodations for instructional and touring functions. Once the new facility is operational, it will serve as an expanded transfer station and limited sorting station.

The project schedule requires that design and construction documents be completed in Spring 1997, with construction to start in Summer 1997. Construction, relocation of equipment and shifting of operations to the new facility are expected to be completed before the end of 1997.

Project plans call for construction of the facility on the site recommended in the West Campus Framework Plan. While there are currently no roads accessing that site, the budget includes provision of a road. A total project budget of \$1.2 million has been established for design and construction of the Recycling Center.

Recommendations: The University recommends Board of Trustees approval to contract with the firm of Pedriana Gustafson Inc. to provide architectural and engineering services for fees consistent with Capital Development Board guidelines, and establish a total project budget of \$1.2 million. The University also recommends approval to advertise and receive bids, execute construction contracts and issue work orders necessary to complete all work associated with this project.

CAMPUS CHILD CARE FACILITY

Summary: In August 1996, the university commissioned Burnidge-Cassell Associates to conduct a feasibility study addressing the issue of child care for campus constituencies. Study results indicate a substantial need for expanded child care services on campus. The consultants then assessed expansion requirements considering various space options. Existing university facilities and suitable off-campus space envelopes which would sufficiently address program needs were neither available nor feasible. Traditional community-based child care centers generally cannot afford to serve parents who need child care for two or three hours at a time or only two or three days in a week. Therefore, it was recommended that a new child care facility be constructed to meet the specific requirements of the campus population for drop-in as well as extended care. The proposed facility would capitalize on the synergies made possible by the existence of a well-established child care center with experience in providing the kinds of child care student parents need, and academic programs focusing on the education of young children and the provision of services for them.

Expanded child care will include services for infant and toddler care, extended hours and calendar days of operation, and after-school care (holiday and summer) for school age children. The child care center will be comprised of classrooms, ancillary and support spaces in a single-story building. The program and budget for this project is based on a minimum of 50 to 65 square feet per child. The facility will accommodate child care for approximately 175 full-time slots or as many as 200 children with the availability of flexible-hour care.

The selected site will be developed to contain the building, play areas, a drop-off drive, parking for approximately 45 cars, utility connections, and landscape modifications. Additional project elements include architectural and engineering fees, contingencies, fixtures, furniture and equipment which comprise the total project budget estimate of \$3.1 million.

Recommendation: The university recommends Board of Trustees approval to contract for the architectural and engineering services of Burnidge-Cassell Associates. The university further recommends approval of the project scope and budget of \$3.1 million and permission for the University to advertise, receive bids, execute construction contracts and issue work orders necessary to complete all work associated with this project.

STEVENSON TOWERS RENOVATION - PHASE I

Summary: The *Master Plan for Renovation of Residence Halls* documents the comprehensive effort which was undertaken to define the architectural program for the proposed renovation of Stevenson Towers. A committee structure was established to maximize student, staff, faculty and administrative involvement. The Renovation and Capital Projects Subcommittee focused on living conditions in the residential and common areas. The Dining Options Subcommittee targeted food preparation, serving and dining facilities. A senior committee, with representatives of both subcommittees, was formed to oversee and coordinate programming efforts. Consultants from the firm of Solomon Cordwell Buenz and Associates have participated in committee meetings, contributing analysis, discussion and documentation of the programmatic elements.

Proposed architectural modifications to residential floors respond to students' needs voiced during the program development phase, and will encourage optimal occupancy rates for debt retirement. Residential floors will consist of single-, double- and suite-room configurations. Residential floor restroom modifications will be designed with enhanced privacy in mind; public spaces will include security and functional requirements; and classroom/meeting facilities design will be enhanced to integrate academic programs with the residence hall experience. In addition, the program includes infrastructure improvements such as upgrades to mechanical, electrical and communications systems and rehabilitation of heating/cooling capabilities in the residents' rooms.

An aggressive schedule for the design and construction phases of the work is proposed in order to meet the goal of opening a completely renovated facility at the beginning of the Fall 1998 semester.

Recommendation: The University recommends Board of Trustees' approval of the project scope, a total project budget of \$14,430,400, and permission to advertise and receive bids, execute construction contracts, and issue work orders necessary to complete all work associated with this project.

WEST CAMPUS SITE IMPROVEMENTS - PHASE I

Summary: Planning and design concepts recently developed in the new West Campus Master Plan are now in the last stage of refinement before the completion of the final document. The completed master plan will address the phasing of the implementation of program items identified in the study and prioritized in terms of institutional needs and budgetary constraints. Phase I implementation will include the design and construction of the following items:

- Outdoor intramural and recreation fields
- Removal of streets and relocation of parking lots
- The initial development of the West Campus resident's park
- The initial development of the West Campus pedestrian spine

The university Qualification Based Selection (QBS) Committee has recently reviewed submittals from fifteen interested firms and recommends the firm of Johnson, Johnson & Roy to be contracted to perform all necessary architectural/engineering services.

Based on the cost estimate of the implementation of Phase I developed by the Master Plan consultants, the university recommends that the total project budget be established at \$6 million. This amount includes all construction costs, contingencies and architectural and engineering fees. An aggressive project schedule requires design to commence immediately in order to begin construction in June 1997. The university anticipates all aspects of the site work to be finished in the Summer 1998.

Recommendation: The university recommends Board of Trustees approval to engage the architectural and engineering services of Johnson, Johnson & Roy utilizing consultant fee guidelines developed by the Capital Development Board. The university also recommends Board of Trustees approval to establish the total project budget at \$6 million and to advertise and receive bids, execute construction contracts, and issue work orders necessary to complete all work associated with this project.

NORTHERN STAR PRINTING AND DELIVERY SERVICE
Multiple Bids

Summary: Production and delivery costs for the *Northern Star* campus newspaper have increased over original projections due to the need for additional article and advertisement space. As a result, the university seeks to increase the expenditure authorization for the newspaper's printing and delivery contract. Presidential approval for the original FY96 contract was received August 26, 1996.

Northern Star - Printing and Delivery

Recommendation: The university requests Board of Trustees approval for an increase in expenditure authorization as follows:

Castle Communications, DeKalb

Original Amount Approved	\$249,000	
Amount of increase requested		<u>37,000</u>
New Total, Not To Exceed	\$286,000	

Funding is to be provided through Institutional Funds, Auxiliary Enterprises and Activities - *Northern Star*.

**Agenda Item 8.h.
December 11, 1996**

Action

1997 MEETING DATES

The following calendar has been established for Meetings of the Board of Trustees of Northern Illinois University for 1997. The President recommends Board approval.

January 23

April 24

June 12

September 25

December 11

CHAIR'S REPORT

No. 4

December 11, 1996

EXECUTIVE SESSION MINUTES RELEASE

Summary: The Illinois Open Meetings Act, as amended, requires public bodies to review minutes of their executive sessions on a semiannual basis and determine what parts of such minutes they should make available to the public because they no longer require confidential treatment. Accordingly, this item is proposed for complying with this legal requirement by taking action upon the duly approved Executive Session Minutes of June, 1996 through November, 1996 of either the full Board of Trustees or committees of the Board which have not previously been released from confidentiality.

Upon review and advice of the Board's Parliamentarian and legal counsel, the following sections of executive session minutes for the relevant period are proffered for release from confidentiality:

June 6, 1996 - Executive Session of the Executive Committee
of the NIU Board of Trustees

1. Approval of Executive Session Minutes
2. Personnel Matters
- 3.a. Property Matter
- 3.b. Property Matter
4. Personnel Matters
5. Risk Management and Legal Matters

June 19, 1996 - Executive Session of the NIU Board of Trustees

1. Property Matters
2. Legal and Risk Management Matters
3. Personnel and Legal Matters

September 18, 1996 - Executive Session of the NIU Board of Trustees

1. Collective Bargaining Matter
2. Risk Management Matters
- 3.a. Property Matters

Recommendation: The Chair recommends that the Board approve the release from confidentiality of the specified sections of executive session minutes as reviewed and advised above. Those sections, if any, which are still subject to confidentiality, together with sections from subsequent meetings, will be considered again in six months.

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PRESIDENT'S REPORT

No. 7

January 23, 1997

No item in this report for release prior to 11:30 a.m. January 23, 1997.

A G E N D A

**BOARD OF TRUSTEES
of
NORTHERN ILLINOIS UNIVERSITY
January 23, 1997
11:30 a.m. - Clara Sperling Sky Room**

10:15 a.m. Legislation, Audit and External Affairs Committee
11:30 a.m. Board of Trustees Meeting
1:30 p.m. Board of Trustees Public Meeting Reconvenes

1. Call to Order and Roll Call
2. Verification of Appropriate Notice of Public Meeting
3. Announcements
4. Executive Session
5. Meeting Agenda Approval
6. Reports of Board Committees and Board Liaisons
 - a. Executive Committee
 - b. Academic Affairs, Student Affairs and Personnel Committee
 - c. Finance, Facilities and Operations Committee
 - d. Legislation, Audit and External Affairs Committee
 - e. Illinois Board of Higher Education
 - f. University Civil Service Merit Board
 - g. Northern Illinois University Foundation
7. President's Report No. 7
 - a. Periodic Summary Report of Transactions in Excess of \$100,000.....*Information*
 - b. Annual Summary Report of Transactions*Information*
 - c. Summary of Grant and Contract Awards*Information*
 - d. Illinois Board of Higher Education Budget Recommendations
 - (1) Operations and Grants Budget*Information*
 - (2) Capital Budget Report*Information*
 - e. Legislative Report*Information*
 - f. FY98 Tuition Recommendation*Action*

- 8. Chair's Report No. 5
 - a. Approval of Corrections to *Regulations**Action*
- 9. Next Meeting Date
- 10. Other Matters
- 11. Adjournment

FY98 TUITION RECOMMENDATION

Summary: After careful consideration of all factors pertaining to tuition rates, university priorities and needs in the area of computer services and connectivity, and the recommended 3.0% tuition increase which was included in the Illinois Board of Higher Education FY98 Budget, the university recommends the following:

- I. Undergraduate Tuition Increase: 3.75%
 - A. A base increase of 3.0%. This increase is required to fund a proportionate share of the salary, price adjustments and other items contained in the IBHE FY98 budget recommendations.
 - B. Computer course fee replacement of .75%. This increase is recommended as the second phase of a commitment begun in FY96 to eliminate computer course fees in areas where computer laboratories and equipment are generic in terms of student use. The funding from this increase will reduce computer fees paid by students and the overall impact on student costs will therefore be neutral. It should be observed that the gross funds generated by this portion of the tuition increase will be subject to an approximate 25.0% adjustment which will be allocated to offset the impact of the increase on the state's student financial aid program.
- II. Graduate Tuition Increase: 10.5% (\$10.10 per credit hour)
 - A. A 3.75% increase is required to meet the IBHE FY98 budget recommendations and the computer fee Phase II offset as previously indicated for undergraduate tuition rates.
 - B. The balance of the increase is justified by direct comparisons with other institutions' pricing of graduate education, particularly at the professional master's level.
- III. College of Law Increase: 8.75%
 - A. A 3.75% increase is required to meet the IBHE FY98 budget recommendations and the computer fee Phase II offset as previously indicated for undergraduate tuition rates.
 - B. A 5.0% increase will be used to provide much needed direct support for the College of Law, including library and computer support services vital for maintaining full accreditation. This additional increase is justified by

direct comparisons with rates charged at the other public law schools at the University of Illinois and Southern Illinois University-Carbondale and, therefore, should not adversely impact student access or market share.

IV. Special Tuition Rates

The university will be developing new programs, particularly at the master's level, to meet the needs of adults in their professional areas of expertise. These programs, like the new master's in taxation, will be at the cutting edge professionally and, therefore, will need to involve our most capable faculty. The programs will be highly marketable, offered off campus, and are likely to involve higher costs.

The university recommends Board of Trustees approval of a tuition and fee formula which can be applied to new programs as they are developed so that they can be offered at the highest possible quality level to meet student demand. The guide to be used in determining the cost per course would be the university's cost at the level of instruction in the field as reported in the most recent IBHE departmental cost study, excluding campus physical plant operations and maintenance, but including such institutional support as is appropriate to the program at each site.

Recommendation: The university requests Board of Trustees approval of the following FY98 tuition increases:

Undergraduate Increase	3.75%
Graduate Increase	10.50% (\$10.10 per credit hour)
College of Law Increase	8.75%

The university also requests approval of the above tuition formula which can be applied to new program initiatives as outlined in Item IV above, to be applied as these programs are developed.

CHAIR'S REPORT

No. 5

January 23, 1997

Agenda Item 8.a.
January 23, 1997

Action

APPROVAL OF CORRECTIONS TO *REGULATIONS*

Text additions to Section I.F. entitled Oral English Language Proficiency and Section II.B.7.a. entitled The Annual Review and Evaluation.

PRESIDENT'S REPORT
to the
EXECUTIVE COMMITTEE

February 18, 1997

AGENDA

**NIU Board of Trustees
EXECUTIVE COMMITTEE
February 18, 1997
10:00 a.m. - Clara Sperling Sky Room**

10:00 a.m. Executive Committee Meeting

(Following preliminary matters, including roll call and verification of proper Opening Meetings Act notice, it is expected the Board Executive Committee will approve a motion to close the public meeting to consider matters permitted by §2 of the Illinois Open Meeting Act in Executive Session in the University Suite.)

10:15 a.m. Executive Session - University Suite

12:00 noon Public Meeting Reconvened - Clara Sperling Sky Room

12:00 noon Adjournment

1. Call to Order and Roll Call
2. Verification of Appropriate Notice of Public Meeting
3. Announcements
4. Meeting Agenda Approval
5. Executive Session
6. Chair's Comments
7. Other Matters
8. Adjournment

**Minutes of the
NIU Board of Trustees
EXECUTIVE COMMITTEE
February 18, 1997**

CALL TO ORDER AND ROLL CALL

The meeting was called to order by Chair Myron Siegel at 10:10 a.m. in the Clara Sperling Sky Room of Holmes Student Center. Recording Secretary Mimms conducted a roll call of Trustees. Present for the meeting were Vice Chair George Moser, Trustee Robert Boey and Chair Siegel. Also present were Trustees Susan Grans, Student Trustee David Marquez, President John La Tourette and Parliamentarian Kenneth Davidson. Present by Teleconference connection were Secretary James Myles and Trustees David Raymond and Manuel Sanchez. Having noted the presence of a quorum, the meeting proceeded.

VERIFICATION OF APPROPRIATE NOTICE OF PUBLIC MEETING

Chair Siegel asked Parliamentarian Ken Davidson for verification of appropriate notice of public meeting. Mr. Davidson confirmed that all proper notices had been prepared and posted.

Meeting Agenda Approval

Vice Chair Moser moved for approval of the agenda, seconded by Trustee Boey. The motion was approved.

Chair Siegel called for a motion to close the public meeting to conduct Executive Session to discuss personnel matters as generally described under §2(c)(1) and property matters under §2(c)(5) and §2(c)(6) of the Open Meetings Act. Trustee Boey so moved, seconded by Vice Chair Moser. A roll call of the Trustees to recess to Executive Session was unanimous.

BOARD OF TRUSTEES MEETING RECONVENED

The public session of the Board of Trustees Meeting reconvened with all members present. Chair Siegel entertained a motion to adjourn. Vice Chair Moser so moved, seconded by Trustee Boey. The motion was approved. The Executive Committee Meeting was adjourned at 12:55 p.m.

Respectfully submitted,

Sharon M. Mimms
Recording Secretary

PRESIDENT'S REPORT

No. 8

April 24, 1997

No item in this report for release prior to 11:30 a.m. April 24, 1997.

A G E N D A

**BOARD OF TRUSTEES
OF
NORTHERN ILLINOIS UNIVERSITY
Thursday - April 24, 1997
11:30 a.m. - Regency Room**

1. Call to Order and Roll Call
2. Verification of Appropriate Notice of Public Meeting
3. Announcements
4. Executive Session
5. Meeting Agenda Approval
6. Review and Approval of Minutes of December 11, 1996 and January 23, 1997
7. Reports of Board Committees and Board Liaisons
 - a. Executive Committee
 - b. Academic Affairs, Student Affairs and Personnel Committee
 - c. Finance, Facilities and Operations Committee
 - d. Legislation, Audit and External Affairs Committee
 - e. Illinois Board of Higher Education
 - f. University Civil Service Merit Board
 - g. Northern Illinois University Foundation
8. President's Report No. 8
 - a. Personnel Transactions*Action*
 - b. Request for New Degree Authority at an Off-campus Site*Action*
 - c. Financial Transactions*Action*
 - d. Summary of Grant and Contract Awards*Information*
 - e. Periodic Report on Transactions*Information*
 - f. SURS 1997 Legislative Initiative*Action*
9. Chair's Comments
10. Next Meeting Date
11. Other Matters
12. Adjournment

Minutes of the Meeting of the
BOARD OF TRUSTEES
of **NORTHERN ILLINOIS UNIVERSITY**
April 24, 1997

Call to Order and Roll Call

The meeting was called to order by Chair Myron Siegel at 11:54 a.m. Recording Secretary Mimms conducted a roll call of Trustees. Present for the meeting were Trustees Robert Boey, Susan Grans, George Moser, James Myles, David Raymond, Manuel Sanchez, Student Trustee David Marquez and Chair Siegel. Having noted the presence of a quorum, the meeting proceeded.

Verification of Appropriate Notice of Public Meeting

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

Announcements

Chair Siegel asked the Committee Chairs to schedule Committee meetings at least two weeks away from a full Board meeting, if at all possible, so that recommendations have appropriate time to be included in Board report materials to be sent to Board members a week before full Board meetings. In some cases, Chair Siegel stated, it may be necessary to act on recommendations from Committee meetings held on the same day as full Board meetings at the next succeeding Board meeting.

Executive Session

Chair Siegel announced that the Board would be going into Executive Session and would reconvene at 1:30 p.m. , as posted, to conclude the agenda. He then called 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: property matters as generally described under Section 2(c)(5) and 2(c)(6) of the Open Meetings Act and Executive Session Minute matters as generally described under Section 2(c)(21) of the Open Meetings Act. Trustee Sanchez so moved and it was seconded by Trustee Myles. A roll call vote of the Trustees on the motion to recess to Executive Session was approved unanimously.

BOARD OF TRUSTEES MEETING RECONVENED

At 1:39 p.m. the public meeting of the Board of Trustees was reconvened by Vice Chair Moser, who handled proceedings until Chair Siegel rejoined the meeting later.

Meeting Agenda Approval

Trustee Myles moved for approval of the Agenda. Trustee Grans seconded the motion. The motion was approved.

Review and Approval of Minutes

It was moved by Trustee Boey and seconded by Trustee Myles to approve the minutes of the December 11, 1996 and January 23, 1997 meetings. The motion was approved.

Executive Session Matter

As a result of discussions during the Executive Session, Vice Chair Moser asked for a motion to approve the Board's acquisition of the property known as the Greek property located at 231 Annie Glidden Road, DeKalb, Illinois, at a price not to exceed \$175,000 subject to an appropriate environmental survey being arranged by the university at its expense and further conditioned on there being a need to expend no more than \$10,000 to address any discovered environmental issues. Trustee Raymond so moved and the motion was seconded by Trustee Grans. The motion was approved.

President La Tourette pointed out to those present that the motion just passed was for the acquisition of a critical piece of property on Annie Glidden Road pursuant to the West Campus Master Plan and its future development.

REPORTS OF BOARD COMMITTEES AND BOARD LIAISONS

Executive Committee

The was no report from the Executive Committee.

