TRANSCRIPT

FACULTY SENATE
Wednesday, February 20, 2019, 3 p.m.
Holmes Student Center Sky Room

VOTING MEMBERS PRESENT: Arado, Aygen (for Macdonald), Beamer, Boughton, Buck, Bujarski, Burton, Chakraborty, J. Chen, Chomentowski, Chung, Collins, Creed, Demir, Duffin, Duffrin, Ezell, Grund, Hanna, Jaekel, Johnson, Jong, Kilaparti (for Tatara), Konen, Koss, Lampi, Littauer, McKee, McGowan, Millhorn, Millis, Montana, Naples, Nejdl, Newman, Novak, Powell, Ryu, Saborío, Schoenbachler, Schraufnagel, Siegesmund, Sirotkin, Slotsve, Staikidis, Subramony, Surjadi, Than, Thu, Vazquez, Whedbee, J. Wilson, M. Wilson, Zheng

VOTING MEMBERS ABSENT: Bateni, Briscoe, G. Chen, Chitwood, Chmaissem, Docking, Fredericks, Johnston-Rodriguez, Kim, Liu, Macdonald, Mogren, Moraga, Nelson, Penrod, Riley, Rodgers, Scherer, Shi, Shibata, Stephen, Tatara

OTHERS PRESENT: Bryan, Falkoff, Groza, Klaper, McCord, McGill

OTHERS ABSENT: Doederlein, Ferguson, Gelman, Kortegast, Marsh, Pietrowski

I.   CALL TO ORDER

T. Arado: I feel like it has been forever since we have all been together. It actually has been about three months. I hope the winter that will not end is treating everyone well, or as well as to be expected. I have decided I don't dislike winter. I really just dislike this winter, because I don't like ice. I am going to get us moving here. We have a couple of presentations today, so I want to make sure we have enough time to cover everything.

Meeting called to order at 3:01 p.m.

II.   ADOPTION OF THE AGENDA

T. Arado: So may I have a motion to adopt the agenda?

G. Slotsve: So moved.

T. Arado: George has moved. May I have a second? Virginia is seconding. Is there any discussion on our agenda? All those in favor?

Members: Aye.

T. Arado: Any opposed? Any abstentions? Great, we have an agenda.

III.   APPROVAL OF THE NOVEMBER 28, 2018 FACULTY SENATE MINUTES

T. Arado: Now we have to stretch really far back in our memories here. We need to approve our minutes from our last meeting, which was November 28, 2018. May I have a motion to approve the minutes? George has moved. May I have a second? Linda Saborío is second. Do we have any discussion on those minutes? Everyone has checked that they said what they said, they spelled their name right? Okay. All those in favor of adopting the minutes, please say aye.

Members: Aye.

T. Arado: Any opposed? Abstentions?

Unidentified: I am abstaining [inaudible]

T. Arado: Okay, we have one abstention, great, thank you.

G. Slotsve: Therese, we have two more.

T. Arado: Two more abstentions, all right, we have three abstentions from our minutes. Thank you very much. Thanks, George.

IV.   PRESIDENT'S ANNOUNCEMENTS

T. Arado: A couple of things in President's Announcements. The first thing is I would like to take a minute – and I'm going to read this, because I need to – I'm going to take a minute to remember our NIU student, Trevor Wehner, and our NIU alum, Clayton Parks, both of whom were victims of the shooting at the Henry Pratt warehouse in Aurora last Friday. I know many in the NIU community, including many in this room, have close connections to them and the NIU community, as a whole, mourns. I'm saddened that we once again are faced with such a senseless act of violence and ask that you keep the Wehner family and the Parks family, and their friends, in your thoughts at this time. I hope you all saw President Freeman's email message and are aware that there are a variety of resources available to students, faculty and staff during this time of grief and sadness. Students, if you have students who are in need of support and who are really grieving at this time, they can contact Counseling and Consultation Services. And that's available to them 24 hours a day. So Counseling and Consultation Services. And our Division of Student Affairs is available to provide assistance. And for faculty and staff, we have the support of the Employee Assistance Program. So we have all of those resources available for either you or someone you know, if you need to direct them there. And I want to take a minute to see if there is anyone in the senate who wanted to speak on this.

M. Subramony: This is Mahesh Subramony. I'm a professor in the Management Department in the College of Business. Trevor Wehner was a student of mine. And Clay Parks was also a student many years ago. As we think of them, I just want to put a little, sort of flesh-and-blood to their names. These are two individuals who will always remain – they exemplify the best. They exemplify the very best in human nature and exemplify the very best in Huskies.

Trevor – very quickly, I'm going to take 30 seconds of your time if you don't mind – would show up to class 10 to 15 minutes early. He wanted to make sure that he was well-prepared. He goofed around, never had anything bad to say about anybody, was very excited about the internship. In fact, Thursday when I met him, he was so excited about his internship, specifically because he was going to work with Clay Parks, who by the way, was what I call a once-in-a-decade student. You get a student like that every ten years, and you're like, wow, I'm doing something right, or the college is doing something right. And that's exactly the kind of person he was.

The fact that both of them were so cruelly cut down, that's had a very strong, negative effect on our students. They're mourning, and they're trying to come out of it through – as most business students do – by creating an action plan and organizing events and so on and so forth. Again, exemplifying the best among our students.

So as you're sort of thinking about this and as you're reading articles about Clay and Trevor, think of them as the kind of folks we serve on a daily basis, and the reason we are here. We're here to cater to the needs and expectations of our society and our community. And the need of the society and the community is for such strong, confident and intelligent people with hearts. And that's what we create. So if you're a manufacturing plant, that's what we manufacture. I just want to make sure that we understand that these folks were full of optimism; and if we can embody that in our own interactions with each other, the world would be a much better place.

J. Burton: I'd like to just say a couple words too. I can't beat or top what Mahesh said. I had Clay five years ago when he graduated, and clearly he was the best student that most of us have ever had. He had such a big impact on that class, most of us in the department say that that was the best group of students we've ever had. And his impact was so big that he actually impacted the class the year after he left, because he brought them up when they were sitting in class with him too. That's kind of the optimism and positivity he had. And Mahesh and I were talking right before we came in today. That's how Clay was. But what's interesting about that, is that that's how Trevor was too. And so Trevor was just like Clay, just five years later, and lifts everyone up around them. So we're going to miss them very, very much. Thank you.

T. Arado: Thank you both for sharing that. I appreciate it. It's actually wonderful to hear those great things about both.

I have one other item in President's Announcements, on a very different topic. This is just an update of our 120th anniversary committee. If you remember back, I believe it was way back in August, Jodi Lamp was voted on to be on that committee. We're going back several months in my memory here. And the committee actually has been meeting and working. And this is an update that she provided me for it.

In March of this year, a website containing the 125th anniversary plans including 125 key moments initiative will be launched. The website will include a submission form for people to suggest ideas about the most important events in NIU's history. Key moments can be suggested in categories aligned with nearly every aspect of NIU's operations, including but not limited to, administration, community, diversity, athletics, leadership, student groups, Greek life, faculty/staff. You get the point, pretty much anything we do, we can have our key moments on here. And those gathered

moments will be portrayed through the year in various formats, through the website, through social media, video montages and display cases throughout campus. Next year the committee aims to host an event or activity or showcase each month – and that's within the 2020 calendar year; I'm not talking academic year; it's actually the 2020 calendar year – to celebrate the 125 years. And some of the things that will be highlighted will tie in with events that we already have going on. And other things will be additional, new events. So they'll tie things in to things like NIU Cares Day and Welcome Days. But then also new events tied just to the 125th anniversary. Those types of things can be a lecture series on- and off-campus, a time capsule, history exhibits, oral history projects.

So they're really working on a lot of things to celebrate the 125th year. Our parking passes will actually identify the 125th anniversary and NIU materials will be out with the 125th anniversary items on it. The next major step of the group is to reveal the calendar of events, the programming and activities that will show up on the website, and then continue to work with marketing and advertising throughout the year. So we look forward to the roll-out of the various events that will be taking place in 2020 for that. And thanks, Jodi, for participating. It sounds like they're doing a lot of work.

V.   ITEMS FOR FACULTY SENATE CONSIDERATION

A.   Strategic Enrollment Management Plan
Chris McCord, Acting Executive Vice President and Provost
Presentation

T. Arado: Today we have two guest speakers, Acting Executive Vice President and Provost Chris McCord and Sarah, I'm going to read your – CFO, Administration and Finance. I just refer to her as the CFO, the chief financial officer of the university, Sarah McGill. Provost McCord is going to talk to us about the Strategic Enrollment Plan that was unveiled a few weeks ago. And Sarah is going to provide us with some information on our budgeting process. Chris, I'll turn it over to you.

