TRANSCRIPT

University Council
Wednesday, November 8, 2023, 3 p.m.
Altgeld Hall 315
Northern Illinois University
DeKalb, Illinois

VOTING MEMBERS PRESENT: Birch, Bohanon, Elish-Piper, Falkoff, Freeman, Howell, Johnson, Middlemist, Monteiro, Morris, Myung, O'Grady, Phares, Pitney, Richter, Stoker, Sutcliffe, Vaughn, Walther, Ziarati

VOTING MEMBERS ABSENT: Hartman, Hensley, Martin, Njue

OTHERS PRESENT: Bryan, Creed, González, Saborío

I. CALL TO ORDER

L. Freeman: I'm calling the meeting officially to order.

Meeting called to order at 3 p.m.

II. VERIFICATION OF QUORUM

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

P. Erickson: We do have a quorum.

L. Freeman: Wonderful.

III. ADOPTION OF THE AGENDA

L. Freeman: In that case, can I have a motion to adopt today's agenda.

F. Bohanon: So moved.

L. Freeman: So moved, Bohanon. Second?

Z. Birch: Second, Birch.

L. Freeman: All right, all in favor?

Members: Aye.

L. Freeman: Any opposed? Great.

IV. APPROVAL OF THE OCTOBER 11, 2023, MINUTES

L. Freeman: Next, I will ask for a motion to approve the minutes of October 11, 2023. Those are on pages 3 to 5 of the packet. Can I have a motion, please.

S. Howell: Motion, Howell.

L. Freeman: Thank you, Steve. A second.

W. Vaughn: Second, Vaughn.

L. Freeman: All right, thank you, Wendy. All in favor?

Members: Aye.

L. Freeman: Any opposed? All right.

V. PUBLIC COMMENT

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

P. Erickson: No, we have not.

VI. NIU PRESIDENT LISA FREEMAN'S ANNOUNCEMENTS

A. Budget and Planning Update

L. Freeman: Next, I'll move to Roman numeral VI, which is the president's announcements, which is really going to be an update on budget advocacy today. This is the time of year where we are working individually with members of the legislature; but also, this year, very intentionally, working collectively, all 12 public universities on a shared legislative agenda where the top two items are adequate, equitable and stable funding for the public universities and multi-year capital support for maintenance, renewal and enhancement of facilities. And I wanted to take a minute and unpack what we're talking about when we say that we're advocating for adequate, equitable and stable funding, how we're doing that collectively as 12 public universities. And then talk maybe a little bit about what NIU is doing from NIU's standpoint.

I'll start by talking about the adequate piece. We have right now in Springfield and in the Governor's Office, in particular, an administration that has been pretty positive about investing in higher ed. And so, we want to be very respectful and recognize that the last few years have not been what I experienced when I first came to NIU, and we wondered if the check would come or when the check would come. And often the check didn't come in a timely fashion, even in the same fiscal year that it was supposed to. We have gotten all of our funding on time, and the state has seen increases in appropriations for operations, as well as in MAP funding that goes directly to our students and flows to universities through them.

But all of the public universities feel in this environment, it's very important for us to collectively say that the positive investment that we've seen in the last few years can't really make up for the historic disinvestment, which preceded this administration. And, although nobody likes on the legislative side to hear about the budget impasse, that doesn't mean the negative impact of the budget impasse isn't lasting. So, all 12 public universities have requested a private meeting – I mean the 12 presidents plus the deputy governor for higher ed and his number 2, that's Martin Torres as the deputy governor for higher ed and Therese Muranos as his number 2. And that meeting is going to take place on November 28.

The presidents are coordinating and preparing a message that requests partnership with the Governor's Office to address the historical disinvestment and embrace together strategies that we can use to achieve adequate funding for the universities. And I say adequate there, because in that meeting, the presidents are going to come together and focus very specifically on the adequate funding piece, letting them know that all of us need substantial increases in our operating appropriations and substantial investment in our facilities, and not focus on the other components as much there, because we think our unified voice and the data that we're preparing saying that our institutions, our facilities, our people deserve investment, and we really want to work with the Governor's Office to make that happen. So, that's going to happen on the 28th.

In addition to that, obviously, we have been talking with legislators on the higher ed appropriations committee, the district that we're in, the districts that we touch, all through the fall, and we will continue to talk to them all through the spring legislative session. And there, we will bring a much more specific NIU story.

But right now, that meeting on November 28 is something that doesn't happen every year, and I feel that it has positive momentum going forward; let me say that. So, that's kind of where we're going with the adequate funding piece.

