

**MINUTES OF THE MEETING OF THE
BOARD OF TRUSTEES OF
NORTHEASTERN ILLINOIS UNIVERSITY
CHICAGO, ILLINOIS**

September 17, 2009

The meeting of the Board of Trustees of Northeastern Illinois University was convened on Thursday, September 17, 2009, at 4:07 p.m., in the Golden Eagles Room at Northeastern Illinois University, 5500 N. St. Louis, Chicago, Illinois. Walter W. Dudycz, Chair of the Board, called the meeting to order.

Roll was called and the following trustees answered present:

Carlos Azcoitia, Secretary
Grace G. Dawson
Walter W. Dudycz, Chair
Edward Dykla
Jin Lee, Vice Chair
Jose Fulgencio

The following trustees were absent:

Carole Balzekas
Omar Duque

Also present were the following:

Sharon K. Hahs, President
Mimi Crespo, Assistant Secretary
Mark Dunn, Legal Counsel

University Provost, Vice Presidents and Staff

Announcements

Chair Dudycz introduced the new Student Trustee, Jose Fulgencio, a senior majoring in Political Science, and welcomed him to the Board. Mr. Fulgencio said that he looks forward to the coming year.

Approval of Minutes

Written Minutes of the meeting of June 11, 2009 and the Minutes of the Confidential Executive Session dated June 11, 2009 were prepared and submitted. Chair Dudycz said that hearing no corrections, the Minutes stand as written.

President's Announcements

1. President Hahs introduced new members of the University to the trustees. Introductions began in the President's Office. Dr. Hahs introduced the new

Presidential Intern for FY 2010, Dr. Nancy Wrinkle. The Presidential Intern Program selects a faculty member who is interested in learning about and participating in higher education. Interns spend their time in the President's Office on administrative duties and special projects. Dr. Wrinkle is an Associate Professor in Mathematics and holds her PhD in Mathematics from Columbia University. She's been at Northeastern since 2003. Dr. Wrinkle has helped bring several grants to Northeastern to help students learn science.

Dr. Hahs also introduced Julio Puentes. Mr. Puentes is a courtesy appointment in the President's Office. He is the Director for the Midwest Region in the Hispanic Serving Institution National Program of the United States Department of Agriculture (USDA). Through his position with the USDA and office location at Northeastern, Mr. Puentes will be able to help Northeastern students in addition to students at all universities in the Midwest.

Provost Frank introduced twenty-three outstanding new faculty members. They join several departments across the university. A detailed biography of their accomplishments is included in the Board Report. Chair Dudycz and Dr. Azcoitia also welcomed the faculty. Provost Frank also introduced two newly appointed deans: Dr. Wamucii Njogu of the College of Arts and Sciences and Dr. Amy Hietapelto of the College of Business and Management.

Vice President Knorowski introduced Liesl Victor Downey, the new Director of Development who joins the Institutional Advancement staff. She comes to the university with a diverse background in both the arts and higher education. Ms. Downey will be the chief liaison between the Development Office and all of the colleges.

Vice President Wilcockson introduced Nancy Medina, the new Director of Buildings and Grounds. Ms. Medina holds a Bachelor of Arts in Industrial Design and an MBA in Strategic Management. She previously worked at the Field Museum where she was the Manager of Facilities Planning and Operations.

Chief Lyon introduced Police Officer David De Clet. Officer De Clet was presented the Award for Valor from the International Association of Campus Law Enforcement Administrators. On January 29, 2009, while on duty, Officer De Clet responded to gang gun fire near the university campus while training a police recruit. Officer De Clet and the recruit were first on the scene. Officer De Clet secured the area and located a 15 year old gun shot victim and administered first-aid to the victim until paramedics arrived.

2. President Hahs informed the Board of two extraordinary grants that Northeastern received recently. The first grant is the Title V Cooperative Grant. The Title V is

for strengthening Hispanic Serving Institutions (HSI) and the Cooperative Grant is for the collaboration between Northeastern Illinois University and College of Lake County which is an emerging HSI. The President received word from the office of Congressman Luis Gutierrez that the two institutions have been awarded a five-year grant to strengthen retention, transfer, and graduation programs. The grant funding is approximately \$3.5 million with \$700,000 coming in the first year. This award is only one of five cooperative grants awarded by the Department of Education under Title V this year in the entire United States.

The second Title V Grant is for the expansion and enhancement of graduate business programs at an urban HSI. Northeastern was awarded this grant to expand and enhance the College of Business and Management Master in Business Administration and Master of Science and Accounting programs to better serve the needs of Hispanic students, students from other underrepresented groups, and students with low-income backgrounds. The award is for \$2.6 million over five years. First, it is extraordinary to have more than one Title V Grant at a time; secondly, to also have them in these dollar amounts; and thirdly, the grants are exactly what Northeastern needs to achieve its goals. The competition is high and these are the third and fourth Title V Grants in the history of Northeastern.

President's Report

President Hahs requested approval of the following items.

Dr. Dawson, seconded by Mr. Lee, moved to approve the **FY 2010 University Operating Budget** as follows:

Each year the Board of Trustees is asked to adopt the University operating budget for the coming fiscal year. This budget presented to the Board is based on fiscal year 2010 state appropriations, tuition and fees, grants and contracts, other local funds held by the University, and strategic spending priorities established by the Board.

The total University budget is comprised of two main sections – unrestricted and restricted – based on definitions provided by the Illinois Board of Higher Education and the Governor's Office of Management and Budget to all Illinois public universities. The unrestricted operating budget includes expenditures from revenue sources that are not explicitly restricted by statute, contract or other requirement. The restricted operating budget includes expenditures from revenue sources that are restricted by an external requirement, typically by the entity providing the funds or by a legal requirement. The University also prepares an operating budget including only State appropriations and the University Income Fund, which summarizes the primary operating budget for the majority of University departments.

The following paragraphs discuss the University operating budget. Table 1 summarizes the fiscal year 2010 operating budget. Table 2 provides unrestricted and restricted expenditures by functional category (e.g., instruction, research) and by object category (e.g., personal services, travel). Table 3 presents the detailed operating budget from State appropriated funds and the University Income Fund. Table 4 presents the detailed budget for expenditures from local funds - contracts, grants, auxiliaries, and other locally held funds.

Revenues

As background, the Board adopted the University's initial fiscal year 2010 operating budget request in September 2008. The University's initial request included additional State funding for cost and salary increases and programmatic requests for implementing enrollment, retention and graduation strategies; enhancing teacher education and development; and supporting campus safety initiatives.

The request was forwarded to the Illinois Board of Higher Education and considered in the IBHE's higher education budget recommendations adopted January 27, 2009. The Governor presented his fiscal year 2010 budget recommendations to the Illinois General Assembly on March 18, 2009. On May 30, 2009, the Illinois General Assembly approved House Bill 2132 which included the state fiscal year 2010 operating budget for all Illinois public universities, including Northeastern Illinois University. On July 31, 2009, Governor Quinn approved House Bill 2132 as Public Act 96-0114 with certain item and reduction vetoes. For Northeastern, the Governor's budget reduction from the General Assembly level totaled \$435,200.

As shown in Table 1, the general University operating budget financed from state appropriations and the University Income Fund (student tuition) will be at basically the same level as the previous year, showing a slight decrease of \$32,400, or 0.1 percent, below the fiscal year 2009 budget.

State appropriations for Northeastern total \$43.4 million, the same level of funding that was provided to the University in the previous fiscal year 2009. The appropriation was held level only because of the inclusion of federal stimulus funding (\$4.2 million) which required that the state keep public university funding at the prior year level. Illinois Board of Higher Education staff recently informed the public university presidents that the federal stimulus funding will not be available for fiscal year 2011 budget and it is unlikely that the state of Illinois will find the funds to replace the federal support. As a result, the University likely will incur a significant reduction in state funding next year.