Academic Affairs, Student Affairs and Personnel Committee

Committee Vice Chair Sue Grans reported that the Committee met earlier that morning and discussed some items that would be addressed later in the meeting. The Committee also received a report from Dr. Lynne Waldeland on IBHE action on programmatic actions taken in May and June. An updated report on the President's Retirement Enhancement Program was received from Mr. Steve Cunningham. Dr. Waldeland also gave a report on the IBHE-mandated review for graduate programs, which is ongoing; further updates will be heard at the June meeting. Dr. Rosalie Hewitt gave a report on recruitment and enrollment activities at the university as well as a progress report. Dr. Bernard Ray gave a report on the progress of the Provost's Advisory Committee on Minority Student and Staff Recruitment and Retention.

Finance, Facilities and Operations Committee

Committee Chair Boey reported that the FFO Committee met on April 17. Among items covered and recommendations made were the Fiscal Year 1998 Student Fee recommendations, room and board rate recommendations, the *Northern Star* printing and delivery services, and the Huskie Bus contract. In addition, the Committee also recommended the financial system replacement and the university mainframe computer replacement to the Board of Trustees for approval. The Foreign Language Multi-Media Interaction Instructional Lab was also discussed and recommended to the Board for approval.

Legislation, Audit and External Affairs Committee

Committee Chair Moser reported the Committee met at 9:00 a.m. that morning. There was a discussion on the status of appropriations and capital needs of the university. Legislation pending in Springfield in the areas of affordability, prepaid tuition programs, university employee pensions and the Board of Trustees development legislation were reviewed. It appeared that affordability legislation was receiving bipartisan support with an end-of-session legislative package which could include income tax deductions for college expenses and the creation of a prepaid tuition program for public universities statewide. The passage of the 1998 Capital Budget remained uncertain at that point. Northern Illinois University was slated to receive \$19 million for the renovation of Altgeld Hall should the 1998 Capital Budget pass the legislature. The Committee discussed this issue at length and remained cautiously optimistic about the chances for passage.

Illinois Board of Higher Education

President La Tourette stated that at the March meeting of the Board of Higher Education, the Governor appeared and talked to the board and those assembled at that time. The Governor had indicated he was going to recommend the level of support that had been recommended to him by the Board of Higher Education. Since that time, the Governor has, indeed, submitted those recommendations to the legislature. These recommendations do not include all of the items asked for by all the universities. Basically, this is a request that would increase the funding for the public universities at about 3.4%. Budget hearings are now being held in the legislature. Northern Illinois University has completed budget hearings, both in the Senate and the House, and it is hoped that our budget will stay intact and we will soon know what the university budget will be for FY98. The next Board of Higher Education meeting is scheduled for May 6. One of the topics to be discussed at that time will be a new set of approval procedures for distance education, about which Dr. La Tourette had a significant amount of concern. This issue, he believed, was an attempt to regulate what is impractical and inappropriate to regulate in the manner being considered. It appears that this is another step towards regulation which, because of the technological capabilities that are being developed by the telecommunications industry and by other universities, Dr. La Tourette said, is highly inappropriate for Illinois. It would put NIU at a disadvantage in terms of serving its students and state.

University Civil Service Merit Board

The was no report from the University Civil Service Merit Board.

Northern Illinois University Foundation

The was no report from the Northern Illinois University Foundation.

PRESIDENT'S REPORT NO. 8

Agenda Item 8.a. – Personnel Transactions

Dr. La Tourette introduced the list of promotions and tenure recommended by the Academic Affairs, Student Affairs and Personnel Committee. As indicated by Provost and Executive Vice President Moody in the AASAP Committee Meeting,

the recommendations were the result of a very extensive process of review at the department, college and university levels throughout the faculty members' service at the university. These recommendations go to the President, who then presents them to the Board for approval. Decisions made for both promotion and tenure are very carefully considered and those recommended have met the appropriate standards, including performance in teaching, research and public service, as developed by the departments, colleges and the university. The dichotomy that people sometimes talk about between teaching and research is not found at a university like Northern Illinois University, President La Tourette said. The Presidential Teaching Professors are great scholars, the Presidential Research Professors, by and large, are excellent teachers; therefore, he said, there is a great deal of confidence in university review procedures and standards to make these recommendations to the Board for both promotions and tenure. Vice Chair Moser asked for a motion to approve the recommendations for promotion and tenure. Trustee Grans so moved, and the motion was seconded by Student Trustee Marquez. The motion was approved.

President La Tourette turned to the recommendations for sabbatical leaves. Sabbatical leave is the approval of a semester's leave in order for faculty to conduct research, pursue professional activities and other projects which maintain their competency or to improve their competency in teaching, research and any other duties carried out as faculty members. Sabbatical leaves represent only about 1.5% of NIU's personnel budget, whereas many companies on the cutting edge of technology and world global markets invest about 5% to 7% of their personnel budgets in training and upgrading. Sometimes these plans are contingent upon other funds coming in to supplement sabbatical work. If any of the approved individuals on the list are unable to carry out their plans, those on the alternate list, found on page 23 of the President's Report, are then eligible in rank order. Vice Chair Moser asked for a motion to approve the sabbatical list, including the list of alternates. Trustee Boey so moved, and the motion was seconded by Trustee Myles. The motion was approved.

Agenda Item 8.b. – Request for New Degree Authority at an Off-Campus Site

President La Tourette introduced this request for new degree authority at an off-campus site. NIU is offering the M.B.A. program at three off-campus sites: Hoffman Estates, Rockford and a site in the College of DuPage Community College District. Of the courses required for the M.B.A., all but one fits into the M.S. degree in Finance, so that by the addition of one course at these sites, students would be able to complete an M.S. in Finance, basically at no extra cost, with no additional faculty. This is a program that would be unique in the suburbs. It is not available at the present time and would serve people working in the banking industry as well as in large financial institutions and, perhaps, some of the manufacturing institutions with large finance departments. It extends the university's authority off campus and reaches out to people who ordinarily would not be able to pursue a degree of this nature if they had to come out to DeKalb and/or travel into Chicago. Based on the fact that there is no need for additional resources, that these are three well-established sites, that this can be accomplished with the addition of one course, President La Tourette asked Board approval of this off-campus offering. Vice Chair Moser called for a motion to approve the President's recommendation. Trustee Grans so moved, and the motion was seconded by Trustee Raymond. The motion was approved.

Agenda Item 8.c. – Financial Transactions

President La Tourette introduced the student fee recommendations and the room and board recommendations. The student fee recommendations in the aggregate did not exceed a 2.76% increase. The overall increases are well within the range of inflation and what the Board has considered appropriate to hold down costs and make access to the university as affordable as possible.

The room and board rates represented a maximum total increase of 3.44%. President La Tourette noted that the Board had previously approved a 3% increase in tuition with a further no-cost adjustment of .75% to offset the reduction of fees not being charged for technology and computer use in courses. Trustee Boey thought it should be pointed out that some of those increases are not because of inflation, for example, under the room and board rate recommendations, approximately \$248,000 was necessary to cover the minimum wage shortfall. Dr. La Tourette congratulated the Board and all the people involved in keeping our programs accessible at the lowest possible cost.

Approval was requested for the *Northern Star* printing and delivery services to use revenues collected from advertisements to cover the cost of printing and delivering the paper in the amount of \$275,000, as endorsed by the FFO Committee, rather than \$245,000, as incorrectly stated on page 25 of the report materials.

In the case of the Huskie Bus contract, projected revenues of almost \$1.9 million would cover the cost of the contract and are included in the fees being recommended for approval. In reply to question from Trustee Sanchez, President La Tourette stated that over a two-year period, the actual real increase in the student bus fees is between about 5% and 6% to cover the increased cost of operation.

The student accident and sickness insurance program is a program for students who do not have insurance coverage of any kind. The university has been fortunate to hold the insurance policy cost to the same rate as last year. This is a request for approval to collect those funds, not to exceed \$4 million, and remit them, as appropriate, to the carrier. About 55% of the students at the university are on this plan. There are no state dollars involved. Trustee Sanchez was pleased to hear that 55% of NIU students take part in the health plan and that the rate is kept at a reasonable rate of approximately \$138 per semester.

The next item introduced by Dr. La Tourette was the financial systems replacement. It is essential for the university to move forward in terms of developing a financial system that will be up to date and allow the tracking of financial transactions in a timely manner, informative to campus users, and in compliance with more and more expectations and requirements at the state level. For example, the universities are going to be required to have the payroll deposited electronically for all employees, on July 1, 1998. And as requirements like this occur, a much more sophisticated and up-to-date financial system will be needed. Also, this will allow the Human Resource System to be brought up to date and made consistent with the financial system. President La Tourette congratulated Dr. Eddie Williams, Steve Pace, and Dr. John Tuecke for making it possible to acquire the new finance system at the price of \$3.1 million, which will

be spread over a seven-year period. Dr. Larson, President of the Faculty Senate, was also very pleased with the new financial system and the way in which payment has been structured so that the university can have an up-to-date system, and the cost burden will be reasonable throughout the university. Trustee Raymond asked what the time table would be for changing the financial system. Dr. Williams stated that most of the preliminary work had been done in that the vendor has been identified, as has the general scope. It was hoped that things would be moving within 60 days. At present, the committee is trying to address the "year 2000" issues. For that to happen, the system must be completely installed by the summer of 1999. In order to accomplish that, a time frame of 18 to 24 months is needed for installation. Final contracts should be negotiated, Dr. Williams said, within 30 to 60 days.

The next item of business introduced by President La Tourette was the authorization of up to \$690,089 to purchase a new mainframe from IBM. A lot of this cost is installation and the training that goes with the installation of the mainframe. The new mainframe alone, which has about a 30% or higher capacity than the existing mainframe, costs only about \$275,000. Dr. La Tourette congratulated Dr. Tuecke on the work that he's done over the last several years. In 1990 Dr. Tuecke persuaded the President to purchase a used mainframe at \$1.2 million, projecting that it would be useful to the university for three or four years. Other universities, at the same time, were spending between \$3 million and \$4 million for mainframes that quickly became obsolete. Dr. Tuecke forecasted the turn in the market in terms of not only the technology that was coming available, but also the sharp drop in price. So the university is getting a mainframe now that has a much larger capacity and much more rapid processing of large amounts of data at about \$275,000 compared to over a million dollars a few years ago. The very prudent investment several years ago along with an equally prudent investment now shows a shrewd negotiator in that this price is about \$175,000 or \$200,000 less than other alternatives.

Approval of a foreign language multimedia lab instructional improvement will bring the university up to date from technology of the 1970s, Dr. La Tourette said. This investment was essential, according to Dr. Clark Neher, Director, Center for Southeast Asian Studies, in his ability to acquire a grant of over \$700,000 to help with not only this laboratory in foreign languages but to promote the Center for Southeast Asian Studies.

Approval of a consulting contract with the Construction Safety Council in Elgin was requested in an amount not to exceed \$254,035. Revenues received will cover the costs.

The final item was an amendment to the current lease with Rose Venture, Inc. of Elgin for additional space to accommodate program needs related to the fabrication of steel drums for use by the College of Visual and Performing Arts.

Vice Chair Moser called for a motion to approve all of the financial transactions recommended by the President. Trustee Myles so moved, and the motion was seconded by Trustee Sanchez. The motion was approved.

Agenda Item 8.d. – Summary of Grant and Contract Awards

The Summary of Grant and Contract Awards was an information item introduced by President La Tourette. He pointed out that page 39 of the President's Report showed an accumulated total for this fiscal year of \$19,728,801 compared to a little over \$11 million last year. The university has seen a very substantial recovery from the problem experienced in January of 1996 when there was a prolonged debate about the federal budget and many agencies did not make grants for some considerable period of time. Last year, there was a slight decline in overall grants and contracts because of that. President La Tourette underscored the fact that faculty and staff are very active in seeking additional support for instruction and research and public service programs. The deans have made the need to find other sources of funds to carry out the university's mission high priority since the university can expect only a 3% increase per year from the state budget.

Agenda Item 8.e. – Periodic Report on Transactions

This is a report of activity related to the transaction authority delegated to the President by the Board for transactions between \$100,000 and \$250,000. There were three items, mainly from nonappropriated funds. The intercollegiate athletic activity summer camp is a pass-through of collections to cover costs of housing and so forth. The Biological Science Department, is a pass-through for consulting services the university is working on with Yale University. The Watson Hall renovation project goes along with the new multimedia laboratory equipment installation.

Agenda Item 8.f. – SURS 1997 Legislative Initiative

Dr. La Tourette introduced the State University Retirement System (SURS) legislative initiative. Mr. Cunningham gave a briefing on this initiative in the Legislation, Audit and External Affairs Committee earlier. The legislation contains substantial changes that decrease the State's obligation to fund this retirement system. One of the major changes is from valuing assets at book value to market value. This is the result of the guidelines established by the Governmental Accounting Standards Board (GASB). That changes the whole calculus of what's required for future State contributions to the SURS program.

The second thing that makes a significant contribution to reducing the State's obligation for the retirement plan is the introduction of an optional retirement program. This will allow people to select a private annuity company or, an organization like TIAA-CREF or VALIC, to have their plan immediately vested and portable. And that will, again, reduce the State obligation for the regular retirement plan. As a result of that, benefits of the existing plan and the proposal under this legislation, Senate Bill 498, can be increased by changing the general formula for the percentage of salary that's generated by service years to a 2.2% formula for each year of service to reduce the penalty for people retiring at less than age 60, from 35 years of service to 30. If someone now retires at less than age 60 and does not have 35 years of service, a penalty has to be paid. It would also increase the maximum pension payments to 80% of final earnings. Mr. Cunningham stated earlier that if the cost savings are allowed to occur this year without securing the benefits, it will be very difficult in the future to come back to the legislature and get that additional set of benefits. Mr. Cunningham has been

working closely with his counterparts at the other universities, and President La Tourette has done the same at the presidential level with the University of Illinois and Southern Illinois University to go to the legislative leadership to talk about passing this as a package. President La Tourette asked the Board to go on record as a Board to endorse the legislation included in Senate Bill 498 and the overall effort to simultaneously reduce the cost of the existing retirement program to the state and at the same time improve the benefits to employees.

Vice Chair Moser stated that the Legislation Committee had stood behind this legislative enhancement and recommended the approval. He then asked for a motion to approve the SURS legislative initiative. Trustee Raymond so moved, and the motion was seconded by Trustee Myles. The motion was approved.

CHAIR'S COMMENTS

Vice Chair Moser then turned the meeting over to Chair Siegel for comments. On Agenda Item 7.c., the Finance, Facilities and Operations report, Chair Siegel noted that there was an 8.2% requested increase in student fees due to the need to make up for the shortfall in minimum wage funding. Everyone he had talked to, including Student Trustee Marquez, Student Association President Ryan Eggert, Student Association President-Elect Beth Hull, and Student Trustee-Elect Steve Kovacs all supported that increase.

Chair Siegel said that in conjunction with the LAEA report, he wanted everyone to know that the Board had been down to Springfield quite a bit and achieved some very positive results in Springfield. Some very interesting and exciting positive legislation for NIU was anticipated to come out of Springfield in the next few months. Chair Siegel said that many at NIU, who probably wonder what the Board does, could be assured that the entire Board has been working very hard representing Northern and meeting their statutory duties. In addition to every one of the Board members, President La Tourette, Dr. Eddie Williams, Dr. Carroll Moody and Kathy Swanson have all been very involved in the legislative process. Chair Siegel extended a special thanks to all of them for their extra effort in working with the Board on these legislative matters.

Chair Siegel and the Board congratulated the new mayor of DeKalb, Bessie Chronopoulos, and the new City Council members. Congratulations were given to Beth Hull, Joy Milano and John Berenger on their recent election to the Student Association. Congratulations went out to the 50 winners of the Outstanding Women's Student Award for 1997. Congratulations were also given to the S-Plan Students who were to be recognized on Sunday, April 27, at the Center for Black Studies. Best wishes were offered to Ryan Eggert on his upcoming graduation. Best wishes were also extended to Trustee Marquez, who would be graduating before the next Board meeting. Dr. Judy Bischoff was congratulated on being the recipient of the 3rd Annual Wilma D. Stricklin Award.

Dr. Bischoff was asked to make comments from the University Advisory Council. Dr. Bischoff stated that the Faculty Senate has looked at the University Advisory Committee and would be making recommendations to the full Senate, which would then come to the Board for suggestions and review. She stated on behalf of the faculty and staff that serve on the Advisory Committee, that they were very pleased with the relationship of the Advisory Committee working with the Board.

Chair Siegel said he would like to start something of a new tradition in order to keep the Board informed of some of the activities of NIU faculty. When requested and appropriate and given time constraints, faculty would be invited to give a brief presentation on what they are doing. Dr. Clark Neher was congratulated for his recent personal recognition by the President's Office and invited to tell the Board about NIU's Center for Southeast Asian Studies.

Dr. Neher stated that as Trustees of NIU, they should be pleased to know that the Center for Southeast Asian Studies at NIU is an internationally and nationally recognized center for the study of Southeast Asia and has been for over 30 years. It began with Peace Corps training programs and evolved into a program that now includes some 24 NIU professors. These professors are actively involved in every aspect of the study and teaching of Southeast Asia and are involved in field research around the 10 nations of that area. They are in the Departments of Anthropology, Political Science, History, Art, Music and, of course, Foreign Language. At NIU, more Southeast Asian languages are taught, including Indonesian and Thai, Burma, Burmese, Lao, and Malay, than any other university in the country. Tagalog, which is the Philippine national language, will be added in the near future as well. All 24 of these professors, referred to as associates of the Center, are actively involved in international and national organizations that deal with Southeast Asia. They are involved in field work when doing their research and bring back tremendous amounts of information which they are then able to present to their students. This is perhaps the quintessential way that research and teaching is nicely blended at this university, Dr. Neher stated.

In the past several weeks the Center had received two excellent grants. The first is a grant from the Asia Society which will provide funds to bring about a new curriculum for middle schools in the United States and Clinton-Rosette School here in DeKalb is being used as a pilot project for that purpose. The middle schools now have almost no study of Asia in this day and age and NIU's Center will be the principal organization overseeing that. The second grant, called a Title VI Grant, which brings the National Resource Center (NRC) status to NIU, comes from the Department of Education. NRC status is very rare. Only a few institutions in the United States are NRC's for Asian studies. It is a three-year grant of over \$750,000 that will allow the Center to move dramatically in new directions, in outreach in Southeast Asian communities and K-12 schools and community colleges. It will add new languages to the program. It brings in Philippine studies in which the Center is a little weak right now and, very importantly, a Philippine economist, because the Center has no person in economics who is a Southeast Asia specialist. It helps with the computer-aided instruction program and a variety of ways, including publications and a full \$92,000 per year in graduate assistantships that would not otherwise be available. One reason this grant was won, besides our renown, Dr. Neher stated, is that he was able to write into the grant that NIU provides a tremendous amount of institutional support. Dr. Neher thanked President La Tourette and all of the people who have been so supportive of the Center over its 30 years. To him, Dr. Neher said, the Center reflects everything that is best about NIU and about universities, which is outstanding scholarship and teaching.

Trustee Boey commented that more and more of our country's manufacturing basis is going overseas, particularly toward Southeast Asia and it was nice to know that some of the future leaders of those countries may actually be

associated with NIU through Dr. Neher's international centers in the future which could only do a lot of good for the university.

Chair Siegel recognized the other UAC representatives present – Dr. Linda Sons, Mr. Jim Russell, Mr. Gordon Shneider and Ms. Kate Romano – and thanked them for being there. The Chair also recognized Mr. Steve Kovacs, the Student Trustee-Elect who will be sworn in at the first Board meeting after June 30.

NEXT MEETING DATE

The next full Board meeting was scheduled for June 12.

Chair Siegel called for a motion to adjourn. Trustee Myles so moved, and the motion was seconded by Trustee Moser. The motion was approved.