C. McCord: Thank you. So the enrollment management plan was unveiled in January. And some of you, if you were present at the Board of Trustees meeting February 7, would have heard President Freeman give a presentation to the Board of Trustees on it. That's actually why these slides have the February 7 date on them. Also we've presented this to the Resources, Space and Budget meeting earlier this month. And we'll be presenting to the University Council next week. So it's like, I went to every concert when Springsteen was in town. If you've been to every one of these presentations, come back next week and you can hold the prize for having heard every presentation of this.

As you can see, I want to walk you through the plan. This roughly tracks the document that's been published. I want to walk you through the background, the context, the trends that we are looking at, that are informing our enrollment opportunities. I want to walk you through the goals and the strategies we've developed, what we expect the impact of the plan will be, and what we need to accomplish this plan.

So I think we're probably fairly familiar with the enrollment trends that we're facing here at NIU, here in Illinois. We're well aware. We've seen more than a decade of overall enrollment decline.

Unfortunately, at the same time that we have seen the decline in enrollment, we have also seen a decline in state funding, which has made us more reliant on enrollment. We have seen steadily growing competition. Northern Illinois, the Chicago market is one of the most aggressively recruited enrollment markets in the country. And this is happening in an environment where there are fewer students in the region to be recruited. We'll explore both of these last to a bit. There has been a significant outmigration of students from Illinois. Generally speaking, it's a good thing to have an export economy, but unfortunately, what Illinois has largely been exporting has been 18-year olds who are attending college somewhere out of state. But there's this other phenomenon I want to talk about that represents more of a challenge, but also more of an opportunity – students who don't enroll anywhere and who represent an opportunity for us.

Again, unfortunately, whether you've seen this particular visualization or not, the trends that this represents, I think, are all too familiar to us. We have seen, as I said, a steady decline in enrollment for over a decade. The enrollment decline – it's, of course, a little harder to see what's happening at the graduate and Law levels, because the bars are simply shorter. What I can tell you is undergraduate and masters-level enrollments have declined pretty much in step with each other. We've seen those go down pretty much in parallel. Doctoral enrollments have actually grown. Law enrollments have been flat. And I do want to underline, we sometimes have a tendency to think about – when we think about enrollment, there's maybe a tendency at the big picture that enrollment means undergraduate enrollment. Graduate students represent 25 percent of our population. What happens in our graduate programs is an important driver for our enrollment, every bit as much as what happens in our undergraduate programs.

You've got to read the scale on this carefully. Please notice this scale only goes from 110,000 to 150,000. So this is not somehow Illinois is going to become depopulated. But what you can see is high school graduates in Illinois reached a peak a few years ago, have fallen off a bit – not dramatically, have fallen off a bit – and will stay flat until about 2025. And then they kind of fall off a cliff. Again, they drop down from about 140,000 to maybe 125,000. So it's a significant drop. The point of this slide is the demographics of the state of Illinois are not going to be our friend. There's nothing coming that we can simply say: A demographic tide is going to raise all boats. Quite the opposite, the demographic tide is going to go out in maybe about five or six years, and those that aren't careful will find their boat stranded on the reef.

At the same time – I apologize for the rather aggressive color scheme of this slide – what this is illustrating is the changing racial mix of our undergraduate population. And if you can't see clearly, what it represents is going from bottom to top, as a percentage of our undergraduate population, Asian students have been fairly constant at about five-six percent. Black students have been fairly constant at about 15-ish percent. The next tier, the sort of purple, is Hispanic students, which have been a significantly growing fraction of our population, started a decade or so ago at only about eight percent of our student population, now 19 percent. So that's been an area of significant growth for us. And, of course, what you can equally see is that white non-Hispanic students have been a significantly declining fraction of our enrollment. We have gone from approximately 30 percent underrepresented minorities to about 45 percent.

And if you look into the future – again, this graph is a little tough to read, I apologize – but what I want you to see in this graph are the heavier lines toward the right represent the forward trends of

these different parts of the Illinois population. And again, I think what you see – the scales are all a little different, but you get the idea – black students, for example, grew and now are declining back down to about 2001 level. Asian and Hispanic populations continue to grow. White population continues to decline. So as we look at where we have been and the trends we have been seeing on our campus in the past decade, and look at the demographic trends of where Illinois is going in the near future, they fit together to a very clear pattern of where we can expect to head and basically what we can expect our demographic mix to look like moving forward.

Just a quick sample of where do Illinois high school students go. Well, not surprisingly, a good chunk to two-year in-state or four-year in-state. But that's actually only about 40 percent of high school graduates go to higher education in-state. Over 20 percent, 22 percent, go out-of-state. I think we are second only to New Jersey in exporting students.

But there's this other phenomenon, go to the next slide please. And you may have heard us talk about this, so I apologize if this is just hammering home a point you've already heard. About a year ago, in preparation for testimony before the state legislature, we looked at where do our students who are admitted to NIU and don't enroll, where do they go? We were looking at who were our competitors. And we were shocked to find that our biggest competitor is nowhere. By a large margin, the largest number of students who, if they are admitted academically qualified students, admitted to NIU, when we've asked where did they end up, they ended up nowhere, not at another four-year school, not at another two-year school.

Now we have since learned that there is a very comparable phenomenon for many of our sister institutions in Illinois. There's a significant statewide pattern of academically qualified students, who are interested enough to apply, have been admitted, have strong GPAs, and yet aren't enrolling in higher education anywhere. So we're chasing this. We're asking ourselves. In some sense, you can only know this after the fact, right? You can only know afterwards that they didn't go anywhere. But we're chasing this and asking ourselves who are these, what are the characteristics of these students? And what do we need to do about it? We can formulate some hypotheses. It's not hard to suspect that there is a high prevalence of first-generation college students. Not hard to suspect that there is significant financial issues that impact their ability to attend. But we're chasing this. And even as we chase who they are, look for more refined information, we're also chasing what are solutions that seem like they're worth pursuing right here, right now. How do we need to address financial literacy issues? How do we need to address financial aid issues? Those are different. How do we need to address reaching populations and de-complicating these sometimes scarily complicated process of applying for college. So this is an area we're really interested in, trying to see opportunity for.

And what jumps out at us most for those students who are applying to us as freshmen is that you can also see there is a significant transfer population of students who sought admission to NIU as a transfer student, were qualified, were admitted, didn't come to us, didn't go anywhere. That I will note is possibly a different phenomenon. That could quite possibly actually be a strong economy, that students have had the choice between a job or four-year degree, choosing the job. But we're chasing that as well.

So with this as background, this sends some strong signals about what we can expect moving forward. And moving forward, of course, is what we have to do. I'll show you a bit later, we did some estimates of what would happen if we did nothing? Where would we be? It's clear we need to move forward, and the signals that this transmits to us are: One of the things we need to recognize is that, both to fulfill our mission and to be sustainable as a university, we need to embrace the opportunity of attracting and retaining students who represent the full diversity of the region, the nation, the world.

So to this end, last year President Freeman called on senior leadership to develop an enrollment management strategic plan. We've had the senior leadership, a group at the college level called the Strategic Enrollment Management, or SEM, working group, college leadership, a group drawn from Academic Affairs' Office of Undergraduate Studies, Academic Diversity, Equity and Inclusion, and Student Affairs, called the Student Experience Team, have all had input into developing this plan. And we insisted as we built this plan that we start with the goals. And you just saw a moment ago the over-arching goal of attracting and retaining students who reflect the diversity of the region, the nation, the world.

So we started with the goals, identified strategies, identified objectives. And then only after all of that, could we identify the specifics tactics. It was very tempting to start with tactics. We know what we ought to do. We're not quite sure why we're doing it. So we really insisted on a informed process. The enrollment management document that was published last month articulates the goals, strategies and objectives. It does not define the tactics. The tactics are being developed, and there will be soon coming out a document, which will be oriented, sort of framed, as an accountability document. Who is responsible for achieving what? Who will have what measures of accountability that they'll be held to to move the plan forward. So we're working hard on getting an accountability document, which will delineate in a little more detail what the tactics are that will be pursued.

At one point, we had ten strategies, 41 objectives and 170 tactics. We pruned that down a bit. We pruned that down. There are still a lot. You know, you could argue that every one of those ten strategies and 41 objectives was worth pursuing. We just had to recognize that you can't do everything all at once. And if you try to do everything, you'll probably end up doing nothing well.

So I'd like to give you just a flavor of what's in this. So we have three goals that cascade off from our over-arching goal. I'm not going to read them to you. And associated with those, three what we call strategic imperatives. Two of them are moderately obvious. You would not be shocked that an enrollment management plan has a strategic imperative around recruiting. And that an enrollment management plan would have a strategic imperative around retention. I will want to underline our retention strategy very, very strongly focuses on addresses attainment gaps or equity gaps, recognizing the places where unequal progress in succeeding in key courses, in moving forward in degree programs is clearly impacting retention, clearly impacting graduation rate, clearly impacting the ability of our full diversity of our student population to achieve the full benefit of a degree. So under the focus on retention and student success is a strong emphasis on equity gaps.