I then want to talk a little bit about the equitable funding piece. I think I've talked to this group before about the fact that there has been working for over a year now, a public commission on equitable funding for public universities [Commission on Equitable Public University Funding]. I might have gotten the name wrong; we just call it the funding commission, but that's basically what it is. It has been working for over a year. It has been supported by three work groups. The first work group was adequacy; the second work group was resources; the third work group was the technical modeling work group. When the Supreme Court decision came out, they paused the efforts of that commission and work group temporarily to get some expert opinion from legal experts. The work group has now reconvened its work. We have a public funding commission meeting where that work group will be reporting out next week. And right now, the timeline is such that that work group and the commission are expected to extend their work into the spring.

All 12 university presidents sit on the commission, along with members of community-based organizations, advocacy groups and legislators. The technical work group has one president, and then presidents' designees and some technical people. NIU is, actually, very well represented. Simón Weffer is on it representing the faculty of the state of Illinois. Former Provost Ingram is on it using her econometrics expertise to inform the model. And Andrew Rogers from our budget office was also invited to be on it, because of work he did when he was in Oregon. So, we actually have three people on that work group.

Right now that work group is just sorting through the details of a model that was just presented to them, and there are details, which are positive, and details, which require further interrogation. I think the longer timeline is appropriate, so I'm just going to say, stay tuned on that, and we will continue to update you on that conversation. But, I think given the timeline and the complexity of the task, obviously, there will have to be other arguments for equity. And I think we'll see some of those things happen at the state level. One of those is in the shared legislative agenda of the public universities. We will be asking for more flexibility in the Monetary Assistance Program, in the MAP grants. Those grants go directly to our students, but unlike the federal grants that go to students, who are from low socio-economic backgrounds, Pell grants can be used for anything involved in the cost of attendance at a university – tuition, fees, books. MAP grants can only be used for tuition and fees. And I think everyone here knows that that's an important component of what students pay, but it's not the only component. The state AIM HIGH money can also only be used for tuition and fees. And this restriction, as money goes into MAP and money goes into Pell, is really disadvantaging our students.

There was a statewide effort to help invest in incumbent workers in the early childhood space, and help those individuals elevate themselves, get additional credentials, do it with scholarship support, so that all of us can enjoy having competent, early childhood workers available to take care of our children inside and outside of schools. And when the recipients of those scholarships testified back to the IBHE, they said the most useful part of the scholarship support they got was the flexibility, the ability to spend money on transportation, the ability to buy their kids pizza when they were studying, the ability to invest in childcare and the other expenses. And it was a very powerful message, heard from people who have really been able to use education for economic and social mobility.

And so, we think this is a good time to say to the governor, we so appreciate the increase in our students in MAP, but if we could let MAP function more like Pell grants so that it could be used to cover the full cost of attendance, rather than just tuition and fees, that would address equity across our higher ed systems. So, that's definitely going to be an advocacy point that's shared across the 12 universities.

When NIU goes into offices, we will also be advocating for more equitable funding distribution this budget cycle and not waiting for the outcome, the adoption by the legislature of what comes out of the public funding commission. And when I say that, the precedent for that ask is that we have a historic funding formula that pretty much just gives the universities plus or minus something of what they've always gotten, and no one can honestly explain how what they've always gotten got there. During the pandemic, when federal funds were flowing to the university through the Illinois Board of Higher Education, which is how our funding flows to us, they were very thoughtful about trying to make sure the universities who served the students with the greatest financial need got more of those funds, that there was an equitable, rather than an equal, distribution of those funds. And they created a formula that I don't understand necessarily all the details, but it's largely based on how many Pell-eligible students each university serves. And NIU did well under that formula. Last year, the IBHE proposed that that formula be used for the state appropriation in advance of a formula coming out of the public funding commission. And there was a difference of $4 million in our appropriate. We got $6.something million without the formula and $10.something million with the formula. That distribution mechanism was not adopted by the legislature and not used, because the argument, well, why use it now, we're going to have this great public funding commission formula coming. We are going to advocate individually that some type of equity mechanism be used this year, because, honestly, we and our students can't wait forever. And when I say we're going to advocate for that, obviously, we will do well under that formula. There are universities that do less well, and I doubt they're going to be advocating with their legislators for it. But that's the difference between what all 12 are doing together and then sometimes what happens separately.

And then I have two more things I want to say. First, the IBHE's strategic plan and our legislative priority is for adequate, it's for equitable and it's for stable funding. And right now, stable funding doesn't seem like it's as important as it used to be, because we've been blessed, honestly, with checks that arrive on time in the amounts that were promised. But that doesn't mean that will always be sustainable. Part of the reason that we have to wonder about that is because higher ed is tied to the business cycle and because the higher ed budget is in the discretionary part of the state budget. That's why we hurt so badly during the budget impasse, because there was nothing to say we had to be funded; whereas, there were other entities in the state that had a statutory requirement to be funded. So, we're going to be working with the other universities to request that there be more dedicated revenue streams, irrevocable revenue streams, institutional ability to roll over funding more easily and just moving things to the non-discretionary side so we aren't living in fear of going back to the bad old days as we try to go to more of a multi-year budgeting position. So, that's the adequate piece.

