TRANSCRIPT

University Council
Wednesday, February 28, 2024, 3 p.m.
Altgeld Hall 315
Northern Illinois University
DeKalb, Illinois

VOTING MEMBERS PRESENT: Bohanon, Elish-Piper, English, Freeman, Hartman, Howell, Johnson, Martin, Middlemist, Monteiro, Morris, Myung, Nicholson, Njue, O'Grady, Phares, Pitney, Richter, Stoker, Sutcliffe, Vaughn, Walther, Ziarati

VOTING MEMBERS ABSENT: Beyer, Falkoff, Larkin,

OTHERS PRESENT: Acardo, Bryan, Creed, Kettering, Kruse, Reneau, Saborío, Soukup, Weffer

I. CALL TO ORDER

L. Freeman: It's 3 o'clock on my phone, so it's time to start University Council. That was the call to order, Roman numeral I.

II. VERIFICATION OF QUORUM

L. Freeman: Pat, can you verify that we have a quorum.

P. Erickson: We do have a quorum.

III. ADOPTION OF THE AGENDA

L. Freeman: May I have a motion to adopt the agenda, and please mention your name when you make the motion so we can get it in the minutes.

F. Bohanon: So moved.

W. Vaughn: Second.

L. Freeman: Thank you. We have a motion and a second. All in favor.

Members: Aye.

L. Freeman: Any opposed? I didn't ask for discussion, but I didn't see anyone run to the microphone to discuss, so we'll keep moving.

IV. APPROVAL OF THE JANUARY 31, 2024, MINUTES

L. Freeman: Roman numeral IV is Approval of the January 31, Minutes, found on pages 3 to 5 of the packet. May I have a motion to approve?
W. Pitney: So moved.

L. Freeman: All right, second?

S. Stokker: Second.

L. Freeman: Thank you. Any discussion? All in favor.

Members: Aye.

L. Freeman: Any opposed? And I will abstain because I was not here.

V. PUBLIC COMMENT

L. Freeman: Have we had any requests for public comment?

P. Erickson: No public comment.

VI. NIU PRESIDENT LISA FREEMAN'S ANNOUNCEMENTS

A. Budget and Planning Update

L. Freeman: In that case, I will move forward with my comments, and I'm going to be talking largely about state budget season – yay! Just so you can all feel sorry for me, I will be driving to Springfield tonight, spending tomorrow in Springfield, then driving to O'Hare and flying out tomorrow night, so it is, indeed, that season. But it's important.

State budget season is officially underway, and just to remind everybody of where we are in the process, in November, our own Board of Trustees approved a fiscal year '25 budget request of $116.4. And this was done fully well knowing that receiving that amount was highly unlikely. We have not received what we have passed as the Board of Trustees in probably as many years as I've been here.

Last month, the recommendation from the Illinois Board of Higher Education regarding higher education's fiscal year '25 appropriation provided for an appropriation of $106.4 million to NIU, which would have been $10 million less than the Board of Trustees' request; but would have been a 7.8 percent increase over last year. And we were very, very happy to see that, but, again, we did not expect that level of funding to be realized in the budget proposed by the governor for higher ed, because the executive branch started signaling very early this year that it would be a lean budget year, given the demands on the state and the disappearance of COVID relief funding.

In the governor's proposed fiscal year '25 budget, there was a commendable commitment to supporting higher education in this challenging fiscal climate. There was a proposed two percent increase in appropriated funds for operations at NIU and the other public universities, as well as continued stable support for AIM HIGH and a $100 million increase to MAP. So, that will have real positive impact on our students and the stable funding for AIM HIGH, the increase to MAP and the increase to Pell that we saw, is what allowed us to actually raise the ceiling on the Huskie Pledge. And so, that was very, very positive news for the students of NIU.

The governor's budget also contained an additional allocation for deferred maintenance in the fiscal year '25 capital budget, and that was welcome news. The governor had signaled about a month ago that we wouldn't see a big increase in operating funds, but the executive branch was going to try to do something extra in capital. It's $450 million extra dedicated to public universities, and we think that will translate to about $54 million for NIU.

These are steps in the right direction, but they don't fully address the escalating costs of inflation, and so, we're going to have some continued financial hurdles, and we're continuing to work on those, and you'll hear about that from Laurie Elish-Piper and George Middlemist later.

But I also want to remind you that the governor's address is still only the first step in the state budget process once the legislative session start. And the legislative session will continue through May. It will involve budget hearings and negotiations before a final budget is approved.

The key dates for NIU that are related to the normal budget cycle are: Next week, March 5 is NIU Advocacy Day. This is when our very dedicated alums go to Springfield with some members of the leadership and just talk about the positive impact of NIU on them, their communities, the value of our public mission, the value of the university overall. And it's very important for legislators to hear from people who live in their districts, who don't work for the university, about the value of the university. So, it's always a very positive day.

March 14 is the higher education reception in Springfield. That's when all of the presidents and chancellors, the members of higher ed advocacy groups, the legislators and staffers who populate the higher ed-related committees, the governor's office, etc. get together, and there's a lot of networking done there. You always get good intel on what's going on behind the scenes, and there's an opportunity to make your case in an informal setting.

And then we are testifying back-to-back days this year. April 10 will be our Senate higher education appropriations hearing, and April 11 will be the House higher education appropriations hearing.

And the relatively good news in all of this is that, although there will be strong partisan disagreements on some aspects of the governor's proposed budget, there appears to be bipartisan support for funding higher education at the recommended levels. So, we don't expect a big fight over the appropriated funds, the MAP, the AIM HIGH, etc.

In addition to this kind of routine level of Springfield activity associated with the state budget, this session, the General Assembly will also be contemplating action on recommendations put forward by the Commission on Equitable Public University Funding. And I think I've spoken to the group about this before. After two years of work, the commission held its fifth and final meeting yesterday. Last week, commissioners had their last chance to submit feedback on a draft version of the report, and there are plans at this point for the final draft to be released on March 1, and then presented formally at a press conference in Springfield on March 6. There is a strong will among many who invested countless hours on the commission to have action taken this legislative session, action meaning that there is adoption of an equitable adequacy-based model for funding higher ed and a plan for funding the model over time, because having a model is only good if the money actually follows the model. And we've seen this with the evidence-based formula for funding K-12.