Table 1 also shows decreases in the local unrestricted and restricted operating budgets. These decreases also can be traced to overall decreases in local, state, and federal support for grants and contracts. Some local funds are restricted either by the provider

(grants and contracts) or the terms under which they are collected (fees) and may not be used for general operations. These amounts are preliminary estimates of grants and contracts that will be awarded to the University or projected fee revenue that will be available for expenditures during the fiscal year. In most cases, fiscal year 2010 grants and contracts are estimated based on actual fiscal year 2009 revenues.

An area of great concern with the fiscal year 2010 budget is the status of the state's need-based student aid program, the Illinois Monetary Award Program (MAP). The MAP program is administered by the Illinois Student Assistance Commission (ISAC) and was reduced from the \$440 million included in the Governor's Budget to \$165 million, a funding reduction of 63 percent.

ISAC will distribute the entire MAP appropriation to students in the fall semester to allow those students with financial need to receive financial aid in the fall, although it will only be at 83 percent of last year's level. With current funding levels, there would be no MAP financial aid awards in the spring semester. The lack of spring MAP awards will significantly hamper, or eliminate, the ability of many of our students with financial need to attend college in the spring.

The University's first concern is for the students on financial aid and the uncertainty this funding shortfall will create for their continuing education. A second concern is the effect this decrease in MAP funding will have on the University's operating budget.

In fiscal year 2009, Northeastern received \$8.6 million in student tuition and fees from the MAP program. We have been informed by ISAC that the funding level for our students in the current year will be reduced to \$4.6 million. In addition, the state will not reimburse the University for tuition waivers that we are required by law to grant to veterans and National Guard students. The combined effects of decreased funding from these programs will reduce our projected tuition revenue by \$4.9 million. As a result, even with our tuition increase, our income fund budget is projected to be just below that of the previous fiscal year 2009.

The Illinois Board of Higher Education is developing an advocacy campaign to take place during the next several weeks to urge the Illinois General Assembly and Governor Quinn to restore funding for the MAP program so that students with financial need will be able to attend Illinois colleges and universities in the spring.

Expenditures

As mentioned above, the operating budget funded with state appropriations and the University Income Fund is the primary budget for most University departments and is at about the same level as the previous year. In order to secure funds to address the highest University priorities, we will be taking certain actions to internally reallocate

funds for high need areas.

We implemented a hiring freeze wherein no position will be acted on without the approval of the group of Vice Presidents. We plan to reallocate some anticipated savings this year due to lower electric costs and lower utility demand during the summer (and depending on the severity of the winter) and we will redouble our efforts to increase efficiency and effectiveness at all levels of the University. Even so, our plans for new spending will be sparse.

We are keeping our commitment to fill four new tenure track faculty positions and are continuing our commitment to have one professional advisor in each college, and one each at El Centro and the Carruthers Center for Inner City Studies. We will again fund a limited number of special projects under the auspices of Hispanic Serving Institution initiatives and are funding \$100,000 to implement the recommendations included in the North Atlantic Slave Trade Study.

Because of the uncertainty with our fiscal year 2011 budget, we are hesitant to add ongoing costs to our fiscal year 2010 budget. As a result, a base salary increase will not be provided this year for our non-negotiated employees. Instead, we will provide two lump-sum stipends of \$500 each. The first will be paid in September 2009 and the second in January 2010 for employees that were employed by certain dates. These stipends are one-time payments and will not be added to the employees' salary base. There are also collective bargaining agreements in place for three of our five unions. The other two agreements are being negotiated.

Following approval of the operating budget by the Board of Trustees, the University is required to submit a copy of the budget to the Illinois Board of Higher Education (IBHE) and to the Governor's Office of Management and Budget. This is in response to an IBHE policy that is intended to "expand and enhance public university annual budget review, approval and oversight." In addition, the NEIU Office of University Budgets will prepare a detailed University budget for all departments and offices and provide a copy of that budget to each trustee and administrative office. Also, three copies will be placed in the University Library for review and use by the entire University community. Further, regular reports will continue to be made to the Board of Trustees regarding State funding levels and any events at the State level or other actions that affect the University budget.

Table 1

NORTHEASTERN ILLINOIS UNIVERSITY
Fiscal Year 2010 Operating Budget
(With Comparable Data Provided for Fiscal Year 2009)

	FY2009	FY2010	Change	
			Dollar	Percent
<u>Unrestricted Operating Budget</u>				
<u>State & University Income Funds</u>				
State General Funds Appropriations*	\$ 43,401,900	\$ 43,401,900	\$ -	- %
University Income Fund	37,629,800	37,597,400	(32,400)	(0.1)
State / UIF Unrestricted Budget	\$ 81,031,700	\$ 80,999,300	\$ (32,400)	(0.0) %
<u>Local Unrestricted</u>				
Student Fee Programs	\$ 5,404,100	\$ 5,500,000	\$ 95,900	1.8
Sales & Services - Student/Staff Services	4,250,000	3,869,700	(380,300)	(8.9)
Sales & Services - Auxiliary	5,121,000	4,751,200	(369,800)	(7.2)
Grants & Contracts-Education	3,582,000	3,307,100	(274,900)	(7.7)
Indirect Costs Recovery	1,200,000	1,200,000	-	-
Local Unrestricted Budget	19,557,100	18,628,000	(929,100)	(4.8) %
Total Unrestricted Operating Budget	\$ 100,588,800	\$ 99,627,300	\$ (961,500)	(1.0) %
<u>Local Restricted Operating Budget</u>				
Local Grants & Contracts	\$ 1,220,000	\$ 700,000	\$ (520,000)	(42.6) %
State Grants & Contracts	2,700,000	2,100,000	(600,000)	(22.2)
Federal Grants & Contracts	22,000,000	22,120,000	120,000	0.5
Private Grants & Contracts	1,200,000	1,680,000	480,000	40.0
Total Local Restricted Operating Budget	\$ 27,120,000	\$ 26,600,000	\$ (520,000)	(1.9) %
Total Operating Budget	\$ 127,708,800	\$ 126,227,300	\$ (1,481,500)	(1.2) %

* FY2010 includes American Recovery & Reinvestment Act of \$4,154,200.

Table 2

NORTHEASTERN ILLINOIS UNIVERSITY
Fiscal Year 2010 Operating Budget
by Function and Line Item

<u>Functional Categories</u>	Unrestricted			Restricted	Total
	General Revenue	University Income Fund	Local		
Instruction	\$ 27,671,900	\$ 16,374,191	\$ 3,038,000	\$ 1,800,000	\$ 48,884,091
Organized Research	185,500	153,170	25,900	410,000	774,570
Public Service	507,700	567,629	229,500	13,110,000	14,414,829
Academic Support	3,446,500	4,202,517	992,800	50,000	8,691,817
Student Services	1,447,500	1,238,773	6,973,700	11,000,000	20,659,973
Institutional Support	5,472,400	6,248,271	1,686,100	45,000	13,451,771
Operations and Maintenance	3,597,800	7,975,149	354,200	-	11,927,149
Independent Operations	-	-	5,327,800	185,000	5,512,800
Medicare	-	837,700	-	-	837,700
Health Insurance Reserve Fund	1,072,600	-	-	-	1,072,600
Total	\$ 43,401,900	\$ 37,597,400	\$ 18,628,000	\$ 26,600,000	\$ 126,227,300

<u>Line Item Categories</u>	Unrestricted			Restricted	Total
	General Revenue	University Income Fund	Local		
Personal Services	\$ 42,329,300	\$ 22,839,990	\$ 3,904,500	\$ 7,700,000	\$ 76,773,790
Contractual Services	-	9,443,091	5,702,500	4,900,000	20,045,591
Travel	-	349,058	78,300	105,000	532,358
Commodities	-	987,960	782,800	355,000	2,125,760
Equipment	-	1,848,840	565,400	150,000	2,564,240
Telecommunications	-	684,017	432,100	18,000	1,134,117
Operation of Auto	-	16,715	9,500	-	26,215
Awards/Grants/Tuition Waivers	-	255,430	2,577,900	11,200,000	14,033,330
Permanent Improvements	-	334,599	-	-	334,599
Benefits/Social Security/Medicare	-	837,700	235,100	1,200,000	2,272,800
Health Insurance Reserve Fund	1,072,600	-	-	-	1,072,600
Other/PI	-	-	4,339,900	972,000	5,311,900
Total	\$ 43,401,900	\$ 37,597,400	\$ 18,628,000	\$ 26,600,000	\$ 126,227,300