I don't think I have to say a lot about the capital support. All of our universities need investment in facilities. And I think as we advocate for greater investment, we're also going to be questioning some of the practices of the state in investing in facilities on private university campuses, because we think that they should be investing in the public universities.

The last thing I want to say that's on the shared state university legislative agenda is about regulatory reform to promote operational efficiencies. I want to say, in particular, that I'm really pleased that when I attended Faculty Senate the other day, that Brendon Swedlow said, you know, when we're talking about our own campus and we're talking about finding resources and reallocating resources, we should not ignore the regulatory piece. He brought up the example of could we take ethics training every other year instead of every year. That isn't something we can decide, because that actually is a statutory requirement. But there are other statutory requirements, as well as that one, that we can ask for relief from that actually will free up dollars on all of our campuses. And that's definitely part of our legislative agenda.

So, that's the direction that we're going. I will keep this group updated. And certainly coming out of the meeting with the deputy governor to the extent that I can talk without breaching confidentiality of that conversation, I will deliver the big themes to you and keep you posted on how our advocacy is moving forward. And there will be times during the legislative cycle where we will be asking alums who live in various districts across the state, and we may be asking faculty, students and staff to help us send the message of how deserving our amazing students and our amazing university is of state investment. And so, stay tuned for that, as well.

So, that concludes my comments, but I know we have another budget presentation coming up. I've seen it already, but I'm sure that there's someone in the room who hasn't.

VII. ITEMS FOR UNIVERSITY COUNCIL CONSIDERATION

A. Multiyear budgeting: an overview of the process and faculty and staff engagement in the planning and implementation

Laurie Elish-Piper
Interim Executive Vice President and Provost

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

G. Middlemist: What a great segue to talk about the budget, and hopefully, some of you haven't seen this. If you have, the story might change a little bit, but the slides are pretty similar. With that, we'll go ahead and get started. The grounding for a lot of the work that we did has already taken place. The budget planning resource group had done a lot of work before I arrived at the university in really understanding the needs of the community around budget, budget planning, transparency. And so, we just have this up here – you're actually going to see this theme throughout the slide deck – things along the lines of educating the community. And I hope this is a part of that process, educating the community where we are in terms of our fiscal situation, what things we're doing to try and address that.

The other thing that the budget planning and resource group highlighted was the need to think about doings things differently, to not always do the exact same things that we've always done – to change some of our behaviors in terms of how we present information, but also the processes that we use to deliver education across campus. The big highlight was the university needs to go through a process of change. Change can be difficult, but it's necessary, because, as you can see here, for our fiscal year '24 budget, we have a $32 million deficit. We presented that to the board in June. And if we did nothing else, if we took no actions, we can pretty much guarantee that the deficit will grow, because we have certain costs that will only increase. If we did nothing, the deficit could grow to $40 million. So, we have an imperative to begin to address that from a financial standpoint.

Our goal this year is not to reduce the deficit complete, but it's to begin to chip away at it and, hopefully, reduce it by half or $16 million during the fiscal year. I want to emphasize that that doesn't mean that everything has to happen this fiscal year or even fiscal year '25. We can have strategies that take place over the next few years. So, it's not an all or nothing thing. And that's kind of the work that we're doing, to identify things that may deliver immediate relief, but also things that, over the course of a few years, can either grow revenues or reduce some of our expenses.

L. Elish-Piper: This diagram focuses in on our goal to be academically responsive and fiscally responsible. You'll notice at the top of the figure are our strategic priorities, and that, obviously, needs to be where we're putting our focus, what we're working toward. But you'll notice that there are two other rectangles in this diagram; and George often times says that, if you go to a restaurant, you can have two of three, but you can't have all three. You can have food that's good; you can have food that's fast; you can have food that's cheap. And so the same seems to be true as we think about how we are addressing a sustainable budget that is academically responsive and fiscally responsible. And so, we know that the strategic priorities, that's non-negotiable. That needs to be what we're working on – being student-centered; thinking about student success; thinking about the priorities that are laid out in our vision, mission, our values, the university goals.

But when we look at these other two boxes, one of them is a “sustainable budget.” So, knowing that we’re not going to be in this situation, we’re actually going to address some of the challenges that we faced in terms of our budget and build a sustainable budget model in the future that’s going to address our needs; address our needs; make sure that we have the base funds that we need to do those core priorities; make sure that we’re looking at all funds and we’re thinking about multi-year budgeting, so that we can create that model that’s going to put on solid, sustainable ground.

On the other side, you’ll see that box that says our “current or past practices,” the status quo, the way we’ve always done things. As we think about choosing which of these three things, which two of these three things we can do, we need to be ready to walk away from the current or past practices that are out of date, no longer serve us well, are no longer addressing our needs. Just because we’ve always done it this way, doesn’t mean that we’ve always need to do it that way in the future. Just because we’ve operated with an incremental budget model that may not be responsive or relevant today, doesn’t mean that we need to continue that.