At this point, though, I will say for the higher ed model, what having a model and funding to follow it actually means isn't perfectly clear, because we haven't seen the final report and because there were some items left open for the General Assembly to decide after commissioners failed to find common ground. I want to say that I am really proud of the commitment across our state to address long-standing inequities in our higher education system. And I'm also really proud of the myriad ways that NIU contributed to the conversion and debates about how to achieve adequate, equitable and stable funding for Illinois public universities. And I am particularly proud of our NIU advocacy for including research and community engagement as critical elements of the university's missions. And I also really hope that lingering non-trivial concerns that we have about how resources other than tuition and state support are factor can be addressed as the report's recommendations advance through the legislative process.

One of the undecided issues was how to count philanthropy and endowment and whether that should be expected to fund routine university operations. There were assumptions made that don't match the reality of NIU or other universities, and so this was a point of contention, and I expect it will be a continued point of discussion as the recommendations of the report are taken forward in the legislative process.

I want to also recognize that, in addition to me, other Huskies served. Andrew Rogers and Beth Ingram served on the commission's Technical Working Group. And Simón Weffer-Elizondo, who represented the faculty of Illinois – so even though he was a Huskie, he wasn't there as a Huskie, he was there representing the faculty Illinois. Simón served on the Technical Working Group, the Adequacy Working Group, which I was also part of, and then the commission, itself. And I've actually asked Simón here to talk about the commission process and product from his viewpoint, because he was very intimately involved in the final stages, the Technical Working Group stages, where a lot of the rubber hit the road. So, I'm going to turn it over to Simón now.

S. Weffer: Thanks, everyone, for making the time, I appreciate it. It was really an honor to serve in this capacity to represent NIU, to represent faculty, to represent the Latinx, A little bit of background. The effort to get to a funding model for higher education came out of a strategic plan that IBHE created for the next ten years that both President Freeman and I served on three years ago-ish, COVID-ish, yes, definitely all online. But out of that strategic plan came three pillars for funding for higher education: equity, adequacy and stability.

As you can imagine, those three dynamics don't play well with one another at all times. And so, the difficulty in creating any formula is balancing those competing interests. And there was a lot of discussion on these things. Not just because I'm the DEI director for the college, but because working on diversity, equity and inclusion is what I do generally, I had to often push back on the ideas of equity. There were people that were all for equity until equity cost something. And so, it was trying at times; there were flaws in the process; and there's flaws in any model because any of us who do quantitative modeling know there is no perfect model. All we can do is create something as a starting point and then, hopefully, make it better.

We created this framework overall, and this came out of both the larger working group and then the sub-work group on adequacy, resources and then the technical working group. You can see that in trying to capture everything that makes up ensuring that the university can turn on its lights and teach, we came up with these various – some of them look small but are actually very larger – categories. Instruction and Student Services, which includes student-centered access, academic support, non-academic supports, core instructional program costs.

And then you have the Mission (Research, Public Service and Artistry). And I have to say this was one of the hardest things to capture in any model, because how do you say what a university's mission is quantitatively. We can capture some of these things like research. We can kind of capture that, we can put a number on that, kind of, even though we know that research is much more expensive than any single dollar amount put in, for those of us who have written grant proposals. And artistry, how do we put a number on art? That's a question for my colleagues in philosophy, but a larger issue overall.

And then we didn't even capture, I don't think, adequately – Beth and I worked on this mission component – the other part of being a university. Especially for us being regional institutions, what do we mean for our region? What does it mean when we bring a speaker or we bring an art installation or we bring a musical group that would not normally stop in DeKalb or out at Western or at Southern or maybe UIC, depending on the group? That was very difficult.

And then we have Operations and Maintenance, which might only be two words, but those of you who work in that arena know exactly how broad it is.

And so, it created this adequacy target and then this resource profile. And then based on current state appropriations, what we defined as the equitable student share, which is the amount a student pays toward their education, or in this case, sort of the aggregate amount that students pay toward their education at the institutional level. And then other resources; typically, that's things like philanthropy or other amounts of funding. And then it gives us a gap. And as a shock to no one, no university is adequately funded based on this model. I will let you guess, some other time, not in open session, which university is closest and which is farthest. We can play that drinking game at Fatty's perhaps. But we won't discuss it here. Could you go to the next slide, please.

So, then we started to actually have to build a model. I will say this: I am biased as a quantitative sociologist and sitting there with Beth as an economist. When we think model, we think of something much more complex, things with regressions, you put in this amount, and it changes this amount. Really what we developed is a headcount model, which is lots of little cells, and we're multiplying by different amounts.

But we started with some base student costs, and we started building in okay – based on what we have from IBHE data or self-reported data from the institutions, how can we get at student-centered access? How can we get at academic and non-academic support. So, we started building – well, I shouldn't say "we." I should say the consulting company that worked with us started building these numbers for us. And then we started adding in just some base numbers for research, for artistry, and then other numbers for operations and maintenance. I will say, and President Freeman mentioned this in her remarks, deferred maintenance is not anywhere in here. That can got kicked, I don't know, really far down the road. They did not want us dealing with it, in part, because the sheer number of that on the statewide scale would have blown up any discussion about the model. So, that's not in there, and we can talk about some other things that we're not sure about if it's in or out of the model.

Then we started creating some adjustments – adjustments in terms of let's just take the research factor. While it's a $600 base for, say, master's institutions, as an R2, per student, we would get an additional $700 allocated in our state allocation toward research.

This, surprisingly, became a very contentious part of the discussion in the last couple meetings of the larger group. I think both President Freeman and I were a little surprised by it, in part because there was some argument that it wasn't equitable, even though, if you were to look at IBHE data for the last several years, master's level institutions were only getting about $45 per student for research. And so, Beth and I thought that bumping them up to $600, because we know how important research is in terms of future trajectory for students, especially if we're looking to recruit them into our master's and Ph.D. programs, having that research base is extremely important. We probably short-changed our own institution here with only a $700 bump, but as you know, anyone that's been in these sorts of working groups, you trade things here and there to get other things.

