



**President's Report
to the
Board of Trustees**

Thursday, February 15, 2007

I. ACTION ITEM

**APPROVAL OF FISCAL YEAR 2008 TUITION AND FEE
RATES**

The Board of Trustees of Northeastern Illinois University is required by its enabling Act to adopt tuition and fee rates for students attending the University. Each year, the Board reviews and adjusts those rates to recognize the budgetary needs of the University and the appropriate contributions students should make to meet those needs. Historically, given the University's ongoing commitments to access and to providing a high quality affordable education, the Board has adopted tuition and fee rates that are among the most affordable of the Illinois public universities. Equally important, the Board adopts tuition rates that reflect a fair and appropriate contribution from students to the costs of their education. It is with those continuing commitments and parameters that this report presents fiscal year 2008 tuition and fee recommendations to the Board for approval.

At the September 2006 meeting, the proposed fiscal year 2008 tuition and fee rates (beginning fall 2007) were presented for discussion to the Board and to the University community. Clearly, students are the campus constituents most affected by changes in student tuition and fees. As a result, and as in previous years, the Provost and the Vice Presidents for Student Affairs and Finance and Administration met with the Student Government Association (SGA) on December 7, 2006 and, at the invitation of SGA, other interested students, to present the proposed tuition and fee rates and discuss student concerns. Two PowerPoint presentations were made by the vice presidents followed by a question and answer session open to all members of the SGA and students in the audience.

Summary of Student Concerns

At the meeting with the SGA and the student community, and as reported in the January 23, 2007 edition of *The Independent*, the discussion with the students had three general themes. First, students asked about the magnitude of the proposed tuition increase and the need for additional resources. It was pointed out that, due to the Guaranteed Tuition Rate Program, this increase affects only current students enrolled at Northeastern prior to fall 2004. Tuition for all other students first enrolled after fall 2004 will remain unchanged. In addition, even with this increase, tuition for those affected students is estimated to remain at least 10 percent below the average tuition for the other public universities. (Note that tuition for Northeastern students included in the tuition guarantee program pay tuition approximately 10 to 20 percent below the averages for the other Illinois public universities, see Table 1). As a

result, it was concluded that, even with this increase, tuition at Northeastern will remain below the average for public universities and will continue to be an affordable tuition rate.

Also discussed with the students was the need to secure tuition revenues due to the lack of adequate new state resources. The November tuition and fee report to the Board and the information presented in this report discuss the implications on University resources due to the decreased level of state funding for all of public higher education. Our current state appropriations are nearly 12 percent below levels of five years ago and, considering additional state mandates, the University's net available state revenue is 14 percent below the prior level. The proposed tuition increase will be used to support faculty and staff salaries, support increasing utility costs and provide for limited expansion of academic course sections.

A second issue that received more discussion from the students was how this tuition increase will improve the availability of high demand classes. Provost Frank discussed the recent implementation of course waiting lists and how students need to sign on to those lists so the University has a better sense of what classes need to be added. The Provost also made the commitment to work closely with the Deans to identify high demand courses where need is not being met and to more aggressively add sections when possible. Finally, the University will begin piloting additional weekend courses this fall in certain high demand areas (e.g., biology) to help address the students' concerns.

The third issue discussed with students was the need for better advocacy efforts in Springfield. The vice presidents discussed the efforts of the University administration but also discussed with the students that advocating for additional state support must be a collaborative effort from the administration, faculty, staff and students. The SGA was most interested in partnering with the Student Government Associations at other Illinois public universities to advocate in Springfield on behalf of Illinois public universities. It was noted that the public university presidents and chancellors advocate collectively and individually and the faculty advocate through the IBHE Faculty Advisory Committee. Advocacy models for students would be through their SGA partners and the IBHE Student Advisory Committee.

The balance of this report provides the context and rationale for the tuition and fee rate recommendations.

Overview of Current Tuition and Fee Rates

In fall 2004, a state law took effect requiring all Illinois public universities to guarantee new undergraduate students a level tuition for four consecutive academic years. Last fall, the third cohort of undergraduate

students attending Northeastern entered the University under this tuition guarantee. In fall 2007, the year in which the tuition rates proposed in this report take effect, the University will have the full complement of four undergraduate cohorts paying level tuition for four years.

One result of this legislation is the effect on tuition comparisons among institutions. Prior to fall 2004, most universities had one basic tuition rate for undergraduate in-state, resident students and it was much easier to compare and assess tuition rates among public universities. Now, because of this legislation, all Illinois public universities have at least four different rates for in-state undergraduate students. This complicates tuition comparisons. Further, there has been no standard statewide methodology developed to facilitate tuition rate comparisons.