As we think about this diagram, we need to focus our effort and our energy on those two areas, the strategic priorities and focusing in on the sustainable budget.

G. Middlemist: One of the things I think is important when you’re having conversations about budget is to know where you money comes from and to know where your money goes. This is for two reasons: One is just so people have awareness of the revenue sources, but also this begins to identify for us levers that we have better control over pulling to maybe increase or change. When you look at the university’s budget, our revenues primarily come from two sources. We have four quadrants here, but two sources really drive our funding. One is tuition and fees, so tuition and fees is the biggest part of that pie. If we go back 20-ish years, and actually it used to be not the biggest part of the pie. The biggest part of the pie was the state appropriations. State appropriations was about 66-70 percent of the funding, and student tuition and fees and other revenues were about 30 percent of the funding. So, you can see, kind of segueing on Dr. Freeman’s conversation about the state disinvestment, that’s a thing that’s changed because of the state’s disinvestment. And then you can see the state is bout 25 percent of our funding. We’ll get a little bit more into detail with the state funding, but those are the two biggest things that we have.

And when you think about the other big quadrant, which is sales and services, that’s our auxiliaries. Our auxiliaries are things like residence halls, housing, dining, the Holmes Student Center. There are other auxiliaries, but those are the big ones, and those are also tied to people being on campus, enrollment. And so, when you start thinking about how you can control or drive those things, in terms of tuition and student fees, that’s tuition price or enrollment. One of the pressures that you face when you’re dealing with that revenue stream is the pressure to keep tuition affordable, especially for a university like ours. So, you have to walk a fine line as you’re thinking about tuition and fees, what’s the right price. How do you maintain affordability? We can talk a little bit about that on the expenditure side, because there are other ways to maintain affordability. And you think about the same thing when you’re thinking about housing and dining. How do we have affordable housing that’s also high quality for our students to learn, and how do they have a great environment?

And then, the other source of revenues are things like interest income, some of our other fee for service generating activities, but that’s a pretty small portion. When you think about the big dollars, it’s tuition, state and a little bit in housing and dining auxiliaries. So, those are the drivers. I want to point out for anybody who’s from the faculty side or academic affairs, this does not include grants and contracts. It doesn't include that revenue source, because that revenue source is a little misleading. So, when you put that in, because when you have a grant, the dollars in and the dollars out are equal. And so, they're not part of your operations, but they are part of the university's mission. But when you're looking at the financial picture, having more grants doesn't necessarily help your financial bottom line, because the dollars zero out.

When we think about expenses, our primary expense is around people. That's a couple of components. Personnel services is 54 percent of our university expenses, and that's a cost driver that doesn't go down. I think that, historically, prior to about 2018, used that lever to manage costs. Although employees were faced with inflationary challenges, we weren't always increasing salaries on an annual basis. So, that's something that President Freeman and the board have really committed to over the last several years. So, that's a cost that goes up.

When you think about scholarships and we think about maintaining – we were just talking about how, in the face of tuition, how do you maintain affordability? Scholarships is a way to maintain affordability for those students who need to have that financial help without using that. I consider that a people expense, because it goes to our students.

And then the other two big expenses that we have, one is contractual services. Those are just all the things that we use to help us get through with the day-to-day work. And that cost is driven by inflation. Our contractors face inflation, and they have to raise their rates just like everybody else.

And the last thing is debt service. A few years ago, we did what I call, we scooped and tossed our debt. We did that in 2020 and 2021. What that means, it's kind of like shoveling snow. We scooped up all the debt, and we tossed out the interest payments and recognized some earnest savings over the last few years. But that debt's going to start going up, because we tossed the debt payments out to the future; and our debt payments in the future will be less than they were prior to 2020 and 2021. But that number will grow in the next couple of years.

Those are the primary drivers and, again, your challenges in terms of how you manage those things are limited. And I'd be remiss if I didn't point out that the total revenues of the university are just a little over $400 million; our total expenses are a little over $430 million, thus the $32 million budget deficit.

And I want to talk for a minute – I don't have to talk a lot about this, because Dr. Freeman did a really great job. But I'm a numbers guy, so I want to show what the numbers mean when we think about the state. In 2015 – and I think 2015, because it was prior to budget impasse, and it was also kind of the peak in terms of the state's investment coming out of the great recession across the nation, all states. But the state has had some ebbs and flows in state funding. In the early 2000s during the dot-com bubble burst and 9/11, states saw a mini recession and that's when the disinvestment begin. It kind of kicked back up in the mid-2000s as states were coming out of that economic downturn; it was a small downturn, but they were coming back out. But the state funding model had probably flipped at that point from 60-40 to 50-50, 50 percent of the funding from state and 50 percent from tuition and fees. And it was starting to recover when we hit the great recession, and state funding dropped like a rock. As we came out of the recession, it began to tick back up. So, 2015 was probably the peak year in Illinois for funding for higher education. You can see here, we had $91.1 million in state appropriations.