So, that's how we started doing it, and so there are different adjustments. And what you don't see here, there are adjustments specifically on issues of race, first-gen status, rural status – I feel like I'm missing something – low socio-economic status, and then students that meet multiple of those factors. This is, in part, because the legislation itself that created this working group specifically said: We need to address long-term persistent racial inequality in higher education in Illinois. And so, it's not here, but when the final report comes out, you will be able to see what the adjustment is for a school like NIU that's very diverse that says: Okay, it is going to cost you more to be able to educate certain groups, because they are not coming in as prepared. Or, as a low-income student, what does that mean to the institution in terms of what the institution needs to provide for them to be successful. So, these elements are in there. Those are the equity elements.

The other part of this model and the way it works, much like the EBF [IBHE Evidence-Based Funding] – and I will say this – for those of you who don't know the K-12 funding model in Illinois, it's changed a lot. And one of the challenges for our group was that we got asked to do something in two years that it took 20 years to do at the K-12 level in Illinois. So, we were 18 years behind essentially, but I think we did okay. If you could go to the next slide, please.

So, what does this mean in the aggregate? I'll get to the punch line first. The adequacy gap between where we're at in state appropriations and where we should be as a state is $1.5 billion-with-a-B. Now, some of you chuckled, I'm not going to point out who. There were some in the room when we presented this number that were shocked. But again, many of us with a quantitative background knew that two decades-plus of underfunding higher education is not going to make the gap like this [demonstrating 1"]. It's going to make the gap like this [demonstrating 2']. And so, part of the challenge is going to be, I think for us collectively, and this is the social movement scholar in me coming out: How do we effectively advocate downstate so that the number that goes toward getting toward adequacy is more than just a pittance? Because the reality is EBF has never been fully funded for K-12, although they are making strides. And the idea is for every new dollar that comes in, some portion would go to those universities furthest from adequacy first, and then work its way toward those who are closest to adequacy. And so, for me, while in a purely equitable framework, that works, because you're starting to get the most disadvantaged help sooner, in a 14-institution set-up, what happens to those that are closer to the middle? When will they start getting dollars?

And while there is a hold harmless provision that says, I think as of last year or two years ago, that funding number won't decrease, the reality is we know that inflation is impactful, both on the individual micro- and macro-level. And so, if say, institution A is right there in the middle and they are still at 2024 funding, but inflation is increasing and they're not getting new dollars, are we really creating an equitable model? And so, the importance becomes pushing the governor and pushing the General Assembly to get us to numbers that close that adequacy gap faster rather than slower. And these are big numbers. I think the final report will have a suggestion of a nine-digit number per year in terms of increases for higher education. And some people kind of like choked. But again, those of us who had been in the numbers knew that the number was going to be huge. And again, that's without deferred maintenance.

One other thing that we grappled with and just to mention. It doesn't impact us directly, but – well two things that really need to be explored. One that impacts us more is graduate education. I don't think we spent enough time as a technical working group on graduate education and all the variety of it. It's fundamentally different to be talking about funding someone in the law school versus an Ed.D. versus an M.A. versus a Ph.D., and so we never got into that. And similarly, we didn't delve into the more expensive M.A. programs, for example. When we think of high-cost programs like engineering. And also thinking about how do we deal with diversity and diversifying some of those areas that are both high-cost, but not very diverse. And then the other is medical education. And while we have a part of that with nursing, when you look specifically at colleges of medicine, they are extremely, extremely expensive. And once you start putting them in the model, the model gets even bigger. So, while it doesn't impact us, generally, it's going to impact the discussions around graduate education, around health care education, generally, which does have an impact on us.

I'll stop there. I'm happy to try and walk through some of these numbers if you like or just take some more general questions if anyone has them.

B. Creed: Thank you for sharing all of this kind of inside, how-the-sausage-is-made process, and I know the report's not even out yet, but is there in the report, recommendations for processes that update the underlying model, or is this something that is a scale model.

S. Weffer: No, no, we did include processes for updating the model. We also have discussions in there about when we start thinking about reevaluating the model. For example, when we start thinking about things like equity and increasing the number of, say, African-American graduates in Illinois from a four-year institution, just putting more money this year is not going to lead to results next year. I think all of us know that. It's going to be four, five, six years down the road. And so, we've included some of those discussions, but then again, this is something where the General Assembly is going to hold a lot of the details in terms of that. And I suspect it's going to look very similar to what the K-12 model looks like in that sense.

L. Freeman: And I just want to add that one of the things that they did in the K-12 model that they will also do in this model is accountability measures won't really be enforced until the money flows. So, you can't start being held accountable while you're not getting additional dollars, which I think is a reasonable feature of the model.

S. Weffer: And I think two things: We also built in – because this was another subsection that I worked on – making sure there was a seat at that able for every institution. So, no one can feel like they were left out of the conversation of when the model was being tweaked or updated. Because we know that, if you change one variable here, it could lead to 10,000,000 more for this campus, but

8,000,000 less for another campus. And so, we really wanted to embed that. There was a discussion about including students in part of the process, but I think one of the difficulties is that this process is going to be so long out, we could see the student now, they might not actually ever sit on the committee. I had suggested it might make sense to have graduate student representation; they tend to be around a little longer; they tend to see these things a little bit more; and it actually might impact their professional development, as well, especially those who study higher ed or finance.

And I'm happy to have conversations over dark liquors any time about this.

L. Freeman: The other thing I would add is, there was a real desire to move this model forward, and part of that is we know that we have a fairly friendly administration to higher ed now, and people have worked very hard on this. And that meant that some of the other conversations that need to happen at the same time, the model may be delayed a little bit. But there are things that we can collectively do to help our students have more affordable education and also decrease the overall cost, which will help our own budget and the adequacy gap. So, things like advocating for shared purchasing, things like making MAP more flexible so it can be used for all the things Pell can be used for and not just for tuition and fees, asking the state to let us manage our own building projects rather than forcing us to through the Capital Development Board which prolongs the timeline and time is money in this inflationary environment. All of those things are also on our legislative agenda, but it's unclear how much attention they'll get in Springfield, because this is a big thing. But we're going to try to keep moving everything forward, because you would think when you look at a very large price tag, you would say, well, what else can we do to be efficient and try to bring that adequacy gap down through expense reduction.