What I will draw to your attention, what certainly, I think it's fair to say, has not been part of NIU's tradition, has been to think of our image, our vision, as part of our enrollment strategy. And I think we're recognizing here in this plan the critical important of who we are and what's our distinctive

place in higher education? What are the distinctive opportunities? What are the distinctive student populations we are best able to serve? I think that distinctiveness and that clarity about who we are and what we're trying to achieve, it may sound to some ears a bit jarring. That's what brand penetration is about, is knowing who we are, internalizing it deeply ourselves, and then carrying that message out into the communities that we engage with. And I don't want to capitalize on a tragedy, but what we heard about the students, what we heard about our alums, that's the kind of who-we-are that we want to carry out and carry forward into the world. That's the message. That's what NIU is.

I want to give you the sort of what comes out of this. What are some of the consequences that come from what we've done first. And then we'll go through some of the objectives and what the numbers look like. So I think the absolutely most fundamental thing to take out of this enrollment management plan is that we have worked hard to identify challenging, but realistic and nuanced, retention and recruitment goals. And then we've carefully racked those all up to ask ourselves: When you put all of those pieces together, what does it add up to? What's our profile? And some of the key things that come out of that are: We will be, for the foreseeable future, an institution in the range of 17,000 to 18,000 students. This plan goes out to FY23. During that period, we do not get above 18,000. We do not forecast that we will get above 18,000 students. And then if you remember back to that high school graduate chart, that's about when high school graduates start to fall off. There's nothing in our future that says – how many of you remember 30,000 – yeah. We're trying to be as candid as we can. This institution is not going to be an institution of 25,000 to 30,000 students anytime in the near future. We need to set our sights on being an effective, successful, balanced institution of 17,000 to 18,000 students and do that right, rather than striving unrealistically to be an institution of 25,000 to 30,000 students and calling ourselves failures when we don't hit that unrealistic goal. So that's the most fundamental thing that comes out of this plan.

The other, almost as important, is it is going to be a diverse student population that we going to serve, and we need to, in every sense, wrap our arms around that and embrace that diversity of opportunity, that diversity of our presence, as one of the chief values that we celebrate and that our students will benefit from. I've touched a little bit already on the need to address our achievement gaps to help realize that dream. We recognize that the most impactful way for NIU to increase overall retention rates is to focus on those areas where we have attainment gaps, where we have student populations that are succeeding at rates below their peers and help close those gaps. Closing those gaps will naturally cause our overall retention rate to climb. And part of what we know we need to do is look at new ways of approaching financial aid. Yes, we need more financial aid. Yes, we absolutely welcome the governor proposing to fully fund MAP in his State of the State address today. But we need to look at other vehicles beyond that.

Okay. So again, I don't propose to read through all these upcoming slides, but let me just a few of the targets we have set for ourselves, if you will. So I've already touched a little bit on the importance of brand penetration. I'll note that in addition to sort of the principle, if you will, the spirit of helping everybody embrace the brand, we also have to use technology to get the word out. So we are looking at really taking better advantage of technology, both for recruiting our on-campus students and recruiting our students that are in online programs. We have, in terms of recruitment, we recognize we have opportunities such as out-of-state populations. We recognize that probably one of our best growth areas is to more aggressively recruit in online environments, into our online

programs. I'll detour there for a second and say, in my perception for many years, this university was afraid that, if we recruited students into online programs, we would be recruiting students away from our on-campus presence. We're not recruiting students into our on-campus presence. The students who are wanting those online programs – it's not a choice for them between on-campus NIU or online NIU. It's a choice between online NIU or online someone else. So I think we've finally gotten over that and recognize that we need to aggressively recruit for our online programs. And that's one of our greatest growth opportunities.

If we're going to embrace our diversity, we need faculty and staff who do so. We need to set goals of recruiting bilingual staff into key positions. We need to do a better job of carrying our message forward in those ways.

So technology – we are investing in modernizing our more than decade-old client relationship management, or CRM, software. This is absolutely fundamental. If you are a modern recruiter in higher education, you don't leave home without one, and ours is more than a decade old. In this environment, decade-old technology is, well, it's older than I am, let's just leave it at that. We are also looking at some new technologies, which we've never had, things like chatbot. I think the chatbot, even as we speak, is absorbing all of NIU's website and mastering all of the information on it so that, if a student has a question, the chatbot knows how to answer it. I mean it's all a little Orwellian, but this is the reality of what recruiting undergraduates is like these days.

For retention and student success, we have talked for a number of years about the importance of advising. We are committing now to growing our advising staff, making appropriate use of the technology we have had to identify students at risk and intervene in a timely fashion, to have high-touch advising that really is targeted at the students where it will do the most good, and use technology to enable that. We've had any number of reports, studies, recommendations that we address advising. We are committing to moving forward as strengthening advising as one of our key tactics.

Again I've noted interventions and gateway courses with high equity gaps. And we're looking at how many opportunities we have for collaboration. We are not alone in seeking to improve retention. I think one of the things we can say is, while recruitment is a competitive environment, retention can be a cooperative effort. Retention is something that, if we can retain students, all of higher ed benefits from that. And so we're involved in a number of collaborative efforts, both here in the Chicago region and nationwide, to learn from others about what we can do to improve our retention efforts.

So as I said, we've done some fairly careful modeling of where we are, what we think is possible. What would happen if we grew our retention rates by the amounts set? What would happen if we increased our intake of new freshmen by the amounts set? What would happen if we were able to grow our online populations by the goals we've set? So we've set individual goals. We've tried to make sure those goals were realistic against the demographic information of the region and the state so that we aren't creating pie-in-the-sky ambitions for ourselves. And then we've asked: How does it all weave together? And I think what you see is – again underlining first and foremost a modest decline in enrollment – we fully expect that the next two years we will be down again. I think this is the first time in my memory that we've been willing to acknowledge that up front. Even if we are

successful in the recruiting and retention goals we are setting for ourselves for the coming year, we are seeing year-over-year, every year we've recruited a smaller class than the year before. And so every year we graduate a larger class than we're recruiting. So every year we see this downward trend. If we are successful, we will see it stabilize. We'll see it flatten out and then begin to curve back up again. But you can also see in this, it will be different. You don't see the demographics. It will be more diverse. But what you do see here is that there will be fewer main campus undergraduates, more graduate students, more online students. The composition of our student body will change.

And here are some of the – again different points of view – if we are successful – and I cannot stress hard enough, this isn't going to happen by itself. If we are able to achieve the goals we have set by hard work, what will be some of the impacts? Where will we see some of the growth? And the one I want to particularly underline is our Latinx population. We have every reason to believe it will continue to grow. And so by the end of this period, by 2023, we expect more than 25 percent of our undergraduate population to be Hispanic, which will qualify us as a Hispanic-serving institution. And as an HIS, there are a number of funding opportunities, a number of programs the university becomes eligible for. And so that will be an important threshold for us. That will be an important marker for us.

So I said we've also modeled what will happen if we do nothing. And so these two curves compare. The red curve is the trend you just saw on the previous slides. The black curve represents what we would expect if we did nothing, if we made no progress. And you can see that, while the red curve doesn't shoot to the stars, it's 1500 students, nearly 2000 students difference between where we'd be with it and where we'd be without it. So the impact of this plan will be very real.

So what we need to do to accomplish this: We need to make sure that we are investing in the technology we need; we're investing in marketing; we're investing in people; we're investing in people who can support activities like the bilingual staff that we need, the advisors and retention specialists that we need. We recognize that we need to make sure that data is available to support decisions, that everything from, as I already talked about, better understanding students who are going nowhere, and how we can better reach them, to understanding our equity gaps via careful use of data. The accountability plan will lay out who is responsible for what, for moving this plan forward. We recognize that – if I can risk the analogy – there is an old saying: No battle plan survives first contact with the enemy. We recognize that this is a plan. Just writing a plan down doesn't make it happen. And doubtless, it will not all deploy exactly as we planned it. We will have to monitor, be accountable, be public about what we're achieving, and adapt as we need to. There is a strategic enrollment management website where regular updates will be posted. We'll be providing annual updates. We'll start out by indicating what are the performance indicators that we're going to be using to measure success. And we will recognize that we're putting ourselves out there, if you will, to say what we need to do. And we'll be transparent about whether or not we're achieving.

Questions?

Unidentified: [inaudible] our student population is going down. Any of the local university just [inaudible]

C. McCord: Two or three schools are going up. UIUC has remained pretty stable. Illinois State had been trending up. I believe they're beginning to flatten out. UIC is continuing to see growth, and I think that reflects an interest of students in an urban environment and the desire to be in a more urban setting. All of the other schools in the Illinois system are seeing declines, frankly worse than ours.

L. Beamer: I can tell you that in Nursing, some of our competition has 12-month curriculum instead of a 9-month curriculum. And so students are attracted to that because they can graduate in a shorter amount of time because they go over the summer.