Fast forward to 2023 when I arrived here, the state funding that we received was $91.1 million. So, in the span of eight years, the funding hadn't changed, but inflation had happened. All the things that drive costs had increased. And so we adjusted for inflation to say, hey, if the state had just paid for inflation, if they had just given us money to account for the cost of living going up, only on the state appropriation, not on all the money that we have, but just on the state appropriation, what would we look like in 2024. We would have had coming into this year, not $98.6-ish million in state funding; we would have had $121.2 million, so $30 million more than we had in 2015. And I don't know if anybody does math, but $30 million is magically close to that $32 million number. Not that the state would have solved all of our problems, but numbers have meaning. So, we're still behind in terms of where our state appropriation should be if we just wanted to ask for inflation.

We want the community to understand where we've been and where we are. When we look at, not just the state appropriation, but when we look at tuition and fees, when we look at scholarships, because we've invested more in scholarships over the last several years. When we think about tuition and fees, our enrollment declines, the cost of living, all of that kind of stuff, we're actually about $94 million short in tuition and fees, so we have $94 million less than resources when we think about tuition and fees.

We talked about the state – even though I said $30 million, we did get a little bit more money in 2024 versus 2023, so the gap in state funding is about $22 million. And then we've added about $8 million, and again, we've adjusted everything for inflation, we've added about $8 million to our scholarships since 2015. And so, you can see here, it's almost $125 million worth of resources that we either lost or added some expenses. And the fact that we only have a $32 million deficit means that there's been a ton of work at this university to address already the fiscal challenges, and we've accomplished a good portion of that. Now, we just have the rest of that way to go.

L. Freeman: George, can I just say a word? I usually don't interject, but this will make it a little different. About why the scholarships went up so much. It's not only the character of the students we're taking. I want to make it clear that there are two drivers for why scholarships went up. The first is that, when the state put the AIM HIGH program in place, they didn't look at how much you were already investing in institutional aid. They just required everybody to match what the state was giving us. So, to get that money, which is a lot of money that helps our students and allows us to have the Huskie Pledge, which funds tuition and fees, we have to come up with additional money in matching dollars for AIM HIGH.

The other thing is that, when we balanced the budget previously, we did it on the backs of people. But one of the ways we did it was on the backs of students. So, instead of awarding four-year scholarships to students who needed four years to get their degree, we would award a scholarship for a year. Then we'd see how much extra money we had the next year. And then we would maybe award the scholarships the same way, but maybe we wouldn't. We talk about stable, adequate and equitable funding for our university. That starts with our students, and they can't not know when they go to work in the summer or when they go to take an internship or when their families are planning, whether or not, if they do their job academically, the scholarship is going to follow. And so in 2015, we moved to four-year packaging of scholarships, which was absolutely the right thing to do, but over time, you can imagine it increases the amount that goes into institutional aid.

G. Middlemist: This is just to reiterate, we have a $32 million budget deficit, so our goal is to reduce it by half, so by $16 million to wrap this fiscal year, and we're hot and heavy working on it. To address the budget deficit, you have one of two choices. And, actually, it highlighted in the budget planning and resource group paper, as well. You can increase your revenues or you can reduce your expenses. That's the two ways to address that budget deficit. That's probably an oversimplification, but that's kind of what we have to do.

So, when we think about increasing revenue, identifying new sources of revenue is really important, things that help diversify our revenue portfolio. I think a lot of universities have conversations about what business model are we going to be. I've always countered that with our business model is pretty defined; we're about education. Our revenues are always going to come from education or in some way tied to the mission. So, we're not going to be having manufacturing firms built on campus to try and generate revenues. But there are ways, different modalities, different ways to generate revenue that we can be thinking about in terms of a university.

Reallocating resources – targeting resources in areas where we might be able to grow revenues at a greater clip, things that are innovative, things that are new in terms of education.

And you'll hear from Laurie and I a lot throughout the year. The number one way to generate revenues is through enrollment, not just recruitment, but retention. Retention has the biggest bang for its buck in terms of generating revenues. The more we can retain students, the more we'll be better in terms of our financial foundation.

And then you've heard from both of us about expenses: Stop doing the things that aren't essential. Universities tend to hang on to the things that they have done, because that's what we've always done. I drive the same way home every day. If someone asks me to do something different, I'm usually 90 percent home before I remember that I had to go do that thing. And so, universities are very similar. We get into a habit of always doing things the way we've done them, and we have to challenge ourselves to think about a different way home.

And then reallocating resources to decrease costs. What are some things that we can devote money to that will help us reduce some costs, better improve our processes, those sorts of things.