Tuition comparisons are important because they provide a means to assess affordability among somewhat similarly financed institutions. For discussion purposes, Table 1 presents tuition rates at Illinois public universities for the four general classes of undergraduate students: freshmen, sophomores, juniors and seniors—and uses what would be the typical tuition cost for full-time enrollment for each of those classes. An average is then computed to determine a common measure for all Illinois public universities. Based on this analysis, the average tuition cost for students attending Northeastern in the current fiscal year is among the lowest rates for in-state undergraduate students attending Illinois public universities; only Governors State University and SIU-Edwardsville have lower average rates. The average full-time undergraduate tuition at Northeastern is \$4,463, or 87 percent of the statewide average of \$5,122.

Another way the Board demonstrates its commitment to affordability is by adopting modest undergraduate tuition increases. Table 2 provides a comparison of the current year undergraduate tuition increases adopted by the NEIU Board of Trustees with the tuition rate increases adopted by the other Illinois public universities. For new undergraduates, the tuition rate increase at Northeastern was 9.4 percent compared to a state average increase of 10.9 percent. For continuing undergraduates, the tuition rate increase at Northeastern was 7.9 percent compared to a state average increase of 9.5 percent. The tuition increases at Northeastern were less than the state average for both cohorts of undergraduate students.

Table 3 summarizes graduate tuition rates at Illinois public universities and the most recent rate increases. Graduate tuition at Northeastern in fiscal year 2007 is \$3,840 for a full-time graduate student, 75 percent of the state average, and the lowest among the Illinois public universities. This compares with undergraduate tuition at Northeastern, as shown earlier, that is 87 percent of the state average. The most recent tuition increase for Northeastern graduate students was 8.8 percent compared to the state average increase of 11.5 percent.

Table 4 provides a comparison of the tuition costs for undergraduate and graduate students at Illinois public universities. Because graduate education is more costly than undergraduate education, it follows that graduate students should pay more for their education than undergraduates. This is the case at most public universities where, on average, graduate students pay 11.3 percent more than undergraduates. At three institutions, graduate students pay less than new undergraduate students, including Northeastern where graduate students pay 8.6 percent less than new undergraduates. These data indicate that an adjustment to graduate tuition at Northeastern is needed to bring graduate tuition in line with undergraduate tuition rates.

Based on IBHE data, Table 5 provides a summary of fiscal year 2007 mandatory fees at Illinois public universities. Governors State University and SIU-Edwardsville do not provide student health insurance so the state average excludes those two institutions. Annual mandatory fees at Northeastern total \$1,671 compared to a state average of \$1,977. Fees at Northeastern rank seventh among the 10 remaining Illinois public universities and total 15 percent, or \$306 below the state average.

Setting Tuition and Fees in a Challenging State Fiscal Climate

The fiscal climate in the state of Illinois has had a direct impact on tuition and fee rates at Northeastern and all other Illinois public universities. The following chart summarizes changes in state appropriations and undergraduate tuition rates over the past 10 years. Between fiscal year 1997 and 2002, state funding increased 32.0 percent while tuition increased 18.8 percent. During this period of increasing state support, tuition increases at Northeastern did not exceed 3.6 percent.

However, in the second five-year period, when state funding decreased 11.8 percent, tuition increased 34.7 percent. The University maintained modest tuition increases until fiscal year 2006, and then only increased tuition at a higher rate in response to several years of state funding shortfalls. State funding levels will continue to challenge the ability of public universities to hold down tuition costs.

**PRESIDENT'S REPORT TO
THE BOARD OF TRUSTEES OF NORTHEASTERN ILLINOIS UNIVERSITY
FEBRUARY 15, 2007**

Figure 1

Fiscal Year	State Funding (in thousands)	% Change	Undergrad Tuition per Credit Hour	% Change
1997	34,398.4	----	85.00	----
1998	36,024.1	4.7%	88.00	3.5%
1999	38,189.0	6.0	91.00	3.4
2000	40,330.4	5.6	94.25	3.6
2001	42,610.1	5.7	97.50	3.4
<u>2002</u>	<u>45,396.8</u>	<u>6.5</u>	<u>101.00</u>	<u>3.6</u>
1997-2002	10,998.4	32.0	16.00	18.8
2002	45,396.8	----	101.00	----
2003	42,585.4	(6.2)%	107.50	3.5%
2004	39,077.7	(8.2)	110.00	5.3
2005	39,227.7	0.4	115.00	4.5
2006	39,247.7	0.1	126.00	9.6
<u>2007</u>	<u>40,026.3</u>	<u>2.0</u>	<u>136.00</u>	<u>7.9</u>
2002-2007	(5,370.5)	(11.8)	35.00	34.7