Table 3
NORTHEASTERN ILLINOIS UNIVERSITY
SUMMARY OF UNIVERSITY OPERATING BUDGET - STATE / UNIVERSITY INCOME FUND
JULY 1, 2009 TO JUNE 30, 2010

	2009-10 Budget	Personal Services	Contra- tual	Travel	Com- modities	Equip- ment	Tele- comm	Oper of Auto	Awards & Grants	Perm. Imprv	Soc Sec/ Medicare
INSTRUCTION											
General Academic Instruction	38,587,089	36,458,803	643,110	132,950	265,869	908,300	178,057	-	-	-	-
Requisite/Prep Remedial Instr	2,279,152	2,007,457	96,917	14,250	41,857	6,370	13,271	-	99,030	-	-
Admissions/Registration/Records	1,607,669	1,441,619	103,000	50	47,000	-	16,000	-	-	-	-
Instructional Support	1,572,181	1,363,207	108,142	30,750	41,514	17,675	10,893	-	-	-	-
Total	44,046,091	41,271,086	951,169	178,000	396,240	932,345	218,221	-	99,030	-	-
ORGANIZED RESEARCH											
Individual & Project Research	118,351	82,059	14,800	7,448	7,889	5,855	300	-	-	-	-
Supp for Organized Research	220,319	220,319	-	-	-	-	-	-	-	-	-
Total	338,670	302,378	14,800	7,448	7,889	5,855	300	-	-	-	-
PUBLIC SERVICE											
Community Services	999,575	754,950	160,879	8,710	41,420	8,000	25,616	-	-	-	-
Public Service Support	75,754	73,754	-	-	-	-	2,000	-	-	-	-
Total	1,075,329	828,704	160,879	8,710	41,420	8,000	27,616	-	-	-	-
ACADEMIC SUPPORT											
Academic Administration	2,879,093	2,574,435	160,865	68,600	40,475	14,750	19,968	-	-	-	-
Library Services	3,761,199	2,441,122	473,239	9,500	19,000	801,412	16,926	-	-	-	-
Academic Support	1,008,725	603,629	267,942	10,000	115,815	3,750	7,589	-	-	-	-
Total	7,649,017	5,619,186	902,046	88,100	175,290	819,912	44,483	-	-	-	-
STUDENT SUPPORT											
Social & Cultural Development	111,633	92,836	12,500	-	3,950	-	2,347	-	-	-	-
Counseling & Career Services	784,668	756,382	15,180	-	7,806	-	5,300	-	-	-	-
Financial Aid Administration	802,554	780,922	10,770	-	9,612	250	1,000	-	-	-	-
Financial Assistance	156,400	-	-	-	-	-	-	-	156,400	-	-
Student Services Administration	831,018	729,810	66,988	7,000	14,239	4,000	8,981	-	-	-	-
Total	2,686,273	2,359,950	105,438	7,000	35,607	4,250	17,628	-	156,400	-	-

Table 3 (continued)
NORTHEASTERN ILLINOIS UNIVERSITY
SUMMARY OF UNIVERSITY OPERATING BUDGET - STATE / UNIVERSITY INCOME FUND
JULY 1, 2009 TO JUNE 30, 2010

	2009-10 Budget	Personal Services	Contractual	Travel	Com- modities	Equip- ment	Tele- comm	Oper of Auto	Awards & Grants	Perm. Imprv	Soc Sec/ Medicare
INSTITUTIONAL SUPPORT											
Executive Management	3,265,638	2,722,231	416,146	25,000	66,238	6,219	29,804	-	-	-	-
Financial Management & Oper	1,134,936	1,089,505	29,170	-	10,215	-	6,046	-	-	-	-
Genl Admin & Logistical Supp	6,562,711	4,530,750	1,545,195	29,100	107,900	54,097	295,669	-	-	-	-
Public Relations/Development	757,386	579,727	151,248	900	20,161	100	5,250	-	-	-	-
Total	11,720,671	8,922,213	2,141,759	55,000	204,514	60,416	336,769	-	-	-	-
OPERATION & MAINTENANCE											
Superintendence	330,666	289,116	17,000	2,200	3,500	750	18,000	100	-	-	-
Custodial	1,913,764	1,750,664	90,000	100	72,500	500	-	-	-	-	-
Repair & Maintenance	1,510,378	804,666	690,000	300	5,000	5,312	5,000	100	-	-	-
Ground Maintenance	292,775	245,675	30,000	100	12,000	-	-	5,000	-	-	-
Utility Production	3,370,000	-	3,370,000	-	-	-	-	-	-	-	-
Utility Support	1,870,168	1,662,468	180,000	100	23,000	4,500	-	100	-	-	-
Permanent Improvements	334,599	-	-	-	-	-	-	-	-	334,599	-
Security	1,250,599	1,113,184	90,000	2,000	11,000	7,000	16,000	11,415	-	-	-
Rental of Space	700,000	-	700,000	-	-	-	-	-	-	-	-
Total	11,572,949	5,865,773	5,167,000	4,800	127,000	18,062	39,000	16,715	-	334,599	-
Health Insurance Reserve Fund	1,072,600	-	-	-	-	-	-	-	-	-	1,072,600
Medicare	837,700	-	-	-	-	-	-	-	-	-	837,700
Total State Budgets	80,999,300	65,169,290	9,443,091	349,058	987,960	1,848,840	684,017	16,715	255,430	334,599	1,910,300

Note: These categories are based on IBHE RAMP (Resource Allocation Management Program) definitions.

Table 4
NORTHEASTERN ILLINOIS UNIVERSITY
SUMMARY OF UNIVERSITY OPERATING BUDGET - LOCAL *
JULY 1, 2009 TO JUNE 30, 2010

	2009-10 Budget	Personal Services	Contra- tual	Travel	Com- modities	Equip- ment	Tele- comm	Oper Auto	Awards & Grants	Other/ PI	SS/FICA +Benefits
INSTRUCTIONAL ACTIVITIES											
General Academic Instruction	757,900	140,000	348,000	27,500	53,500	52,000	200	100	123,100	12,500	1,000
Requisite/Prep Remedial Instr	82,700	48,000	16,500	3,000	8,600	600	500	-	-	-	5,500
Admissions, Registration & Records	246,800	70,000	55,000	2,000	106,800	1,000	1,000	-	-	-	11,000
Instructional Support	3,750,600	702,000	742,000	10,400	100,000	383,000	9,000	-	112,600	1,623,600	68,000
Total	4,838,000	960,000	1,161,500	42,900	268,900	436,600	10,700	100	235,700	1,636,100	85,500
ORGANIZED RESEARCH											
Individual & Project Research	351,800	203,000	68,000	11,000	11,600	17,500	300	-	1,000	27,200	12,200
Support for Organized Research	84,100	46,300	16,300	4,200	1,800	1,100	1,200	-	-	4,700	8,500
Total	435,900	249,300	84,300	15,200	13,400	18,600	1,500	-	1,000	31,900	20,700
PUBLIC SERVICE											
Community Education	11,163,000	5,300,000	4,030,000	65,000	255,000	28,000	10,000	-	25,000	550,000	900,000
Community Services	2,153,000	1,130,000	445,000	20,000	105,000	23,000	5,000	-	120,000	150,000	155,000
Public Service Support	23,500	16,000	5,000	-	500	1,500	-	-	-	-	500
Total	13,339,500	6,446,000	4,480,000	85,000	360,500	52,500	15,000	-	145,000	700,000	1,055,500
ACADEMIC SUPPORT											
Academic Administration	53,100	21,000	21,500	2,000	6,000	100	-	-	-	-	2,500
Library Services	33,700	33,000	100	-	-	400	-	-	-	-	200
Academic Support	956,000	6,000	385,000	-	5,500	10,200	-	-	-	549,300	-
Total	1,042,800	60,000	406,600	2,000	11,500	10,700	-	-	-	549,300	2,700
STUDENT SUPPORT											
Social & Cultural Development	1,934,700	1,046,000	400,000	20,000	156,000	37,300	72,000	200	1,200	80,000	122,000
Student Health/Medical Services	447,800	230,000	57,000	7,800	64,000	1,000	1,000	-	-	35,000	52,000
Counseling & Career Services	88,800	66,000	2,100	1,400	2,100	-	1,000	-	-	1,200	15,000
Financial Aid Administration	137,200	86,100	14,000	1,200	10,700	-	9,200	-	15,000	-	1,000
Financial Assistance	13,122,200	86,100	14,000	1,200	10,700	-	9,200	-	13,000,000	-	1,000
Student Services Administration	2,243,000	55,000	2,160,000	1,000	18,500	2,000	-	-	-	-	6,500
Total	17,973,700	1,569,200	2,647,100	32,600	262,000	40,300	92,400	200	13,016,200	116,200	197,500