S. Weffer: I think one last thing to hit is that, if you look at that bottom line, that bottom left-hand box here, it's basically IF we get to fully funded some point down the line, it will fundamentally flip the responsibility in terms of student education from essentially 60 percent or more at many campuses on the student to more than 60 percent on the state. And that's essentially taking us, moving forward or going backwards to move forward; we're going back to an older concept. And I will say, there were a bunch of what I termed formula-adjacent issues that still need to get worked out, and just to bring it up here. One was actually increasing the diversity of the faculty pool. I actually in truth in advertising, I advocated to get that out of this model, because this model did not have a way to be accountable to say, if we give a university $10 million to increase their diversity in their faculty, that we can actually measure that. So I actually advocated for strengthening the programs we have and creating new programs like strong post-doctoral programs. Like some of you might know, the University of California post-doctoral program where you get hired as a post-doc for two years. If you get hired at another UC, your salary is paid centrally for five years. If you go up and get tenure, then you go on the books. For example, you get a post-doc from the U of I here at NIU, they're not on our books for five years. They get tenure and then they become on our books. And so, it's kind of like you can diversity your faculty for free, at least initially. But programs like that, that's one thing. But also the point about MAP can't be underscored enough, needing to increase MAP and needing to make it more flexible and look more like Pell, because we know that, particularly, for our students, that last dollar really does make a difference. And if MAP isn't covering things like housing, that's a serious impediment. Childcare, transportation, I mean the list goes on and on. And there were some people that, threw, for example, room and board, out at the first or second meeting, which was to me, unconscionable, but it became one of those things where they weren't going to move, so we just had to find other ways to try and build in funds to help our students.

There's lots to discuss, and I'm happy to discuss with anyone that wants to in the future. Thank you so much.

L. Freeman: Thank you, Simón. Certainly, as the process moves forward, if there are opportunities for advocacy from our faculty, staff and students, we will keep the campus updated on the progress and on those opportunities. And I also, before I turn the gavel and microphone over to Ben, Simón reminded me when he talked about the importance of diversifying our faculty, that I want to give a great shout-out to Dr. Janice Hamlet and to everyone on this campus who participated in the Preparing Future Faculty of Color Conference that took place over the weekend. We had an incredible number of diverse scholars from across our Illinois institutions who aspire to be doctorates, who aspire to be faculty in disciplines ranging from arts and humanities to science. It was just really a wonderful opportunity to interact with those aspiring faculty members, but also to recognize exclusive of this formula, there are things we, as a state, can do to come together and support those aspiring faculty members in a very, very meaningful way. So, stay tuned on that as well.

And with that, I think we're going to move to number VII, New Business, and that's where I give Ben Creed the gavel.

VII. NEW BUSINESS

B. Creed: All right, thank you, and we don't have any new business.

VIII. ITEMS FOR UNIVERSITY COUNCIL CONSIDERATION

A. Budget Update

George Middlemist
Vice President for Administration and Finance and Chief Financial Officer

Laurie Elish-Piper
Interim Executive Vice President and Provost

B. Creed: So, that moves us to item VIII, which is Items for University Council Consideration. We're going to continue on the theme of dollars and have a budget update from Vice President for Administration and Finance and Chief Financial Officer George Middlemist and Interim Executive Vice President and Provost Laurie Elish-Piper. Welcome.

G. Middlemist: Laurie will join me in a minute when I get toward the part where we talk about the work that we're doing to mitigate the deficit. Just a couple of updates today. The first one is just kind of updating you about the Board of Trustee FACFO meeting, some of the actions that we took in terms of tuition pricing, room and board pricing. And then we'll get into some of the work that we've been doing in terms of trying to reduce the budget deficit.

With that, I think it's always good to ground our conversation about revenue pricing and what are the things we can do when we're talking about revenues at the university. You've seen this slide before. This just really shows where our money comes from. You can see that we get about 25 percent from the state of Illinois, what we were just talking about, a lever that, hopefully, will be used to the benefit of the university. You can see that about 20 percent of our revenues comes from sales and services. Those are things here on campus, like housing, dining, some of the retail dining. Those are big drivers in terms of those revenues. When you think about the levers you can pull on those, you want to 1) always be thinking about how do you maintain affordability for the things that we do, but also keeping the spaces fresh, clean, vibrant, as best as we can. What are our market competitors doing? So, as we think about pricing recommendations and those areas, those are things that really drive our thought process. You can see “other,” other things like interest income. There’s not a lot that we do there in the other. And then you see the biggest part of the pie, which really goes to what Simón was just talking about, is our students. So, 20 years ago, it was not the biggest part of the pie. The biggest part of the pie was that green thing. Again, when we’re thinking about pricing recommendations on our students or our tuition and fees, it’s really thinking about how do we maintain affordability, but also continue to provide the important services, teaching, to our students and not harm that, as well. And then other things that we really think about as we’re talking about pricing recommendations are things like truth in tuition. When we increase tuition rates, that’s only on incoming freshmen or incoming students. The revenues that you derive aren’t as much as you would think, because it’s a smaller population of students. So, that’s kind of the thought process.

There’s just another way of looking at this. This just kind of shows it in magnitude how the money comes in. You can see the circle on the left is the governmental funding, so that’s the state of Illinois appropriation, that’s things like the AIM HIGH match. So, that’s direct money that’s coming from the state of Illinois to the university. You see that little overlap, and those are funds that actually go to our students that are coming from government, things like Pell, things like MAP, are going directly to students, but then coming to us in forms of payments for tuition and fees. And then you can see in the red circle in the middle, that’s 57 percent of all the revenues when we think about room and board, fees, tuition. And so, that’s a giant source of revenue. And then you see the little circles to the right. The one circle that’s blue, those are things that we do in the region. We have contract services that we provide, maybe certificate programs for businesses where we charge revenues. You can see there’s a little overlap, because we do have community members come here and park on campus, they pay for parking. And so, there’s a little bit of overlap in there. And then that last circle is just kind of other stuff, those things we were talking about like investment income, Foundation resources, game guarantees, just little bits of other things. The overlap are things like our hotel, hotel sales to the community, and then camps and conferences. Those area really the sources of our revenue.