The meeting was adjourned at 2:35 p.m.

Respectfully submitted,

Sharon M. Mimms
Recording Secretary

PERSONNEL TRANSACTIONS

University recommendations for faculty promotions, promotions with tenure, tenure, and sabbaticals are to be presented for consideration by the Board's Academic Affairs, Student Affairs and Personnel Committee at its morning meeting on April 24, 1997. The Committee will be asked to endorse the university's recommendations for approval by the full Board. If there are resulting amendments to the university's recommendations, the President will so inform the Board at the time of proposed action by the Board.

Recommendation: Subject to any announced amendments, the President recommends that the Board approve the following personnel actions reviewed by the Academic Affairs, Student Affairs and Personnel (AASAP) Committee at its meeting of April 24, 1997: the promotion of certain identified faculty members from Associate to full Professor, the promotion of certain identified faculty members from Assistant to Associate Professor, the granting of tenure to certain identified faculty members (certain identified individuals are also being promoted to Associate Professor), and sabbatical leaves for certain identified faculty members and certain identified members of the supportive professional staff.

**RECOMMENDATIONS FOR FACULTY PROMOTIONS, TENURE,
AND PROMOTIONS WITH TENURE**

The following individuals are being recommended by the President for promotion, promotion with tenure, and tenure only. An asterisk (*) denotes tenure along with promotion.

PROMOTIONS AND PROMOTIONS WITH TENURE

<u>Name</u>	<u>Department</u>
<u>From Associate Professor to Professor</u>	
Chappell, Robert J., Jr.	School of Music
Conway, Sonya	Biological Sciences
Cordes, Mark	College of Law
Duke, Stephen R.	School of Music
Freagon, Sharon M.	Educational Psychology
Hudspeth, Michael	Biological Sciences
Kapitan, Tomis	Philosophy
Long, Gregory A.	Communicative Disorders
Long, Nancy M.	Communicative Disorders
Musial, Diann	Leadership & Educational Policy Studies
Pritchard, Mary E.	School of Family, Consumer, & Nutrition Sciences
Roth, Gene L.	Leadership & Educational Policy Studies
Squires, Stephen E.	School of Music
Takei, Yoshiaki	Physical Education
Terruso, Gene	School of Theatre Arts
Wunsch, Daniel R.	Management
Zeller, J. Terry	School of Art
<u>From Assistant Professor to Associate Professor</u>	
*Buzzanell, Patrice	Communication
*Carnes, Gregory A.	Accountancy
*Chan-Olmsted, Sylvia	Communication
*Derscheid, Linda E.	School of Family, Consumer, & Nutrition Sciences
*Deskis, Susan E.	English
*Eilers, Harald	Mathematical Sciences
Fallahi, Behrooz	Mechanical Engineering
*Garcia, Clersida	Physical Education
*Gorman, David J.	English
Gough, Deborah L.	Communicative Disorders
*He, Lili	Electrical Engineering
*Johnson, Van E.	Accountancy
*Krishnamurthi, Murali	Industrial Engineering
*Kuo, Yih-Wen	School of Art
*Mehrer, Mark W.	Anthropology
*Mercer, Jeffrey M.	Finance
*Millis, Keith K.	Psychology

*Moremen, Robin D.	Sociology
Oucheriah, Said	Technology
*Propp, Kathleen	Communication
Robertson, Julie	School of Nursing
*Russo, Nancy L.	Operations Mgmt. & Info. Systems
*Schlabach, Gretchen A.	Physical Education
*Schoenbachler, Denise D.	Marketing
*Smith-Shank, Deborah	School of Art
*Struyk, Lydia	Educational Psych., Counseling, & Special Ed.
*Swanson, Diana L.	English
*Tahernezehadi, Mansour	Electrical Engineering
*Thunder, Jeffrey	Mathematical Sciences
*Wark, Linda J.	School of Family, Consumer, & Nutrition Sciences
*Wilcox-Gok, Virginia	Economics
*Wu, Hongyou	Mathematical Sciences
*Wu, Xiao A.	Physics
*Ye, Zhuan	Mathematical Sciences

TENURE ONLY

Dabrowski, Bogdan	Physics
Gately-Poole, Kathryn	School of Theatre Arts
McClellan, Terrence	School of Theatre Arts
Peters, Thomas	University Libraries
Short, Scott	Mechanical Engineering
Tacke, Mathias	School of Music

**RECOMMENDATIONS FOR FACULTY AND STAFF
SABBATICAL LEAVES
Fall 1997 and Spring and Summer 1998**

The following individuals are being recommended by the President for sabbatical leave:

<u>Faculty Semester</u>	<u>Department</u>	<u>Leave Period</u>
<u>COLLEGE OF BUSINESS</u>		
Mercer, Jeffrey	Finance	Fall 1997
Miller, Robert	Finance	Spring 1998
Scheck, Christine	Management	Fall 1997/Spring 1998
Weilbaker, Dan	Marketing	Spring 1998
<u>COLLEGE OF EDUCATION</u>		
Epstein, Michael	Educl. Psych., Coun., & Spec. Ed.	Spring 1998
Jeria, Jorge	Ldrshp. & Educational Policy Stud.	Spring 1998
Kinder, Diane	Educl. Psych., Coun., & Spec. Ed.	Fall 1997
Lomax, Richard	Educl. Psych., Coun., & Spec. Ed.	Fall 1997/Spring 1998
Shank, Gary	Educl. Psych., Coun., & Spec. Ed.	Spring 1998
Whealon, Terry	Curriculum & Instruction	Spring 1998
<u>COLLEGE OF ENGINEERING AND ENGINEERING TECHNOLOGY</u>		
Asoudegi, Ehsan	Industrial Engineering	Spring 1998
Bow, Sing T.	Electrical Engineering	Spring 1988
Song, Xueshu	Technology	Fall 1997
<u>COLLEGE OF HEALTH AND HUMAN SCIENCES</u>		
Keim, Robert E.	Fam., Consumer, and Nutrition Sci.	Fall 1997
Parham, Ellen S.	Fam., Consumer, and Nutrition Sci.	Spring 1998
<u>COLLEGE OF LAW</u>		
Mandell, Leonard	Law	Summer 1997 & 1998
Swift, Joel	Law	Fall 1997
<u>COLLEGE OF LIBERAL ARTS AND SCIENCES</u>		
Blau, Harvey	Mathematical Sciences	Fall 1997/Spring 1998
Burwell, Rose Marie	English	Fall 1997
Chown, Jeffrey	Communication	Fall 1997
Conway, Sonya	Biological Sciences	Fall 1997
Dalal, Ardeshir	Economics	Spring 1998
Deskis, Susan	English	Fall 1997
Engel, Mylan	Philosophy	Fall 1997
Greene, Richard	Geography	Spring 1998
Gupta, Sudhir	Math. Sciences (Div. of Stats.)	Fall 1997
Hardy, Donald	English	Spring 1998

Harlin, John	Geography	Fall 1997
Hurych, Zdenek	Physics	Spring 1998
Jeffrey, Joel	Computer Science	Spring 1998
Johannesen, Richard	Communication	Spring 1998
Kaplan, Martin	Psychology	Spring 1998
Kourvetaris, George	Sociology	Fall 1997
Kwon, Jene	Economics	Fall 1997
Loubere, Paul	Geology	Fall 1997/Spring 1998
Parrini, Carl	History	Spring 1998
Powell, Ross	Geology	Fall 1997/Spring 1998
Rosen, Marvin	History	Fall 1997
Rossing, Thomas	Physics	Spring 1998
Temple, Judy	Economics	Fall 1997/Spring 1998
Thomas, M. Ladd	Political Science	Spring 1998

COLLEGE OF VISUAL AND PERFORMING ARTS

Armstrong, Carmen	School of Art	Fall 1997
Ashmann, Jon	School of Art	Spring 1998
Cooler, Richard	School of Art	Fall 1997/Spring 1998
Jones, Christopher	School of Theatre Arts	Spring 1998
Wirth, Harry	School of Art	Fall 1997/Spring, Summer, Fall 1998

UNIVERSITY LIBRARIES

Studwell, William E.	University Libraries	Fall 1997
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SUPPORTIVE PROFESSIONAL STAFF

Felver, Jack	Stud. Srv.-Stud. Hsg. & Ding. Srv.	Spring 1998
Haines, Michael	Stud. Srv.-Univ. Health Services	Fall 1997
Moore, Juliette	Stud. Srv.-Campus Recreation	10/01/97 thru
02/15/98		
Stephon, Tomasina	Stud. Srv-Career Plan. & Place.	Summers 1997 and
1998		

Alternate List (in rank order)

Hu, Hui	Mathematical Sciences	Fall 1997
Shesgreen, Sean	English	Fall 1997/Spring 1998
Kind, Joshua	Art	Spring 1998
Testa, Judith	Art	Fall 1997
Norrick, Neal	English	Fall 1997
Beachy, John	Mathematical Sciences	Spring 1998
Gruber, Frank	Technology	Fall 1997
Meeter, Glenn	English	Fall 1997

REQUEST FOR NEW DEGREE AUTHORITY AT AN OFF-CAMPUS SITE

A university recommendation for new degree authority at three off-campus sites is to be presented for consideration by the Board's Academic Affairs and Personnel Committee at its morning meeting on April 24, 1997. The Committee will be asked to endorse the university's recommendation for approval by the full Board. If there are resulting amendments to the university's recommendation, the President will so inform the Board at the time of proposed action by the Board.

Prior to seeking permission from the IBHE to offer a degree program at an off-campus site, the university requests the approval of the Board of Trustees for the following:

M.S. in Finance at Hoffman Estates Education Center (Elgin Community College District), Rockford Education Center (Rock Valley College Community College District), and Hewlett Packard (College of DuPage Community College District)

Description

The Department of Finance in the College of Business requests authority to offer the M.S. in Finance at the three sites at which the Master of Business Administration (M.B.A.) is offered: the university's educational centers in Hoffman Estates and Rockford and in space rented at Hewlett Packard in Naperville. The 30-hour program will serve employed professionals from the university's service region.

Rationale

The Department of Finance has been providing courses in finance in support of the M.B.A. program offered at the three off-campus locations mentioned above for a number of years. Nine of the ten courses required for the degree are already available on a rotating schedule. The department has concluded that it can accommodate more students in those finance courses and believes that there is an off-campus clientele for the degree programs. Students in the off-campus program would be employed in banks and corporations in such positions as financial analysts, accounting supervisors, internal auditors, corporate economists, and other related jobs.

Cost

Because all but one of the courses are now offered in regular rotation at the three off-campus sites to serve the M.B.A. program, the Department of Finance can provide an opportunity for students to earn the M.S. in Finance at these locations at minimal additional cost. Regular department faculty teach these courses as part of their normal assignment. No new resources are needed to make this degree program available at these off-campus locations.

FINANCIAL TRANSACTIONS

The President recommends Board of Trustees approval of the following items which were approved by the Finance, Facilities and Operations Committee at its meeting on April 17, 1997.

FY98 Student Fee Recommendations

An increase in fees which in the aggregate represents a maximum 2.76% total increase for the 1997-98 academic year.

FY98 Room & Board Rate Recommendations

An increase in room and board rates representing a maximum total increase of 3.44% for the 1997-98 academic year.

***Northern Star* Printing and Delivery Services FY98 (Renewal)**

A contract with Castle Communications, Inc., DeKalb, not to exceed \$275,000 for printing and delivery services of the student-run campus newspaper.

Huskie Bus Contract FY98 (Renewal)

The second year of a contract with ATC/VANCOM Transportation, Oakbrook Terrace in the amount of \$1,881,371 for university busing services for Fiscal Year 1998.

Student Accident and Sickness Insurance FY98 (Renewal)

A contact with the Chickering Group, Inc, Cambridge, MA in an amount not to exceed \$4,000,000 for student health insurance for Fiscal Year 1998. The FY98 request is for the first of four (4) one-year renewals available under the contract.

Financial System Replacement

Project approval to begin Phase I of the university's financial systems replacement with a project budget of \$3.1 million which includes the purchase of the PeopleSoft Financial Modules and an option to purchase the Human Resource Modules. The university requests authorization to advertise, receive proposals and execute contracts for the purchase of consulting services, hardware, system and database software, and training to implement the new financial system and interface with the university's new mainframe system. Authorization is also requested to secure financing for \$3.1 million at an interest rate not to exceed 6.8% for a term of seven years.

University Mainframe Computer Replacement

A contract to purchase a new mainframe computer from IBM Corporation, Oak Brook, with expenditure authority not to exceed \$690,089.

Foreign Language Multi-Media Interaction Instructional Laboratory - Equipment Purchase

Approval of an order from Johannsen Associates, LLC, Milwaukee, WI, to provide all audio-video equipment, software, programming and training required for an interactive foreign language instructional laboratory.

College of Engineering - Construction Safety Council - Consulting Contract

Approval of a consulting contract with the Construction Safety Council, Hillside, IL in an amount not to exceed \$254,035.

Real Property - Lease Amendment, College of Visual and Performing Arts

Approval of an amendment to the current lease with Rose Venture, Inc., of Elgin, Illinois, for additional space to accommodate program needs related to the fabrication of steel drums.

SURS 1997 LEGISLATIVE INITIATIVE

A number of legislative proposals have been considered in recent years regarding the State Universities Retirement System (SURS) pension program. SURS is established as the pension system for approximately 100,000 employees and annuitants comprising the Illinois public higher education community. Traditionally, the SURS Board maintains a neutral stance with respect to legislative proposals involving enhancements to the pension plan. Largely because of the potential negative effect such proposals would have on the financial status of the SURS system and the corresponding obligations with respect to the statewide higher education budget, previous legislative enhancement proposals have failed to gain serious attention. However, the combination of revised SURS actuarial asset evaluation standards and the development of a reasonably balanced pension enhancement proposal has prompted the SURS Board to endorse a legislative pension enhancement initiative for 1997. In summary, key aspects of the enhancement initiative are as follows:

1. Upgrading the current general formula benefit from a graduated scale (1.67% for the first ten years of service; 1.90% the second ten years of service; 2.10% for the third ten years of service; and 2.30% for 31 years of service and thereafter) to a 2.20% level formula for each year of service.
2. Reducing the number of years of service required for retiring (at an age of less than 60) without penalty, from 35 to 30.
3. Raising the overall pension limitation from 75% to 80% of final earnings.
4. Adoption of revisions to the previously enacted Optional Retirement Plan (ORP) legislation, clarifying ambiguities in the original legislation and allowing the SURS to establish an internal ORP.

Pursuant to Public Act: 88-0593, the State must provide sufficient contributions to the retirement system to establish a 90% assets/liabilities funding ratio by the year 2045. This requirement has had a substantial impact on the statewide higher education budget. However, changes in the actuarial basis of SURS asset evaluation and benefit assumption methodologies will create a one-time opportunity to enact a broad enhancement of retirement benefits while simultaneously reducing the projected State contributions to the retirement system in accordance with the State funding mandate. The actuarial changes are summarized as follows:

1. Passage of legislation authorizing the use of market value of assets for SURS fiscal year financial statements as of FY98 in compliance with Governmental Accounting Standards Board (GASB) rules, as opposed to the present use of book value of assets.
2. Modification of actuarial assumptions as follows:
 - Increasing assumed annual interest earnings rate for the SURS portfolio from 8.0% to 8.5%.
 - Increasing the effective rate of interest paid to member accounts from 8.0% to 9.0%.
 - Reducing the estimated average salary increase assumption used in projecting the growth of member accounts from 7.0% to 5.5%.

NIU has played an active role in developing the abovementioned legislative proposals consistent with a proactive and positive approach with respect to the status of employee compensation and benefits. NIU endorses the concept of enhanced retirement benefits for faculty and staff as long as these changes are enacted in a reasonable manner minimizing the negative effect on SURS unfunded liabilities and the resulting adverse effects on the statewide higher education and institutional operating budgets.

Enactment of the legislative enhancement proposal described above along with implementation of currently planned actuarial modifications would result in reductions of projected funding requirements for the SURS of \$25 million in FY99 and \$47 billion over the 50-year actuarial projection period.

Recommendation: The university recommends Board of Trustees approval of the SURS legislative enhancement proposals outlined above which were endorsed by the Legislation, Audit and External Affairs Committee on January 23, 1997. With concurrence of the Board, the university will continue to advocate enactment and implementation of the proposed legislation and related administrative actions. Overall, the proposed enhancement and modifications to the SURS pension system would serve to maintain the competitiveness of retirement benefits for the faculty and staff population of Illinois higher education while simultaneously realizing net reductions in current expenditures and projected growth rates of State contributions to the retirement system.

PRESIDENT'S REPORT

No. 9

June 12, 1997

No item in this report for release prior to 1:00 p.m. Thursday, June 12, 1997.

A G E N D A

**BOARD OF TRUSTEES
of
NORTHERN ILLINOIS UNIVERSITY
June 12, 1997
1:00 p.m. - Clara Sperling Sky Room**

10:30 a.m. Academic Affairs, Student Affairs and Personnel Committee - Sky Room
11:00 a.m. Legislation, Audit and External Affairs Committee - Lincoln Room
11:30 a.m. Lunch - University Suite
1:00 p.m. Board of Trustees Meeting - Sky Room

1. Call to Order and Roll Call
2. Verification of Appropriate Notice of Public Meeting
3. Announcements
4. Executive Session
5. Meeting Agenda Approval
6. Review and Approval of Minutes of April 24, 1997
7. Reports of Board Committees and Board Liaisons
 - a. Executive Committee
 - b. Academic Affairs, Student Affairs and Personnel Committee
 - c. Finance, Facilities and Operations Committee
 - d. Legislation, Audit and External Affairs Committee
 - e. Illinois Board of Higher Education
 - f. University Civil Service Merit Board
 - g. Northern Illinois University Foundation
8. President's Report No. 9
 - a. Action Items Forwarded by the Finance, Facilities and Operations Committee
 - (1) FY99 Appropriated Capital BudgetAction
 - (2) FY98 Nonappropriated Capital BudgetAction
 - (3) Illinois Association of School Business Officials Joint Facility AgreementAction
 - (4) Financial System Financing PlanAction
 - (5) Printing Services Printing Equipment Contract (Renewal)Action
 - (6) Printing Services Copier Equipment Contract (Renewal).....Action

- (7) International Programs Contract (Renewal).....*Action*
- (8) NIU Foundation Professional Services Contract.....*Action*
- (9) FY98 Salary Increment Guidelines*Action*
- b. Action Items Forwarded by the Academic Affairs, Student Affairs and Personnel Committee.....*Action*
- c. Action Items Forwarded by the Legislation, Audit and External Affairs Committee*Action*
- d. Collective Bargaining Agreement.....*Action*
- e. Summary of Grant and Contract Awards*Information*
- f. Periodic Summary Report of Transactions*Information*
- g. Legislative Report*Information*
- h. Report on the University Advisory Committee.....*Information*
- i. Personnel Transaction
- 9. Chair's Report No. 6
 - a. International Programs Presentation
 - b. Board Resolution
 - c. Executive Session Minutes Release*Action*
- 10. President's Presentations
- 11. Election of Board Officers
- 12. Other Matters
- 13. Next Meeting Date
- 14. Adjournment

Minutes of the Meeting of the
BOARD OF TRUSTEES
of **NORTHERN ILLINOIS UNIVERSITY**
June 12, 1997

CALL TO ORDER AND ROLL CALL

The meeting was called to order at 1:05 p.m. by Chair Myron Siegel, who also conducted a roll call of Trustees. Present for the meeting were Trustees Robert Boey, Susan Grans, George Moser, James Myles, David Raymond, Manuel Sanchez, Student Trustee David Marquez and Chair Siegel. Also present were President John La Tourette, Parliamentarian Kenneth Davidson and Recording Secretary Sharon Mimms. Having noted the presence of a quorum, the meeting proceeded.