Table 4 (continued)

NORTHEASTERN ILLINOIS UNIVERSITY
SUMMARY OF UNIVERSITY OPERATING BUDGET - LOCAL *
JULY 1, 2009 TO JUNE 30, 2010

	2009-10 Budget	Personal Services	Contractual	Travel	Commodities	Equipment	Telecomm	Oper Auto	Awards & Grants	Other/PI	SS/FICA +Benefits	
INSTITUTIONAL SUPPORT												
Executive Management	2,500	2,500	-	-	-	-	-	-	-	-	-	
Financial Management & Operations	107,900	54,000	40,000	1,600	6,000	500	5,500	-	-	-	300	
Genl Administration & Logistical Supp	1,620,700	385,000	801,000	3,500	67,500	18,000	325,000	-	-	15,500	5,200	
Public Relations/Development	-	-	-	-	-	-	-	-	-	-	-	
Total	1,731,100	441,500	841,000	5,100	73,500	18,500	330,500	-	-	15,500	5,500	
OPERATION & MAINTENANCE												
Superintendence	-	-	-	-	-	-	-	-	-	-	-	
Custodial	25,300	25,000	-	-	-	-	-	-	-	-	300	
Repair and Maintenance	314,000	55,000	200,000	-	500	58,000	-	-	-	-	500	
Utility Production	-	-	-	-	-	-	-	-	-	-	-	
Utility Support	-	-	-	-	-	-	-	-	-	-	-	
Security	14,900	13,500	-	500	500	200	-	-	-	-	200	
Rental of Space	-	-	-	-	-	-	-	-	-	-	-	
Total	354,200	93,500	200,000	500	1,000	58,200	-	-	-	-	1,000	
INDEPENDENT OPERATIONS												
Retail Services & Concessions	156,700	85,000	62,000	-	2,300	-	-	6,200	-	-	1,200	
Student Unions and Centers	2,168,100	500,000	320,000	-	26,700	50,000	-	-	-	1,262,900	8,500	
Specialized Services	3,188,000	1,200,000	400,000	-	118,000	30,000	-	3,000	380,000	1,000,000	57,000	
Total	5,512,800	1,785,000	782,000	-	147,000	80,000	-	9,200	380,000	2,262,900	66,700	
Total Local Budgets	45,228,000	11,604,500	10,602,500	183,300	1,137,800	715,400	450,100	9,500	13,777,900	5,311,900	1,435,100	

Note: * These categories are based on IBHE RAMP (Resource Allocation Management Program) definitions.
Local budget includes unrestricted and restricted funding sources.

Roll was called and the vote was as follows:

Azcoitia	Yes
Dawson	Yes
Dudycz	Yes
Dykla	Yes
Lee	Yes
Fulgencio	Yes

The motion carried.

Mr. Lee, seconded by Mr. Dykla, moved to approve the **FY 2011 Operating and Capital Budget Request** as follows:

Introduction

Each year, the Board of Trustees of Northeastern Illinois University is required to adopt an operating and capital budget request and submit that request to the Illinois Board of Higher Education (IBHE). A preliminary request was presented to the Board of Trustees in June as an information item for review and discussion and a final request is submitted to the Board in September for approval. After Board approval, the request is then submitted to the IBHE before its deadline of October 15.

The fiscal year 2011 operating budget request presented to the Board of Trustees is intended to advance the strategic goals developed by the University community and endorsed by the Board. At its September 18, 2008 meeting, the Board adopted a revised University Mission Statement and endorsed a University Vision Statement, Values Statements, Strategic Goals and Action Steps. At the November 20, 2008 meeting, the Board was presented with a set of specific tasks that the University planned to complete in fiscal year 2009 to achieve the goals outlined in the Strategic Plan. Since that time, University faculty and staff have been actively engaged in working towards completing those tasks. This budget includes two new academic programs and three programmatic initiatives that address the strategic goals identified by the University community and support our strategic action plan.

Also this past year, the University reconstituted the University Budgetary Council into the University Planning and Budget Council to be a more collaborative partner in assuring that the University's goals, action steps and specific tasks are clearly prioritized and translated into the University's budget request. The role of the Council is evolving and processes are already being put in place for increased involvement with fiscal year 2011 and fiscal year 2012 budget development.

Also at the September meeting, the Board will receive a strategic planning update that

will, for the first time, assess progress in achieving the action steps and tasks that were planned for fiscal year 2009. In addition, the Board will receive a summary of the tasks that the University plans to undertake in fiscal year 2010.

Overview of Operating and Capital Budget Requests

The budget requests brought before the Northeastern Illinois University Board of Trustees and summarized in this report are fiscal year 2011 requests, for the year beginning July 1, 2010 and ending June 30, 2011.

The fiscal year 2011 operating budget reflects the fiscal year 2010 state-appropriated base budget for the University and the University's budget requests for new funding for fiscal year 2011. Included in the operating budget are state-appropriated funds and the University Income Fund, which is established by state statute to account for student tuition and certain fee revenue. The total of state appropriations and University Income Fund revenues represents the University's operating budget.

An important factor in developing the fiscal year 2011 operating budget request is the prior year base budget, the starting point for budget development. The Illinois General Assembly approved the University's fiscal year 2010 appropriations on May 30, 2009 and Governor Quinn approved those appropriations, with certain item reduction vetoes, on July 31, 2009. A more detailed report on the fiscal year 2010 budget is also on the September Board of Trustees agenda.

Developing our operating budget request requires that we reach a balance between the new and ongoing financial needs of the University and a reasonable expectation of support from the State of Illinois and our students. Since the beginning of fiscal year 2002 through our fiscal year 2010 appropriation, Northeastern has seen our available funding from the State's General Fund decrease by \$2.0 million, or 4.4 percent. In addition, beginning in fiscal year 2002, the University was required to begin making an annual payment of \$1.1 million to the group health insurance fund for all state employees. The State of Illinois did not provide funding for this required contribution, meaning the University reallocates annually to meet this cost. With this required contribution not available for University operating expenditures, the actual reduction in available University funding is \$3.1 million, or 6.8 percent, since fiscal year 2002.

This budget request is modest in terms of the needs of the University and includes only moderate funding requests for salary and cost increases and selected program initiatives. We are on record, therefore, that these are our highest priorities. The total of state appropriations and University Income Fund revenues represents the operating budget that will require Board of Trustees approval in September and that will be sent, following approval, to the Illinois Board of Higher Education for consideration.

The following summarizes the budget information provided in this report.

Fiscal Year 2011 Budget Development Schedule. Table 1 provides a schedule of the budget development process from June 2009, when the Board of Trustees received the initial fiscal year 2011 budget request, through September 2010, at which time the Board will take action on the University's fiscal year 2011 internal budget.

Strategic Goals. Page 15 includes the Strategic Goals that were developed by the University community and endorsed by the Board of Trustees in September 2008. These goals provide the framework for identifying University action steps, tasks and specific budget requests.