That gets us into the pricing recommendations. We tried to balance the impact and affordability for our students with the needs of the different operations. Our recommendation for room and board was to have an average increase of about 5.3 percent. It’s not quite that high in Neptune where it doesn’t have air conditioning for students; I think that was a 3.6 percent recommendation. But overall, 5.3 percent is what housing needed to be able to continue to provide the best services to our students.

For undergraduate tuition, we recommended an increase of 4.5 percent on the base tuition rate. We recommended no increase in any of the differential rates. But for the base rate on tuition, 4.5 percent. This is only charged to incoming students. It’s not charged to all students. I want to emphasize that, as we do this, we really dig in to what this looks like for students. As we were having these conversations, we used a modeling tool for scholarships that would help us understand how we could have the least impact on the students that were the most vulnerable. Part of that, we recommended increasing the AIM HIGH Huskie Pledge family contribution from $75,000 to $100,000 so more students will qualify for the Huskie Pledge. When we modeled that out, it actually showed us that it drove revenues up at the university, because more students would qualify for this and drove the cost down for students. And you can see in that next bullet currently today, 43.1 percent of our students pay no tuition or fees. We expect that number to grow a little bit because of the change to the AIM HIGH Huskie Pledge, but it has a net positive impact on the university. We're excited to use this tool to help us. Simón talked about no tools that are quantitative are perfect, but we'll be able to model out some different decisions. We'll talk a little bit about that.

L. Freeman: I just want to make sure everybody knows what the AIM HIGH Huskie Pledge is and what that $75,000 and $100,000 is. AIM HIGH Huskie Pledge is a program that we're able to do because of the AIM HIGH funding we get from the state. We do have an institutional match for it, and it's a last dollar in program; so our institutional funds and the AIM HIGH funds help students achieve that goal of no tuition and fees after MAP and Pell are factored in. When we launched the program, we launched it so that no student whose family income was $75,000 or less would have to pay tuition and fees. So, changing from $75,000 to $100,000 means that more students will be eligible, because now no student whose family income is $100,000 or less will have to pay tuition and fees. I just wanted to make clear that was clear to everybody. You and I think about this all time, but.

G. Middlemist: Yea, for a year anyway. The bottom line for a student that pays all tuition and fees would see an increase in tuition of about $220 a semester. Again, we're doing lots of work to make sure that we not impact the students who are at risk and at the margins.

For graduate tuition, we recommended no tuition increase. We have drivers, but as we had conversations, there's a lot of work happening in the graduate realm around what the right price points are for tuition for the different programs, what the waivers should look like, what scholarships should look like, graduate assistants. There is so much going on in the graduate programs, it didn't feel like we should just be, hey, we want to increase tuition and then maybe come back in a year and have a different recommendation. So, let's wait a year and get through some of the work that's happening and then we'll have maybe a more strategic and thoughtful recommendation for graduate tuition.

The last thing is our student fees. With student fees, we actually have a committee that's made up of students, faculty and staff. And they get together and start their process usually at the start of the fall semester. They go out to all the different fee areas and ask what are the fees that they would like to have, and they ask them for metrics. Why are you asking for an increase in fees? What is the driver? Are you trying something new, or are you implementing something? Is it costs? And then they get into deep conversations about what fees should go up and what shouldn't. They came forward with a recommendation to myself and Laurie and Dr. Freeman to increase six fees. The overall increase for the fees is about 5.1 percent or $57 a semester. As we had these conversations trying to figure out how we continue to provide the best support and services to our students but then also maintain some affordability.

If you're sitting in the back, it's going to be hard to see, but I like showing this slide. On the left, this is the undergraduate tuition and fees for every university in Illinois that's a public institution. The red is Northern Illinois. And so, you can see that we're kind of in the bottom half of tuition and fees currently with all the other universities, and that's as of this year. When we increase the tuition and fees, if we assume that nobody else increases their tuition and fees, which is unlikely, then that would move us up to just above Southern Illinois University-Carbondale and still kind of in the middle. The thing that I think is also really important to point out with that column or that set of data is that this includes not just tuition and fees, but also student health insurance, which is a mandated fee, but students can opt out of it if they have comparable insurance. So, it's not exactly, if you look at it, $15,000. The other thing that I think is important to always remind ourselves, we have narrative around affordability for students. NIU has historically been very proactive in being affordable for students, and you can see from fiscal year 2016 to 2024, our tuition and fees have gone up 5.1 percent, which is the lowest of any university in the state of Illinois. And actually, it's not particularly close.

When we look just at tuition, you can see that we're ninth currently in terms of where we sit. Again, if nobody else increases tuition, which is unlikely, when we increase our tuition, it will go up slightly above Chicago State University, so we'll sit at about fifth and still affordable. And you can see here on the other slide that tuition over the last eight years has increased 3.4 percent. So again, not the lowest. University of Illinois-Springfield is lower than we are, because they bumped up a lot of their fees, but one of the lowest, second lowest.

So, that is the recommendation that we made to FACFO. All the recommendations were approved at the Board of Trustees special meeting. And with that, I'm going to jump into kind of where we are with the deficit, and I'll work with my partner in this effort.

L. Elish-Piper: This slide might look familiar to you. We shared this in the fall semester as to how we wanted to work across campus to develop a set of strategies to address the budget deficit by engaging all members of the community and specifically developing plans in collaboration with all of the divisions, to make sure that we were looking at the various levers that we could pull that would make sense knowing that different divisions have different opportunities, different needs, different challenges. And so, within that, really thinking about in this process, what can we do to increase revenue. Some of the types of things that we might be able to do to increase revenue would be new sources of revenue – new programs or new offerings or new initiatives. But at the same time, thinking about how we might need to reallocate some resources in order to grow that revenue. There's something we could do that would generate revenue, but we would invest more in it and coming up with a plan to figure out where that investment could come from.