We'll talk a little bit about some of the work that we've done. I'm not going to belabor the state support, because I think Dr. Freeman addressed that a few minutes ago. We're working as hard as we can to help the state understand the role they have in helping higher education get out of its fiscal challenges, or help with the fiscal challenges. We've been working with the auxiliaries. We talked with housing and dining to untangle all the stuff that was in the auxiliaries. So, auxiliary owners, they couldn't see the money that they had saved. They didn't understand how their money was earned, where it went, how it was spent, all of those things. So, we worked with them to help become much more transparent in that process, help them understand the role they have in the fiscal stability of this university, and are now working with them to figure out how we help them grow revenues, which can also then help the university overall in terms of its financial standpoint.

Housing capacity is part of that conversation. How do we work with housing to figure out what that right capacity is? Again, ways you have of generating more revenues, change your price or change your sales. And so, if we can change our sales, that generates more revenues, as long as it's at the right mix.

Lastly for me, we're beginning the work for anybody who's in this room who has a 41 fund. And 41 funds are things that are not tuition or fees but other sources of funding, things like Outreach, Engagement and Regional Development, all the work that they do, is really considered 41, it's fees for service and sales of activities. We're working with them, beginning the process, it's going to be a lot more challenging than the auxiliaries, but help them understand the role they have in the financial support of the university, but also giving them the tools they need to go out and grow revenues and change their programs in a way that will help the university.

With that, I'm going to hand it over to Laurie.

L. Elish-Piper: You've probably heard a lot about the increasing need to serve adult learnings, that we have a lot of adult learners, over a couple million of them in our state, who have some college but no baccalaureate degree. So, serving adult learners is an important component of building our enrollment and then, hopefully, retention and graduation, as well. So, we've partnered with a group called ReUp. You may have heard a little bit about this in other places. ReUp is a partner that works to re-enroll students who were at NIU, left in good academic standing, but stepped away from the university before they earned their degree. This is an opportunity to reengage with those former Huskies and help them figure out what the barriers are for them to come back and then get them reenrolled so they can complete their degree.

ReUp started working with us about three weeks ago. They've already reached out to, and made contact with, several thousand of our former students. And a couple hundred of them have indicated that they may be very interested in coming back. The challenge is that these folks' lives are complex, and ReUp indicates that oftentimes it takes as many as 40 interactions with these individuals to answer their questions, to get them the information, to get them to the right place, to help them have what they need to make decisions. But we're optimistic that this partner will help pus reenroll a number of our students who've left within about the last 15 years in order to help them find a pathway to completing their degree.

In that space, we're also working on developing the cybersecurity degree. This is an area that's in great demand. It's an area that some of our advisory committees and employers have suggested there's great need for out in the workforce. And also, our partners at EAB did a market viability study for us in cybersecurity, and it seems like an extremely promising area. So, we're working on trying to stand up that program. Currently, we have a certificate in that program, but now we're looking to expand that certificate into a full-blown degree program.

In addition to that, in Academic Affairs, another strategy that we're using is something that we're calling a J-Term or a wintermester, all sorts of fun names for that. But basically, an opportunity to offer courses for students to take during those breaks between the fall and the spring and the summer terms. So, thinking about one that would be in the latter part of December into early January and thinking about one that would be in the latter part of May into early June before summer starts. Many universities use this strategy to build revenue, but also to help students get classes that they might need to maybe help them lighten the load. So, maybe instead of having to take 18 credit hours in one semester, they could take 15 and take three during one of these mini terms. Can also be an opportunity maybe for students, who had to drop or did not perform well in a course, to retake a course.

And so, we're looking to pilot about seven courses this January and see how that goes and get a sense of whether that's a strategy that helps our budget but also helps our students. Our hope is that, after that pilot, we can do a better job of building out that strategy to address those goals.

When we think about expense reallocation, one of the strategies we've been using in Academic Affairs that has gotten some good traction is looking at the size of our courses and trying to offer a smaller number of lower enrollment courses, knowing that the resource of instructional time, so our faculty who are teaching those classes, making sure that they're teaching classes that are enrolled in such a way that that's a good use of our resources, while concurrently thinking about making sure that students have the courses that they need in order to graduate or to progress in their degrees. By optimizing course size, we started looking at this in July, and we realized that we had a lot of low enrollment course. By looking at this strategy, we were able to reduce about 25 percent of those low enrollment courses before the fall kicked off, and now we're trying to much more strategic in terms of planning the schedule, thinking about how many students will need those courses, how many sections we'll need, so that we can do a better job of using those resources more efficiently, while still concurrently serving student need.

Earlier, President Freeman talked about our focus on strategic and coordinated scholarship use as being a really important component in the work that we are doing and need to do to address budget sustainability.