Not reflected in these state appropriations are additional funding requirements that the University has been required by the state to make that must be funded with available resources. In fiscal year 2002, the University incurred a new requirement to contribute \$1.1 million annually to the Illinois state group health insurance plan. This was a new requirement for all public universities, in addition to the employee and employer contributions already required.

Public Act 94-4 is new legislation that requires Northeastern and all other public universities, for the first time, to make a contribution to the State Universities Retirement System for increases in employees salaries above 6 percent in any of the four years used to determine average earnings for retirement purposes. This not only applies to employees who receive salary increases, but those who receive promotions or reclassifications, including those reclassified due to job audits. Although we do not currently know what the fiscal implications will be at Northeastern, it will have a fiscal impact.

What this means for tuition in the State of Illinois is that not only is public higher education impaired by decreasing state appropriations, but it experiences a pattern of being required to pay additional state expenses out of these decreasing state resources. Because the University operating budget has two primary funding sources – state appropriations and student tuition revenue – any reduction in available state funding results in either greater pressure on student tuition revenue to fund University operating expenses or to reduce University services and programs.

Addressing University Priorities

Northeastern has a long history of reallocation and will continue to support priorities through internal reallocation. The University reached compliance with the directive of the Board of Higher Education and reduced administrative costs by 25 percent. Cost savings from reduced administrative costs were shifted primarily to three high priority areas – addressing decreases in state funding, increasing high demand course sections, and funding unavoidable cost and salary increases.

Operating Budget Priorities. The University identified our highest priorities and we continue to invest available resources in these areas. These priorities are providing fair and competitive salaries to our faculty and staff, meeting student instructional demands by increasing course sections and developing and implementing new academic programs, increasing our complement of tenure-track faculty, improving and expanding student advising, and being good stewards of our campus by maintaining and improving our physical plant.

Even in this climate of state funding shortfalls, the University has used resources to address our highest priorities. We continue to negotiate multi-year contracts with the five campus unions and implement modest salary increases for our non-negotiated employees. Course sections have been increased and student advising expanded. The number of tenure-track faculty has increased and improvements have been made to campus.

As we discuss and consider fiscal year 2008 tuition rates, the appropriate balance between affordability, access and educational quality improvements must be found, all within the state funding climate outlined above.

In addition to operating budget issues affected by state funding, the University also must consider the operations and quality improvements that are supported by student fees. Student fees support such areas as technology, student activities, the Student Union, campus recreation, and student health services. The student demand for services in these areas continues to increase. For example, requests continue to grow for new fee-supported student clubs, expansion of health services, additional computer labs and faster and more robust internet connections.

A major new initiative is underway that will be partially supported by student fees, the new University integrated information system – *NEIUworks*, and the new University portal - *NEIUport*. A major component of this system will be the expansion and improvement of student services, including a significant expansion of web-based student services (e.g., on-line registration, bill payment, degree audit that provides

specific information on course/major requirements on a case-by-case basis, financial aid services).

In addition to the program requirements, student fees also support the various offices that administer the specific fee programs, such as, the offices of student activities, health services and campus recreation. A portion of the increase in student fees for those three areas is the result of increases in health and retirement benefits for employees within those offices.

Capital Priorities. Similar concerns are also evident with facility needs. For the last several years, capital appropriations from the state of Illinois have been either minimal or nonexistent. Northeastern received little or no funding from the state for the renovation of our aging facilities, and several of our major campus buildings were built in the early 1970's. Two significant buildings on campus, the Science Building and the Classroom Building, have had no significant remodeling since construction. The Science Building, in particular, needs significant renovation to meet the pedagogical needs of faculty and the learning needs of students.

With this lack of state support for renovation, it falls on the University to make difficult choices - either maintain education programs in facilities that minimally meet educational needs, continue to seek external funding through grants or gifts, or fund renovation projects internally. While we continue to try to secure external funding at the state, federal and private levels, we are in the same position as most other colleges, universities, and non-profit entities in trying to secure external funding. And since state funding has not been available for facility needs, student fees are the only likely source of funding for significant facilities renovation.