C. McCord: Great point. And we have among Academic Affairs, among the deans, we've been in discussion at the very least stepping in that direction with more intentional summer school offerings and building year-round schedules so that students can see a year in advance what all of their opportunities are. That's not all the way to where maybe some of your colleagues are, but we recognize we could be doing a lot better with summer school than we have been. And that's one of the areas we know we need to be about. That's a good observation.

J. Novak: The nouns, brand and penetration, mean a lot of things. I've never heard them together. What are you talking about.

C. McCord: I will do my best, because I will note this is not my native environment as a mathematician either. But I think brand penetration really refers to making sure that the community that we are a part of, the students and their parents that we seek to recruit, have some frankly better, deeper understanding of who NIU is and what the values that we represent for them are. So it is helping making sure we know what our brand is and helping that brand penetrate into the environment that we are a part of so that people better understand, better internalize. You know, there are a lot of people who, if you stop somebody on the street and say: What do you know about NIU? I'm sorry, but for a lot of years it was: NIU, where a shooting took place in 2008. That was our brand penetration for a lot of years. We've got to do better than that.

K. Jaekel: You shared earlier that, as we look ahead, we're constructing diversity-wide and working very hard to insure that we retain and insure students persist. And I was wondering if there was any discussions or thought around collecting data around queer and trans students. So currently that's not something that NIU collects, and I'm not sure if folks realize, but increasingly trans and queer students are sort of flocking here, because it is a place where they can succeed. And if we have this data, we can probably help to close some of those equity gaps for those students, and particularly for our students who are queer and students of color – trans and students of color.

C. McCord: That's a great observation. I don't know what the data capture, what the data information looks like that, to be really honest.

K. Jaekel: Yes, it's self-disclosure usually. A number of institutions do it, but I didn't know, if we take seriously that diversity is many things, if that was something we could think about.

C. McCord: So let me say, that's a great thought. And I do want to note that, even though my comments focused on racial diversity, I think we do understand that we are growing a reputation, and we want to earn that reputation. We want to continue to earn it. And I think that there is an understanding that – Vernese Edghill-Walden has been in the thick of the development of this plan, and I think we are very aware of these broader issues. I will note that, if you look at the plan in another direction, we recognize serving students with disabilities is one of the commitments. And we've recently recognized that our Disability Resource Center was significantly under-funded and have invested in putting resources into it. So yes, while I don't know about the specific point about the data capture you're suggesting, the broader commitment is absolutely there.

V. Naples: The plan that you put forward looks like it has a lot of emphasis on increasing the residential student population, and that is the traditional student population most universities have relied on. And that's a very good thing to make improvements in doing. But my concern is that NIU has always had a much greater commuter population than has ever really been acknowledged. And I'm wondering what kind of specific accommodations can be made to assist our commuter students, many of whom are non-traditional. They are older. They are returning students. Many of them work part-time, can't live in DeKalb, because there aren't enough jobs, and commute either to school or live here and commute to work elsewhere, or have children of their own.

C. McCord: I think that we recognize that the traditional residential student is traditional in a sense of that's the way it used to be. And our student population is going to continue to diversify in the ways you've just indicated. One of the things we are recognizing is I think we finally are using this plan to recognize that probably our on-campus footprint is going to need to get smaller. Again as we look at our demographics, we're recognizing we're not going to have as many traditional on-campus students in the strongest sense. And we're going to need to begin to pull down some of that excess capacity. Now you asked a slightly different question as to what are we doing to support. And I'm sorry I couldn't tell you anything specific I know about targeted support for commuter students beyond simply noting that we're recognizing that this is a distinct population and has distinct needs. We do have an office that is targeted to serving them, but I can't tell you that I know of a line item in the tactics that addresses that. Sorry.

D. Chakraborty: You showed some of the trends and the numbers are very precise. And this I'm sure, as a mathematician, you know. Is there a way to put the uncertainty on that, to just kind of know how much confidence we have in those numbers.

C. McCord: Excellent question. Yes, I'm not afraid to say there is a spurious precision to saying there's exactly. We make certain assumptions about: Okay, this population will grow by five percent. And then there'll be a three percent attrition. And then you sort of push that through the model. I will confess we haven't calculated error bands. That's a very fair observation. The machinery behind the scenes is based on historic trends: Freshmen become sophomores at a given rate. Sophomores become juniors at a given rate, etc. And those historic trends certain have variability. Yes, it's a very valid point that we ought to be able to go back and calculate how the error bands grow as you push this through. And I'm sure they grow bigger as the years go by.

D. Chakraborty: The point of my saying is that if, for example, next year it is five percent lower than what your projection is, should we panic, or is it ten percent when we should panic?

C. McCord: I understand. So if I can say that back to you, what I hear is: Well, this was an imprecise estimate. We're within the range of expectation. That's a great point. We should try to better define that for you. I don't have that.

K. Thu: I just wanted to make everybody aware of a resource that they can turn to to look at national trends for enrollment in Title IV degree-granting institutions. And that's the [National Student Clearinghouse Research Center](). And you can see where Illinois fits within state-by-state comparisons. And Illinois is roughly in the middle in terms of loss. And just as a fun fact, the highest increase in enrollments for Title IV institutions is in Utah. And the greatest decrease is in Pennsylvania. I'm not sure that's worth much, but there you go.

C. McCord: Sorry, Kendall. Could you explain Title IV.

K. Thu: Yes. Title IV degree-granting institutions are those that get federal funding for students, federal support.

C. McCord: Thanks.

Unidentified: It seems like you said Illinois State is the only one that is also increasing. And then I consider we are sort of like the same, at the same level. Do you know what they're doing to increase their enrollment, that we are not doing?

C. McCord: Illinois State took a very different path 20-plus years ago. There are some similarities, but there are also some very distinct differences. Illinois State sort of positioned itself as a public ivy. You had this sort of elite undergraduate experience. It's very much an undergraduate-serving institution. It does not have the research profile. It's downstate. And I'll risk saying it's a nice, safe white school. And it is not part of NIU's vision to be that kind of school. And so they positioned themselves very, very differently in who they seek to serve and how they seek to serve them. And we've got a very different trajectory we see for ourselves. I think even if we wanted to reverse course and say we ought to be like them, they are already like them. But it is not part of our vision of who we are and who we serve. The other thing I think we're going to start seeing potentially is, again – okay this may just be a shot in Freud – but I mentioned UIC is seeing growing enrollment. And there's an indication that students are seeking more of this urban environment. I think Illinois State may begin to find that its nice, safe downstate environment may become a little less appealing. But what we're certainly wanting to carry is – our advantage moving forward is – we are a place where all students can have an incredibly enriching and diverse experience that takes them out into a diverse, complex workforce, already experienced in environments where they've worked with people with multiple divergent backgrounds. Illinois State doesn't offer that, and I think we're very committed that that's the value proposition that we want to be integral to who we are, as well as the research and engagement opportunities that we can afford our students that a school sort of downstate, undergraduate only, doesn't serve. So they have unquestioningly been successful at what they have sought to do. But I think our trajectory we see as very different than theirs.

Unidentified: I want to touch on the international student component. I saw that. I think it was about 20 percent.

C. McCord: That was the goal, yes.

Unidentified: So I'm wondering whether that kind of takes into consideration their ever-changing political climate. Two years ago all over the news, there was this talk that international students were favored in places like Canada over United States, that is one. And the second question I have would be this [inaudible] distribution of resources in order to encourage this enrollment. I wonder whether that will also be taken into consideration as far as international student component is concerned.

C. McCord: Yes, you raise an excellent point. Certainly if you think about exogenous variables, things that are just beyond our control, the world political environment can change on us in ways that can greatly challenge us. So many universities have built, not just their international profile, but their entire student profile on recruiting in China. Relationships with China change and that whole strategy can come crashing down on you. Your point is well taken. NIU, like many schools, does have particularly recruits from China and India. We're controlling the things we can control. We have worked very hard with ELS, the language program, to have an outpost in China to reach out to students in China. We are establishing a similar outpost in India. But even as I say that, I recognize that recruiting from India is challenging right now. We have some other parts of the world that we are looking at as particular opportunities that we're going to continue to develop. And yes, we are prepared to put resources toward that. We're not just hoping that somehow those international students will appear of their own accord

G. Aygen: You might have already considered this while preparing this report, but I think it is pretty much established that we seem to be training students for jobs that do not exist yet. Even if it's not in the immediate future, it is in their future at large that they have to be part of a workforce that hasn't defined its job descriptions very clearly so far. And that is a major concern for probably a certain proportion of the high school students who do not necessarily want to focus on a traditional college degree. I wonder if we could establish the connection between getting a degree from a research institution and the qualifications such an education would add to the potential workforce that we are raising in preparing them to a world where jobs have not been described yet.