And then in addition to that, thinking about revenue – really when you think back to that slide that George shared that showed the critical component that student tuition and fees, that students obviously from a financial standpoint play an important role in this process; but ultimately, that is our purpose as an institution, is to help students come to NIU and complete their degrees and go on to reach their goals and do great things. So, what can we do to increase recruitment to get more students to come to NIU? But also, what can we do to increase retention, to make sure that our students are successful and that they're persisting in their programs and that they go on to graduate from their degree programs. In thinking about that revenue piece, there are a lot of different components; and some of them, for example, might be more aligned with academic affairs. But thinking about student recruitment and retention, there are many divisions that contribute to that. So, many of these goals require collaboration, not just across units or departments, but across not just a couple of divisions, but multiple divisions. So, it's been kind of complex in that process. A lot of conversation, a lot of planning.

And then the other piece of the equation is we have to reduce expenses. We can't just rely on generating new revenue. We also have to look at what our opportunities are to reduce our expenses. Are there things we could stop doing or that we could do more efficiently or that we could automate or digitize to be more efficient and to save resources in that regard? Are there things that we could do by reallocating resources that would then result in decreased costs. So, trying to think of the whole range of things that we might do, knowing that, as a university and so many different moving pieces and parts in a university, that there wouldn't be a single set of strategies, but that those would depend upon what the different divisions are doing.

George and I have been doing meetings with all of the divisions. We got plans from all of the divisions late in December and early in January. We went through all of those, and we have been following up with each of the divisions to drill more deeply into what their plans are, to ask questions, to try and identify and calculate the financial impact of revenue-generation strategies or the specific opportunities with reallocation of resources or the savings that might come about from different kinds of expense reductions. We're pretty far into the process, we've met with a lot of divisions. But the challenge becomes when you meet with one division and then you realize that the strategy spans two or three more, bringing all those pieces together.

This slide, at a high level, identifies some of the opportunities that we have been drilling into and working on, not just identifying what we can do this year, but thinking across multiple years, because many strategies span multiple years. And then also thinking about different kinds of budget funds. Many times, we think of just our 02 generally allocated funds, and that certainly is an important component. But depending on the division or the unit, we might have significant revenue that's coming in through auxiliaries, or we might have significant locally generated revenue that would come in through a 41 account, or we might have our student fees that might come in through an 04 account, or we might have Foundation funds, or we might be thinking about our indirect cost recovery funds and what those are being used for. So, in this process, we're thinking about, not just what's going on with those 02 funds, but thinking about all the different funds and how can we most strategically use those for the most impactful reasons and to really build a plan across those different types of funds. So, it's been a complex process, but on this slide, we've got some broad strategies that we've been able to identify.

The first one I'm going to talk about, and then I'm going to hand off to George for a moment, is we've been looking at the strategic use of scholarships and being strategic and intentional in awarding scholarships to make sure we're providing the support that students need, but we're doing it in a strategic way that makes sense for us. A few minutes ago, when President Freeman was talking about last-dollar scholarships, like what gets awarded first, what gets awarded second, how are we leveraging Foundation scholarships, where do those come in the equation. As we're making decisions on awarding to students, making sure that we're not doing those things out of sequence in a way that doesn't make sense. We've been looking at a lot of components related to scholarships and also thinking about the impact, for example, of the Huskie Pledge in terms of expanding that. What is the impact of that? The scholarships conversations continue, we just had a little lunch yesterday where we kind of worked through some more dealing with making sure that we're awarding the Foundation scholarships as they're intended, making sure that we are identifying those qualified students and awarding those and doing that in a timely manner, improving our processes so some of those dollars don't sit there unawarded when there might be a deserving, qualified student. That's some of the work we've been doing. I'm going to be quiet for a minute and hand it off to George for probably a more technical interpretation.

G. Middlemist: I'm an accountant, so specifics. And I neglected to say something that's really important in the revenue equation. Price is one part of the revenue equation, but Laurie is talking about the most important part, which is the sales. If we can retain our students, if we can recruit students, that generates a lot of revenue. So, a lot of the strategies we've been looking at are around what can recruit and what can retain students. I'll give a specific example so you know that we're not just talking at broad levels, that we're actually doing work. We've used that scholarship tool to look at a merit scholarship that we give to students. Right now, incoming freshmen, who have this scholarship, they get about a $3,000 scholarship right up front, this is your scholarship for coming to the university. What we've done is we've looked at that scholarship and have seen that the retention is not as strong for those students in years 2, 3 and 4. So, using the modeling tool, we are changing that scholarship to a $4,000 scholarship, but paid over the four years, so $1,000 a year. And what the modeling is showing us is that we'll actually keep the same number of students. We won't lose students by reducing the first year amount from $3,000 to $1,000, but we'll be retaining those students over the life of the four years at a much better rate. That will generate about $750,000, we're estimating, in revenues. We'll see as we compare what we predict to what we actually have happen, but we're using data to make those decisions. That's one example. When Laurie talks about the efforts that we're doing with the Foundation, we have a significant amount of money, over $1 million, that doesn't always get used in the Foundation scholarships for lots of reasons. So, how we can drive some of that to help with the scholarship expense. Those are just two examples in terms of the scholarships. We all heard Catherine's presentation yesterday on the campaign. Fundraising is a critical component to us helping to resolve the deficit. It won't be perfect, it's going to take time, but there's a lot of that that's going on.

I actually am going to turn it over to Laurie, because there is a specific example that we have in renegotiating contracts to reduce expenses. So, when we see things that aren't working quite as well, we negotiated contracts so that we can still serve our students, but maybe at a lower cost. I was thinking of Braven.

L. Elish-Piper: Oh yes.

G. Middlemist: Okay, maybe we won't use that one.

L. Elish-Piper: It's something that might be happening.

G. Middlemist: We're working really hard to – actually, we do have a program that will generate revenues with McHenry Community College.

L. Elish-Piper: Yes, that's an example of a new initiative. You may have heard that we have a partnership with McHenry County College. They're anxious to have us deliver degree completion programs on their campus for location-bound working adults in five degree areas. Those will be new students that we'll be serving, who would not have been able to come to our campus to complete a degree here. So, really looking at those strategic opportunities, which will increase our enrollment and, through that partnership, also allow us to serve that area and to help in some high-need areas where they really need people to earn these degrees. So, we're excited to launch those five degrees. And then also we have the partnership with Harper where we've been delivering degrees for a few years in a similar model. We're going to be adding a new degree program. One of the degrees was not in as high a demand, and so we've taught out the students who were interested in that degree, and we're going to be adding at least one more high-demand degree. So, really looking at those opportunities to serve students in different ways to increase our enrollment for students who would not be able to participate in our on-campus or our more traditional models.