Operations. The budget request for University fiscal year 2011 operations is summarized in Table 2, with additional information supporting the operations request provided on pages 16 through 20. Table 3 summarizes the requests for salary and inflationary cost increases. Table 4 summarizes the program requests for fiscal year 2011. Because these represent the highest University priorities, the University may attempt to implement some of these programs through the redirection of staff effort and University resources.

Capital Improvements. Table 5 summarizes the fiscal year 2011 requests for capital improvements, which are described on pages 21 through 25. Capital requests are discussed in the two broad categories used by the Illinois Board of Higher Education to classify state-supported projects – Regular Capital projects and Capital Renewal projects. Regular Capital projects include requests for new construction or significant remodeling or renovation. These projects typically provide new space or provide a significantly different use for remodeled space. Capital Renewal projects are of a lesser scope than Regular Capital projects. They include the remodeling or renovation of space, infrastructure renewal, and improvement projects that address deferred maintenance.

For the first time, the Illinois Board of Higher Education and the Capital Development Board recognized the differences in construction costs among the various locales in Illinois, most notably Chicago. The two boards approved higher construction cost standards for certain areas of the state where labor and material costs are significantly more than other areas of the state. As a result, for Northeastern, we now have higher, but more accurate, cost figures for our capital requests.

In the initial budget request submitted to the Board in June 2009, it was noted that the capital request list presented to the Board in September would be adjusted to reflect any newly appropriated capital projects. As part of the statewide capital plan, the Illinois General Assembly passed, and the Governor approved, planning and construction funding for a new Education Building totaling \$73.0 million. As a result, the Education

Building is no longer included in the budget request but funds to equip the Education Building, when constructed, have been added to the request.

**Table 1
FISCAL YEAR 2011 BUDGET DEVELOPMENT SCHEDULE
(Approximate dates – subject to change)**

June 2009	Submission of initial FY2011 operating and capital budget request to NEIU Board of Trustees for review and discussion
September 2009	Discussion and approval of the FY2011 operating and capital budget requests by NEIU Board of Trustees Report to the Board of Trustees – Strategic Planning Update: Fiscal Year 2009 and Fiscal Year 2010 Action Steps
November 2009	Report to the NEIU Board of Trustees on proposed FY2011 tuition and fees rates
December 2009	Board of Higher Education action on FY2011 higher education operations and grants and capital improvements recommendations
February 2010	Governor’s FY2011 Budget Address NEIU Board action on FY2011 tuition and fee rates
May 2010	General Assembly’s action on FY2011 appropriations
June 2010	Governor’s action on FY2011 appropriations NEIU Board of Trustees’ action on FY2011 preliminary University internal budget
September 2010	NEIU Board of Trustees’ action on FY2011 University internal budget

NOTE: Fiscal year 2011 begins on July 1, 2010 and ends June 30, 2011.

STRATEGIC GOALS

The University has identified six strategic goals to be pursued during the planning period of fiscal year 2009 to fiscal year 2017.

Strategic Goal One – Student Success

Ensure student success from recruitment through graduation by creating a culture in which all members of the University community are engaged in attracting, educating and graduating students who achieve the objectives for baccalaureate and graduate degrees.

Strategic Goal Two – Academic Excellence and Innovation

Develop an environment that supports curricular and pedagogical innovation aligned with the mission of the institution, the standards of the disciplines, student needs, and career and civic opportunities in a global society.

Strategic Goal Three – Urban Leadership

Work collaboratively with educational, social service, governmental, and business institutions in Chicago and the region to build upon NEIU's tradition of community involvement.

Strategic Goal Four – Exemplary Faculty and Staff

Invest in faculty and staff to make NEIU a world-class metropolitan university and an employer of choice.

Strategic Goal Five – Enhanced University Operations

Provide a supportive learning, teaching and working environment by improving operating productivity, physical infrastructure and environmental sustainability.

Strategic Goal Six – Fiscal Strength

Enhance the University's financial position by reducing reliance on state general funds and student tuition, diversifying revenue sources and strengthening institutional relationships with federal, state and local governments, and private sponsors.

FISCAL YEAR 2011 OPERATING REQUEST

Developing the fiscal year 2011 operating budget request requires that the University reach a balance between the new and ongoing financial needs of the University and a reasonable expectation of support from the State of Illinois and our students. This budget is modest in terms of the needs of the University and includes only modest funding requests for salary and cost increases and selected program initiatives. We are on record, therefore, that these are our highest priorities.

The University also recognizes the need for adequate state funding to support our instructional and support programs. From our fiscal year 2002 appropriation through our fiscal year 2010 appropriation, Northeastern has seen our funding for recurring operations from the State's General Fund decrease by \$2.0 million, or 4.4 percent. In addition, the University received a mandate to pay \$1.1 million annually into the Health Insurance Reserve Fund, further reducing available resources. During this period, the University received no new state funding to address new programmatic initiatives or support the increasing costs of needed goods and services. Nearly all University departments had their spending held level or reduced to support faculty and staff salaries and unavoidable cost increases (e.g., utilities).

The University operating budget request for fiscal year 2011 totals \$85.5 million, an increase of \$4.5 million, or 5.6 percent, above the fiscal year 2010 base. The fiscal year 2011 operating budget request includes salary and cost increases totaling \$2.6 million, and program requests of \$1.95 million. Table 2 summarizes the operating request.

Cost and Salary Increases

The request includes cost and salary increases so that University programs and services and employee compensation do not lose purchasing power due to inflationary factors and that salaries remain competitive with market rates. These requests are summarized in Table 3 and include a general salary increase of \$1.9 million, or 3.0 percent, for a general cost of living salary increase. Based on current salaries, each 1.0 percent salary increase costs approximately \$637,000. Cost increases are requested to provide for Social Security/Medicare increases of \$25,100 (3.0 percent), utilities increases of \$168,500 (5.0 percent), library materials increases of \$80,100 (10.0 percent) and a general cost increase of all other goods and services of \$368,900 (3.0 percent).

Program Requests

The University included two new academic programs and three programmatic initiatives in the operating budget request, each of which is summarized in Table 4 and described

below. These programs represent the most important new University initiatives. The University may attempt to implement, at least in part, important initiatives through the redirection of staff effort and University resources.

Environmental Science Program (\$400,000). Over the past several years, the University has focused on improving services to students in the STEM areas (Science, Technology, Engineering and Mathematics). Recently, the College of Arts and Sciences obtained a significant College Cost Reduction and Access Act grant from the federal Department of Education that is focused on improving student services and opportunities at Hispanic Serving Institutions. The grant provides for the creation of the Student Center for Science Engagement (SCSE), which will provide support services to students with particular attention to the needs of low-income and minority students.

A new interdisciplinary major in Environmental Science is being developed by the SCSE. Planning for the major began at the Science Education for New Civic Engagement and Responsibility Summer Institute 2008. The team of faculty developing the program is proposing a program based on a set of core courses in Biology, Chemistry, Earth Science, Physics, Mathematics and Environmental Studies, a set of new Environmental Science courses (an introductory course, a 'writing in the major' course, and a capstone course). The major will include electives in specific science areas, as well as in the social sciences and the humanities.

The (draft) goals of the major are to train students to understand sustainability; recognize the scope of issues that can be addressed by environmental science; understand the scientific complexities of environmental problems; apply scientific methodology; create and implement solutions; and be effective communicators.

Research on job opportunities for program graduates suggests that the broad field of environmental science is one of great potential and growth. This new major reflects our commitment to increase our student retention and improve our recruitment in the sciences and mathematics, especially focusing on first generation and low income students.

Requested funds will support the institutionalization of the SCSE as well as provide funds and equipment for the implementation of the new Environmental Science major.