Expense reduction – reducing curricular complexity. This one is important, because it helps us have fewer low enrollment courses; it helps us make sure students get what they need. Reducing curricular complexity includes things like making sure that we aren't requiring more credit hours than are really necessary in a degree; making sure that we don't have unnecessary prerequisites that put students in a place where they can't proceed because they can't take a course or didn't pass it in their schedule. Curricular complexity also means making sure that, if we have strands or specializations within degree programs, that we have robust enough enrollment for it to make sense to offer those. So, looking at the demand of how many students are interested in that thinking about whether we have too many specializations within a particular degree that then creates lots of lower enrollment classes, looking where the demand is and making sure that we're offering what appeals to students, but also makes sense from a financial perspective.

Also, as we think about reducing curricular complexity, we're thinking about other strategies. I was just in a webinar where they were talking about how many times it's difficult for students to figure out what degrees are, or what options within degrees are, because of the way we set things up or what we call them. So, making it clearer for students, making sure the names of our degrees are clear to them, making sure that the names of our degrees and the language that we use to talk about specializations or minors makes sense, not only to students, but also to employers. So, trying to make that much more transparent by making people be able to understand what those things are.

So, in reducing curricular complexity, we've started that work, but that's going to be a longer process, because anything with curriculum, of course, goes through different shared governance bodies and goes through different levels from the program to the department to the college to the university. So, some of that curricular complexity will take longer, but it's definitely something that we're looking at.

G. Middlemist: I have divisional program reorganization. This is to emphasize that all of the areas of the university are looking at what their part is, how they can contribute to the reduction of the deficit. A couple of examples: One is Outreach, Engagement and Regional Development has been looking at potential new revenue streams for their operations. They've also been looking at existing revenue streams that maybe they can enhance a little bit. And they've also been looking at programs that maybe have had their time and now need to begin to switch to different offerings. So, looking at all three of the things that we just talked about – stop doing some things that are no longer working and investing in some things that will generate more revenues over time.

Athletics has been in negotiations for a new media deal, which will help generate more revenues. A lot of the offices are looking at what they can contribute. Some offices have better ability to contribute to revenues, and some have the ability to look at maybe reducing expenses or at least changing how we do some things.

A specific example of where we stopped doing something that didn’t make sense anymore was the conversion to Teams Voice. I think prior to the pandemic, if someone had come to me and said we’re going to take the phone off your desk, and you won’t need it, I would have told them they were crazy. But coming out of the pandemic, my phone reset and I had to log back in, but I couldn’t remember my login, and I was like, whatever, because I’ll just answer it on the computer. By converting to Teams Voice, we’ve saved not millions, but hundreds of thousands of dollars in ongoing licensing fees and also the replacement of phones and all the stuff that happens with that. That’s been a real boon.

I’ve also put down a couple of the real estate transactions that we’ve had. This does a couple of things. When we sold the Nursing building and the Hoffman Estate Center – the Nursing Building is actually a lease to purchase agreement, so it’s not generating the revenue, but it will. But it does two things: It generates some revenues; selling those buildings gives us some revenues coming in that helps to at least shore up our cash position. But it also reduces expenses, because we’re no longer having to maintain those buildings; we’re no longer spending utilities, insurance, all the stuff that it takes to upkeep a building. Those are examples of things that we’ve done, and we’ll continue to look at areas that we can continue to do this kind of work.

The timeline right now is that we’re continuing to work with all the areas to identify revenues and expenses that we can either grow or reduce. And then compile a lot of that information at the end of December; we’ve asked everybody to give us that data by the end of the fall semester. We’ll put that together and see where we stand and then report back out in February to the monthly leadership meeting. And I have an appointment to go to Faculty Senate, and I’m guessing we’ll be here too to update the campus on where we’re at and where we see us being at the end of the fiscal year. And that’s it.

Unidentified: [inaudible]

G. Middlemist: Yes, it is all divisions on campus that are working to look at how they can increase revenues or [decrease] expenses. I had a meeting with all of the people that work in Admin and Finance a couple weeks ago to charge them with how do we reduce. We’re probably not that area that’s going to grow a lot of revenues, but we have the ability to at least think about our expenses.

B. Creed: Thank you both for the presentation. If you’re willing to take a few questions in case there are any questions from our members.

Unidentified: So, Nursing moved to the Wellness and Literacy Center.

L. Freeman: Otherwise known as Monsanto. And, actually, the benefit of that – I was just talking to some members of the School of Nursing and some donors – is that when the Health Technology Center is complete, Nursing and Health Professions will be in there, and it will enhance inter-professional education, the ability of our health professionals to work together. Well, being together in Monsanto, they're getting a head start on the inter-professional thing that will probably really help them use the new building to its fullest and maybe even influence some design features.

G. Middlemist: Our microphone's green, so if there are any other question, we're ready to go.

B. Creed: I guess maybe one question I would have is with both the revenue and expenditure slides that you have, the pie charts, I'm just curious if you could speak now or in the future about how our institution compares on the expenditure side, as far as categories. I know in the K-12 space, it's something we often look at as saying personnel in K-12 is usually 67-70 percent. So, I'm just curious in higher ed, how do we compare to our peer institutions in both the categories for revenue and categories for expenditures.