C. McCord: Yes absolutely. As we think about brand penetration, if you are somebody who has been engaged in discovery, in knowledge creation, moving from knowledge creation to wealth creation is not too hard of a stretch. If you've been involved in discovery and creativity, to go from creativity to innovation to entrepreneurship is not too much of a stretch. And so, yes, this is very very much part of what I think our value proposition we can project is, because we have these sorts of opportunities, these opportunities for research understood broadly, and for engagement understood broadly, that we are positioning students to have these kinds of opportunities to be part of the creative class, to be part of those who create knowledge, create opportunities, create wealth. Yes, that's very much of the brand penetration goal. Thank you.

T. Arado: [inaudible]

B. NIU Budget Development
Sarah McGill, Chief Financial Officer
[Presentation](#)

S. McGill: Well thanks for the invitation to speak today. I was very pleased that the agendas aligned where I could talk a little bit with you about budget following Provost McCord's talk about the Strategic Enrollment Management Plan, because as we start to think about budget, budget planning and just planning activities more generally across the university, we are working to create very strong linkage as we think about our budget to what our enrollment is.

Our enrollment as you'll see in the presentation and the corresponding tuition and fees make up a large part of our budget. So as we start to think about that three- to five-year plan, I appreciate the question about the error rate or the confidence level, because as we really start to think about what those numbers are, they have impacts throughout the institution. And having a sense of what we need to invest to support our goals, having a sense if we don't meet those enrollment targets, what that means from a financial perspective, I think just gives us information so that Provost McCord and I aren't sitting in front of you mid-year and talking about a mid-year rescission or coming at budget time and surprising with what the financial picture looks like in the upcoming year.

So my slides today really combine two presentations. So I'm going to go through things pretty quickly. If there are questions along the way, maybe we can stop and I'll answer them, because the information builds on it. I wasn't sure what types of information have been presented in this forum before, so bear with me if some of this is repetitive.

We're going to talk a little bit about our budget structure. So we're going to go over when we think about budget, what does that mean, and what goes into it? And then we're going to flip and talk a little bit about the budget development process. And that's really going to build on what the provost had talked about.

So going into this first part of the presentation, as we talk about our budget structure, we're really going to talk about an overview of our categories and terminology, so we can get a baseline. And then we're going to talk about the overall university financial position. Budget is one piece of the university's finances. That's where we're going to spend a lot of the time today. Maybe at a later date it would make sense to drill into some of the other parts of the financials. But budget is going to be where the majority of the discussion is. And I can only imagine how you are all feeling, just sitting through a pretty data-intensive presentation on the Strategic Enrollment Plan and now sitting through budget. Hopefully, there's enough information to keep everyone engaged.

As we look at our Fiscal Year '19 budget, which is the budget that we're in right now. I'll back up and say that in July is when our fiscal year started. In June we actually went to the Board of Trustees, and President Freeman presented this year's budget to the board. We presented a balanced budget, revenues as you see before you of about $425 million and then expenses to match. So as we look at our sources of revenue, that gives you a picture of where we are. And when you look at what our biggest driver is, 42 percent is tuition and fees. Now it's important to note, going back to the conversation about enrollment, when you look at the state appropriations, which is the red category, along with tuition and fees, that's roughly 60 percent. Some time ago if you go back five to ten

15

years, that used to be switched, where 40 percent of our revenue came from state appropriation and 20 percent came from tuition and fees. So as there have been changes with our state appropriation and we've seen it decrease in funding, we've become more reliant on that student tuition and fees category.

Now with enrollment where it is, this is also telling us that we need to think about our other revenue sources as we look toward the future, because tuition and fees we're going to be seeing some changes there as we think about our enrollment planning. State appropriations are what they are. So that gives us some visibility as we look at where can we impact other revenue sources, how we start to make plans to grow in those areas.

Looking at the other side, when we go to the expense categories, about 50 percent of our budget is driven from staffing and personnel costs. And then you see other categories related to contractual services, scholarships and our other big commodity type items. I would just draw your attention to that turquoise, that eight percent for capital repairs, debt servicing and other. That number is a little bit deceiving just because of how we categorize certain items. So capital repairs, you'd think, well that's our facilities budget, eight percent. That's a pretty sizable investment. I would tell you that, embedded in that number, is what the university spends in support of debt service. We'll touch on that a little bit later, but NIU carries a debt portfolio in support of other activities that have happened at this university in years past. And just like many of us carry debt payments in our personal life, the university carries one as well. So in that eight percent is also the debt servicing. And we'll go into what those amounts look like in a little bit.

At a general level, we talked about the expense and revenue make-up. Kind of embedded in those categories, we talk about fund types. And you might hear a lot in your colleges, in your areas, about 02s. We talk about 29s meaning the auxiliaries. We're going to go into a little bit of detail and try to hit just the high points on that, because that starts to get into the budget conversation.

So we have five primary fund types. The 02s, the general revenue, those are tuition and fees. Those are also our state appropriations. Those are the most flexible dollars. So you hear a lot about us talking about our 02 budget. And we're going to talk about that a little bit later, because that's the funding when you think about where we have, again, flexibility. Where's the great demand we see those on the 02s.

We have 04s, which are student fees. That's roughly two to three percent of the overall budget. It's not a lot, but it is something that we're all mindful of, especially those parts of the university that are heavily reliant on student fees.

We have our auxiliaries, or our 29s. Those are activities that happen in housing. A lot of what happens in the Holmes, the HSC, is auxiliary driven. Those have very specific uses. Any money raised, revenue raised in the auxiliaries, can be only spent in the auxiliaries. So it's not as expungable. And as we think about our campus footprint, thinking about the auxiliaries and the uses of those funds becomes more critical.

We also have local funds, which are general fees, grant overhead and money from sales and services. That's a larger category, about 12 percent. We're going to touch on the use of local fees.

Something we're not going to talk a lot about today, but I put it on here just to round out our fund types are 55s and 44s. Those are foundations and gifts, and very restrictive types of funding. So that's why it's shaded out. It's on there so the numbers reconcile and to note that, but those aren't fund types we're going to spend a lot of time on today.

Fund types are important, because when you think about the different divisional budgets, not all divisional budgets are created equal. They're not created equal in scale or size, and they're not created equal in what drives those budgets. And that's important, because thinking about what fund types you have access to in your budget, also guides how your budget is spent. These are the primary divisions across the university, and I apologize if this gets hard to read in the back. But I wanted to give a sense of order of magnitude. When you look all the way at the left-hand side, you see Academic Affairs, which is one of our largest divisions on campus at about $145 million. And they're primarily driven by 02 funds. You compare and contrast that with a division like Athletics, where at $24 million, and roughly ten percent of their budget is 02s. The rest is driven by basically fee revenue. So they are responsible for, in a lot of ways, finding their revenue sources from other areas. They don't get a lot of central support from the university. My division, when you look at Admin and Finance, we're looking at primarily maybe 65 percent 02s. Because we do a lot of work across campus, we also have a lot of our budget that comes from the auxiliaries. So when you look at things from an institutional perspective, the order of magnitude of the budget is certainly important, but it adds another dimension when you look at where the funding comes from.

Quickly we're going to talk a little bit about funding levers. What flexibility do we really have when you start to think about the goals and the ambitions, the needs of the university. How do we think about raising our revenues? And we think about funding levers in three buckets: We think about our operating cash, so that's the cash we have available to spend. We think about our debt. If we did not have a large debt portfolio, if we had a certain need, you could go out and borrow money. And then we also have philanthropy. For purposes of the discussion today, again we're probably going to bracket philanthropy. That's something that we'll explore at a different time, but we'll touch briefly on the operating cash and the debt. And I would just say that auxiliaries place heavily into these conversations. Auxiliaries is something that can be leveraged, if you will. If you think about our cash and our debt, but in discreet ways. We can talk a little bit about how the university is pursuing auxiliaries and investment in those areas to help our overall financial position.

I started at the university about a year ago and, when I started, I heard a lot about cash reserves and our cash position. And that's something that at a later time it would definitely be – well it's probably more interesting for me – but it might be beneficial to touch on. But the university's cash flow really drives a lot of our operations. We are a cash-dependent institution. So I have this slide up here just to give a sense of – when our cash comes in, which is the black bars, and how our cash goes out throughout the year, because it's a pretty cyclical type of event. If you look year over year, we can pretty much plan like clockwork that in July we're kind of down to one of our lower positions and that builds up as tuitions come due or as different accounts receivables come in. But as we think about monitoring our cash and why we think about our cash on hand as being around 60 to 90 days, that becomes important when you start to think about what's coming and what we need for payroll, what we need bill paying, what we need to make our debt covenants. So just a little bit

of a behind-the-scenes about how we think about our cash flow and what that does to our overall institutional planning.

As a point of reference, we talk about a 60 to 90 days cash on hand. Our burn rate, if you will, is about $1 million a day. So when you think about $60 to $90 million, while it might sound like a lot, that gets us to roughly about two to three months. So we try to stay within that band just so we don't negatively impact operations, and we wouldn't be in a crisis mode. When we were going through the state budget impasse, there was a time that, without appropriations, our cash on hand was less than 30 days. So having a little bit of an ability to think about having that cushion is essential as we think about where our sources of revenue come from.