Global Studies Program (\$300,000). The Global Studies Program creates a forum for exploring the varied processes and products of our increasingly interconnected world through interdisciplinary study. By taking a deeply historical perspective, and discerning the mutual influence of the "global" and the "local," students can more fully capture the transformations at work in this emergent field. The program traces multiple manifestations and constructions of community and identity, capitalism and consumption, technology and space, language and art, social movements, political

ideologies, and multi-level governance in the contemporary world. Global Studies is designed to provide students with the critical analytical skills needed to access the world around them and their place within it. A rigorous, multi-track curriculum brings together theory and application, addressing questions and debates essential to the field: from radical changes in the political economy of globalization to ongoing fluctuations in perceptions and definitions of cultural identities, from the vibrant exchange among literary, artistic, and intellectual figures to the proliferation of cross-national institutions and networks, from issues of sustainability around changes in ecology and geography to conceptual shifts in ideas and disclosures.

Funds for the Global Studies program are requested for five faculty positions and support costs.

Implementing Recruitment, Retention and Graduation Strategies (\$750,000).

Improving the recruitment, retention and graduation of students at Northeastern Illinois University is our highest institutional priority. The University recently completed its University-wide Strategic Plan and reaffirmed its commitment to improving student success. The Strategic Plan highlighted several areas for the improvement of student success at Northeastern; these form the basis for this request.

Revision to General Education program (\$200,000). As part of the strategic planning process, NEIU has begun to review the General Education curriculum with the goal of increasing the degree of active learning and hands-on engagement in coursework typically taken by students in the first two years of college. Our goal is to revise a wide range of courses and infuse teaching techniques such as team assignments, joint research projects, service learning projects and community-based learning into the courses required of students at the early stages of their college careers. Based on the experience of our own First Year Experience program and data from a wide range of institutions, we expect that a greater level of active learning experiences will result in increased retention and graduation rates. Funds will be used to train faculty in active learning techniques, purchase equipment related to joint research projects, provide transportation expenses related to service learning and community projects, and support program administrative costs.

Improving and expanding undergraduate and graduate advising (\$250,000).

Improving advising has been identified as one of the best means to improve student success. The University proposes expansion of advising programs to better support academic planning for students, particularly in regard to sequence and course availability in their programs, and to increase contact with prospective, new, and continuing enrolled students. In addition, the expanded advising initiative is designed to shorten time to degree for undergraduate students who enter college without clearly defined academic goals.

Additional high-demand course sections (\$300,000). These courses are needed to reduce one of the major impediments to degree completion, and address one of the most often cited complaints from students. Expansion of course offerings in high-demand general education courses, particularly the sciences, and capstone classes within majors are specific areas where additional course offerings are critical.

Teacher Education and Development – Professional Development Schools (\$400,000). Two of the core missions of Northeastern Illinois University are preparing future teachers for the Chicago and metropolitan area and providing continuing professional development for current teachers. Professional Development Schools (PDS) are public school sites that are partnered with a university College of Education to support enhanced teacher development for both practicing and prospective teachers. Whereas traditional pre-service clinical placements and supervision are focused on the teaching candidate, the PDS model is focused more broadly on teacher development. This focus leads to better initial preparation of candidates and professional development for candidates and cooperating teachers, the goal of these efforts being a positive impact on P-12 student learning.

The Northeastern Illinois University College of Education would implement four Professional Development Schools with the Chicago Public Schools. A longitudinal database would be developed and a collaborative research effort would be initiated. Faculty from Northeastern and the PDSs would work collaboratively on issues related to candidate preparation, such as mentoring and induction, P-12 student learning, and the utilization of state-of-the-art technology. Research on the impact of the PDS model has likened the model to a teaching hospital where novice and expert teachers work together to raise P-12 student performance.

These funds will be used for stipends to mentors, developing closer connections between university faculty and classroom teachers (e.g., teacher education courses being held in the partner school), professional development and honoraria for school faculty, and new technology for Northeastern and PDS faculty and students.

Campus Safety Initiatives (\$100,000). The health and safety of Northeastern Illinois University students, faculty, staff, and guests is critically important to the University community. Additional funding is requested to meet high priority needs, including further development and testing of emergency response protocols; equipping the emergency response center; providing emergency power capability to critical campus units; and further training and development of University emergency personnel.

TUITION AND FEES

The timing of the formal request for the approval of tuition and fee rates is a compromise between early adoption, that allows students and their parents to better

plan for college costs, and later adoption, that allows the University to consider available state funding in determining tuition rates.

In February 2009, the NEIU Board of Trustees adopted tuition and fee rates for fiscal year 2010, the academic year beginning in the fall of 2009. This schedule represented the best alternative, allowing time for students to plan for fall costs and also allowing the University some sense of the state funding support. February consideration of tuition also allows for a broader discussion with students on tuition issues during the fall semester.

At the November 2009 meeting, the Board will receive a report on tuition and fee rates that will facilitate a discussion with student government during the fall semester. A set of tuition and fee recommendations for fiscal year 2011 will be brought to the Board for action at the February 2010 meeting.

CAPITAL IMPROVEMENTS

Table 5 summarizes capital improvement requests for fiscal year 2011. Requested capital projects total \$136.4 million. These include \$132.0 million in Regular Capital projects and \$4.4 million in Capital Renewal projects. The requests also include a priority number for each project, as requested by the Illinois Board of Higher Education.

All projects are based on the fiscal year 2011 cost guidelines issued by the State of Illinois Capital Development Board (CDB). For the first time, the Illinois Board of Higher Education and the Capital Development Board recognized the differences in construction costs among the various locales in Illinois, most notably Chicago. The two boards approved higher construction cost standards for certain areas of the state where labor and material costs are significantly more than other areas of the state. As a result, for Northeastern, we now have higher, but more accurate, cost figures for our capital requests.

As noted in the June report, the capital requests would be adjusted should the Illinois General Assembly and the Governor approve any of the requested capital projects. Included in the appropriated statewide capital plan were funds for the planning and construction of the Education Building. As a result, the request for that building has been removed from the list of requested capital projects. The statewide capital plan also included funding for capital renewal projects; however, those projects were not identified for a specific purpose. As a result, the capital renewal request was not revised.

A brief description of each project follows.

A. REGULAR CAPITAL

**2011-01 Jacob H. Carruthers Center for Inner City Studies Remodeling
\$19,504,400**

The Jacob H. Carruthers Center for Inner City Studies (CCICS) was established by Northeastern Illinois University in 1966 to improve the lives of inner city residents by offering undergraduate and graduate degree programs, as well as community service seminars and cultural events. As the area surrounding CCICS is undergoing a remarkable revitalization, so is the mission of the Center. Increasingly, the Center will become a focus for cooperative efforts between the University and Chicago inner city schools, expanding offerings in teacher preparation and development, administrator training and in-service programs, and student enrichment programs.

The University is requesting funds to remodel and upgrade interior spaces in response to programmatic changes that have occurred at the Center since the previous remodeling in 1972. In addition, there are building infrastructure upgrades included in this request to improve the efficiency and reliability of the building's mechanical systems. There are also funds requested to address exterior roof and façade repairs.

Teaching and offices spaces on floors 3, 4, and 5 will be modernized with the latest classroom technology, and new finishes and furniture will be installed. The public events areas on the lower level and first floor will be refurbished and modernized to meet specific program criteria. The public events areas include a student lounge and large meeting room on the lower level, the lobby, meeting rooms, and miscellaneous spaces on the first floor. In addition, these spaces will be provided with state-of-the-art audiovisual presentation equipment and lighting, as dictated by program requirements.

The Donn F. Bailey Legacy Hall auditorium on the second floor of the Center will be refurbished with new seating and sound and light systems; upgraded media and technology; an improved stage; new mechanical systems; and other renovated furnishings. All these improvements will be designed to protect the important historical significance of the auditorium.

The ceiling tiles in the corridors on all floors will be replaced and floor tiles will be replaced on the lower level and floors 4 and 5 (floor tile was recently replaced on all of the other floors in conjunction with floor repair work). Throughout the public corridors and washrooms on all floors, existing painted drywall surfaces will be replaced with more durable finishes and protective corners. Also, washroom fixtures, partitions, and toilets will be replaced.

The two 1972 boilers will be replaced (the original chillers and elevators were recently replaced), the main fan units will be replaced, new temperature controls will be provided, and a Building Automation System will be installed to more effectively monitor and operate the building heating, cooling, and lighting systems. The camera system will be replaced

with a new central monitoring station.