Tuition and Fee Proposal

Table 6 provides proposed tuition and fee rates for fiscal year 2008. The proposed tuition rates attempt to balance the needs of the University, the continuing commitment to keep the costs of attending the University affordable, and the ongoing fiscal challenges resulting from the lack of new state funding. The fee rates will support costs for the new information system (technology fee), facility renovation (academic enhancement fee), program improvements, and fringe benefit increases for employee health insurance and retirement in other student support services.

**PRESIDENT'S REPORT TO
THE BOARD OF TRUSTEES OF NORTHEASTERN ILLINOIS UNIVERSITY
FEBRUARY 15, 2007**

Table 1
ILLINOIS PUBLIC UNIVERSITIES
FY2007 TUITION
ANNUAL FULL-TIME RESIDENT UNDERGRADUATE STUDENTS

(Annual based on 30 credit hours)	Seniors (Enrolled pre- Fall 04)	Juniors (Enrolled Fall 04)	Sophomores (Enrolled Fall 05)	Freshmen (Enrolled Fall 06)	FY2007 Undergrad Average
Chicago State University	\$ 4,710	\$ 4,830	\$ 5,220	\$ 5,670	\$ 5,108
Eastern Illinois University	4,427	4,133	4,629	5,207	4,599
Governors State University	4,320	4,080	4,470	4,890	4,440
Illinois State University	4,123	4,800	5,400	6,150	5,118
Northeastern Illinois University	4,080	3,720	4,800	5,250	4,463
Northern Illinois University	5,150	4,812	5,261	5,750	5,243
Western Illinois University	3,915	4,538	4,968	5,439	4,715
<u>Southern Illinois University</u>					
Carbondale	5,340	4,920	5,310	5,808	5,345
Edwardsville	4,266	4,020	4,350	4,758	4,349
<u>University of Illinois</u>					
Chicago	6,246	5,682	6,194	6,780	6,226
Springfield	4,958	4,005	4,575	5,580	4,780
Urbana-Champaign	7,102	6,460	7,042	7,708	7,078
Average	\$ 4,886	\$ 4,667	\$ 5,185	\$ 5,749	\$ 5,122
NEIU as a % of State Average	83%	80%	93%	91%	87%

Source: Illinois Board of Higher Education Data

**PRESIDENT'S REPORT TO
THE BOARD OF TRUSTEES OF NORTHEASTERN ILLINOIS UNIVERSITY
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Table 2
ILLINOIS PUBLIC UNIVERSITIES
FY2007 UNDERGRADUATE TUITION INCREASES

(Annual based on 30 credit hours)	New Undergraduates				Continuing Undergraduates				
	Enter	Enter	\$	%			\$	%	
	Fall 2005	Fall 2006	Change	Change	FY2006	FY2007	Change	Change	
Chicago State University	\$ 5,220	\$ 5,670	\$ 450	8.6 %	\$ 4,560	\$ 4,710	\$ 150	3.3 %	
Eastern Illinois University	4,629	5,207	578	12.5	4,118	4,427	309	7.5	
Governors State University	4,470	4,890	420	9.4	4,080	4,320	240	5.9	
Illinois State University	5,400	6,150	750	13.9	4,123	4,123	-	-	
Northeastern Illinois University	4,800	5,250	450	9.4	3,780	4,080	300	7.9	
Northern Illinois University	5,261	5,750	489	9.3	4,813	5,150	337	7.0	
Western Illinois University	4,968	5,439	471	9.5	3,915	3,915	-	-	
<u>Southern Illinois University</u>									
Carbondale	5,310	5,808	498	9.4	4,920	5,340	420	8.5	
Edwardsville	4,350	4,758	408	9.4	3,900	4,266	366	9.4	
<u>University of Illinois</u>									
Chicago	6,194	6,780	586	9.5	5,660	6,246	586	10.4	
Springfield	4,575	5,580	1,005	22.0	3,953	4,958	1,005	25.4	
Urbana-Champaign	7,042	7,708	666	9.5	6,436	7,102	666	10.3	
Average	\$ 5,185	\$ 5,749	\$ 564	10.9 %	\$ 4,622	\$ 5,060	\$ 438	9.5 %	

¹ Senior to senior comparison excluded from total due to early implementation of Truth in Tuition