VERIFICATION OF APPROPRIATE NOTICE OF PUBLIC MEETING

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

ANNOUNCEMENTS

Chair Siegel announced to the Board that we were very fortunate to have Lieutenant Governor Bob Kustra with us. Lt. Governor Kustra has served as a legislator, educator, public servant and is now Chair of the Illinois Board of Higher Education and has fought to improve the quality of life for Illinois' children, families, businesses and communities. With more than 20 years of experience as a teacher in Illinois, the Chair said, Lt. Governor Kustra knows that economic development and job growth are directly linked to the strength of the state's educational resources. As co-chair of the Governor's Task Force on Higher Education, Lt. Governor Kustra was instrumental in the development and passage of legislation to reform the governance of Illinois higher education, returning control to the college campuses. Chair Siegel then invited the Lieutenant Governor and Chair of the Board of Higher Education to speak to the Board.

Lt. Governor Kustra thanked Chair Siegel and said it was a pleasure to be on the NIU campus.

This is quite a sight for me to behold, Lt. Governor Kustra said. When I went into the Governor's Office a few years ago and suggested a substantial revision in the way the public higher educational system was governed, I never really thought the day would come that I would be looking out on a group of people that had gathered in the best interest of their university, who will be able to govern here today, as well as through the years, in a way that I think is much improved over the distance-based governing system previously used.

Mr. Chair, I compliment you on your leadership of the Board. And I said to the Trustees during lunch that, across the state, this is the university whose Board is admired. It is a very good group of people who were carefully selected based on their breadth of experience, knowledge and expertise in so many facets of Illinois life, whether it is business, health

care, law or unionism. Whatever the issue, just about every part of it is represented on this Board.

Over the last few years, I have had many occasions to lean on people whose expertise I knew I could depend upon, and John La Tourette is just one of those people, a leader among the presidents of our universities and colleges in Illinois who is always there, always set to challenge the status quo. He is one of those people who is always willing to work with me and the rest of those who are interested in change for the sake of improving teaching and learning across the state and especially on this campus. Thank you, John, for the partnership we have had over the last few years.

Being Chairman of the Board of Higher Education is different from the years I spent teaching in higher education and it has given me this opportunity to step back and take a look at the system of public and private higher education that we now have in the state.

I have come to two or three conclusions about what we can be proud of here in the state of Illinois. The first is the fact that every public university campus now has an independent board that is attuned to the problems of the campus. During lunch, we talked about how this group of people who did not know each other prior to being appointed have now come to work together as a unit, and how student trustees, faculty and administrators work with the trustees in a close-knit relationship. This is happening in every one of the boards of trustees across the state, although not all at the same pace. Northern is blessed with, perhaps, a more rapid pace than some of our other schools, but the system is working exactly as intended. That is certainly a good piece of news, especially compared to some other states that have governing problems and experiences unlike ours and are struggling to find their way through the maze of governance and bureaucracy that sometimes gets in the way of making important decisions.

Secondly, there is always room for improvement — whether it is funding, issues, relationships between the board and the Board of Higher Education — there is always room for improvement. The stories I hear from other states of budget cuts and political interference getting in the way of boards like NIU's making sound, intelligent, carefully thought out decisions made me realize, that we here in Illinois are, at least for now, blessed by a Governor who, for the fourth year in a row, sent the Board of Higher Education budget proposal to the legislature without any changes. That is unprecedented in the state of Illinois and almost unprecedented in many other states where governors have chosen to cut back on higher education. Also, we are fortunate to have a legislature which, while it occasionally rears its head in matters that could be better left to people on campus, for the most part, recognizes the distinction between those who govern a campus like Northern Illinois University and those who fund and provide overall direction from the Illinois General Assembly. I think it is a credit to our legislature that they have chosen, on a regular basis, to not interfere with the deliberations on the campuses. And that, again, is to our credit here in Illinois.

There is certainly a lot of work to be done in higher education across the state. I know now, as Chairman of the Board of Higher Education, as I meet with a governing board, that we have areas that are still unclear because these boards are so new, and the statutes that govern the Board of Higher Education have been around for so long. And, in a way, the Board of Higher Education is maybe neither fish nor fowl. On the one hand it is called the coordinating board, and that should be our job, to pull together the finest things that are happening across Illinois and make them work together, as we are doing now on our technology initiative. We have representatives from every public campus meeting all through this summer trying to come up with a proposal for the infrastructure for a statewide intranet for a virtual university of Illinois, that will give access to schools whether they are public or private, anywhere in this state, to go onto the Web and offer courses on-line. I am confident that by September the task force will report back to us on a dollar amount and we will prepare a capital budget that will allow us to move forward. But the point of the matter is that we're able to do that because the Board of Higher Education has taken the leadership and has decided to make this a very high priority. Well, that priority setting and that leadership is exactly what the Board of Higher Education is in business for. Now it just so happens that, in the statutes, we also have what I would have to call some governing responsibilities. We have program approval responsibilities. And maybe some of you in the audience have had to deal with those approval issues close up. Certainly our presidents have and our boards have, both in the public and the private sector. The universities and colleges come before us on a regular basis and seek approval for programs. Well, I do not have to tell you, programs as we know them are changing before our very eyes. Now you can go onto the Internet and pull down a course from anywhere across the planet. And somebody is going to have to tell me how we in the Board of Higher Education could exert a regulatory scheme over a system like that. I doubt seriously that it is doable. And our staff, I think, this summer is in the process of learning that it is not very doable.

So, the challenges are incredible as we look out to this new world and utilize the technology as it is intended to be used, and most importantly, provide more access and affordability for students — our very first and most important customer. I am confident that with leadership, the Board of Higher Education can provide the leadership and the vision the Board of Higher Education ought to be providing, and, along the way, redefine some of these statutes and rules and regulations which get in the way of innovation here on the campus. Then there is nothing wrong with going back to a governor and a legislature and suggesting that we change some of those old ways of doing business and adjust to a new world that really stresses flexibility, that stresses entrepreneurship, that stresses ways of allowing and enabling universities to become better in their service to students and to have a Board of Higher Education that is the enabler, not the blocker. And that, I think, is the great mission for us at the Board of Higher Ed. I have complete confidence in people like your Board here at Northern Illinois University.

Again, this is my very first opportunity to appear before one of the boards that we did, in fact, create just a few years ago. And it is wonderful to see so much cooperation, so much leadership at the local level. We expect that to continue and, most importantly, I hope to learn from those of you in the room to make the system work even better. In a moment, I know the Board will adjourn. I'm going to hang around and talk to the press and anyone else who would like any more specifics or would like to offer me some specifics on how we can do a better job at the Board of Higher Education. In the end, I think the issue for students is excellence, affordability and access. And that is precisely what we want to improve on here in the state of Illinois. With your help, with the help of this great Board, I know we can do that. Thank you very much for giving me a chance to be with you today.

The Board and Northern Illinois University were quite honored to have enjoyed two firsts, Chair Siegel said: Governor Edgar visited here last year and Lt. Governor Kustra today. Chair Siegel thanked Lt. Governor Kustra for coming out and speaking to the Board.

Chair Siegel then 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: legal and risk management matters as generally described under §2(c)(11) and §2(c)(12), collective bargaining matters as generally described under §2(c)(2), personnel matters as generally described under §2(c)(1), property matters as generally described under §2(c)(5) and §2(c)(6), and Executive Session Minute matters as generally described under §2(c)(21) of the Open Meetings Act. Trustee Myles so moved, seconded by Student Trustee Marquez. A roll call vote of the Trustees to recess to Executive Session was unanimous.

BOARD OF TRUSTEES MEETING RECONVENED

The public meeting of the Board of Trustees was reconvened by Chair Siegel at 2:30 p.m.

Executive Session Matters

Property Matter

Chair Siegel stated that there were several matters to come before the Board which were dealt with in Executive Session. The first was a Resolution regarding the acquisition of approximately 200 acres west of the current campus known as the Dare Cloud property. A copy of the Resolution was given to all the Board members with appropriate attachments and made available for anyone who wanted to see it.

RESOLUTION

WHEREAS the General Assembly of the State of Illinois has enacted Public Act 89-4 authorizing, through Article 30 thereof, the Board of Trustees of Northern Illinois University to acquire such real property as it shall deem appropriate by purchase, eminent domain, or otherwise; and

WHEREAS the Board of Trustees of Northern Illinois University has considered the existing facilities and the extensions necessary to be made in order that the

same may adequately serve the current and/or future needs of Northern Illinois University; and

WHEREAS the Board of Trustees of Northern Illinois University has authorized its Treasurer to communicate and negotiate terms and conditions for acquiring certain real property and obtaining independent appraisals of the fair market value of such property.

NOW, THEREFORE, BE IT RESOLVED by the Board of Trustees of Northern Illinois University that it is necessary and for the best interests of Northern Illinois University that a parcel of real property ("Belvidere National Bank Trust No. 1476 property") consisting of approximately 200 acres more or less (summarized legal description attached and incorporated herein by reference), lying west of the campus in DeKalb, Illinois, and north of State Highway 38, be acquired for educational purposes of Northern Illinois University at a purchase price not to exceed Two Million Nine Hundred Fifty Thousand Dollars (\$2,950,000) pursuant to a contract with terms and conditions suitable to the University President and the Treasurer of the Board of Trustees of Northern Illinois University with advice of legal counsel.

BE IT FURTHER RESOLVED that appropriate officers of the Board are authorized and directed to execute such documents as are necessary to accomplish this acquisition.

Attachment A

Property Owner: Belvidere National Bank and Trust company, as trustee under a trust agreement dated the 19th day of July, 1994, and known as Trust Number 1476.

Related Permanent Real Estate Index Numbers:

08-16-300-001, 08-21-100-015, 08-17-400-003, 08-21-100-016

Legal Description

To be more specifically described pursuant to a land survey to be provided to Board of Trustees representatives prior to closing: A parcel lying North of State Highway 38 in the West 1/2 of the southwest 1/4 of Section 16; the West 1/2 of the Northwest 1/4 of Section 21; and the East 1/2 of the Southeast 1/4 of section 17; all in Township 40 North, Range 4, East of the Third Principal Meridian, situated in DeKalb County, Illinois.

Chair Siegel called for a motion to approve the above resolution. Trustee Myles so moved, seconded by Trustee Sanchez. The motion was approved.

Litigation Matters

Chair Siegel asked for a motion to authorize the Illinois Attorney General to represent the interests of the Board of Trustees of Northern Illinois University in matters relating to asbestos property damage litigation authorized under State Law 20 ILCS 3120/4. Trustee Sanchez so moved, seconded by Student Trustee Marquez. The motion was approved.

Another litigation matter presented was a request for Northern Illinois University to join in the filing of an Amicus brief with the University of Illinois. Chair Siegel asked for a motion to authorize the filing of an Amicus brief in the University of Illinois case pending before the IELRB (Illinois Education Labor Relations Board). Chair Myles asked if the motion could be explained. Chair Siegel asked University General Counsel George Shur to explain the Amicus motion. Mr. Shur stated that the University of Illinois is presently in litigation involving a petition filed by graduate teaching assistants for representation under the Illinois Education Labor Relations Act. The University of Illinois' position is that the Act says students are not covered and, the primary function of teaching assistants is their student function; therefore, the Act does not apply and the organization cannot be granted. That position was upheld by an Administrative Law Judge in the past few weeks. An appeal has been filed by the organizing union and has been joined with a number of Amicus briefs from other labor organizations throughout the state. The University of Illinois contacted Mr. Shur the morning of June 12 and asked if NIU could be prepared to lend its name to the other universities that have been or will be contacted on an Amicus brief, supportive of the decision of the Administrative Law Judge. Chair Siegel explained that an Amicus brief meant being a friend of the court, which would be in support of the University of Illinois' position. Mr. Myles asked if that meant the University of Illinois was opposing the organization of the students. Mr. Shur answered that it did. Chair Siegel said that the university was claiming that under the existing legislation, students are not considered as employees, and should not to be considered as employees for purposes of forming a collective bargaining unit. Trustee Myles stated that since joining the Amicus brief was opposing a union organization, he would have to vote no. Student Trustee Marquez stated that he would be concerned about a position which appeared to be against the principle of student organizing. Chair Siegel asked for a motion on joining the Amicus brief. Trustee Grans so moved, seconded by Trustee Sanchez. The vote was five in favor and one opposed, with Trustee Myles giving the dissenting vote.

MEETING AGENDA APPROVAL

Chair Siegel announced that the order of the meeting agenda would be changed slightly. Agenda Item 10, Personnel Transaction, became Agenda Item 8.i. under the President's Report. Agenda Item 9, Chair's Report, became Agenda Item 9. And Agenda Item 9, President's Presentations, became Agenda Item 10. Chair Siegel asked for a motion to approve the agenda as modified. Student Trustee Marquez so moved, seconded by Trustee Grans. The motion was approved.

APPROVAL OF MINUTES

President La Tourette made a correction to the minutes. On page 8, "Wilma B. Strickland" should read "Wilma D. Stricklin." It was moved by Trustee Boey and seconded by Trustee Sanchez to approve the minutes of April 24, 1997 as amended. The motion was approved.

REPORTS OF BOARD COMMITTEES AND BOARD LIAISONS

Executive Committee

There was no report from the Executive Committee.

Academic Affairs, Student Affairs and Personnel Committee

Vice Chair Grans announced that the Committee met that morning and received the graduate review update and a report on 1996-97 program reviews. Due to the fact that there was no quorum, information was given on the four action items that would be considered in the President's Report.

Finance, Facilities and Operations Committee

Committee Chair Bob Boey said the Finance, Facilities and Operations Committee met on May 28. The Committee received the Periodic Summary Report of Transactions in Excess of \$100,000 and a report on Capital Projects in Excess of \$250,000. Expanded status reports of revenue bond West Campus construction projects were also heard. Action items presented included the Fiscal Year 1999 Appropriated Capital Budget Request with the stipulation that the State legislature first fund the Altgeld Hall and storm water management and flood control (Phase II) projects. However, the legislature did not fund capital requests for higher education, therefore a revised Table 7 has been submitted reflecting the inclusion of these two projects. This revision is forwarded to the Board with full support of the Finance, Facilities and Operations Committee and appears for approval in the President's Report. Other items presented to and approved by the FFO Committee included: the Fiscal Year 1998 Nonappropriated Capital Budget; the Illinois Association of School Business Officials Joint Facilities Agreement; the financial system financing plan; Printing and Copier Equipment Contract Renewals; the International Programs Contract Renewal; the NIU Foundation Professional Services contract renewal; and Fiscal Year 1998 Increment Guidelines. These items were included in the President's report for Board of Trustees approval.

Recipients of the Operating Staff Outstanding Service Awards were recognized by the FFO Committee as part of the Board's ongoing effort to encourage and recognize outstanding service on the campus. Mr. Boey congratulated Victor Bakanas, Mary Crumbacher, Andy Small and Amy Townsend and thanked them for their contributions to the university.

Legislation, Audit and External Affairs Committee

Committee Chair George Moser gave the Committee report. The Legislation, Audit and External Affairs Committee met that morning for a review of the 1997 legislative session and to consider a resolution concerning the implementation of Senate Bill 770, Northern Illinois University's development legislation, pending the Governor's signature. The legislature put forth their own budget in the waning days of the General Assembly after deciding not to support the Governor's education funding plan which called for a tax increase. Consequently, legislators cut areas of the state budget to gain additional dollars for allocation to elementary and secondary education. All of the major public universities received budget reductions. Northern Illinois received a \$438,000 reduction in its general equipment line and, Chair Moser said, in an era of incremental budgets, such a reduction will continue to restrict the university. In addition, the legislature did not pass a capital budget for FY98 before adjourning. Therefore, funding for Altgeld Hall and flood control at the university continue to remain on hold.

Pension enhancements for Northern Illinois University faculty and staff passed the legislature and await the Governor's signature. The enhancements include upgrading the general formula benefit to the 2.2% level for each year of service; raising the overall pension limitation from 75% to 80% of the eligible earnings base; enactment of a phased in "30 and out" provision, where employees can retire at any age without penalty provided they have 30 years of service; extension of the early retirement option provisions to 2002; increases in survivorship limitations; and passage of an Optional Retirement Plan for new and existing employees. Most of these enhancements are effective January 1, 1998. The legislation must be signed by the Governor. Faculty and staff who support these changes were urged to follow the lead of the Board and contact the Governor's Office. NIU's Board has been extremely supportive of these changes for the last few months, and along with university staff have been responsible for much of the legislative package on this issue which passed the General Assembly.

Chair Moser said he was pleased to report that only one finding was reported in the FY96 Compliance Audit recently received from the Auditor General. He commended all of the Legislation, Audit and External Affairs Committee members as well as audit subcommittee members David Raymond and Manny Sanchez for their diligence in these audit issues. Since FY94, the university has dropped from 24 findings to ten and, in the current audit, from ten findings to only one. Trustee Moser thanked President La Tourette, NIU staff members and the Board members who have been involved in meetings held with members of the Legislative Audit Commission and subcommittee in this audit findings reduction effort over the past 18 months.

In early May, Chair Moser and Kathy Swanson met with the Governor's staff regarding several issues, among them the NIU development legislation contained in Senate Bill 770, the resolution pertaining to the coordination of projects within the proposed development zone contiguous to the West Campus. Subsequent to those meetings, Committee Chair Moser met with the Governor and further discussed NIU's legislation, which was pending the Governor's signature. The legislature passed SB770 by wide margins in the House and Senate. In conversations with legislators, Trustee Moser said it was clear that they view the issuance of these types of powers to universities as important in an era of uncertain capital budgets. The Committee endorsed a supporting resolution and it is included for Board consideration in the President's Report.

Chair's Prerogative

Noting that Representative Dave Wirsing had joined the meeting during the legislative report, Chair Siegel claimed Chair's prerogative and asked Rep. Wirsing if he would like to say a few words to the Board.

Rep. Wirsing thanked the Chair for the opportunity to speak. Because NIU is in his district, Rep. Wirsing said, he has been able to champion and use it as an example in Springfield. Rep. Wirsing said that today, since the chairmanship was changing, he thought it appropriate to recognize the Board and, specifically, Chair Myron Siegel for his leadership since the Board's inception on January 1, 1996. Rep. Wirsing then presented Chair Siegel with a plaque.

Rep. Wirsing said that while listening to the legislative report, it was apparent that what was being prepared by this Board for the potential expansion of Northern once again exemplifies what this Board is doing and the responsibility it has taken on in commitment to the university. Wirsing said this is a pinnacle time for Northern Illinois University as well as the other public universities across the state. In talking with fellow legislators, Wirsing said, it is apparent that the relationship he and Senator Burzynski have with Northern, its Board of Trustees, its President and its government liaison far exceeds any of the other public universities. Rep. Wirsing said that the NIU Board has been very conscious of its responsibility, which was exemplified by the resolution on SB770 being presented at this meeting. He went on to say that everything a university like this should have — power in knowledge, background, business and financial awareness — sit on NIU's Board of Trustees. Rep. Wirsing indicated that the NIU Board's track record, although not very long, has indicated that they all know how to use those qualities in an appropriate manner for the good of the university.

Rep. Wirsing also complimented Kathy Swanson, Assistant to the President for Government Relations, on how well she represents NIU in Springfield. He said that since she has been on board, the understanding by fellow legislators and the importance of Northern within the public university system have been elevated several hundred percent. Rep. Wirsing said the fact that Ms. Swanson works so hard was very important because it is of key importance that this public university board know what is happening in Springfield. As far as I am concerned, Rep. Wirsing said, Kathy is the best government liaison any of our universities, public or private, has working in Springfield.