Finally, on the exterior, work will consist of replacing the 9,000 square foot roof and related flashings and certain other façade repairs.

2011-02 Education Building, Equipment - \$7,745,100

This request is for funds to provide moveable equipment in the new Education Building.

2011-03 Science Building Planning - \$6,901,600

This request is for planning funds through the preparation of bid documents for a new Science Building. Construction of a new Science Building is necessary to address the continuing growth, success, and pressing needs of the University. This project will permit Northeastern Illinois University to meet the current and future needs for teaching laboratories, student and faculty research laboratories, classrooms, meeting and conference facilities, and office space.

The current Science Building was constructed in 1972. It is a three-story concrete frame building with a masonry veneer. The major laboratories and other teaching spaces are located in the center of the building, with the offices located around the perimeter. Most of the offices are constructed in a unique double-decker fashion with a group of offices located a half story up and down from the main circulation corridor. These offices do not meet ADA accessibility requirements, and cannot be modified to do so. Since the building was constructed, University headcount enrollment has increased nearly 50 percent, science teaching technology has changed dramatically, and laboratory health and safety procedures and building code regulations have changed. The building has not undergone any significant updating or renovation since it was constructed in 1972.

In 2004, the University initiated a planning effort to modernize the existing Science Building. The planning took approximately 15 months and was a collaborative effort between University administrators, science faculty, students, facilities management, and two architectural consultants, LCM and Burt, Hill. This process resulted in a plan to modernize the occupied Science Building in five phases over seven years.

Following completion of the report, the University reviewed and discussed the Science Building Modernization plan and determined that there were several factors that warranted a planning change; most importantly, requesting a new science building rather than renovating the current building for science education.

First, the extensive phasing necessary to keep as many laboratories available as possible during all phases would be extraordinarily disruptive to the programs resident

in the Science Building. Up to half of the labs in a given discipline would be undergoing modernization during each phase, so the phasing would require a reduction in scheduled classes and their associated labs. In order to continue to have sufficient general classrooms available to support a minimal science teaching program, portable temporary buildings would also have to be rented to house the classrooms and offices that would be displaced during each phase.

Second, this multi-phased modernization of the building and associated costs is estimated to cost \$42.2 million. The resulting modernized Science Building would not have any significant expansion, the labs would be half the size of the current recognized lab standard size, and the offices would still be inaccessible to handicapped persons.

In addition, the University discussed as an alternative the construction of a new Laboratory Building near the current Science Building. This approach would provide larger new laboratories, a somewhat shorter construction period, increased classroom space as the current labs in the Science Building would be converted to classrooms, and much less disruption of ongoing University Programs. However, a new laboratory only building would be separated from the faculty offices and classrooms, and the faculty offices in the current Science Building would still be handicapped inaccessible. A new laboratory building location would need to be constructed on limited land close to the present Science Building. Construction in this area would disrupt other campus long-range plans and may not be the best use of limited real estate. A new laboratory building would cost an estimated \$39.8 million.

After looking closely at remodeling the existing Science Building, and the alternative of a separate Laboratory Building, a completely new building with classrooms, teaching labs, research labs and offices was decided to be the most cost and time efficient way to provide a state-of-the-art science facility. This building would support not only current program requirements but would be flexible in meeting future programs in an environment much more conducive to learning. Planning for a new science building would cost an estimated \$6.9 million and construction would cost an estimated \$86.5 million.

The new Science Building, together with the new Education Building, will place Northeastern at the forefront of providing a first-class educational environment to support our students and faculty. Northeastern is requesting funding for a new Science Building to enhance its ability to educate new scientists, and also to contribute to the State of Illinois in the training of new teachers and in providing professional development opportunities to current teachers.

The proposed Science Building will be over 200,000 GSF and will include general and specialized classrooms, as well as teaching and research laboratories for undergraduate and graduate students and faculty. This building will be LEEDS certified.

2011-04 Science Building, Construction - \$86,514,900

These funds would provide for construction of the Science Building.

2011-05 Lech Walesa Hall Remodeling - \$11,343,200

This project is closely linked with the construction of the Education Building and will renew existing finishes, modernize HVAC and utility systems, replace fixed equipment, and remodel interior areas in response to programmatic changes in the Lech Walesa Hall since it was constructed in 1973. The project includes realigning administrative space throughout the building by consolidating various department offices. It also reconfigures the second-floor open computer laboratories, consolidates the University's computer center and support offices, and adds student meeting and group spaces in support of a student-centered environment for our commuting students. The project also provides for replacing the perimeter heating and cooling units; modifying lighting, electrical, and data distribution systems to support remodeling; and renewing interior finishes and fixed equipment in classrooms, corridors, stairwells, and washrooms.

B. CAPITAL RENEWAL PROJECTS

2011-01CR 4160V Substation & Cable Replacement - \$2,237,600

This project replaces the electric substations in Buildings C, D, and E and replaces aluminum cable and outdated tap boxes throughout the campus, all installed in 1961. The existing high-voltage distribution system has become unreliable with age, and replacement parts are very difficult to locate. The project will include project design, development of an implementation plan and replacement of the highest priority systems and components.

2011-02CR Buildings D & E Exterior Window Wall Replacement - \$2,110,200

This project replaces 1,800 linear feet of the original window wall in Buildings D and E and adjacent enclosed cross corridors. These buildings are two of the original campus buildings constructed in 1961. The existing window wall is floor-to-ceiling single-glazed clear glass with sliding glass windows between mullions. Replacement of the window wall with a modern, more securely sealed glass wall will significantly reduce energy costs.

TABLE 2
NORTHEASTERN ILLINOIS UNIVERSITY
FY2011 OPERATING BUDGET REQUEST
STATE APPROPRIATIONS AND UNIVERSITY INCOME FUNDS

(in thousands of dollars)

FY2010 Base (Excluding Retirement)	\$ 80,999.3
Increases to Maintain Operating Levels (Table 3)	2,553.4
Increases for New and Expanded Programs (Table 4)	
New Academic Program Requests	700.0
Program Priority Requests	1,250.0
FY2011 Operating Budget Request	\$ 85,502.7
Dollar Change	4,503.4
Percent Change	5.6%

**TABLE 3
NORTHEASTERN ILLINOIS UNIVERSITY
FY2011 OPERATING BUDGET REQUEST
COST INCREASES TO MAINTAIN OPERATING LEVELS**

(in thousands of dollars)

	<u>FY10 Base</u>	<u>FY2011 Increases Amount</u>	<u>Percent</u>
Compensation Increases	\$ 63,694.2	\$ 1,920.8	3.0%
Social Security/Medicare	837.7	25.1	3.0
Utilities			
Electricity	2,425.9	121.3	5.0
Natural Gas/Propane	854.1	42.7	5.0
Water/Sewer	<u>90.0</u>	<u>4.5</u>	<u>5.0</u>
Subtotal	<u>\$ 3,370.0</u>	<u>\$ 168.5</u>	<u>5.0%</u>
Library Books & Materials	801.4	80.1	10.0
All Other Operating Costs	<u>12,296.0</u>	<u>368.9</u>	<u>3.0</u>
Total	<u>\$ 80,999.3</u>	<u>\$ 2,553.4</u>	<u>3.2%</u>

Notes: Other operating costs include such items as maintenance and service contracts, equipment for instructional and support programs, and general supplies.

TABLE 4
NORTHEASTERN ILLINOIS UNIVERSITY
FY2011 OPERATING BUDGET REQUEST PROGRAM REQUESTS

(in thousands of dollars)

NEW ACADEMIC PROGRAM REQUESTS	<u>\$ 700.0</u>
Environmental Science Program	400.0
Global Studies Program	300.0
PROGRAMMATIC INITIATIVES REQUESTS	<u>\$ 1,250.0</u>
<u>Implementing Enrollment, Retention and Graduation Strategies</u>	
	<u>750.0</u>
Revision to General Education	200.0
Expanding Student Advising	250.0
Additional Course Sections	
<u>Teacher Education and Development</u>	<u>\$ 400.0</u>
Professional Development Schools	400.0
<u>Campus Safety Initiatives</u>	
	<u>100.0</u>
TOTAL PROGRAM REQUESTS	<u>\$ 1,950.0</u>

Roll was called and the vote was as follows:

Azcoitia	Yes
Dawson	Yes
Dudycz	Yes
Dykla	Yes
Lee	Yes
Fulgencio	Yes

The motion carried.