Source: Illinois Board of Higher Education Data

Table 3
 ILLINOIS PUBLIC UNIVERSITIES
 FY2007 GRADUATE TUITION INCREASES

(Annual based on 24 credit hours)	FY2006	FY2007	\$ Change	% Change
Chicago State University	\$ 3,888	\$ 4,032	\$ 144	3.7 %
Eastern Illinois University	3,613	4,235	622	17.2
Governors State University	3,768	4,104	336	8.9
Illinois State University	4,080	4,440	360	8.8
Northeastern Illinois University	3,528	3,840	312	8.8
Northern Illinois University	4,765	5,096	331	6.9
Western Illinois University	4,382	4,799	417	9.5
<u>Southern Illinois University</u>				
Carbondale	5,184	5,832	648	12.5
Edwardsville	4,560	5,400	840	18.4
<u>University of Illinois</u>				
Chicago	6,528	7,114	586	9.0
Springfield	3,666	4,722	1,056	28.8
Urbana-Champaign	7,160	7,826	666	9.3
Average	\$ 4,594	\$ 5,120	\$ 527	11.5 %
NEIU as a % of State Average	77%	75%		

Note: Graduate rates are based on 24 enrolled credit hours.

Source: Illinois Board of Higher Education Data

Table 4

**ILLINOIS PUBLIC UNIVERSITIES
FY2007 GRADUATE TUITION
COMPARISON WITH UNDERGRADUATE RATES**

(Annual based on 24 credit hours)	FY2007 Graduate Tuition	Comparison - New Undergraduate And Graduate Tuition Rates	
		FY2007 New Undergraduate Tuition Restated to 24 Credit Hours	Graduate Tuition Percent Difference Undergraduate Tuition
Chicago State University	\$ 4,032	\$ 4,536	(11.1) %
Eastern Illinois University	4,235	4,166	1.7
Governors State University	4,104	3,912	4.9
Illinois State University	4,440	4,920	(9.8)
Northeastern Illinois University	3,840	4,200	(8.6)
Northern Illinois University	5,096	4,600	10.8
Western Illinois University	4,799	4,351	10.3
<u>Southern Illinois University</u>			
Carbondale	5,832	4,646	25.5
Edwardsville	5,400	3,806	41.9
<u>University of Illinois</u>			
Chicago	7,114	5,424	31.2
Springfield	4,722	4,464	5.8
Urbana-Champaign	7,826	6,166	26.9
Average	\$ 5,120	\$ 4,599	11.3 %

Note: Graduate rates are based on 24 enrolled credit hours.

Source: Illinois Board of Higher Education Data

Table 5

**ILLINOIS PUBLIC UNIVERSITIES
FY2007 ANNUAL MANDATORY FEES
FULL-TIME RESIDENT UNDERGRADUATE STUDENTS
NEW STUDENTS IN FALL 2006**

(Annual based on 30 credit hours)	Total Fees
Chicago State University	\$ 1,468
Eastern Illinois University	1,862
Governors State University ¹	588
Illinois State University	1,890
Northeastern Illinois University	1,671
Northern Illinois University	2,121
Western Illinois University	1,972
 <u>Southern Illinois University</u>	
Carbondale	1,981
Edwardsville ¹	1,180
 <u>University of Illinois</u>	
Chicago	2,962
Springfield	1,664
Urbana-Champaign	2,174
 Average (excluding GSU and SIUE)	 \$ 1,977
NEIU as a % of State Average	85%

¹ Health insurance not available - no fee included.