Rep. Wirsing said he had been on the phone several times that week trying to get some sense of the issues at Northern, especially regarding the flood funding and the Altgeld renovation. The Altgeld Hall renovation was handled in an add-on to the budget, he said, and has now been funded. Wirsing said that, thanks to the efforts of Ms. Swanson, all the legislators were well informed on the flood problem, and he was optimistic that they would resolve that issue in the spring of 1998.

REPORTS OF BOARD COMMITTEES AND BOARD LIAISONS (continued)

Illinois Board of Higher Education

There had been no recent meetings of the Illinois Board of Higher Education and nothing to report.

University Civil Service Merit Board

There had been no recent meetings of the University Civil Service Merit Board and nothing to report.

Northern Illinois University Foundation

There had been no recent meetings of the Northern Illinois University Foundation and nothing to report.

PRESIDENT'S REPORT NO. 9

Action Items Forwarded by the Finance, Facilities and Operations Committee

Agenda Item 8.a.(1) – FY99 Appropriated Capital Budget

Given the fact that there was no capital bill passed by the legislature, the university had to reorder its priorities for capital projects. For the Fiscal Year 1999, the Altgeld Hall renovation was listed as the first priority and the storm waterway management project as the second priority. The President asked for Board approval with that revision of priorities. Chair Siegel asked for a motion to approve the revised FY99 Appropriated Capital Budget. Trustee Grans so moved, seconded by Trustee Raymond. The motion was approved.

Agenda Item 8.a.(2) – FY98 Nonappropriated Capital Budget

President La Tourette asked for approval of the FY98 Nonappropriated Capital Budget, which would allow the university to move forward on the recreation center roof replacement. The total cost of the project is \$290,000. Trustee Raymond asked if the General Counsel's Office had been able to look into possible recourse for reimbursement of this expense as requested by the Finance, Facilities and Operations Committee. Dr. Williams said that counsel had looked at a couple of options and would be pursuing it to the extent possible. Results will be reported to the FFO Committee. Chair Siegel asked for a motion to approve the FY98 Nonappropriated Capital Budget. Trustee Boey so moved, seconded by Trustee Myles. The motion was approved.

Agenda Item 8.a.(3) – Illinois Association of School Business Officials Joint Facility Agreement

President La Tourette pointed out that page 23 contained a lease-back arrangement proposed between the Illinois Association of School Business Officials (IASBO) and Northern Illinois University. This would allow IASBO to construct a building of 10,500 square feet to expand their office, which has been on campus in association with the College of Education since the 1970s. The basics of this agreement are that IASBO will construct this building and NIU will occupy part of it on a rental basis. After 25 years, the building will be turned over to the university. This is a very cost effective way for the university to acquire additional facilities without additional fees or state expenditures. This item also includes the demolition of the existing buildings at 627 West Lincoln Highway and 630 Lincoln Terrace to prepare the site for construction. The President asked for Board approval of the IASBO Joint Facility Agreement. Chair Siegel called for a motion to approve. Student Trustee Marquez so moved, seconded by Trustee Grans. The motion was approved.

Agenda Item 8.a.(4) – Financial System Financing Plan

This item asked for approval of a resolution for the authorization of certificates of participation to finance the new financial system previously approved by the Board. President La Tourette noted that the university would be issuing these certificates at a 5.46 percent average interest rate for a seven-year period. Financing through certificates of participation will generate the necessary revenue to purchase the software package and provide the necessary expertise for the installation and final operation of the new financial system for all university accounting and reporting processes, and to deal with updating university systems for the year 2000. Dr. Williams then introduced Mr. David Williams of the Chapman and Cutler law firm. President La Tourette asked that the Board approve the certificates of participation. Chair Siegel asked for a motion to approve the resolution. Trustee Sanchez so moved, seconded by Trustee Raymond. The motion was approved.

Agenda Item 8.a.(5) – Printing Services Printing Equipment Contract (Renewal)

Agenda Item 8.a.(6) – Printing Services Copier Equipment Contract (Renewal)

Introducing Agenda Items 8.a.(5) and 8.a.(6) together, President La Tourette said these are recommendations for the renewal of a Printing Services equipment contract and a copier services contract. These contracts were thoroughly examined and discussed by the Finance and Facilities Committee. Based on that review, Dr. La Tourette asked the Board to approve the recommendations.

Chair Siegel asked for a motion to approve Agenda Item 8.a.(5), the Printing Services Printing Equipment Contract renewal. Trustee Boey so moved, seconded by Trustee Sanchez. The motion was approved.

Chair Siegel then called for a motion to approve Agenda Item 8.a.(6), the Printing Services Copier Equipment Contract renewal. Trustee Grans so moved, seconded by Trustee Myles. The motion was approved.

Agenda Item 8.a.(7) – International Programs Contract (Renewal)

This is a standard contract brought before the Board each year for renewal. The international program is located at more than 40 sites overseas. This approval allows the university to collect funds from the students who will attend these overseas programs and remit the proceeds to run the programs at the overseas sites. As noted in the meeting materials, the university asked for an authority of disbursements up to \$2.5 million. Any expenditure exceeding \$250,000 for a particular program will be reported to the Board on a periodic basis. President La Tourette asked Board approval. Chair Siegel entertained a motion to renew the International Programs contract. Trustee Moser so moved, seconded by Student Trustee Marquez. The motion was approved.

Agenda Item 8.a.(8) – NIU Foundation Professional Services Contract

President La Tourette stated that it was a long-standing practice to have a professional services contract between the university and the Northern Illinois University Foundation. The amount being proposed for FY98 was \$332,000. This allows the university to pay for services the Foundation provides to the university, because the value of the services either equals or exceeds the amount of reimbursement from the Foundation. Dr. La Tourette asked the Board to approve this contract between the university and the NIU Foundation. Chair Siegel called for a motion. Trustee Grans so moved, seconded by Trustee Raymond. The motion was approved.

Agenda Item 8.a.(9) – FY98 Salary Increment Guidelines

This item contains the salary increment guidelines for FY98. Even though, as Rep. Wirsing indicated, the university budget was reduced at the last minute in the legislative process, university staff carefully analyzed the budget situation and recommended a three percent salary increase to be administered on a merit basis. The recommendation would be effective on July 1 for employees who are employed on a twelve-month basis. It would be effective for faculty employed on a nine-month basis on August 15. The university will report back to the Board on the implementation of these guidelines. Trustee Myles asked if three percent was in line with other universities. President La Tourette said that yes, the legislature provided three percent for each institution and the increases would be given on a three percent average administered on a merit basis. President La Tourette recommended approval of FY98 Salary Increment Guidelines. Chair Siegel asked for a motion to approve the guidelines. Trustee Moser so moved, seconded by Trustee Grans. The motion was approved.

Agenda Item 8.b. – Action Items Forwarded by the Academic Affairs, Student Affairs and Personnel Committee

The following were recommended by the Academic Affairs, Student Affairs and Personnel Committee for Board approval: establishment of a graduate specialization in Human Anatomical Sciences within the M.S. in Biological Sciences; consolidation of three Master of Music (M.M.) majors (Performance and Pedagogy, Music Education, and the Individualized Major) into a single Master of Music program; deletion of the M.S. in Home Economics Resources and Services, and the Specialization in Taxation in the Master of Accounting Science; and the establishment of a Center for the Study of Family Violence and Sexual Assault. These changes are all appropriate as a result of program review, the identification of student interest and the establishment of a master's degree in taxation. Dr. La Tourette thought it should be noted that establishment of the Center for the Study of Family Violence and Sexual Assault had grown from a faculty group organized as the Program for Family Violence and Sexual Assault, which has received a great deal of external attention and support, and achieved a distinguished record of research, external funding, training and community service. The President asked the Board to approve these program changes which will have to be reported to and/or approved by the Board of Higher Education in the future. Chair Siegel called for a motion to approve the program changes. Trustee Sanchez so moved, seconded by Trustee Myles. The motion was approved.

Agenda Item 8.c. – Action Items Forwarded by the Legislation, Audit and External Affairs Committee

President La Tourette introduced a resolution on Senate Bill 770. As noted by Trustee Moser, this bill passed in the House by a vote of 54:1 and in the Senate by a vote of 111:2. He thanked Rep. Wirsing for his support on this issue. Dr. La Tourette said the Board directing the administration to develop a set of procedures that would be utilized to implement this development bill, if approved by the Governor, was a prudent move to avoid any adverse publicity and political entanglements. The President said this resolution could be used as a means of reassurance, not only to the Governor, but also to the legislature that this Board and this university take very seriously the extension of some additional authorities to the university that will aid in its long-term development. Dr. La Tourette said when Lt. Governor Kustra spoke earlier, he very clearly indicated that it was important for universities to have the authority to be more creative or inventive in dealing with facility needs on campus so they do not have to turn back to the state for additional state monies, or in some cases, go back to students for higher fees. This again reaffirms to everyone the caliber and quality of our Board, Dr. La Tourette said, and the Board's commitment to the institution and to the high standards that the Governor and the legislature expect of the Board of Trustees. He then asked the Board of Trustees to approve their resolution. Chair Siegel read the resolution for the record.

RESOLUTION

WHEREAS Senate Bill 770 recently passed the Illinois State Senate by a vote of 54-1 under the sponsorship of Senators Burzynski, Karpziel, Peterson, Cullerton, DeLeo, Geo-Karis, M. Smith and Dillard; and

WHEREAS Senate Bill 770 thereafter passed the Illinois House of Representatives by a vote of 111-2 under the sponsorship of Representatives Wirsing, Capparelli, A. Turner, Ryder and Cowlshaw; and

WHEREAS the Board of Trustees of Northern Illinois University recognizes its public responsibility to prepare itself to appropriately implement the provisions of Senate Bill 770 if signed into law by Governor Edgar.

NOW, THEREFORE, BE IT RESOLVED that the administration of Northern Illinois University is directed to prepare a report outlining intended procedures that would be utilized by the President in assisting the Board of Trustees to meet its duties and responsibilities under Senate Bill 770, including considerations such as:

- participation and approval of Members of the Board of Trustees at early stages of initiatives for real property acquisition, lease or development;
- methods for designation of personnel responsible for project coordination;
- methods and approval for use of professional expertise such as architects, engineers and surveyors; and
- safeguards for the State of Illinois and the Board of Trustees against conflicts of interest.

AND BE IT FURTHER RESOLVED, that such report, including appropriate procedures, be presented to the Members of the Board's Legislation, Audit and External Affairs Committee for initial review within 60 days from approval of this Resolution by the Board of Trustees.

Approved this ____ day of ____ 1997.

Trustee Boey so moved, seconded by Trustee Sanchez. The motion was approved.

Agenda Item 8.d. – Collective Bargaining Agreement

Dr. La Tourette introduced a collective bargaining agreement ratified by NIU electricians represented by the International Brotherhood of Electrical Workers (IBEW). Agreement terms are consistent with university policies and guidelines, and include an extension of the contract through June 30, 2000. President La Tourette asked Board approval of the ratified IBEW agreement. Chair Siegel called for a motion to approve the IBEW collective bargaining agreement. Trustee Grans so moved, seconded by Student Trustee Marquez. The motion was approved.

Agenda Item 8.e. – Summary of Grant and Contract Awards

Agenda Item 8.f. – Periodic summary Report of Transactions

Agenda Item 8.g. – Legislative Report

Agenda Item 8.h. – Report on the University Advisory Committee

Chair Siegel stated that in the interest of time, unless any of the Trustees had questions on these informational items which were mostly self-explanatory, the meeting would proceed with Agenda Item 8.i.

Agenda Item 8.i. – Personnel Transaction

President La Tourette recommended Leroy Pernell, Professor of Law and Vice Provost of Ohio State University, to the Board for appointment to the position of Dean of Northern Illinois University's College of Law effective on August 1, 1997 and read a brief background statement on Professor Pernell. Dr. La Tourette said this recommendation came after a national search which produced a pool of highly qualified candidates. Professor Pernell received his B.A. in Government at Franklin and Marshall College in 1971 and the Juris Doctorate at Ohio State University in 1974. He joined the faculty at Ohio State in 1975 and was promoted to full professor in 1990. In 1988 he served as a Visiting Scholar at the Columbia University School of Law. Since 1994, Mr. Pernell has held the position of Vice Provost at Ohio State University where he has supervised a staff of over 65 employees in the Office of Minority Affairs. In addition to his academic career, he served on the staff of the Columbus Legal Aid and Defender Society, and as counsel to Otto Beatty and Associates from 1974 to 1975. Since 1975, Mr. Pernell has been involved in advising the Michigan legislature on pending legislation and, in 1982, was appointed by United States Congressman John Conyers to chair a subcommittee on juvenile justice. He has also testified before the Criminal Justice Subcommittee of the U.S. House Judiciary Committee. Professor Pernell has been very active in community affairs and professional associations, including several governor's commissions and chair positions in sections of the Association of American Law Schools, as well as board

memberships in a number of local organizations in Ohio focusing on the welfare of children and the disabled. President La Tourette asked the Board to approve Mr. Pernell's appointment on the terms indicated as dean and professor with tenure at a salary of \$13,750 per month to be effective August 1, 1997. Chair Siegel called for a motion to approve Mr. Pernell's appointment as recommended by President La Tourette. Trustee Myles so moved, seconded by Trustee Sanchez. The motion was approved. President La Tourette then introduced Professor Pernell and extended an invitation to him to attend a reception following the meeting in order to meet the Board members and members of the university faculty and staff. Chair Siegel congratulated Mr. Pernell on his new position and welcomed him aboard.

CHAIR'S REPORT NO. 6

Agenda Item 9 – International Programs Presentation

The Board recently began the practice of inviting university faculty members to give short presentations on what they do so that Board members will have a better understanding of what is going on at the university. Dr. Manfred Thullen, Executive Director of International Programs, was invited to give a presentation at this meeting.

Dr. Thullen said that the request for him to speak came from Chair Siegel about a few weeks before at a fund raising event for international education in Chicago that dealt with Fulbright programs. The question was asked whether NIU had any Fulbright Scholars from other countries on its campus. Dr. Thullen responded in the affirmative and said that it was quite an honor for NIU. That conversation, he said, eventually led to his making this brief report about Fulbrights in general, both incoming and outgoing. Dr. Thullen handed out several documents to the Board and provided an overview of the information about international education at NIU in general, as well as the student flows from NIU to other countries and from other countries to NIU.

Dr. Thullen said that the faculty Fulbright program sends about 700 to 800 faculty members from the United States to over a hundred countries all over the world in a very prestigious and competitive program. A table showed that there have been a number of faculty members every year, since 1952, who have gone on assignments as Fulbright professors to do research and teaching in other countries after winning grants through competition. In many cases, Dr. Thullen said, NIU faculty members do better than many Big 10 universities in receiving Fulbright grants to teach and do research abroad. A number of NIU graduate students have also received Fulbright grants. Close to 50 percent of the graduate student applicants who have applied through NIU have received a Fulbright grant. The last column on the table showed the Fulbright Scholars now studying at NIU who are pursuing graduate degrees supported by Fulbright grants. There are usually about a dozen Fulbright Scholars on NIU's campus at any one time. Most are here for two to four years, depending on their graduate program.

Dr. Thullen also summarized an annual report of all the international programs and activities throughout the campus which included a table showing the number of students who have studied abroad over the last six years through NIU. There are approximately 1,200 international students at NIU presently — about

700 nonimmigrant and 500 immigrant permanent resident students, representing about 110 different countries. Dr. Thullen noted that a much larger number of international students come here to obtain degrees compared to about 160 or so NIU students who study for a few weeks to a maximum of one academic year in other countries. He said the program hoped to remedy that imbalance in the next several years by having more NIU students go abroad to prepare for the careers and global society in which they will work and live.

A survey done to find out NIU faculty international background and experiences asked questions such as which faculty members have traveled abroad by departments and colleges, where they have traveled and done their international work, and what languages they speak. It was discovered that NIU has a very international set of faculty members who have traveled, studied, done research and worked with their peers in just about every corner of the world. After concluding his report, Dr. Thullen introduced several staff members from the Division of International Programs.

Agenda Item 9.b. – Board Resolution

Chair Siegel read the following Board Resolution to be presented to Student Trustee David Marquez.

RESOLUTION

WHEREAS David Marquez was selected by his constituents at Northern Illinois University to represent their interests and has faithfully served the Board of Trustees of Northern Illinois University as its second Student Trustee; and

WHEREAS in said position, Mr. Marquez capably discharged those duties and responsibilities while at the same time keeping in the mind the interests of all of the people of the State of Illinois in addition to the well-being of Northern Illinois University; and

WHEREAS Mr. Marquez has demonstrated devotion to, cooperation with, and support for the Board, Northern Illinois University, and the faculty, staff and student personnel of same; and

WHEREAS the Board of Trustees and Northern Illinois University have received the benefit of his helpful insights which have been of special worth; and

WHEREAS the Board of Trustees wishes to officially express its appreciation for the many far-reaching contributions by Mr. Marquez to all of the above-mentioned interests of this Board,

NOW, THEREFORE, LET IT BE RESOLVED that the Board of Trustees of Northern Illinois University in formal meeting herein assembled, extends its grateful appreciation to Mr. David Marquez for his outstanding and loyal service.

BE IT FURTHER RESOLVED that this ***RESOLUTION*** be presented to Mr. Marquez and a copy of this document be placed in the official files

of this Board as a part of the permanent record of the great State of Illinois and as a lasting tribute to the performance and accomplishments of Mr. David Marquez.

Adopted in a regular meeting assembled this **12th** day of **June**, 1997.

**Board of Trustees
Northern Illinois University**

Myron E. Siegel, Chair

SEAL

Attest: _____
James W. Myles, Secretary

Chair Siegel then asked for a motion to approve the resolution. Trustee Sanchez so moved, seconded by Trustee Myles. The motion was approved.

Agenda Item 9.c. – Executive Session Minutes Release

The Illinois Open Meetings Act requires public bodies to review minutes of their executive sessions on a semiannual basis and determine what parts of such minutes no longer require confidential treatment. Accordingly, designated portions of the duly approved Executive Session Minutes of January 1996 through April 1997 of the full Board of Trustees and committees of the Board were offered for release from confidentiality. Chair Siegel asked for a motion to approve the Executive Session Minutes Release. Trustee Sanchez so moved, seconded by Trustee Myles. The motion was approved.

Chair Siegel made a few remarks before the election of Board officers.

Today is an important day at Northern, Siegel said. It is the day that the Board elects its officers to serve for the next year. The Board Chair sets the personality and direction of the Board, and we are very fortunate here to have seven qualified Trustees on our Board who are each capable of being Board Chair. By now, many of you know that I have decided not to seek reelection as Board Chair for the next term. I did this for a variety of reasons. First, the Board Chair position is very demanding of time. All the Board members are unpaid and have business and family lives. Second, I believe that it is in the best interest for this institution not to have the same Board Chair each year. The new Board Chair will bring a different perspective to the position and see things differently than I do. I hope that this becomes a precedent and that, for the immediate future, the Chair will not serve consecutive terms. During my term as Chair, I believe I set several precedents that I hope will be continued: limiting action items to five minutes at regular Board meetings, having a faculty member tell us about a worthwhile project, and trying to get the committees not to meet within three weeks of a full Board meeting. Obviously I did not succeed on that one today.