Dr. Dawson, seconded by Mr. Fulgencio, moved to approve the FY 2011 Capital Appropriations Request as follows:

**TABLE 5
 NORTHEASTERN ILLINOIS UNIVERSITY
 FY2011 CAPITAL APPROPRIATIONS REQUEST**

(in thousands of dollars)

PROJECT	PRIORITY	ESTIMATED PROJECT COST
REGULAR CAPITAL PROJECTS		\$ 132,009.2
Carruthers Center for Inner City Studies Renovation	1	19,504.4
Education Building, Equipment	2	7,745.1
Science Building, Planning	3	6,901.6
Science Building, Construction	4	86,514.9
Lech Walesa Hall Remodeling	5	11,343.2
CAPITAL RENEWAL PROJECTS		\$ 4,347.8
4160 V Substation and Cable Replacement	1	2,237.6
Buildings D and E Exterior Window Wall Replacement	2	2,110.2
TOTAL		\$ 136,357.0

Note: All costs reflect FY2011 Capital Development Board (CDB) cost guidelines.

Roll was called and the vote was as follows:

Azcoitia	Yes
Dawson	Yes
Dudycz	Yes
Dykla	Yes
Lee	Yes
Fulgencio	Yes

The motion carried.

Legal Counsel Report

Mr. Dunn updated the Board on two items in the Legal Counsel Report No. 72. First, litigation between Northeastern and Unknown Student A has been resolved. Secondly, the case with Dr. William Pizzi is expected to be removed from the next Legal Counsel Report. Dr. Pizzi will still have his lawsuit pending with Northeastern, but it will only be in one court and not two courts.

Board Committee Reports

Academic and Student Affairs – Chair Dawson informed the Board that there were two information items related to Strategic Planning Workplans for FY 2009 and FY 2010 in the Board report.

There is also a Doctoral proposal in which Provost Frank has appointed a faculty committee with representatives from the three colleges and the library to review the original proposal with the concept of offering Doctoral degrees at Northeastern. The proposal process usually starts with a faculty committee, but in this case the process will begin with a university-wide committee.

The Type 75 program at El Centro is up and running with the required enrollment to run classes in LEAD 421 and LEAD 424. Dr. Azcoitia asked about the enrollment and duration of the cohorts at El Centro. Dean Gillette explained that there are twelve and thirteen students enrolled in the Type 75 Leadership cohorts and ten students enrolled in the Reading Specialists cohort. Both of the programs are for a duration of two years.

Buildings and Grounds – Chair Dykla gave the Construction Update as follows:

Building A:

- The remodeling of Building A, which houses the College of Business and Management, is complete, other than some finishing touches. College faculty and administrators are occupying the building and classes are being held in the building.
- In conjunction with the Building A remodeling, new sidewalks, benches, lighting and parking lot improvement have been completed.

Education Building:

- The General Assembly included, and the Governor approved, funds in the fiscal year 2010 capital budget for the planning and construction of the Education Building. The University is seeking release of these capital funds so building design can begin.

CCICS West Face Façade Repairs:

- This work is the second of four phases which reconstructs the parapet walls, repairs window lintels and grinds and re-points all brick masonry joints that are required as on-going maintenance by the City of Chicago Exterior Wall Ordinance.
- The Board approved this project in April and work was completed in August 2009.

Old Business

No reports at this time.

New Business

No reports at this time.

Announcements

Chair Dudycz reminded the Trustees that their attendance is requested to bring greetings at the Academic Honors Reception on December 10 and the morning and afternoon Commencements on December 19. Trustee Dykla will attend the Honors Reception and Trustee Azcoitia will attend one of the Commencement ceremonies.

Opportunity for Public Comment in Accordance with Public Act 91-0715

Chair Dudycz noted that an Opportunity for Public Comment was provided.

Convene in Executive Session

At 4:51 p.m., Mr. Lee, seconded by Mr. Dykla, moved to convene in executive session

to consider: 1) the employment of employees, as permitted by Section 2. (c) (1) of the Open Meetings Act; 2) collective negotiating matters, as permitted by Section 2. (c) (2) of the Open Meetings Act; 3) pending, probable or imminent litigation, as permitted by Section 2. (c) (11) of the Open Meetings Act; and, 4) discussion of minutes lawfully closed under this Act, as permitted by Section 2. (c) (21) of the Open Meetings Act.
Roll was called and the vote was as follows:

Azcoitia	Yes
Dawson	Yes
Dudycz	Yes
Dykla	Yes
Lee	Yes
Fulgencio	Yes

The motion carried.

Reconvene in Open Session

At 6:24 p.m., Mr. Lee, seconded by Dr. Dawson, moved to reconvene in open session and it was unanimously approved.

Dr. Azcoitia, seconded by Mr. Lee, moved that the **confidential written minutes of the executive session dated September 18, 2008, no longer require confidential treatment and are available for public inspection.**

Roll was called and the vote was as follows:

Azcoitia	Yes
Dawson	Yes
Dudycz	Yes
Dykla	Yes
Lee	Yes
Fulgencio	Yes

The motion carried.

Dr. Dawson, seconded by Mr. Dykla, moved that the **confidential written minutes of the executive session dated June 12, 2008, have been reviewed and it has been determined that they should remain confidential.**

Roll was called and the vote was as follows:

Azcoitia	Yes
Dawson	Yes
Dudycz	Yes
Dykla	Yes
Lee	Yes
Fulgencio	Yes

The motion carried.

Mr. Fulgencio, seconded by Mr. Dykla, moved to approve the **destruction of verbatim records for the meeting held February 7, 2008 as follows:**

Whereas, 5 ILCS 120/2.06(a) requires public bodies to keep verbatim records of all closed meetings in the form of a video or audio recording; and
Whereas, 5 ILCS 120/2.06(c) provides that these verbatim records may be destroyed after eighteen (18) months but only after: 1) the public body approves destruction of a particular recording; and 2) the public body approves Minutes of the closed meeting that meet the written requirements applicable to open meetings; and
Whereas, the Board of Trustees has reviewed written Minutes of the closed meeting held on **February 7, 2008** and those written Minutes meet the written minutes requirements; and
Whereas, the Board of Trustees believes that the destruction of the verbatim records is appropriate:
Therefore, be it resolved that the Board of Trustees of Northeastern Illinois University approves 1) the written Minutes of the closed meeting held on **February 7, 2008** 2) the destruction of the verbatim records of the closed meeting held on **February 7, 2008** and, 3) directs the Assistant Secretary of the Board of Trustees to destroy said verbatim records.

Roll was called and the vote was as follows:

Azcoitia	Yes
Dawson	Yes
Dudycz	Yes
Dykla	Yes
Lee	Yes
Fulgencio	Yes

The motion carried.

Dr. Azcoitia, seconded by Mr. Lee moved that the **Board of Trustees of Northeastern Illinois University direct its attorney to prepare an amendment to the Presidential employment agreement of Dr. Sharon K. Hahs for a period of four years from its current ending date to reflect this Board’s determination that her contract should be so extended.**

Roll was called and the vote was as follows:

Azcoitia	Yes
Dawson	Yes
Dudycz	Yes
Dykla	Yes
Lee	Yes
Fulgencio	Yes

Adjourn

At 6:27 p.m., Dr. Dawson, seconded by Dr. Azcoitia, moved to adjourn.

Roll was called and the vote was as follows:

Azcoitia	Yes
Dawson	Yes
Dudycz	Yes
Dykla	Yes
Lee	Yes
Fulgencio	Yes

The motion carried.

Walter W. Dudycz, Chair
Mimi Crespo, Assistant Secretary