Just like we have cash, we also have debt. The table that I'm showing you provides a summary of our debt obligations. This includes our performance contracts. So for those of you who go to the board meetings, and you hear a lot about our standing contracts and some of our long-term investments, those payments are included in here.

We have notes and revenue bonds, and we have capital leases. The very top row shows our debt obligation. I would just say that this is in thousands, so we're carrying roughly $360 million in debt. We have made significant progress when you look back at Fiscal Year '14 paying down that debt. From a university standpoint, where we are now, we're really focused on paying down our debt portfolio, and are not looking right now to take on any existing debt. We're really focused on trying to drive our payments down, because that would help our overall cash position, and it would really help us as we think about an overall financial health standpoint.

Going back now to our budget, so I'm flipping around a little. We started with our budget. We delved into some of our terminology, touched briefly on cash, went to debt. I'm now going to flip back to budget, taking you back to that $425 million number. So this was our FY19 projection. This was the budget that, again, was approved July 1. If we look ahead to the end of Fiscal Year '19 based on what we know now in our projections, we're looking at ending the year at slightly better than budget, a surplus of roughly $1.8 million. So that's good. We're still going to be within a balanced budget position. But I will draw your attention to where our revenues are and our expenses are slated to come in. So we're tracking a little bit below revenue, so we're thinking $425 million. We're likely going to come in at about $411 million. Because of a lot of good work from individuals such as yourself and others around the university, there's still a mindfulness on expenses, so we're fortunate that expenses are also tracking below budget. So that's what's allowing us to be in that somewhat break-even position.

A lot goes back to the conversation about enrollment. When you look back at the previous years and you think about our enrollment trajectory and as larger classes have graduated, when you look back five to seven years, we're operating at roughly two-thirds the number of students we were once operating on. So it's going to have an impact to our financials. We lost about $80 to $85 million with the budget impasse. That's also lost revenue. So as we're thinking about our revenue projections, and we're thinking about how to really scale up and support some of the initiatives, not only for the enrollment plan, but for the university more broadly, having a good sense of what is driving our revenues and better able to forecast that is going to be essential as we think about our long-term fiscal health. And it's going to be welcome messaging, I'm sure, for campus, because

you're not going to be watching those emails saying: Am I going to wait to see that I have to cut x amount by the end of the year? Am I going to have to stop spending? We're working to start to get our projections aligned so that we can better manage and throttle that without pushing that out to campus more broadly.

I'm going to pick up a little bit on the strategic enrollment planning and start to look ahead as we're going to Fiscal Year '20. When we start to build on what those plans are, so we start to forecast in what's happening for our enrollments, what we envision from a state appropriations standpoint, we're starting to get a picture of what our Fiscal Year '20 will look like. Just as a little bit of orientation, I've changed the numbers on you a bit. We're going to go back to those fund types, and I've only pulled out a discreet section, if you will, of our fund types. So we were working on a $425 million number. That looked at all of our funds. I've intentionally pulled this back right now just to look at our 02s, which as a reminder, those are our tuition and our appropriation dollars. So if we start to look at what we're expecting from a FY20 standpoint on the 02s, I put the FY18 numbers up there, those were the last actuals we had. We ended FY18 at $5.3 million better than budget. When we start to forecast in what we're looking at for FY20, which includes enrollment projections, which includes our expense base, which does include some investments, so we'll detail those out, we start to see a $27.5 million shortfall. And that's a number when you start to think about budget years, the last two, three, four years, we've probably started to talk about closing a gap, meeting a shortfall of anywhere between $15 to $20 million. So that $28 million, when you start to layer in some different initiatives, maybe start to factor in the smaller class size, that's consistent. It's a little higher than what we've seen, but it's pretty consistent. Kind of layering in some of those other funds that units have access to, on the 04s and the 41s, for instance, so if we start to think about better using our funds that we have available, we can shrink that shortfall slightly. So just put that on there, not anything that we're going to spend a lot of time on, but pointing out that, if we start to think about our budget structure more broadly and think about what units have access to, what units spend money on, and we start to think more thoughtfully and deliberately about how we spend those funds, there are ways that we can respond to that shortfall.

So as we think about that FY19 budget and going into FY20, what's leading us to this position. We've already talked about there's been a decline in tuition and fees. Those compared to previous years right down two-thirds students, lost money with the state budget impasse, but we also have to acknowledge that our forecasting abilities probably aren't missing the mark, right? We were at about $425 million is what we expected for FY19, but we're actually coming in at about $411. So we need to do some work around our forecasting.

We've had a decline in revenues across the board. We make that up by expense tracking better than what we planned in our budget, but we have to acknowledge that a lot of the reason that our expenses are tracking better is because we're kicking the can. We're really not addressing and changing our spending. What we're doing is we're saying: I can do without this until next year. I can do without this hire. I can use these computers for another year before I refresh them. From an institutional standpoint, we're looking at roofs, and we're saying: Well, can we patch it or do we need to replace it? And well, maybe replacing it can wait a year.

And I think we're all seeing that this isn't sustainable, right? We're going to need new computers. We're going to need to fill those positions. We have to address our building issues. So what does

that mean? From a budget perspective, we need more authentic and real forecasting. We need to have these conversations and put our assumptions on the table. We need to hold ourselves accountable and do more activities like the enrollment management planning. What are those variables and what can we count on?

And we also have to implement long-term planning to achieve those required changes. A $28 million shortfall potentially is not something you can address in three months for the start of the fiscal year. Rather, what is the appropriate runway that we're going to need to really start to think about what changes we need to enact so we're not just kicking the can.

So this gets into our budget structure discussion. We're going to talk a little bit about our budget development process. Those points that I left you with, thinking about authentic forecasting and implementing long-term planning really starts to get into a pivot that we're making this year with our budget development process. And that budget development process is moving from something we would do every year. So launch a budget development process in January to implement July 1. And we do that every year. Rather than doing that, we want to start to look at – and we've made the move to start to look at – multi-year budgeting.

So as we launch this budget process, it's not just looking at FY20, but it's looking at FY20 with an eye toward FY24 so that we can start to model some of these changes and start to look at what's happening. We're going to talk a little bit about the goals for the multi-year process and what this timeline looks like.

So a little bit about our budget process. We have a multi-tiered approach, if you will. A lot of the work starts with the Executive Budget Committee. This is a committee that the provost and I co-chair. It includes membership, the AVP for human resources, our board liaison, our VP research, and then we have it staffed from individuals from the Provost's Office, Budget & Finance. The EBC takes an active role in reviewing and guiding the budget development process. They work closely with Chris and I in preparing the budget and making recommendations to the president. We meet throughout the year to monitor the budget, and we also work together to message to the university. We liaise primarily with the Resources, Space and Budget Committee, meeting with them monthly to provide updates. And we work with the RSB, who advises us on goals and priorities, have, I think, really been a motivator for the long-term budget process and talking about transparency. Provides advice on critical and time-sensitive budget matters and we discuss with them on resource allocation matters. So thinking about the RSB as our main interlocker through shared governance, we then work with the EBC, message to the president, who takes things to the board.

So as we think about this year's launch of our budget process – and to be clear, it's not just the budget process; really it's budget and planning, because we're not making decisions just based on what money we have. We really need to think about where we want to be as an institution, where we are now. We need to think about our mission, our values, our goals. And we need to bring all that together so that we make decisions that best position this institution for success in the years to come. And as we think about what our outcome is for our planning and budget and then bring strategic enrollment management planning into this, it's really insuring the long-term fiscal stability for NIU as an engaged public research university serving 17,000 to 18,000 students, true to our

vision, true to our mission and true to our values. So there is a very intentional and direct connection to our Strategic Enrollment Management Plan.

So how are we going to do this? How are we going to insure our fiscal stability? Well, we're going to acknowledge that NIU is a 17,000 to 18,000 student institution. And this is not just 17,000 to 18,000 undergraduate on-campus students. This includes commuter students. This includes the graduate population. This will include a portion of online students. We're going to allow ourselves time to make the changes needed to acknowledge the size and scope of this institution. We're going to permit remodeling of the university to align with the changing landscape and demands. We're also going to incorporate into our budget process ways to recognize and reward faculty and staff. We're going to look at how to promote the research, scholarship and artistry agenda. And we're going to look at how we maintain and assess use of campus facilities.

So it's no longer, you know, we used the analogy that our budget process once was taking up all of those expenses we had and tallying them up and looking at the total, and then comparing that total to the money we had available, and then saying: Well, this is what we have left to do kind of those bottom things. Sometimes there wasn't any money left, and sometimes there was a small amount. It was never enough. Well we're flipping that. Now we're saying: These are all the things we have to do. What's that going to cost us? And then what are those decisions that we need to make to accommodate what we need to do, what we want to do for the success of this institution, to recognize our faculty and staff more broadly?