I want to thank my fellow Trustees for electing me to serve as the first Chair of the Board. I hope I fulfilled your expectations, and I'm proud to have been the first Board Chair. I want to especially thank Vice Chair

George Moser, who was always there when needed and also chaired the LAEA Committee, whose excellent compliance audit results we all appreciate. A special thanks to Bob Boey, who chaired the FFO Committee, and along with Eddie Williams found new ways to stretch a dollar and managed to get our West Campus Master Plan through. Special thanks to Jim Myles, my friend and compatriot at the Board of Regents, for chairing the Academic Affairs Committee and going through the reorganization of Student Affairs and Academic Affairs, which was a difficult task. Special thanks to our "*überschmuser*" [very complimentary person, German slang], Manny Sanchez, for his wit, humor and ability to instantly get to the heart of difficult issues. Special thanks to Sue Grans, the vice chair of the Academic Affairs Committee, whose patience and understanding of difficult issues did not go unnoticed. Special thanks to Dave Raymond whose insight into complex financial transactions helped the Finance, Facilities and Operations Committee with some difficult decisions. A special thanks, again, to David Marquez, who quickly learned the difference between each side of the fence. I also want to thank President La Tourette, Dr. Carroll Moody, Dr. Eddie Williams, Dr. Anne Kaplan, Kathy Swanson, Melanie Magara, Mike Malone, Steve Cunningham, Ellen Andersen, Kate Romano, Dr. Charlie Larson, Jim Russell, Gordon Shneider, Dr. Judy Bischoff, Dr. Linda Sons and George Shur for making sure I didn't get sued this year, so far, and all their support staffs for making my term as Chair easy. Thanks to Sharon who handles much of the Board paperwork. Thanks to Ken Davidson, Board Parliamentarian, for always having an answer to once-in-a-lifetime questions. I also want to thank all of you who took the time from your schedules to meet with me last summer and give me an honest assessment of Northern. Those meetings and insights helped me immensely. Thanks to Eilyn who put up with my time here which took away from my time with her.

When I first started, there was much to do organizing the structure of the Board, getting new regulations out, working with faculty and staff to form the University Advisory Committee (UAC), meeting with the different departments, promoting our legislative initiatives, consulting with the administration and, of course, preparing for and attending the Board meetings. Dr. Larson, did we do it?

Larson said he wanted to thank Chair Siegel for helping put into place the kind of shared governance format of UAC. We did that in the first four months of the Board's life, Larson said, while the board at our sister institution just instituted such a communicating committee. We, the faculty and staff representatives, are pleased with the way UAC has been operating and, yes, we did it.

Thanking Larson, Siegel went on to note that NIU and its Board have now established a name for themselves in Springfield. What our Board has done is being referred to as the "NIU Model." More and more, others are following the NIU Model or being asked why they are not following our lead. The Governor has only visited one public university in the past 18 months, Siegel said. That was here at Northern where he spent the day. And as you all know, today we were honored by Lt. Governor and Chairman of the Board of Higher Education Bob Kustra, who also has not visited any of the other institutions.

Chair Siegel said he felt that the negativism once rampant on campus has diminished and that faculty and staff morale has improved. He attributed some of this improvement to the Board's excellent relationship with the faculty, to UAC and to last summer's meetings. I would be remiss, he said, if I did not also thank all of the deans, department chairs and faculty who have been so kind and gracious, open and honest with me. I think we succeeded in building a bridge between the Board and the faculty that I hope will be maintained because it is these types of bridges that make us stronger and more effective than the other public universities.

Many of the seeds that were planted during the last 18 months are about ready to sprout. For example, we were instrumental in the passage of the Income Fund bill. This bill allows us to keep our tuition here on campus rather than sending it downstate and asking for it back the following year. We heard earlier about the changes on the pension plan and the employee dependent tuition waiver. We were successful in getting an extra appropriation of almost a million dollars for planning the library expansion when no one else received any money. We pushed our own development bill which will allow us to enter into private/public partnerships as NIU develops. After our Trustees went down to Springfield, the Senate passed that bill 54:1 and the House 111:2. In comparison to others, NIU received a favorable budget from the state. And, if the state had had a capital bill this year, we would have had funding for the renovation of Altgeld Hall. We forged a working partnership with local and state politicians. On the nonlegislative front, the enrollment decline appears to have stopped. This has more to do with the concerted efforts of the administration and the faculty than anything that the Board did, but we are all happy to see that.

We all worked together to address these issues, Siegel concluded, adding that he thought things would be better in the next few years. We successfully passed the \$50 million bond initiative to address the West Campus issues, and soon West Campus will be a different place, enhanced by the Gullickson tennis facility, the renovated dormitories, and many other initiatives that will probably come through in the next year. The bottom line is that all the members of this Board did what we said we would do in the beginning — represent NIU's interests to the best of our ability.

Finally, Siegel said he looked forward to seeing several specific issues addressed in the coming years. The College of Health and Human Sciences space and the Stevens Building needs have to be addressed. We have to come up with an enrollment-driven funding model for our colleges so that we will not be looking for more students and at the same time turning away qualified students because of our internal funding methodology. We need to change that methodology. We have a serious deferred maintenance problem. And we have to secure our service region. We have to expand our programs to meet the needs in our service region. And most importantly, we must keep working downstate harder than ever before. I also want to wish best of luck to Beth Hull, the new S.A. President; Mr. Kovacs, the new Student Trustee; and of course to all of our coaches, wherever they may be, that we have a winning season. I want to thank all of you in the audience today for your patience. And now to get on with the process of electing new members.

ELECTION OF BOARD OFFICERS

Chair Siegel asked for a motion to receive nominations for all the elective positions before balloting. Trustee Myles so moved, seconded by Trustee Moser. The motion was approved.

Chair Siegel then asked for a motion to elect the following people to the designated positions for the next term of office from July 1, 1997 through June 30, 1998: Robert Boey for Chair, George Moser for Vice Chair, Jim Myles for Secretary; Susan Grans for Fourth Member of the Executive Committee, and Jim Myles for the Civil Service Merit Commission. Trustee Grans so moved, seconded by Trustee Sanchez. The motion was approved.

Chair Siegel invited Chair-Elect Boey to say a few words. Trustee Boey said he wanted to thank his fellow Board members for their trust and confidence in him. He said it had been a pleasure to work with all of them during the critical start-up period for this governing board and looked forward to a productive year that builds on the successes of the past 18 months.

I want to extend a special thanks and appreciation to outgoing Board Chair Myron Siegel for his energy and commitment to NIU, as well as his leadership in getting this first independent board up and running. It has been an inspiration. Mr. Boey said he believed that everyone, Board members, faculty, staff and students, owed Chair Siegel a debt of gratitude for the many hours he had dedicated to that effort, particularly, the time taken last summer to meet personally with the department faculties and so many of the student and staff groups. The pace had been set, Boey said, for all to follow in seeking input and listening to the interests and concerns of those individuals who make Northern Illinois University such a great institution. Before he continued, Mr. Boey presented Mr. Siegel with a *Mont Blanc* pen engraved "Chair, NIU Board" as a token of appreciation on behalf of the Board members. Mr. Siegel expressed his thanks to the Board.

Trustee Boey went on to thank the other members of the Board for their hard work. He said that they are a group of successful, independent thinkers, capable and tenacious achievers who share a fierce commitment to make theirs a unified board. Trustee Boey said that this Board is considered the model throughout the state for working together toward successful resolution of problems and creative approaches to meeting new challenges because unity of purpose is what guides it. He said he was very proud to be part of this group which had been able to always keep what is best for NIU at the forefront of their deliberations. Mr. Boey noted that the Board had met 34 times over the last year and a half in either committee or full Board meetings which said something about the Board members' commitment.

You have made a difference, he said, and Northern is a better place because of your involvement. We have done a lot of good things together, Boey said. We have approved some \$45 million worth of capital improvements that include the West Campus Master Plan, many improvements to make residential life better for our students, and a number of other things that are still to come. We also approved the

selection and purchase of a new financial system and a new mainframe to make computers much more accessible to students as well as faculty and staff. Of equal importance, Boey said, is the effort devoted to improving student recruitment and retention. Student issues, particularly those involving access and quality of life, will undoubtedly take up a great portion of our time in the year ahead. Trustee Boey said how proud he was of this Board's role in enhancing NIU's reputation in Springfield. As Myron has already mentioned, Boey said, we played a leadership role in getting some critical legislation passed.

In conclusion, Boey said, I want to thank President La Tourette and his staff, particularly John, Carroll, Eddie, Anne, Mike, Kathy, Melanie, George and many more for making our jobs easier and making us look better than we deserve. I believe this university is in good hands, and that each of you, as well as all of us on this Board are unified in an approach to governance that is inclusive and dedicated to constantly improving service to our students. To all faculty and staff, thank you for your commitment to excellence, both in and out of the classroom, and I ask you to unite with this Board and to publicly join us in expressing our collective pride in this university. Our students experience Northern Illinois University through you, and their growth and success is a product of your dedication to the enterprise of higher education. Thank you all.

PRESIDENT'S PRESENTATIONS

Dr. La Tourette brought a piece of good news from NIU's Alumni Association. The alumni are great supporters of the university, the President said, and are represented in many different leadership positions through the region and across the nation. Two of the members of the Board of Trustees, Myron Siegel and Manny Sanchez, are members of the NIU alumni and, just recently, Dave Marquez joined that group. These are alums, La Tourette said, who give back to the university. Dr. La Tourette reported that through the efforts of the Alumni Association president, Terry Burns; the vice president, Ken Cameron; the treasurer, Rich Fink; and a former executive board member, Lori Krzyzewski, the Association was able to negotiate a new credit card arrangement with First USA that provides \$1.3 million in revenue, most of which will be earmarked for student scholarships. Ken Cameron, who was part of this group and spent a great deal of time in working out these arrangements, was recognized for this achievement. Dr. La Tourette said that Mr. Cameron and the other alums involved in this venture spent a great deal of their own time and money to go to Delaware and do some very shrewd negotiating. To put it in perspective, President La Tourette said, heretofore, the university was lucky to generate about \$25,000 a year from the previously negotiated credit card arrangement. This one is guaranteed at \$1.3 million. Dr. La Tourette asked Mr. Cameron to extend the university's appreciation and best wishes for the future to the alumni membership, the executive board and the people who worked with him on this project.

We had very high hopes in 1995 when the bill to establish this Board of Trustees was passed, the President said, not only for the university, but for the quality of individuals who would be attracted to the Board of Trustees. He also thanked the Alumni Association in this connection, because after the board legislation was passed, they took on the role of screening candidates to make recommendations

to the Governor for appointments to the NIU Board. This approach was unique in the state, La Tourette said. We were the only institution to follow this procedure, and it worked extremely well. We ended up with a substantial group of very, very good candidates, and the people the Governor selected are certainly superb. The Governor committed himself to interacting with us during the time he was considering these appointments, Dr. La Tourette said, and we were not surprised when these seven members were appointed. There was a great deal of confidence in the results of the process and we knew these Trustees would make a critical difference in the life of the university. We have heard testimony from the Lt. Governor, from Rep. Wirsing and others that that critical difference really has occurred.

Summarizing his remarks, President La Tourette said that to him BOT means "Better Off with Trustees." That, he said, summarizes everything, not only for what we have experienced in the last year and a half, but what he believes will be the future of the university with its own board of trustees. On a personal level, the President said he wanted to thank each Board member for being there when they were needed, for being supportive, caring and creative.

He said he especially wanted to thank Myron Siegel for the time and the amazing amount of energy required to put this Board together and develop a structure that would meet the high expectations in 1995.

Dealing with a founding board is a little bit like taking a maiden voyage with a new ship, La Tourette said. This shakedown cruise, he told Mr. Siegel, has been smoother and more productive than we could have imagined because of your leadership and willingness to be available on an almost hourly basis to work with the university. I think it is Myron's basic love for the university and a desire to make this a better university, La Tourette concluded, that has provided the guiding principle for the past year and a half.

President La Tourette then presented a plaque representing the university's appreciation to Mr. Siegel to commemorate the occasion.

Presented to Myron E. Siegel, Member and Chair, Board of Trustees, January 1, 1996 to June 30, 1997. This plaque is presented in recognition of your service to Northern Illinois University as a member of the university's founding Board of Trustees. Your contributions to the university community and dedication to excellence at Northern are much appreciated.

Presented this day, the 12th day of June, 1997.

John La Tourette

All the Trustees were presented plaques by the President who indicated his appreciation of the special services provided by each in turn. Dr. La Tourette concluded by saying that sometimes there have been stresses and strains, but we have already been able to rise above that to keep in mind the interests of the faculty and staff and the students and the long-term needs of the university.

NEXT MEETING DATE

The next meeting of the Board of Trustees is scheduled for September 25.

OTHER MATTERS

Chair Siegel announced that a reception would be held immediately following adjournment of the meeting.

The Chair then entertained a motion to adjourn. Student Trustee Marquez so moved, seconded by Trustee Myles. The motion was approved.

The meeting was adjourned at 4:13 p.m.

Respectfully submitted,

Sharon M. Mimms
Recording Secretary

**Agenda Item 8.a.
June 12, 1997**

Action

**ACTION ITEMS FORWARDED BY THE
FINANCE, FACILITIES AND OPERATIONS COMMITTEE**

The following items, numbered 8.a.(1) through 8.a.(9), were endorsed by the Finance, Facilities and Operations Committee on May 28 and have been forwarded to the Board of Trustees for approval.

FY99 APPROPRIATED CAPITAL BUDGET

Summary: The Appropriated Capital Budget Request is prepared in the fall prior to the budget year in order to meet the Illinois Board of Higher Education and state capital project review and approval submission dates and other requirements. For example, October 1 is the IBHE’s deadline for submission for Fiscal Year 1999 capital requests. The capital budget request consists of two principal categories of capital projects which profile the university’s requirements for capital improvement and construction projects in order of priority. Table 7.0 lists major projects which typically exceed an estimated budget of one million dollars or require phasing of planning, construction and equipment appropriations. Table 7.OR lists repair and renovation projects with estimated budgets in excess of \$100,000 (but less than \$1.5 million) which are not included in the campus permanent improvement operating budget allocation. Requests may include improvements to existing facilities and systems, building additions, infrastructure and site/roadway/utility improvements. The attached table provides a summary of the FY99 capital request.

The university expects to receive capital appropriations for Fiscal Year 1998 for deferred maintenance projects and possibly Altgeld Hall renovation.

Recommendation: The university recommends Board of Trustees approval of the FY99 Capital Budget Request. The university will submit the Capital Budget Request to the Illinois Board of Higher Education for consideration and inclusion in the statewide FY99 IBHE capital budget recommendation.

Table 7.0*
Summary of Capital Budget Requests
Listed in Priority Order for the Budget Year FY99

Budget	Amount	Cumulative	Project	
<u>Priority</u>		<u>Project Description</u>	<u>Code</u>	
<u>Category</u>		<u>Requested</u>	<u>Total</u>	
1	Altgeld Hall Renovation		99-1	
	Remodeling & Rehabilitation		\$19,150,400	
2	Storm Waterway Management & Flood Improvement	6,716,000	99-2	Utility
	Control Project - Phase II and Phase III		25,866,400	
3	Founders Library Basement Build-Out		99-3	
	Remodeling & Rehabilitation		4,455,871	
	30,322,271			
4	Campus Chilled Water Production and		99-4	Utility

Improvement	7,830,700		38,152,971
	Distribution		
5	Campus Infrastructure Improvements-Campus	99-5	Utility
Improvement		7,173,000	
45,325,971			
	Roadway Repair/Electrical Distribution		
6	Stevens Building Renovation	99-6	
Remodeling & Rehabilitation		7,000,743	
52,326,714			
7	Montgomery Hall HVAC System	99-7	Utility
Improvement	2,457,700	54,784,414	
- 290 -	Rehabilitation		
8	Elevator Rehabilitation & Renovation	99-8	
Remodeling & Rehabilitation		970,300	
55,754,714			
9	College of Health and Human Sciences-	99-9	
Planning	494,646	56,249,360	
	Gilbert Hall Renovation		
10	College of Business-Wirtz Hall Renovation-	99-10	
Planning	269,800	56,519,160	
	Phase II		

*Since the legislature approved no capital budget requests, the summary of NIU capital budget requests approved by the FFO Committee on 05/28/97 has been revised to include Altgeld and Phase II of the Storm Waterway Management and Flood Control Project.

Table 7.0R

**Summary of Capital Budget Requests
For Repair and Renovation Projects Listed in Priority Order for the budget Year
FY99**

<u>Priority</u>	<u>Project Description</u>	<u>Project Code</u>	<u>Budget Category</u>
1	Still Hall Roof Replacement	99-R1	
Remodeling & Rehabilitation		\$303,900	
\$303,900			
2	Replace Condensate Receiver Tank	99-R2	
Remodeling & Rehabilitation		195,900	
499,800			
3	Central Campus Mall - Phase II*	99-R3	
Remodeling & Rehabilitation		1,319,100	
1,818,900			
4	Graham Hall Roof Replacement	99-R4	
Remodeling & Rehabilitation		496,700	
2,315,600			

- 291 -	5	ADA Project-Install Visual Fire Alarms	99-R5
		Remodeling & Rehabilitation	160,700
		2,476,300	

*Central Campus Mall Phase II is an unfunded FY96 Project.

Summary of Capital Budget Requirement Projects For the Budget Year FY99

99-1 Altgeld Hall Renovation

Dedicated in 1899, Altgeld Hall is a 133,000 square foot facility located on the eastern end of the NIU DeKalb campus. It is the University's original building and most prominent architectural feature. The building, known as "the Castle," is to be renovated and restored in conjunction with NIU's Centennial Celebration. This is a unique opportunity to restore spaces rich in academic tradition while providing improved usable spaces for the present university needs. In the Spring of 1992, the firm Hasbrouck, Peterson, Zimoch & Sirirattumrong was hired as a consultant to research and evaluate structural systems, building conditions and historic value, as well as to provide renovation suggestions for Altgeld Hall. In Fiscal Year 1995, \$550,000 was appropriated to fund the planning of this Altgeld Renovation. This construction project will completely renovate the interior of the building and building systems, providing updated and more efficient office areas and partially restored public areas. During the planning period, an asbestos survey was done to determine the extent of asbestos presence and estimate removal costs.

99-2 Storm Waterway Management and Flood Control Project Phase III

The university requests funding for the continuation/construction of the Storm Waterway Management and Flood Control Project for Phase III. Phase I included planning, surveying, and recommending storm water management projects to alleviate the flooding problem throughout campus. The planning included all three phases of the flood control project. The planning of the Central Campus Pedestrian Mall was included in Phase I of the flood control project because the mall intersects Watson Creek. Phase I of the flood control project includes only the construction and/or replacement of bridges from Lucinda Avenue to College Avenue and minimal bank stabilization along Watson Creek in central campus. The university received \$1,400,000 for Phase I in FY95. Phase II includes dredging the East Lagoon to increase detention capacity, water control corrections for the spillway, and aesthetic upgrades for safety and bank stabilization. The university has frequently experienced property damage from the flooding problem in central campus. Water management can only be successful if each flood control planning recommendation is implemented at each section of the waterway. The university would be able to control the downstream flow and increase retention/detention on campus with this project completion. Any corrections made upstream from the East Lagoon on campus will necessitate the funding for Phase III.

Phase III concentrates on flood control on west campus. The planning recommendations from Phase I will determine the projects to be implemented. However, initial findings have determined the need for a vast detention area of approximately 30-40 acres on west campus in order to prevent and control flooding for current development and undeveloped land uses. Potential future buildings, parking lots, and hard surfaces on west campus will further contribute to the flooding problem downstream.

99-3 Founders Library Basement Buildout

In previous years, the Northern Illinois University capital budget

request included a building addition for Founders Library. The overriding need for the library addition was to make a provision for collection and volume shelving space. After further investigation into the addition, on and off-campus storage sites, and rental facilities, the renovation of the existing, excavated basement of the library proved to be the most efficient and cost-effective method to pursue. The adaptation of the basement would provide needed space for compact shelving for less active volumes and collections in order to alleviate the space storage in the rest of the facility. Planning funds were appropriated in FY 1997.