I think you've all heard about the partnership with ReUp to bring back students who started at NIU but left before they completed their degree. Through that partnership, we have enrolled – we just started in November, so it was a pretty short runway, but as of January, the start of the semester, we had 27 students who had come back. And we have hundreds more who are interested and are currently in the process of figuring out how to navigate that, like when they could come back and if they have challenges that they need to overcome, what degree, do they want to go back into their original degree, so a lot of interactions with them. But that's another viable strategy that I think we'll continue to see grow and being able to bring those students back to complete an NIU degree. So, we have a number of strategies like that, thinking about how to make our programs more accessible and available to different populations.

You've heard a lot of conversation about serving adult learners. We're continuing to work in that space and think about the marketing for adult learners, but also thinking about the programs and the wrap around services that we offer. And so, we're excited about some expansion of the Bachelor of General Studies, which is basically an online program that's very appealing to a lot of working adults, because it's incredibly flexible for them. But we're also in the process of standing up a cybersecurity program and then looking at other opportunities. Are there some of our degree programs that, if we offered them in a different modality, or we offered them at a different location, or we offered them in a particular format for a specific group of adult learners, that that might make that program accessible to them. And so, we're looking through that, as well as are there additional degree programs that are in high demand that we might need to consider. Is that something that we could add to our portfolio? So, always looking at the ways that we can take our NIU degrees and make them more accessible to a wider range of folks.

G. Middlemist: Just a last few ones. Academic Affairs, Admin and Finance, DoIT and HR have been doing a lot of work around inefficient processes, cost inefficiencies. For example, we have a group that we've put together to really look at the cost of technology, the cost of IT. We know what we pay for central IT, but there's a lot of distributed IT that we're not as clear on. And so, are there are opportunities, say, if two offices are buying the same software, where we can come together and buy a licensing and provide it for those two offices with reduced software costs and improve that efficiency. We started that work in January, if I remember correctly, and hope to have a lot of recommendations out of that coming later this spring.

We've been working with HR to try and streamline processes. An example would be time entry, which is painful for all of us. That opportunity, if we're able to implement it, would result in a net savings for what we do, not just in time and effort by all of us, but in actual dollars. So, those are just a couple of examples of things that we're doing.

Last, we're continuing the work around the auxiliaries and how we build a gainshare model. We're working closely with Student Affairs, with Athletics, to figure out ways we can increase revenues. What's the proper pricing for conferences and events? How can we incentivize those units to raise more revenue? And then how can they keep it? And we're beginning that work in what we call the 41s. The 41s are revenue-generating entities. They get their money through fees for service, indirect cost recoveries from grants. That's been a giant opportunity for us, and we're starting to look at how we can get that simpler and get more gainsharing, more revenue opportunities there.

We haven't talked about everybody, but OERD, RIPS, ADEI, everyone is working as hard as they can to identify opportunities to either reduce costs or increase revenues. For example, OERD is looking at leasing more space in their Naperville location. So, everybody is working on this and, in many cases, we're all working together, which is actually how we have to do this if we're going to solve the deficit.

Last thing, as we spend our resources, let's be mindful about how we're using it. If it's going to impact a student in a positive way, by all means, we should be spending. But if it's just something that we want to do, maybe we hold off this year and maybe not do that. And I think this is when I say thank you and happy to answer any questions that you all might have.

B. Creed: Is there a sense of all of these items taken together, generally, not specific numbers all the way down to the penny, but generally about the progress that's being made?

G. Middlemist: Great question, Ben. I have a spreadsheet where I've been cracking all the numbers. We've identified about $7 million in expenses that we think we can reduce in different ways, and we've identified about $6.5 million of revenues that we think we can generate. Some of these expenses are not going to be this year; they're going to be over the next several years. Some of these revenues are not going to be just this year; they're going to be over the next several years. We're mindful of the promise that we made to the board, the goal that we set with the board, and we're working hard to get us there. And if the state comes through, that's another $2 million.

B. Creed: Thank you both so much for sharing the updates and for sharing the efforts that are going on across campus.

IX. REPORTS FROM COUNCILS, BOARDS AND STANDING COMMITTEES

A. Faculty Advisory Council to the IBHE – report
Linda Saborío, NIU Representative to FAC-IBHE

B. Creed: That brings us to item IX, which are Reports from Councils, Boards and Standing Committees. Up first is the Faculty Advisory Council to the IBHE, a report from Linda Saborío.

L. Saborío: Good afternoon. I think that walk over here may have been longer than my actual report. The FAC February meeting was conducted entirely via Zoom and was primarily a working meeting. During the morning reports, Jill from the IBHE mentioned that an AI Task Force was created at the state level, and she volunteered – good for her, right – to serve as the FAC's liaison. So, we're proud of her for volunteering to serve as our liaison on that.

She also discussed the numerous roll out challenges to the recently renovated FAFSA site. Just wanted you to be aware of that, because it may mean that we see a delay in the roll out of financial aid packages for students, but they are coming.

We had a guest speaker, Dr. Louis Newman, the former dean of academic advising and associate vice provost for undergraduate education at Stanford University, who presented on his book titled, Thinking Critically in College. I sound like I'm plugging his book again, don't I, like at Faculty Senate. Dr. Newman discussed student assumptions about critical thinking, especially first gen students, what it means to think critically, how evidence and experiences relate to critical thinking, metacognition, and how we develop our curriculum to include critical thinking development skills. It actually sounds like a really good book. The afternoon wrapped up with reports from the working and caucus groups. I can skip my entire paragraph about higher education funding roll out, thank you very much. Next month we will be meeting here at NIU at the Barsema Alumni & Visitors Center. The meeting is scheduled from 9 to 2:30 on Friday, March 15. So, if you have nothing better to do on Friday of spring break week, please feel free to join us. Thank you. Any questions?