So if we look at specifically the assumptions that – how that translates into assumptions in support of the budget process, when we start to build out the numbers – and those are the numbers that fed that $27 million that we saw in the previous slide. How did we get that number? Well we looked at the tuition and fee revenue consistent with the Strategic Enrollment Management Plan. So as we forecast out FY20, but beyond, Chris indicated there's that dip for the next two years. So we know that, if we do things well, and if we plan for it, and the investments take, then we're going to start to dig out of that. But for the next two years, there's going to be that dip. So that's factored into those numbers.

We looked at flat state appropriations. We also started to look at our revenue assumptions. So our revenue assumptions were very aspirational. We looked at what the actuals are, and we brought ourselves back down to earth in a manner of speaking.

We also on the expense side acknowledged what we need to and what we wanted to do. So we built in investments in key areas. And I want to take a moment, and I want to repeat that – that we're building in investments. The last couple of budgets have built in reductions or built in very flat, because we haven't allowed ourselves to think about what we needed to do and say that's a priority. We've just said what's left. Those budget numbers build in investments. So it includes faculty and staff salary increments and increases to graduate assistant stipends. It includes investments in support of the Strategic Enrollment Management Plan. So things like a CRM, things in support of Wiley, and other types of activities in support of the research and engagement agendas. We also looked at funding in support of financial aid and scholarships. We know, for instance, that the new AIM HIGH program comes with an institutional match, so we put that in there. So when you go back to that $27.5 million number, it includes investments for these activities.

So we launched this process, and we talked with senior leaders at the end of January. And we went into detail about the multi-year budget plan, why we were doing it. We modeled out the out-years to start to talk about these investments, if we were to repeat them, if we were starting to look at what those enrollment plans look like, what would the next three to five years look like. And we started to see that that $27.5 million number, we roughly saw that number repeat in FY21, in FY22, a little higher or a little lower, but that tells us we have a structural shortfall that we need to address.

So we challenged divisional leaders to go back to their divisions and put together a multi-year plan where divisional leaders will respond to a target. And at the end of that three to four years, so by FY24, the plan must include a way to structurally respond to that shortfall. So the goal would be, if we start to address that number by 2024, if we make those systematic steps toward that process, by 2024, we would be sitting here and we wouldn't be talking about a structural shortfall. We would be talking about a fairly balanced budget that we would be prioritizing actions within.

So at the end of January, we launched this process. And where we are now in the process is preparing for division budget presentations in March where leaders will come back to us and start to talk about what their plans for their units are. The EBC, consistent with our mission, will listen to those plans and make a recommendation to President Freeman. President Freeman will work with us to make sure that that's the right recommendation. Following a discussion and confirmation, maybe some going back to units, we'll finalize those budget targets and then we'll begin to work on the actual budget process with worksheets, with communicating results and eventually moving toward approval with the board.

What we're doing different is that would typically be the end of the budget process. We wouldn't think of it again until January. As we start to think more about this multi-year approach, the goal would be to start to have conversations, continue to have conversations on a more frequent basis so that we're looking ahead, we're holding ourselves accountable to those action plans, and that we're communicating and coordinating throughout the university as to what this means and how successful the university is in responding to the shortfall.

And then along the way, we're also looking at how we better develop and implement the communication and reporting tools so that this information isn't: Come to a meeting and do a deep dive into it, but rather divisional leaders, folks within the colleges and units, have access to this information on a more frequent basis.

I ran through a lot of information in a very short amount of time. As I said, this is probably about two presentations' worth. Happy to take any questions or listen to any observations.

K. Thu: I think you have to go to this presentation more than once to actually comprehend what's going on.

S. McGill: This is what, your second or third one, Kendall?

K. Thu: Something like that. But I learn something new every time. Two questions: One, Gov. Pritzker came out with an announcement that he was going to add $55+ million to higher education.

Do we know anything more about that? Okay, so that's not baked into this discussion. My rough back-of-the-envelope calculations is $55 million divided by 12 institutions would be about $4.5 million for us, if it was equitably distributed, but it won't be.

S. McGill: Our take on that is roughly $4 or $4.1 million, something around that.

K. Thu: Is what?

S. McGill: $4 million or $4.1 million, something around there.

K. Thu: Still, it's not chump chain. It's certainly going to be helpful. My other question is: Can we get the numbers on how the targets are distributed by college or units? What is the target for my college, for example, versus CVPA and others? I think that would be useful for everybody to be in the know.

S. McGill: Let me tell you a little bit about what we shared with unit leaders. I think it's a little too early to say what the targets will actually be to achieve. But when you look at that $27.5 million number, and you look at it only on the 02s, that's roughly a 14 percent budget shortfall. So how we approached this exercise, similar to previous years, was we worked with division leads. So that's primarily the vice presidents. And we provided their 02 budget, and we provided a 14 percent target on the 02 budget. Then we also provided a target that was minus four percent of that, so a ten percent target. And then we went plus four, so 18 percent. So unit leads are being asked to look at targets, scenarios, that would address the shortfall at ten, 14 or 18 percent.

C. McCord: Within Academic Affairs, tradition has been that we simply took whatever the amount was allocated to Academic Affairs and pro-rated that out to all the sub-units. I'm very deliberately trying to not do that this year. I'm trying hard, because we're looking at multi-year planning. I'm really trying at the moment to look at: What are the strategic choices that we need to make? And where does that take us? Rather than saying: Liberal Arts and Sciences, here's your share. VPA, here's your share. So I'm trying to take a holistic approach across the division at this point. So I really couldn't say at this moment what the share for any college will be, because I'm trying to encourage the leadership to think about it in a different way than that. But I do also want to underline that we're planning, at this point. Until we go through the process with the president, none of this is firm or final.

R. Grund: Thank you so much for the presentations. The first presentation we saw, graduate students 25 percent of our overall population. Then you addressed graduate assistant stipends, etc. We're in full recruiting season now, full swing. And I understand there's an approval process, this is ongoing. Is there any sort of hard change, buckets, things that you can give us as we're recruiting for next year now already for our graduate students?

C. McCord: I want to clarify that the reference to graduate assistantships is not an across-the-board, we're going to add a fixed dollar amount or fixed percentage to assistantships. We're likewise looking at some structural changes. And because we're looking at structural changes for supporting graduate assistants – I understand what you're saying. It would be great if you could say the stipend we thought was going to be this big can actually be this big. But unfortunately, we're

not at that stage at this point. We've got to do something more than just looking at across-the-board increase. So we can't roll it out that quickly, sorry.

T. Arado: Any other questions? One more.

S. Schraufnagel: If I can make a couple of assumptions, one that students are some of our best salespeople, satisfied students. And satisfied students are a product of strong faculty-student relationships. If those assumptions are accurate, if there's anything to them, then it seems that it's important that we invest strategically in faculty lines to create the opportunity to build these strong faculty-student relationships. When departments have 35 to 1 student-to-faculty ratios, it becomes a sort of self-fulfilling losing proposition, where we just cannot maintain the students because we don't have the faculty sufficient to mentor them. Strategically, I think we have to think very carefully along those lines.

C. McCord: There's, of course, a lot of other factors. Student success absolutely is tied to the students' sense of connection to campus and that student sense of connection is very often tied to a faculty connection. But I'll also acknowledge that student sense of connection can be a sense of connection to many other parts of the campus. It can be that inspiring faculty member, but it can also be the marching band. And not to diminish what you're saying about the important of supporting faculty. We're mindful that what produces that spokesperson-type student is very challenging, because we've got many, many parts of the campus that add value to that student experience, and it's a tough choice of where we invest resources. So we're trying to be mindful of all of those.

T. Arado: Go ahead, Katy.

K. Jaekel: Most of the literature actually says that it is the faculty mentorship role that actually brings students here and keeps students here. Social and academic integration is actually really important, but it is the wisest thing to invest in the faculty to insure that students remain satisfied customers and sort of help sell us. And so I'm wondering if there are ways in which we can sort of double-up and do both? Can we invest in faculty? And then are there ways in which faculty then can sort of make those partnerships and connections across the university to insure that students kind of get both?

C. McCord: I think that our continued emphasis on part of the profile we identify for ourselves very much depends on the sense of connecting students to, I think I said earlier, research understood broadly and engagement understood broadly. And so faculty connectivity to that has been something where, in my time on campus, I've seen real movement on that. I've seen us become much more intentional about that. And a quick plug, I think the upcoming revisions of the mission, vision and values statements will continue to reinforce that. Okay that's a statement. What's the reality? What's the investment behind that? Those are all still the challenges we're working through, but your point is well taken. Thank you.

K. Jaekel: Thank you.

T. Arado: Okay, because we still have a few more things to get through today, I'm going to cut questions off here. Thank you very much, both of you for coming.

      C.   The Bob Lane Faculty Advocacy Award – call for nominations
               Faculty Senate will vote on the recipient during the February 20 Faculty Senate meeting. Recipient will be honored at the March 27 Faculty Senate meeting.