**PRESIDENT'S REPORT TO
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FEBRUARY 15, 2007**

**Table 6
NORTHEASTERN ILLINOIS UNIVERSITY
Schedule of Proposed Tuition and Fees**

	FY2006	FY2007	FY2008	Change FY07 to FY08	
				Dollar	Percent
<u>TUITION (per credit hour)</u>					
Undergraduate - continuing	\$ 126.00	\$ 136.00	\$ 156.00	\$ 20.00	14.7 %
Undergraduate - newly enrolled Fall 2004 ¹	124.00	124.00	124.00	-	-
Undergraduate - newly enrolled Fall 2005 ¹	160.00	160.00	160.00	-	-
Undergraduate - newly enrolled Fall 2006 ¹	-	175.00	175.00	-	-
Undergraduate - newly enrolled Fall 2007 ¹	-	-	195.00	-	-
Graduate	147.00	160.00	200.00	40.00	25.0
Non-resident Undergraduate - continuing	252.00	272.00	312.00	40.00	14.7
Non-resident Undergraduate - newly enrolled Fall 2004 ¹	248.00	248.00	248.00	-	-
Non-resident Undergraduate - newly enrolled Fall 2005 ¹	320.00	320.00	320.00	-	-
Non-resident Undergraduate - newly enrolled Fall 2006 ¹	-	350.00	350.00	-	-
Non-resident Undergraduate - newly enrolled Fall 2007 ¹	-	-	390.00	-	-
Non-resident Graduate	294.00	320.00	400.00	80.00	25.0
	28.20	33.70	39.80	6.10	18.1
<u>MANDATORY FEES</u>					
Activity Fee	2.10	2.40	2.95	0.55	22.9
Student Union Fee	6.40	6.45	6.60	0.15	2.3
Campus Recreation Fee	2.90	2.95	3.50	0.55	18.6
Performing Arts Fee	0.55	0.60	0.65	0.05	8.3
Student Health Service Fee	1.10	1.20	1.50	0.30	25.0
Computer Resources Fee	4.00	6.50	9.50	3.00	46.2
Academic Enhancement Fee	2.00	4.00	5.00	1.00	25.0
Parking Fee (waivable)	9.15	9.60	10.10	0.50	5.2
Health Insurance Fee ²	330.00	452.25	452.25	-	-
<u>TUITION AND FEES (based on 15 credit hours, excludes health insurance fee)</u>					
Undergraduate - continuing	\$ 2,313.00	\$ 2,545.50	\$ 2,937.00	\$ 391.50	15.4 %
Undergraduate - newly enrolled Fall 2004 ¹	2,283.00	2,365.50	2,457.00	91.50	3.9
Undergraduate - newly enrolled Fall 2005 ¹	2,823.00	2,905.50	2,997.00	91.50	3.1
Undergraduate - newly enrolled Fall 2006 ¹	-	3,130.50	3,222.00	91.50	2.9
Undergraduate - newly enrolled Fall 2007 ¹	-	-	3,522.00	n/a	n/a
Graduate	2,628.00	2,905.50	3,597.00	691.50	23.8
Non-resident Undergraduate - continuing	4,203.00	4,585.50	5,277.00	691.50	15.1
Non-resident Undergraduate - newly enrolled Fall 2004 ¹	4,143.00	4,225.50	4,317.00	91.50	2.2
Non-resident Undergraduate - newly enrolled Fall 2005 ¹	5,223.00	5,305.50	5,397.00	91.50	1.7
Non-resident Undergraduate - newly enrolled Fall 2006 ¹	-	5,755.50	5,847.00	91.50	1.6
Non-resident Undergraduate - newly enrolled Fall 2007 ¹	-	-	6,447.00	n/a	n/a
Non-resident Graduate	4,833.00	5,305.50	6,597.00	1,291.50	24.3

¹ Per Public Act 93-0028, Illinois undergraduate students newly enrolled starting Fall 2004 will have their tuition held constant for a period of four continuous academic years. This policy was extended at NEIU to non-resident undergraduate students.

² Assessed to all Undergraduate students enrolled in 12 or more credit hours who do not show evidence of other health insurance coverage. Final fee calculation for fiscal year 2008 is contingent on the results of negotiation with the insurance carrier. Amount shown is the charge per semester. Note that the Spring semester fee now provides insurance coverage during the Summer semester.

Note: Tuition and fees, other than health insurance, are charged on a credit hour basis for each credit hour enrolled per semester up to 16 credit hours. There will be no tuition and fee charges for credit hours enrolled above 16 hours per semester.

II. INFORMATION ITEMS

For the months of November, December, and January, this report is prepared by Salme Harju Steinberg, (Dr. Hahs began the presidency on February 1, 2007).

A. REPORT OF APPROVED ERP RELATED CONTRACT

At its April 6, 2006 meeting, I requested that the Board of Trustees grant me the authority to approve expenditures and contracts directly related to the ERP project in order to assure the timeliness of implementation. As part of the request, I assured the Board that I would report to the Board at its next regularly scheduled meeting any expenditure or contract for the ERP project that I approved that normally would have required Board approval. The following is the list of such expenditures approved since the last Board meeting in November 2006:

Modifications to Classroom Building 3054 Computer Center

The University's computer network center has been located in room 3054 of the Classroom Building for over 25 years. However, given the load demands of ERP project equipment, the electrical and cooling capabilities of the room will not be adequate to support the ERP project. This necessitates remodeling to bring greater capacity to that room.

This project consists primarily of electrical and fire suppression improvements for the long term use of room 3054 as the University Computing Services server location. The most significant part of the project is bringing adequate electrical capacity to the room. The work provides a new Uninterruptible Power Supply (UPS) system, as well as additional ventilation, cooling, and dust control. The work also includes other improvements based on applicable codes, industry insurance requirements, and best computer room practices, including ADA accessibility, room security, non-destructive fire suppression systems, and cable management.