99-4 East Campus Chilled Water Production & Distribution

In March, 1991, NIU completed the final phase of a comprehensive study of university utility systems. NIU's consultant, SEGA Associates of Overland Park, Kansas, provided a comprehensive report on the condition, recommended rehabilitation, and improvement of electrical, steam, domestic water, natural gas, and chilled water distribution systems. Of major importance to the university was that portion of the study dealing with cooling systems. Since NIU does not have a central chilled water production facility, buildings that are centrally air conditioned have their own chilled water systems. These systems are, for the most part, at or near the end of their life expectancies. The cooling towers range from fair to poor condition campus wide. Many of the chillers are inaccessible and cannot be replaced without significant excavation and on-site demolition. Most of the chillers on campus utilize R11 or R12 refrigerant, both of which, since 1995, are no longer being produced. The funds requested for the first phase of this project will provide preliminary planning, schematic design, and construction documents for a new chilled water plant and distribution systems, which will serve eleven buildings on east campus.

99-5 Campus Infrastructure Improvements - Campus Roadway Repair/Electrical Distribution Rehabilitation

Most roadways serving the NIU campus were constructed and are owned by the university, except Lucinda, Normal, Carroll, Locust and Annie Glidden. The majority of road construction coincided with the building surge in the 1950s and 1960s, though much east campus road construction predates that period. During the 1970s and 1980s several campus roadways were resurfaced, however, the only significant reconstruction projects that have been completed in recent years are Lucinda Avenue, Castle Drive, and a section of Stadium Drive West. Deterioration of campus streets has progressed to the point that maintenance efforts can no longer keep up with the disintegration on a localized basis. In addition to normal freeze/thaw damage, repairs due to construction projects (underground utility replacement, etc.) have led to a patchwork of street surfaces, each with seams that let more water penetrate and add to the deterioration. The additional burden of Huskie Bus traffic on university streets has accelerated the deterioration, particularly at bus stop locations.

The second portion of this project is proposed to address three requirements of the University's primary electrical distribution systems. First is replacement of switch gear at the existing Glidden substation which was constructed in 1957, feeds much of central campus, and for which new replacement parts are not available. Second is replacement of underground cables which are twenty or more years old and prime candidates for failure. Third is establishment of new circuits in the system which would reduce load on existing circuits and improve failure recovery capabilities.

99-6Stevens Building Renovation

The renovation of the Stevens Building will resolve many long standing problems. The project will provide a new heating, ventilation, and air-conditioning system, new energy efficient lobby windows, a new roof, new ceilings, handicapped accessibility, asbestos abatement, reconfiguration and upgrades of academic spaces, and an addition to the scene shop that will make scene construction safer and more efficient. With the renovation, the useful life of the facility can be extended another 25-30 years. With on-campus space at a premium, this building must be retained as a viable place for academic programs to flourish.

99-7Montgomery Hall HVAC System Replacement

Montgomery Hall was constructed in 1967 as a biological sciences research and instructional building. The HVAC chilled water system is the original system designed and installed during construction nearly 30 years ago. Many components such as fans and pumps will surpass their intended useful life in the near future.

The objective of the proposed project is to convert ventilation systems serving laboratory, office and classroom areas from existing constant velocity dual duct to variable air volume (VAV). Major portions of trunk and branch ductwork will be redesigned and replaced. Some fume hoods would be replaced while all hoods would be retrofitted with monitor controls, sash sensors, alarms and air flow valves. All building controls would be updated. Asbestos abatement in some areas will also be necessary.

99-8Elevator Rehabilitation & Renovation

NIU seeks to rehabilitate passenger elevators across campus. After many years of service, the elevators have become difficult to repair and have extremely high maintenance costs. They provide an unacceptable level of performance, and the problems and breakdowns are appearing more frequently and varied. The existing controllers are not equipped with the necessary fire protection technology and do not comply with local and national codes. This project requests funding for labor and material necessary to install controllers, replace generators, SCR drives, and install new hall and car stations for Zulauf, Faraday, Graham, Montgomery, Davis, and Swen Parson Halls, and the Health Center.

99-9College of Health and Human Sciences - Gilbert Hall Renovation

The College of Health and Human Sciences was identified in the Space Allocation Study of 1994 as the most under-spaced college on NIU's main campus. In addition, the college occupies space in 12 different buildings for five departments/schools and the college office. The allocation study identifies Gilbert Hall as underutilized housing space that could be converted into the College of Health and Human Sciences facility in order to consolidate some of the dispersed locations. Gilbert Hall, constructed in 1950, was designed as a men's dormitory and contains 49,000 net assignable square feet. Not only the relocation of the college into Gilbert Hall, but the sheer age of the facility requires modification to the systems and interior. Asbestos also needs to be abated from the facility during renovation. Currently, the facility does not have air conditioning, and the electrical and heating systems need to be replaced because they have out lived their life expectancy and are difficult to repair and

maintain. This request for funding would address the necessary system replacement, compliance to ADA upgrades, some interior reconfiguration, and asbestos abatement to accommodate consolidation for the college in the building.

99-10 College of Business- Wirtz Hall Renovation

This project represents Phase II of the total improvements to Wirtz Hall. Phase I included replacement of heating and air conditioning systems as well as roof replacement. This phase will provide improvements for programmatic spaces and building efficiency. The need for an upgraded and remodeled building to house the College of Business is substantiated by the dramatic changes in the type of physical facilities needed by a modern business college to support new learning outcomes and increased interaction with the business community, the lack of appropriate space for the college, and the strategic importance of a business college with strong ties to the business community for the accomplishment of the mission of the university. Plans for the College of Business focus on the consolidation of the entire college into Wirtz Hall which it has shared with another college. The college will be housed in a remodeled, dedicated building that will provide classrooms that facilitate group discussion, laboratories that allow students to refine presentation skills, computer laboratory spaces, faculty and administrative offices, and spaces that facilitate student interaction and interdisciplinary faculty relationships. This request would provide funding for the planning and design phase of Wirtz Hall remodeling.

FY98 NONAPPROPRIATED CAPITAL BUDGET

Summary: Each year the university develops a list of major capital projects (total budgets in excess of \$250,000) which are to be funded from nonappropriated funds. In most cases, these projects are funded through the issuance of revenue bonds, or from specified reserves established for the purpose of preserving, maintaining and improving nonappropriated facilities. Projects are identified through an internal process sensitive to program and user needs, as well as maintenance, repairs and engineering requirements. These projects are included each year in the nonappropriated capital budget requests to the Board of Trustees. Projects having budgets under \$250,000 will be reported to the board in accordance with Board of Trustees policies and procedures.

Recommendation: The university requests Board of Trustees approval of the FY98 nonappropriated capital budget consisting of the roof replacement for the campus recreation center as indicated on Table 10 and in the project description on the following pages.

Table 10.0
Plans for Noninstructional Capital Improvements - FY98

<u>Priority</u>	<u>Project Description</u>	<u>Budget Category</u>	<u>Total Cost of Project</u>	<u>Cumulative Total</u>
1	Roof Replacement for Campus Recreation Center	Remodeling & Rehabilitation	\$290,000	\$290,000

**Roof Replacement for the Campus Recreation Building
Northern Illinois University
Nonappropriated Capital Request for FY98**

Background and Justification

The original Campus Recreation facility was constructed in 1985. The existing (original) roof on this facility consists of a 45 mil EPDM rubber membrane, mechanically fastened to the structure at the outside perimeter, and fully ballasted with 3/4" stone. Based on investigation by university personnel, there is speculation that the existing roof membrane may have been of inferior quality; however, the manufacturer is no longer in business having declared bankruptcy about one year after this installation; thus there is no apparent recourse available to the university.

Much of the external mechanical equipment for this facility is located on the roof. In order to maintain this equipment, it is necessary for maintenance personnel to walk across the roof on precast walk pads which have deteriorated/broken apart over time. This situation may also have contributed to the failure of the roof membrane. The result of this failure is numerous roof leaks which contribute to the overall deterioration of the roof system, as well as the interior of the facility.

Scope of Work

The replacement roof would be a 60 mil reinforced EPDM rubber membrane, mechanically fastened to the structure at the outside perimeter, and fully ballasted using the existing stone. The plans would call for the replacement of walk pads with two-inch-thick, reinforced, precast concrete walk pads to accommodate maintenance of the roof-mounted mechanical equipment.

Project Budget

Roof Replacement	\$223,744
Walk pad replacement	10,000
Metal Coping	<u>8,800</u>
Total Construction Cost	\$241,544
NIU A/E Composite Fees (10%)	24,154
Contingency (10%)	<u>24,154</u>
Total Budget (rounded):	<u>\$290,000</u>

**Summary of Nonappropriated Capital Budget
Requirement Projects for the Budget Year FY98
Student Recreation Center Gymnasium Roof Replacement**

Summary: When constructed in 1985, the roof installed on the student Recreation Center consisted of 45 mil Ethylene Propylene Diene Monomer (EPDM) membrane. That membrane remains in place and has received routine maintenance during its lifetime. The roofing membrane is mechanically fastened at the perimeter and ballasted by 3/4" stone in the field. Continued reports of leakage over half of the gymnasium area led to the discovery that deterioration of the membrane had advanced more rapidly than would be expected as portions were brittle. Further investigation revealed that the EPDM retains very little elasticity and is prone to cracking over the west half of the gymnasium. That roof is separate from the remainder of the building roofing system and covers approximately 27,800 square feet.

Because much of the mechanical equipment for the building is located on the roof, foot traffic cannot be avoided. Walk pads installed on the roof for maintenance personnel have broken and pressure on the stone ballast tends to push the ballast stone through the roof membrane causing punctures resulting in program interruption when rain leaks through the punctures. Because the leakage is isolated to one section of roof, the quality of the roofing material is suspect. However, attempts at recourse from the roofing manufacturer have proven futile as the firm declared bankruptcy within a year of completion of the building.

To correct the problem as economically as possible, the solution proposed makes use of as much of the existing roofing system as possible. The stone ballast and insulation will be reused. The EPDM membrane will be removed and replaced with a new 60 mil reinforced membrane. The walk pads will be replaced with two-inch precast concrete pads.

Recommendation: The University requests Board of Trustees approval to establish the project budget at \$290,000 and to prepare plans and specifications for the replacement of the roof membrane system. The University also requests permission to advertise and receive bids, and to issue contracts and work orders necessary to complete all work associated with this project.

**ILLINOIS ASSOCIATION OF SCHOOL BUSINESS OFFICIALS
LEASE/LEASEBACK AGREEMENT**

Summary: For nearly thirty years the administrative offices of the Illinois Association of School Business Officials (IASBO) have been located on the campus of Northern Illinois University. The Association, having a membership of 1,826, currently occupies 1,200 square feet in Gabel Hall. IASBO and the university have enjoyed a strong professional relationship, providing both opportunities and resources to augment each organization. In January 1994, the university and IASBO initiated discussions regarding the feasibility of developing a building program which would be beneficial to both parties. After many months of discussion and planning, a formal agreement has been prepared for approval. The basis of the agreement includes the following concepts:

- The building will be approximately 10,500 square feet and constructed on university property. Each organization will be allocated 5,250 square feet for office space and shared areas including conference room, classroom, computer lab, and lounge. The estimated construction budget is \$1,207,500. Other project costs exclusive of construction are A/E fees of \$90,000 and demolition and site preparation estimated at \$60,000.
- IASBO will secure the financing to construct the facility, and the university will lease a portion of the space. As part of the agreement, the university will be responsible for operation and maintenance costs.
- IASBO will be responsible for architectural and engineering fees in the design of the building and the university will be responsible for demolition costs associated with the site.
- The university will lease the land to IASBO for 25 years at no charge and, at lease expiration, the building will become university property. At the end of the 25-year term, IASBO is given an option to lease their space from the university at a prescribed rate for up to 10 years.
- Subject to the final interest rate of the construction financing, the lease provides that the university will pay a fixed rate of \$9.12 per square foot or \$47,880 annually through the 25-year term of the lease as well as utilities and required maintenance. The rent to be paid by the university is less than the rent for comparable space in DeKalb.

Recommendation: The university requests Board of Trustees approval to execute a lease/leaseback agreement between Illinois Association of School Business Officials and Northern Illinois University subject to the provisions outlined above. Also, as a part of the agreement, the university requests Board of Trustees approval to demolish the structures at 627 West Lincoln Highway and 630 Lincoln Terrace and prepare the site for the construction of the new building.

FINANCIAL SYSTEM FINANCING PLAN

Summary: The university has been evaluating the replacement of its 25-year-old financial system. Replacement of the current system is long overdue. The replacement will serve to eliminate duplicate work; to streamline business processes; to eliminate cumbersome and expensive hard copy data collection and reporting; to provide integrated and highly functional environments for electronic information interchange; to provide robust tools for financial data analysis; and to provide cost effective, efficient systems that maximize the use of limited university financial and human resources. The Board of Trustees, at its April 24 meeting, approved replacement of the financial systems with a project budget of \$3.1 million. This project includes the purchase of the PeopleSoft Public Sector Financial Modules (i.e., General Ledger, Accounts Payable, Purchasing, Accounts Receivable, Billing, Budgets, Asset Management, Projects) with the option to purchase the Human Resource Modules and the resources to implement the system. The university plans to implement the system in a UNIX environment on a Sun Solaris server using the Informix database.

The university seeks to obtain the necessary Board approval for the financing of the system. The desired financing plan includes the issuance of Certificates of Participation over a seven-year term with annual cost of approximately \$650,000 per year, as previously reported to the Board. In order to carry out the financing, the Board at its June 12 meeting, will be requested to take required actions as outlined in the summary prepared by bond counsel and made a part of this report.

Recommendation: The university requests Board of Trustees approval of the financing plan and documents required.

SUMMARY OF ISSUE REQUIREMENTS
(Prepared by Bond Counsel, Chapman and Cutler)

In order to have the Certificates of Participation ("COPs") issued, the Board of Trustees must approve the following documents: Installment Purchase Contract, Acquisition Agreement, Indenture of Trust and Assignment of Purchase Contract, Preliminary Official Statement and a Certificate Purchase Agreement.

A short explanation of each such document is as follows:

1. The Installment Purchase Contract provides for a bank or trust company (the "Vendor") to acquire certain of the Board's interest under the supply contracts to acquire data processing equipment and software (the "Improvements") by the purchase of said Improvements on behalf of the Board from the supplies and to sell such Improvements to the Board in return for installment purchase contract payments sufficient to pay the principal and interest on the COPs.
2. The Acquisition Agreement provides for the assignment of certain of the Board's rights under the supply contracts for the Improvements.
3. The Indenture of Trust and Assignment of Purchase Contract provides for the following: (i) assignment by the Vendor to the Trustees of its right to receive Installment Payments from the Board under the Purchase Contract, (ii) assignment of a security interest in the Improvements, (iii) the details of the COPs, and (iv) the creation of funds for the security thereof.
4. The Preliminary Official Statement is a document which is used and distributed by the underwriters to offer the COPs for sale to the potential purchasers. It is prepared by the underwriter, bond counsel and the financial staff of the university.
5. The Certificate Purchase Agreement is a contract between the Board of Trustees and the underwriter setting forth the terms and conditions for the purchase of the COPs by the underwriter from the Board of Trustees.

At the time of the execution and delivery of the Certificate Purchase Agreement, the specific amount, maturity and interest rates on the COPs will be determined.

RESOLUTION

AUTHORIZATION OF CERTIFICATES OF PARTICIPATION (DATA PROCESSING PROJECT), SERIES 1997 TO BE ISSUED ON BEHALF OF THE BOARD OF TRUSTEES OF NORTHERN ILLINOIS UNIVERSITY

WHEREAS, at its April 24, 1997, meeting the Board of Trustees approved replacement of the university's financial systems with a project budget of \$3.1 million; and

WHEREAS, at its meeting May 28, 1997, the Board's Finance, Facilities and Operations Committee endorsed the university's recommendation to approve the Financing Plan for the financial system as presented to it; and

WHEREAS, that Financing Plan requires the Board of Trustees to authorize issuance of Certificates of Participation in sufficient amounts to cover the acquisition and implementation costs for new data processing equipment and software, including installation and training, as well as the costs of issuance of the Certificates; and

WHEREAS, the Board's bond counsel, Chapman and Cutler, has prepared the required Trust Indenture, Acquisition Agreement and Installment Purchase Agreement; and

WHEREAS, as underwriter, the firm of Griffin, Kubik, Stephens & Thompson, Inc., with the assistance of the Board's bond counsel and university staff, has prepared the Preliminary Official Statement and the Certificate Purchase Agreement.

NOW THEREFORE BE IT RESOLVED, that the Board of Trustees of Northern Illinois University approves (i) the Trust Indenture, Acquisition Agreement, Installment Purchase Agreement, Preliminary Official Statement and Certificate Purchase Agreement in substantially the forms before this Board, and (ii) such additional certificates and documents as may be necessary to the completion of the transaction, such approval to remain in effect until the earlier of July 1, 1997 or completion of the transaction.

BE IT FURTHER RESOLVED, that the Board of Trustees grants authority to its Chair, Secretary, and Treasurer to proceed with issuance of the Certificates of Participation and to execute all necessary documents to effect accomplishment of the premises.

Approved: _____, 1997

**PRINTING SERVICES PRINTING EQUIPMENT CONTRACT
(RENEWAL)**

Summary: Printing Services at Northern Illinois University operates as an auxiliary enterprise and activity (sales and service) function. As a result, Printing Services receives funding from revenues generated by charges which campus users pay for services received. These user charges are paid from all fund sources, both appropriated and nonappropriated. In order to assure optimal operational flexibility, and because of the rapidly changing technology, Printing Services has elected to utilize lease/purchase programs for obtaining equipment required for its operation. The following three contract approval requests are pursuant to lease/purchase programs for Printing Services operations. In each case, the difference in the lease/purchase rates from year to year is attributed to the staggered installation dates and the ancillary equipment, which differ from machine to machine.

Under the terms of the contract for service and maintenance of the equipment, the total amount includes a fixed component for the service/maintenance for each machine as determined by the rate in effect at the time of installation or renewal, plus a variable component which is determined by the number of copies made per machine. The FY97 contract renewal was approved by Board of Trustees on June 19, 1996.

High Speed Printing Equipment for Printing Services Contract Renewal

A Docutech NP135-2 with a Network Service, Tape Storage and Job Manager Controller, was installed at Printing Services under a six-year lease/purchase agreement beginning in FY94. The agreement is renewable each year at the option of the university.

Recommendation: The university requests Board of Trustees authorization to renew the lease/purchase and service/maintenance agreement for FY98 as follows:

<u>Xerox Corporation - Schaumburg</u>	
Lease/Purchase	\$54,600
Service/Maintenance	76,300
Contingency	<u>7,100</u>
Total Not To Exceed	\$138,000

Funding is to be provided through Auxiliary Enterprises and Activities - Printing Services.

A Docutech NP135-2 with a Signature Booklet Maker and Bypass Transport Unit, was installed at Printing Services under a five-year lease/purchase agreement beginning in FY96. This agreement is renewable each year at the option of the university.

Recommendation: The university requests Board of Trustees authorization to renew the lease/purchase and service/maintenance agreement for FY98 as follows:

<u>Xerox Corporation - Schaumburg</u>	
Lease/Purchase	\$ 69,700
Service/Maintenance	76,300
Contingency	<u>4,300</u>
Total Not To Exceed	\$150,000

Funding is to be approved through Auxiliary Enterprises and Activities - Printing Services.

A Docutech NP135-2 was also installed at the Holmes Student Center Copy Center under a six-year lease/purchase agreement beginning in FY94. This agreement is renewable each year at the option of the university. This machine is now located in Printing Services.