           1.   Nomination – Jim Wilson

T. Arado: Thank you all for hanging in; I appreciate this. Letter C under Items for Faculty Senate Consideration is our Bob Lane Faculty Advocacy Award. We had a call for nominations, and we received a nomination for Jim Wilson. And Kendall Thu nominated Jim, and I'm taking that as a motion to nominate to Jim. May I have second? George Slotsve is our second. Do I have any discussion on the nomination of Jim for this award? Great idea for it. George?

G. Slotsve: Kendall thought of it. I wish I had.

T. Arado: Okay. I am going to have a voice vote since we don't have multiple people. May I have all those in favor of Jim Wilson receiving the Bob Lane Faculty Advocacy Award say aye.

Members: Aye.

T. Arado: Any opposed? It's okay to oppose. Any abstain? Okay. Not that I want you to oppose Jim, but want you to know it's okay to oppose. So we will have that presentation at the next meeting.

VI.   CONSENT AGENDA

VII.   REPORTS FROM ADVISORY COMMITTEES

      A.   Faculty Advisory council to the IBHE – Linda Saborío – report

T. Arado: I am going to move on to Reports From Advisory Committees, and ask people to make them very brief. Linda, do you have one from the FAC to IBHE.

L. Saborío: That's right, that's why I'm here, isn't it, okay. I can be very brief. Our January meeting was held at Illinois Central College, so I don't have any tales of abandonment to share with you. The president talked about their assessment and realignment process, and I won't go into any great details there. They want to enable self-sufficiency, develop contributing members of society, etc., etc., that we've heard before. Illinois Central College vice president of diversity also spoke with our group and talked about ICC's Lumina Foundation-funded initiative. If you're interested in that plan, I could most certainly share that with you.

Our chair discussed talks with the Educational Success Committee on the Pritzker Transition Team. And their message was that education has not been forgotten and is in the queue. I'm sure that's a very long queue that they're talking about, I don't actually know. Gretchen Lowman of the IBHE,

our liaison, updated us on changes for IBHE staff. Al Phillips, who is the former deputy director of fiscal affairs, has returned part-time to help with the Fiscal Division until a new executive director is appointed. And Nyle Robinson was appointed as the interim executive director. She also reported that Vatterott College in Fairview Heights abruptly closed on December 17, and 156 students were affected. And also Vatterott College in Quincy conducted a full teach-out and closed on October 30. I didn't know these were happening. Argosy in Schaumburg and the Illinois Institute of Art, Schaumburg and Chicago, closed on December 28, 2018. Perhaps there's some potential there for some students.

Our working groups met. As you may recall, my working group was the P-20 initiatives. We drafted an email and we're working on a survey that we'll be sending out to higher education faculty leadership, so I'll be contacting you, Therese, about this project that we're working on to see if we can reach out to individuals and try to identify faculty initiatives for the P-20 outreach. Our next month's meeting is at St. Xavier University, and it will be held on March 22. And that's it. If there are any questions, let me know. That was brief, wasn't it?

T. Arado: Thanks, Linda.

> B. University Advisory Committee to the Board of Trustees – report
> Holly Nicholson, Cathy Doederlein, Therese Arado,
> Alex Gelman, Sarah Marsh, Kendall Thu

T. Arado: UAC to the BOT, that's me, and I'm basically going to say: Feel free to look at the committee meeting reports that are at the Board of Trustees page. Interesting stuff. Just two highlights: 1) Two new degree were endorsed and will be approved at the March 7 board meeting; and 2) sabbatical list was approved and will be forwarded to the March 7 board meeting.

VIII.   REPORTS FROM STANDING COMMITTEES

> A. Faculty Rights and Responsibilities Committee – Katy Jaekel, Chair – no report

> B. Academic Affairs Committee – Sarah Johnston-Rodriguez, Chair – no report

> C. Committee on the Economic Status of the Profession – no report

> D. Rules, Governance and Elections Committee – Clanitra Stewart Nejdl, Liaison/Spokesperson – report

>> 1. Updated list of those eligible to be nominated to serve as the 2019-20 Executive Secretary of University Council/President of Faculty Senate – 1-year term
>>
>> Per UC election results, an updated list of those eligible to be nominated will be provided as a walk-in item during the February 20, Faculty Senate meeting.

Nominations will be taken from the Faculty Senate floor during the March 27 Faculty Senate meeting.

Letters of acceptance of nomination are due in the Office of University Council and Faculty Senate by Friday, April 12.

Letters of acceptance of nomination will be provided to faculty senators via email by Wednesday, April 17, and also will be included in the April 24 Faculty Senate agenda packets.

Election of final nominee will be held during the April 24 Faculty Senate meeting.

T. Arado: Our next committee with a report is Rules, Governance and Elections, Clanitra?

C. Stewart Nejdl: So in front of you, you have a list of faculty that are eligible to serve as the next executive secretary of University Council and president of the Faculty Senate. We will be taking nominations on the Faculty Senate floor during the March 27 meeting. After that, the letters of acceptance of nomination are due in the Office of University Council and Faculty Senate by April 12. And then we, as faculty senators, will receive by email those letters by Wednesday, April 17, and they'll also be in the April 24 Faculty Senate agenda packet. And we'll vote on April 24. So if you have people on this list that you want to nominate, please make sure that you're ready to do that at the next meeting.

T. Arado: Thanks, Clanitra. And I actually recommend that everybody here think about it. It's an amazing experience.

> E.   Resources, Space and Budget Committee – Kirk Duffin, Liaison/Spokesperson – report

T. Arado: Resources, Space and Budget, Kirk?

K. Duffin: Thanks to the two presentations that we've seen today, my two pages of notes have been largely obliterated. I've only got two points left to mention. In our meetings, there was some detailed discussion of the Wiley initiative. Most of those points can be found now online. There is a frequently asked questions page the university is hosting. Also President Freeman asked the committee to draft a resolution regarding the redirection of the IBHE's proposed $25 million allocation to non-public higher education [inaudible] to the MAP program. This resolution is going to be presented at University Council meeting next week, pending any developments; and I'm sure the governor's address today will affect that. That's all I've got.

T. Arado: Great. Thank you, Kirk.

IX.   UNFINISHED BUSINESS

X.   NEW BUSINESS

XI.   PUBLIC COMMENT

T. Arado: We have nothing under unfinished or new business. Do I have anything under the Public Comment area? Laura?

L. Beamer: Hi, I'd like to just make a comment about Quality Matters. I'm feeling a little bit coerced right now by our outreach program at NIU to use Quality Matters in my online courses. I'm being asked to sign a contract, and that contract is going to be given to my chair and my dean of my college. And I don't have a problem with us using best practices to teach online, but I do have a problem when I'm being told that I have to do this. I feel like it's stepping on my liberty, and I'm not quite certain how it is that Outreach can bypass our Constitution and our Faculty Senate. I understand they will be coming next month to do a presentation, but I don't know what I can do as an individual faculty member in this situation.

T. Arado: Thank you, Laura. Anyone else?

L. Saborío: Without knowing any of the details, it's kind of difficult to comment on something like that. Perhaps you could take it to one of the subcommittees to look at it, I don't know, I'm just trying to brainstorm here for you, off the cuff. But I think it would be helpful to actually take a look at the contract and have more detail.

T. Arado: I wrote down notes to see what I can look into. That was me writing here.

L. Saborío: Sorry, Pat, that was Linda, World Languages & Cultures.

T. Arado: But yes, I did write that down. Thank you, Linda.

XII.   INFORMATION ITEMS

- A.   [Minutes], Academic Planning Council
- B.   [Minutes], Athletic Board
- C.   [Minutes], Baccalaureate Council
- D.   [Minutes,] Board of Trustees
- E.   [Minutes], Campus Security and Environmental Quality Committee
- F.   [Minutes], Comm. on the Improvement of the Undergraduate Academic Experience
- G.   [Minutes], General Education Committee
- H.   [Minutes], Graduate Council
- I.   [Minutes], Graduate Council Curriculum Committee
- J.   [Minutes], Honors Committee
- K.   [Minutes], Operating Staff Council
- L.   [Minutes], Student Senate
- M.   [Minutes], Supportive Professional Staff Council
- N.   [Minutes], University Assessment Panel
- O.   [Minutes], University Benefits Committee
- P.   [Minutes], Univ. Comm. on Advanced and Nonteaching Educator License Programs

Q.   [Minutes](), University Committee on Initial Educator Licensure
R.   2018-19 Faculty Senate future meeting dates: Mar 27, Apr 24
S.   FS-UC RSB Committee – Illinois Open Meetings Act [review]()
T.   Sexual Harassment, Assault and Relationship Experience (SHARE) [Survey results]()

T Arado: As usual, take a look at our Informational Items here. And if I have information on this I can bring back later, I certainly will.

XIII.   ADJOURNMENT

T. Arado: That brings us to the end of our agenda. Do I have a motion to adjourn. George. Katy seconds. Thank you all for making it to the end here.

Meeting adjourned at 4:55 p.m.