All services were formally advertised and competitively bid with bids opened on December 7 and 8, 2006. All work will be paid from Administrative Services Fee revenues and all work will be completed by May 2007. All contracts have been awarded to the lowest bid as follows:

General construction	Pelar Construction
\$82,477	
Mechanical*	Anchor Mechanical
\$144,675	
Electrical**	Broadway Electric
\$469,800	

* Mechanical Work includes all HVAC and Plumbing

** Electrical Work includes Inert Gas Fire Protection and Coordination/Scheduling of all trades.

**B. DEREGULATION AND THE PROCUREMENT OF
ELECTRICITY**

Board policy exempts utility purchases from contracts requiring Board approval. This information item is presented to the Board to provide current information concerning the procurement of electricity in the new, deregulated market.

In December 1997, the *Illinois Electric Service Customer Choice and Rate Relief Law* was passed by the Illinois General Assembly and signed into law by the Governor. In short, this law separates the generation, transmission and distribution of electricity into separate markets and makes the generation of electricity a competitive industry. This law grants consumers the opportunity to shop among competing electricity generating suppliers with current electric utilities continuing to distribute the electricity to customers; in the University's case, this is ComEd.

As background, in February 1995, the University finished construction of its co-generation plant and began generating its own electricity. In spring of that year, Commonwealth Edison offered the University a Rider 27 rate under which the University received a special, below-market electric rate and, in return, agreed that the University would not generate its own electricity Monday through Friday from 9:00 a.m. to 6:00 p.m. ComEd also required that, at ComEd's direction, the University could be required to generate electricity at full capacity up to 10 times per year for six hours each time. This agreement allowed ComEd to use the University's generating capacity should overall demand so dictate.

In January 2007, the Illinois electricity market was deregulated and the University lost its special, below-market rate from ComEd. The University also regained its ability to self-generate electricity at any time and will do so when market rates dictate savings from doing so.

Because of the complexities of this new, deregulated market, the University interviewed energy consultants to assist with our electricity procurement and selected Progressive Energy Solutions to review the various options, including joint purchasing. The consultant with the University developed a Request for Proposal (RFP) which was sent to most of the 15 Alternative Retail Electric Suppliers (ARES) in Illinois. The University received three qualified bids.

On January 10, 2007, the University contracted with low bidder, MidAmerican Energy Company (MEC), to supply electricity to the main campus and to all satellite sites. The pricing structure is fixed for all satellite sites, but is "day ahead" for the main campus, meaning the University pays the daily rate and can self-generate when electricity prices spike, typically during the summer months. If fixed rates decline, the University has the option to lock-in at lower fixed rates. It is anticipated that with the combination of deregulation and the elimination of the Rider 27 rate, the University's electricity costs will increase from \$1.3 million to \$1.7 million in fiscal year 2008, an increase of \$400,000, or 30 percent.

C. PRESIDENT'S UPDATE

**1. Higher Learning Commission (HLC) of the North Central Association
Site visit, January 22-January 24, 2007**

After a two-year self study directly engaging approximately 200 members of the campus community, the team appointed by the HLC visited Northeastern Illinois University. This process led by Dr. Shelley Bannister as coordinator, the site visit, and the positive recommendations from the visiting team constitute the first step in the continuing accreditation process. The visiting team stated that they expect that the next visit from the HLC will be in 2016-2017.

As the NEIU Board of Trustees will remember, I began the process of planning for this visit over three years ago. Just as I proposed, the university and I had the pleasure of having the president-elect, Dr. Sharon Hahs, with me in the course of the site visit. This fact is an important part of the transition for our next president.

2. Presentation to the Illinois Legislative Latino Caucus Foundation

On December 7th, at the invitation of the Illinois Legislative Latino Caucus Foundation, I was invited to make a presentation at the Annual Conference held in Rosemont. Several thousand attendees are routine for this growing conference.

My topic was *Enrolling and Graduating Latino Students: The Four-Year University Perspective and Challenge*. The moderator was State Representative and NEIU alumna Toni Berrios. The panel also included Judy Erwin, Executive Director of the IBHE, and staff from DePaul and UIC.

I had the opportunity to present some of the analysis that I included in my article, "Widening the Door to Higher Education" that was published in *Diverse*.