Recommendation: The university requests Board of Trustees authorization to renew the lease/purchase and service/maintenance agreement for FY98 as follows:

<u>Xerox Corporation - Schaumburg</u>	
Lease/Purchase	\$ 47,480
Service/Maintenance	70,700
Contingency	<u>5,820</u>
Total Not To Exceed	\$124,000

Funding is to be provided through Auxiliary Enterprises and Activities - Printing Services.

RECOMMENDATION

The university requests Board of Trustees approval of the contract renewals as stated above.

**PRINTING SERVICES COPIER EQUIPMENT CONTRACT
(RENEWAL)**

Summary: In order to provide state of the art quality copying services throughout the campus, the university has found it most cost effective to enter into multiyear equipment rental/service agreements. The following provides for the renewal of two such major agreements.

Copier Equipment Rental for the University System Contract Renewal

Based on user demand and costs, the university has established the need for 210 copiers to effectively service the campus. The contract for FY97 was approved by Board of Trustees on June 19, 1996. Based on the prevailing contract price of \$0.0165 per copy, the university requests Board of Trustees authorization to renew this contract for FY98.

Gordon Flesch Co. - St. Charles Not to Exceed \$555,000

Funding is to be provided through Auxiliary Enterprises and Activities - Printing Services

Equipment Rental on Copier Equipment Control System Contract Renewal

The contract provides the necessary central system for university copiers. This contract is renewable annually at the same price as the original agreement, and is subject to continuing need, availability of funding, agreement of both parties and authorization by the Board of Trustees.

The university requests Board of Trustees authorization to enter into this contract for FY98, as follows:

Danyl Corp./Gordon Flesch Co. - St. Charles \$126,000

Funding is to be provided through Auxiliary Enterprises and Activities - Printing Services.

Recommendation: The university requests Board of Trustees approval of the contract renewals as stated above.

**INTERNATIONAL PROGRAMS CONTRACT
(RENEWAL)**

Summary: The university requests renewal of the operational authorization annually granted to the Northern Illinois University International Programs division to disburse funds in connection with foreign study programs offered through the division. Students from all over the country seeking opportunities to study abroad in the foreign study programs are required to make payments to the International Program Division. These payments are made pursuant to contracts providing transportation, related administrative overseas instructional services, room and board, and local tuition where appropriate. It is anticipated that payments will be made on behalf of approximately 800 students during FY98. Since students make applications at different times throughout the year, the total number of participants in any given program is unpredictable. Once the number of participants is finalized, payment will be made immediately to guarantee registration, accommodations, and related services. Both costs and number of students, as well as currency exchange rates, fluctuate greatly. All of these factors make it impractical to request authorization in advance for each disbursement of funds which exceed \$250,000. All funds, however, are subject to the university accounting system and internal control management.

Recommendation: The university requests Board of Trustees approval to renew the operational authorization granted to the International Programs Division in connection with contracts for foreign study programs. This action provides advanced authorization for FY98 disbursements up to \$2,500,000. A summary of all expenditures exceeding \$250,000 will be reported to the Board of Trustees on a periodic basis.

NIU FOUNDATION PROFESSIONAL SERVICES CONTRACT

Summary: The Northern Illinois University Foundation contract supports the fund raising services and activities provided by the Foundation on behalf of the university. This contractual agreement is in accordance with the Legislative Audit Commission Guidelines. The contract amount will be offset by the foundation payment to the university for personal services, fringe benefits, facilities, indirect costs and program expenditures to meet the contract obligations.

Recommendation: The university requests Board of Trustees approval of the Northern Illinois University Foundation contract for FY98 in the amount of \$332,000.

FY98 SALARY INCREMENT GUIDELINES

Summary: In accordance with Board Regulation II.C.2.a., annual salary increment guidelines are approved by the Board of Trustees. The approval of annual salary increment guidelines authorizes distribution of a comprehensive annual increment, a process which typically occurs at the beginning of each fiscal year. Following completion of the fiscal year salary adjustment process, increment totals are verified and provided to the Board of Trustees in summary form in conjunction with the annual review and approval of internal budgets.

Subject to final legislative approval and gubernatorial authorization of the NIU appropriations bill (SB1157/HB1935) as introduced, the FY98 salary increment guideline would incorporate a 3.0% merit increment. For purposes of administering and verifying the FY98 increment, the percentage specification will pertain to three independent employment categories, comprising salary pools, within which total adjustments will be made consistent with the FY98 increment guidelines. These categories are as follows:

1. Regularly appointed instructional faculty (including department chairs)
2. Regularly appointed FLSA-exempt employees (excluding instructional faculty)
3. Regularly appointed hourly Civil Service employees

The FY98 increment authorization also provides for a total 3.0% increment to be provided to graduate assistant positions. Employees on temporary contracts who are reappointed during FY98 may receive salary increases in conjunction with the reappointment subject to the availability of funds.

The effective dates for FY98 salary incrementation will be July 1 for administrative, professional, civil service and faculty employees who are appointed on a 12-month basis. For regular faculty, the incrementation date will be at the beginning of the contract period or August 15. The FY98 increment guidelines pertain to nonnegotiated faculty and staff.

Recommendation: The President recommends approval of the FY98 salary increment guidelines subject to intact passage of the FY98 NIU appropriation.

**ACTION ITEMS FORWARDED BY THE
ACADEMIC AFFAIRS, STUDENT AFFAIRS AND PERSONNEL COMMITTEE**

University recommendations for the creation of a specialization in Human Anatomical Sciences within the M.S. in Biological Sciences, the consolidation of three Master of Music degrees, the deletion of the M.S. in Home Economics Resources and Services, the deletion of the Specialization in Taxation in the Master of Accounting Science, and the establishment of a research and public service center (Center for the Study of Family Violence and Sexual Assault) are to be presented for consideration by the Board's Academic Affairs, Student Affairs and Personnel Committee at its morning meeting on June 12, 1997. The Committee will be asked to endorse the university's recommendations for approval by the full Board. If there are resulting amendments to the university's recommendations, the President will so inform the Board at the time of proposed action by the Board.

Recommendation: Subject to any announced amendments, the President recommends that the Board approve the following program actions reviewed by the Academic Affairs, Student Affairs and Personnel Committee at its meeting of June 12, 1997: establishment of a graduate specialization in Human Anatomical Sciences within the M.S. in Biological Sciences; consolidation of three Master of Music (M.M.) majors (Performance and Pedagogy, Music Education, and the Individualized Major) into a single M.M. program; deletion of the M.S. in Home Economics Resources and Services and the Specialization in Taxation in the Master of Accounting Science; and establishment of the Center for the Study of Family Violence and Sexual Assault.

RESOLUTION

WHEREAS, Senate Bill 770 recently passed the Illinois State Senate by a vote of 54-1 under the sponsorship of Senators Burzynski, Karpziel, Peterson, Cullerton, DeLeo, Geo-Karis, M. Smith and Dillard; and

WHEREAS, Senate Bill 770 thereafter passed the Illinois House of Representatives by a vote of 111-2 under the sponsorship of Representatives Wirsing, Capparelli, A. Turner, Ryder and Cowlshaw; and

WHEREAS, the Board of Trustees of Northern Illinois University recognizes its public responsibility to prepare itself to appropriately implement the provisions of Senate Bill 770 if signed into law by Governor Edgar.

NOW, THEREFORE, BE IT RESOLVED, that the administration of Northern Illinois University is directed to prepare a report outlining intended procedures that would be utilized by the President in assisting the Board of Trustees to meet its duties and responsibilities under Senate Bill 770, including considerations such as:

- participation and approval of Members of the Board of Trustees at early stages of initiatives for real property acquisition, lease or development;
- methods for designation of personnel responsible for project coordination;
- methods and approval for use of professional expertise such as architects, engineers and surveyors; and
- safeguards for the State of Illinois and the Board of Trustees against conflicts of interest.

AND BE IT FURTHER RESOLVED, that such report, including appropriate procedures, be presented to the Members of the Board's Legislation, Audit and External Affairs Committee for initial review within 60 days from approval of this Resolution by the Board of Trustees.

Approved this _____ day of _____ 1997.

COLLECTIVE BARGAINING AGREEMENT

The following collective bargaining agreement has been ratified by the bargaining unit and is submitted for approval by the Board of Trustees.

Bargaining Agent: International Brotherhood of Electrical Workers,
Local 364, representing 25 Electricians in the
NIU Physical Plant

Scope of Negotiations: Full Contract Reopener

Tentative Agreement for Board Action: Approval of a successor
agreement extending for three years until
June 30, 2000. Terms and conditions of the collective bargaining
agreement are consistent with university guidelines and policies.
Wage rates for the bargaining unit are established pursuant to the
prevailing wage rate as certified by the Illinois Department of Labor.

PERSONNEL TRANSACTION

Name/Degree: Leroy Pernell
Department: College of Law
Rank/Title: Professor and Dean
Monthly Salary: \$13,750
Comments: Hire as Dean with rank of Professor and
tenure in the College of Law, effective
08/01/97

PRESIDENT'S REPORT
to the
EXECUTIVE COMMITTEE

June 20, 1997

**Minutes of the
NIU Board of Trustees
EXECUTIVE COMMITTEE
Teleconference Meeting
June 20, 1997**

CALL TO ORDER AND ROLL CALL

Chair Myron Siegel called the meeting to order at 2:00 p.m. and conducted a roll call of Trustees. Present for the meeting were Vice Chair George Moser, Secretary James Myles, Trustee Robert Boey and Chair Siegel. Also present were President John La Tourette and General Counsel George Shur. Having noted the presence of a quorum, the meeting proceeded.

VERIFICATION OF APPROPRIATE NOTICE OF PUBLIC MEETING

Chair Siegel asked General Counsel George Shur for verification of appropriate notice of public meeting. Mr. Shur confirmed that all proper notices had been prepared and posted.

MEETING AGENDA APPROVAL

A motion was made by Vice Chair Moser, seconded by Secretary Myles, to approve the agenda.

PRESIDENT'S REPORT

Chair Siegel called for a motion to authorize the appropriate Board of Trustees officers to execute appropriate documents that will reflect the grant by this Board of specific drainage and utility easement rights, as recited in the easement provisions document before the Committee and to be incorporated in the record of this meeting, to the Prairie Stone Property Owners Association, the Village of Hoffman Estates, Cook and Kane Counties, Illinois, and Sears, Roebuck and Company, within the areas defined in the legal descriptions for Parcels A, B and C, which also shall be included in the record.

EASEMENT PROVISIONS

"An easement is hereby reserved for and granted to the Prairie Stone Property Owners Association, an Illinois not-for-profit corporation, and its successors or assigns (collectively, the "POA") and the Village of Hoffman Estates, Cook and Kane counties, Illinois, within the areas defined as Parcels A and B on this plat, to renew, operate and maintain an eight inch water main and a twelve inch water main, respectively (collectively, the "water mains"), with all necessary manholes, water valves and other equipment for the purpose of serving the subdivision and other property with water service, the right to enter upon the lots at all times to renew, operate and maintain within said easement area said manholes, water valves and other equipment, and finally the right is hereby granted to cut down and remove and trim and keep trimmed, trees, shrubs or saplings that interfere or threaten to interfere with any of the said public utility equipment. No permanent buildings shall be placed on said easement, but same may be used for parking lots,

driveways, gardens, shrubs, landscaping and other purposes that do not then or later interfere with the aforesaid uses or rights herein granted. The owners of Parcels A and B on this plat shall have the right at any time to relocate the water mains and the utilities located on Parcels A and B or any part thereof, provided that such relocation shall not cause a material adverse impact on any other party who is benefited by this easement. Upon the relocation of this easement or any part thereof, and the recordation of the document which creates the relocated easement (with the same terms as this original easement), this easement shall automatically terminate as to the portion of the easement that has been relocated. The owner of Parcels A and B shall pay for all costs associated with the relocation of this easement, including, but not limited to, all costs necessary to effectuate such relocation and all costs of removing the improvements from the existing easements and constructing the relocated easement.”

Pursuant to the Sears Business Park declaration of protective covenants dated March 7, 1991 and recorded as Document No. 91105432, as heretofore or hereafter amended (the “declaration”), the easement identified above shall be an easement reserved by the “declarant” (as defined in the declaration). An easement is also hereby reserved for and granted to the declarant and the POA pursuant to the declaration for the purposes of constructing, maintaining, repairing, replacing and operating storm sewers, culverts, drainage swales and conduits for the purposes of taking and holding storm water along, through and across the area defined as “Parcel C,” “drainage easement hereby granted.”

LEGAL DESCRIPTION - PARCEL A

THAT PART OF LOT 4F IN THE RESUBDIVISION OF LOT 4 IN SEARS BUSINESS PARK RECORDED AUGUST 6, 1991 AS DOCUMENT NUMBER 91396712, BEING A RESUBDIVISION IN SECTIONS 31 AND 32, TOWNSHIP 42 NORTH, RANGE 9, EAST OF THE THIRD PRINCIPAL MERIDIAN AND IN SECTION 4, TOWNSHIP 41 NORTH, RANGE 9, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS, DESCRIBED AS FOLLOWS: COMMENCING AT THE WESTERNMOST CORNER OF SAID LOT 4F; THENCE SOUTH 32 DEGREES 22 MINUTES 20 SECONDS EAST ALONG THE WESTERLY LINE OF SAID LOT 4F 163.65 FEET FOR A PLACE OF BEGINNING; THENCE NORTH 13 DEGREES 15 MINUTES 53 SECONDS EAST 300.41 FEET; THENCE ALONG THE ARC OF A CURVE CONCAVE TO THE NORTH, BEING THE SOUTHERLY LINE OF 20 FOOT WIDE PUBLIC UTILITY EASEMENT RECORDED AUGUST 5, 1991 AS DOCUMENT NUMBER 91394943, HAVING A RADIUS OF 3570.00 FEET, HAVING A CHORD BEARING OF SOUTH 77 DEGREES 20 MINUTES 09 SECONDS EAST 10.00 FEET; THENCE SOUTH 13 DEGREES 15 MINUTES 53 SECOND WEST 310.30 FEET; THENCE NORTH 32 DEGREES 22 MINUTES 20 SECONDS WEST ALONG SAID WESTERLY LINE OF LOT 4F 13.99 FEET TO THE PLACE OF BEGINNING, IN THE VILLAGE OF HOFFMAN ESTATES, COOK COUNTY, ILLINOIS.

LEGAL DESCRIPTION - PARCEL B

THAT PART OF LOT 4F IN THE RESUBDIVISION OF LOT 4 IN SEARS BUSINESS PARK RECORDED AUGUST 6, 1991 AS DOCUMENT NUMBER 91396712, BEING A RESUBDIVISION IN SECTIONS 31 AND 32, TOWNSHIP 42 NORTH, RANGE 9, EAST OF THE THIRD PRINCIPAL MERIDIAN AND IN SECTION 4, TOWNSHIP 41 NORTH, RANGE 9, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS, DESCRIBED AS FOLLOWS: COMMENCING AT THE NORTHEAST CORNER OF SAID LOT 4F; THENCE SOUTH 32 DEGREES 22 MINUTES 21 SECONDS EAST ALONG THE EASTERLY LINE OF SAID LOT 4F 59.91 FEET FOR A PLACE OF BEGINNING; THENCE CONTINUING SOUTH 32 DEGREES 22 MINUTES 21 SECONDS EAST ALONG SAID EASTERLY LINE OF LOT 4F 31.35 FEET; THENCE NORTH 81 DEGREES 45 MINUTES 18 SECOND WEST 42.26 FEET; THENCE SOUTH 51 DEGREES 41 MINUTES 24 SECONDS WEST 20.64 FEET; THENCE SOUTH 08 DEGREES 28 MINUTES 31 SECONDS WEST 87.31 FEET; THENCE SOUTH 57 DEGREES 44 MINUTES 26 SECONDS WEST 124.30 FEET; THENCE SOUTH 32 DEGREES 15 MINUTES 34 SECONDS EAST 13.00 FEET; THENCE SOUTH 57 DEGREES 44 MINUTES 26 SECONDS WEST 10.00 FEET; THENCE NORTH 32 DEGREES 15 MINUTES 34 SECONDS WEST 13.00 FEET; THENCE SOUTH 57 DEGREES 44 MINUTES 26 SECONDS WEST 135.99 FEET; THENCE SOUTH 32 DEGREES 22 MINUTES 20 SECONDS EAST 60.00 FEET; THENCE NORTH 57 DEGREES 44 MINUTES 26 SECONDS EAST 55.54 FEET; THENCE SOUTH 32 DEGREES 15 MINUTES 34 SECONDS EAST 10.00 FEET; THENCE SOUTH 57 DEGREES 44 MINUTES 26 SECONDS WEST 59.07 FEET; THENCE NORTH 77 DEGREES 18 MINUTES 57 SECONDS WEST 9.14 FEET; THENCE NORTH 32

DEGREES 22 MINUTES 20 SECONDS WEST 63.55 FEET; THENCE SOUTH 57 DEGREES 44 MINUTES 26 SECONDS WEST 10.00 FEET; THENCE NORTH 32 DEGREES 22 MINUTES 20 SECONDS WEST ALONG THE WESTERLY LINE OF SAID LOT 4F 10.00 FEET; THENCE NORTH 57 DEGREES 44 MINUTES 26 SECONDS EAST 285.72 FEET; THENCE NORTH 08 DEGREES 28 MINUTES 31 SECONDS EAST 86.690 FEET; THENCE NORTH 51 DEGREES 41 MINUTES 24 SECONDS EAST 28.91 FEET; THENCE SOUTH 81 DEGREES 45 MINUTES 18 SECONDS EAST 26.15 FEET; THENCE NORTH 08 DEGREES 14 MINUTES 42 SECONDS EAST 13.80 FEET TO THE PLACE OF BEGINNING, IN THE VILLAGE OF HOFFMAN ESTATES, COOK COUNTY, ILLINOIS.

LEGAL DESCRIPTION - PARCEL C

THAT PART OF LOT 4F IN THE RESUBDIVISION OF LOT 4 IN SEARS BUSINESS PARK RECORDED AUGUST 6, 1991 AS DOCUMENT NUMBER 91396712, BEING A RESUBDIVISION IN SECTIONS 31 AND 32 TOWNSHIP 42 NORTH, RANGE 9, EAST OF THE THIRD PRINCIPAL MERIDIAN AND IN SECTION 4, TOWNSHIP 41 NORTH, RANGE 9, EAST OF THE THIRD PRINCIPAL MERIDIAN IN COOK COUNTY, ILLINOIS, DESCRIBED AS FOLLOWS: BEGINNING AT THE SOUTHERNMOST CORNER OF SAID LOT 4F; THENCE NORTH 32 DEGREES 22 MINUTES 20 SECONDS WEST ALONG THE WESTERLY LINE OF SAID LOT 4F 110.00 FEET; THENCE NORTH 57 DEGREES 37 MINUTES 40 SECONDS EAST 20.00 FEET; THENCE SOUTH 32 DEGREES 22 MINUTES 20 SECONDS EAST ALONG A LINE 20.00 FEET NORTHEASTERLY OF, AND PARALLEL WITH THE SAID WESTERLY LINE OF LOT 4F A DISTANCE OF 110.04 FEET; THENCE SOUTH 57 DEGREES 44 MINUTES 26 SECONDS WEST ALONG THE SOUTHERLY LINE OF SAID LOT OF 4F 20.00 FEET TO THE PLACE OF BEGINNING, IN THE VILLAGE OF HOFFMAN ESTATES, COOK COUNTY, ILLINOIS.

Trustee Boey made the motion seconded by Vice Chair Moser. The motion was approved.

Trustee Myles moved for adjournment, seconded by Trustee Moser. The motion was approved. Executive Session was adjourned at approximately 2:10 p.m.

Respectfully submitted,

Sharon M. Mimms
Recording Secretary