B. Creed: Thank you, Linda.

B. University Advisory Committee to the Board of Trustees – report
Felicia Bohanon, Natasha Johnson, Ben Creed
Larissa Garcia, Karen Whedbee, Brad Cripe

B. Creed: Next up is the University Advisory Committee to the Board of Trustees, and I'll be giving the report. Thanks for George for sharing the FACFO update, I don't have to redo that. We met in subcommittees. In the first meeting of the day, they received a report on sabbaticals and approved sabbaticals for the upcoming academic year and also received a presentation from Nataly Churyk. There was also information and updates related to NIU's emerging HSI status, on what that means for all students on campus. During the RILLA, the Research and Innovation, Legal and Legislative Affairs, the highlight for me of the Board of Trustees day was the Edible Campus presentation, which really highlighted all the efforts that are going on in such a short amount of time in the scale up of those efforts across campus and the ways it's connected to the community, to the campus and also more broadly to the region and the state. If you don't know about Edible Campus, I really recommend you going to their website, engaging with it and learning about it. To me, it's just very exciting; and I don't think just to me, I think the board appreciated it. Everybody there was on board with it, and I recommend checking that out. That's my report from the University Advisory Committee to the Board of Trustees. If there's any other additions? Great.

C. Rules, Governance and Elections Committee – no report
Marc Falkoff, Chair

B. Creed: Next up, we have no report from Rules, Governance and Elections Committee.

D. Student Government Association – report
Chris English, Deputy Speaker of the Senate
Landon Larkin, SGA Treasurer

B. Creed: SGA report from Chris English.

C. English: Hello. Right now, SGA is going through a lot of run-up and ramp-up for two big things, namely the elections for the SGA – all candidate information is due March 1, and voting days will be March 25 through 27. As well, we are starting the process of annual funding. Student orgs are required to request annual funding by March 31. That way, we can figure out how best to fund them and their tier breakdowns. To that end, some of you who are faculty advisors to student organizations or know faculty who are faculty advisors, please let them know to push their student orgs to fill out those forms, because that's how we make sure that they get funded. To that point, if you are in the offices of your various departments or colleges, you might be getting an email from me; this is to figure out what tiers to put those orgs in. Next month, we should have a spending breakdown for you guys, but we're looking like we're going to use almost all of our supplemental that we were given, which is around – I might be misspeaking – but I think it's around $25,000 for the full year. All that money's been going to student organizations, and we've been able to successfully fund a bunch of events and other outreach activities through that.

B. Creed: Thank you, Chris. Are there any questions? All right.

E. Operating Staff Council – report
Natasha Johnson, OSC President
Jay Monteiro, Tiffany Morris, Sara Richter

B. Creed: Next up is the Operating Staff Council, and it looks like Jay is going to start the walk early, so I appreciate that.

J. Monteiro: Good afternoon. I'm Jay Monteiro, the vice president of Operating Staff Council. I think what I am going to talk about today is going to dovetail nicely with what's been spoken about earlier today. This past week, the Operating Staff Council Scholarship Committee selected four outstanding students to receive the 2024-25 Operating Staff Endowed Dependent Scholarship. The council had been awarding two small scholarships a year starting in about 2004, and this scholarship was endowed in 2011 when we finally reached the initial $25,000 amount that we needed. Since 2011, to date, we have now awarded 28 students over $27,000. The Operating Staff are committed to our students, and we try to make sure that they have the best experience possible when they come to NIU. And we try to do what we can to ensure that they achieve their goal, which is graduation. I want to finish today by quoting something that our president said to me this week. She said, "One Huskie can do only so much, but the pack can get things done." Thank you.

B. Creed: Thank you.

F. Supportive Professional Staff Council – report
Felicia Bohanon, SPSC President
Tom O'Grady, Shannon Stoker, Christina Sutcliffe

B. Creed: Up next is Supportive Professional Staff Council report from Felicia Bohanon.

F. Bohanon: We have extended our SPS awards deadline. Actually, that is coming up tomorrow, which is February 29. We also have our SPS certificates of recognition; the deadline for that is March 4. And the things that are acknowledged by the SPS certificates include publication of books or articles, presentations, leadership in professional associations, and also honors or recognitions received. That information is detailed on the SPS website. In addition to that, our luncheon and awards program will take place on April 3, so we're asking you to save the date. That will be our awards luncheon and program. The deadline today is for our SPS Dependent Scholarship, and basically, we will be awarding two awards this year. One will go to a child or grandchild of an SPS employee; and then as previously mentioned, we expanded that to include a second scholarship, which will go to a student who has been mentored or impacted by an SPS employee. Next week, we will be launching Huskie High Five, which is basically a campaign to increase the funds that we're able to give. We will be reaching out to ask employees to give either $5 per pay period, $10 per pay period, $15 per pay period or $25 per pay period. And they will be acknowledged on April 3, and they will receive a pin. Basically, we're launching our Huskie High Five campaign, so you'll hear more information about that. Thank you.

B. Creed: Thank you, Felicia.

X. INFORMATION ITEMS

A. Policy Library – Comment on Proposed Policies (right-hand column on web page)
B. Minutes, Academic Planning Council
C. Minutes, Athletic Board
D. Minutes, Baccalaureate Council
E. Minutes, Board of Trustees
F. Minutes, Comm. on the Improvement of the Undergraduate Academic Experience
G. Minutes, General Education Committee
H. Minutes, Graduate Council
I. Minutes, Honors Committee
J. Minutes, Operating Staff Council
K. Minutes, Supportive Professional Staff Council
L. Minutes, University Assessment Panel
M. Minutes, University Benefits Committee
N. Minutes, Univ. Comm. on Advanced and Nonteaching Educator License Programs
O. Minutes, University Committee on Initial Educator Licensure
P. 2023-24 UC schedule: Sep 13, Oct 11, Nov 8, Dec 6, Jan 31, Feb 28, Apr 3, May 1

B. Creed: That concludes the reports, which brings us to our informational items under item X. Just to note, our next meeting is April 3, there is not a meeting during March due to spring recess.

XI. ADJOURNMENT

B. Creed: which brings us to adjournment. Do I have a motion to adjourn the meeting?

H. Nicholson: So moved.

B. Creed: Thank you. Second, Johnson. All in favor?

Members: Aye.

B. Creed: Thank you.

Meeting adjourned at 4:10 p.m.