G. Middlemist: That's a great question, Ben, and I actually don't know the answer in terms of how we compare to other schools. But it's something that I do actually look at, so we'll gather that and bring that forward. One of the things I think is important is to compare yourself in lots of ways to what other institutions are doing, because it gives you a picture. It doesn't tell you the whole story, but it tells you a little bit about where you are and how you're positioned in terms of how you spend money and how you earn money.

L. Elish-Piper: If there aren't any other questions, I just have an ask for the group. If you've not had an opportunity to talk to the leaders in your area and you have ideas, please do, because we want everyone's good thinking, because everyone does different work and has different understandings of what goes on on our campus and what the opportunities might be to support revenue generation, student retention, student recruitment, as well as the expense reductions. So, we encourage you to share those ideas, because we need everyone's good thinking to come up with our best plan.

B. Creed: And the best way is through the leaders of our areas?

L. Elish-Piper: Yes.

B. Creed: Great.

L. Elish-Piper: If somebody has a big idea that cuts across lots of divisions, George and I would love to hear from you. But I would say, go to your leaders in your own division, because they are working on putting together a list of ideas and developing a plan. And so, your input would be really helpful.

B. Creed: All right, thank you both so much.

VIII. NEW BUSINESS

IX. UNFINISHED BUSINESS

B. Creed: Moving on, items VIII and IX are pretty easy, because there's no new business and no unfinished business.

X. REPORTS FROM COUNCILS, BOARDS AND STANDING COMMITTEES

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

B. Creed: Roman numeral X is Reports from Councils, Boards and Standing Committees. And our first report is from the Faculty Advisory Council to the IBHE, Linda Saborío.

L. Saborío: Good afternoon. At our last FAC meeting, we were down at ISU, and we had a really nice, warm welcome from the interim president, followed by a presentation by ISU's provost about their new academic programs in development on their campus. And these include an expansion in their nursing program, licensure and special education, which I think is like a two-year asynchronous program for paraprofessionals. They have a data science major now. And the big one, of course, is the College of Engineering that they developed from nothing. I can't imagine just creating a college when one does not exist. I think the provost said that the conversation started in 2015, and they're going to be welcoming their first cohort of students next fall. So, congratulations to them.

We also had a presentation by some representatives of ISAC about FAFSA, and I don't want to give out wrong information. I just want to say FAFSA is very complicated. If you are a student listening to this, contact your financial advisor. It opens up December 1, I believe, which we've been very good about advertising on this campus. Next year, they did say, it was going to go back to the October date. And they also mentioned that the formula was going to change a bit. Don't know how that's going to impact our students here and also how that impacts MAP and AIM HIGH.

In our caucus groups, we didn't have much of a discussion amongst ourselves because we were with the Faculty Senate presidents that were invited to ISU for a summit there. Some of the things we talked about were Faculty Senate and how it works with the faculty union. Budgets, of course, were a topic. And AI on campus. For our working groups, we only had 20 minutes and so I think I went to get a coffee, I missed that. And then we also discussed some changes or revisions to our bylaws.

And that's it. Between the presentations, it was a pretty busy meeting down at ISU. In November, we're hoping to get more time in our working groups so we can get those started and get those up and running. We'll be at Northeastern Illinois University. I can say this here, and I can't say it when I'm with them, because some come from downstate and some from over – over, right – Chicago, that way. In December, we are zoom only.

Any questions? Thank you.

B. Creed: Thank you, Linda.

B. University Advisory Committee to the Board of Trustees – no report
Felicia Bohanon, Natasha Johnson, Ben Creed
Larissa Garcia (Katy Jaekel alternate for fall 2023), Karen Whedbee, Brad Cripe

B. Creed: For the University Advisory Committee to the Board of Trustees, there is no report as tomorrow is the Board of Trustees meeting date.

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

B. Creed: The Rules, Governance and Elections Committee also has no report.

D. Student Government Association – no report
Olivia Newman, SGA President
Cole Hensley, Speaker of the Senate

B. Creed: The Student Government Association is unable to provide their report today as Cole is unable to make it due to a family issue.

E. Operating Staff Council – Natasha Johnson, President – report

B. Creed: That brings us to item E, Operating Staff Council, Natasha? There's no report from Operating Staff Council.

F. Supportive Professional Staff Council – Felicia Bohanon, President – report

B. Creed: And SPS Council? No report from Felicia.

XI. 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 brings us to our information items under Roman numeral XI. The standard items are there. I just point out our next meeting is December 6, same time, same place.

XII. ADJOURNMENT

B. Creed: Which brings us to item XII, which is Adjournment. Can I have a motion to adjourn the meeting.

S. Howell: So moved.

B. Creed: Motion, Howell. Second, Pitney. All in favor?

Members: Aye.

Meeting adjourned at 4 p.m.