**3. Presentation to the Faculty Advisory Council of the Illinois Board of
Higher Education, January 19, 2007**

Professor Tim Sherman, English, invited me to address the FAC when it was in session on the NEIU campus. I had the opportunity to say a few words about NEIU and our distinctiveness in the public university mission in the State of Illinois. I also discussed my article published in *Diverse* in December 2006. There was general interest in these issues and the necessity of continuing the conversation on time-to-degree with the IBHE and the General Assembly.

**4. December 2006 Holiday Party for the
University Community**

We hosted a great turnout for the community and had an opportunity to thank several members of the NEIU Board of Trustees and the NEIU Foundation for their care and commitment on behalf of this university.

5. Presidential Scholars Report

The elimination of participation in NCAA Division I intercollegiate athletics in 1998 provided the funding for various new scholarship opportunities for NEIU students. One of them is the Presidential Scholars Program. This highly competitive program adds four new fulltime freshman scholars each year to the program. At the peak we are supporting 16 full time students each year.

The University recruits high school seniors with academic promise from Chicago area high schools. Applicants are required to achieve a minimum ACT score of 27. Recipients must enroll for a minimum of 12 credit hours each semester the award is received and they must achieve a 3.25 grade point average for renewal of the scholarship. The award can be renewed for three years.

At the beginning of the Fall Semester 2006 Northeastern Illinois University enrolled 13 Presidential Scholars. Of the scholars enrolled 4 began their program of study in 2003; 2 began in 2004; 3 in 2005; and 4 in 2006. On average the scholars enrolled for 13 credit hours and achieved a 3.74 cumulative grade point average during this past semester. The scholars' average enrollment for Spring is 14 credit hours.

6. New Scholarships Established

2006 was another banner year for the Development Office, realizing gifts that were in the making as well as receiving new gifts across departments. Scholarships by far, remain the most favorite way for donors to assist our students. Since July of 2006, we have received the following significant gifts:

Mrs. Firoozi established the Dr. Ferydoon Firoozi Memorial Conference Travel Fund. The sum of \$2,000 was received from a \$5,000 commitment.

Judith Schust established the Ruth Hanna Memorial Scholarship in Music. This is an annual scholarship of \$2,000 and it will be endowed upon the donor's death with close to \$50,000.

Kim Kleeman and her husband John established the Shakespeare Squared Annual Scholarship and Award in Student Teaching. The sum of \$11, 500.00 was received in August to award in the fall and spring semesters. The donors have plans to expand this scholarship as their company grows.

Jose Mario Hernandez and his wife Joanne Alperin made a gift of \$20,000 from their private foundation, the Colegato Foundation, for the department of Foreign Languages and Literatures. Discussions are underway to determine the best way to use this gift to benefit the department and our students.

A gift of \$10,000 has been pledged by Dr. Durward Hofler as a challenge grant to College of Business and Management alumni, to establish the Durward Hofler Scholarship in honor of his forthcoming retirement in June 2007.

7. *NASFAA Magazine –Fall 2006*

Maureen Amos, Associate Director of Financial Aid, serves as a member of the *National Association of Student Affairs Administrators (NASFAA) Student Aid Magazine* editorial review board and wrote a series of articles on assessment that were published in Volume 17, Nos. 1-3 (March and November, 2006.) The final article will be published in March, 2007.

**8. NEIU Alumni Network Advocacy Seminar–
November 8**

The NEIU Alumni Network and the Office of Alumni Affairs presented to the University community an educational seminar on advocacy and higher education. Led by NEIU alumnus and political consultant Gregory Jackson, B.A. '99 Political Science, topics explored were advocating in our day-to-day lives, overview of the Illinois General Assembly, higher education issues and policies, and serving NEIU.

**9. City, County, State and Federal Government
Career Information Day November 10**

The Government College Relations Council (GCRC) is an organization consisting of federal, state and local government agencies and college / university career placement centers. The Northeastern Illinois University Placement Office is a participating member in this organization.

The Government College Relations Council held a job fair from 1:00 pm to 4:00 pm, on Friday, October 27, 2006 in the Robert Metcalf Federal Building in Chicago. Northeastern Illinois University through the Placement Office, co-organized the event.

There were a total of 219 applicants who participated in the job fair. The colleges / universities with the highest applicant representation were NEIU (23), UIC (21), CSU (13) DePaul (11) and Westwood College (11). There were 29 different federal, state and local government agencies who participated in the event.

**10. Salute to August and December Graduates
November**

The Salute to Our Graduates event is an information fair and reception for all eligible graduates. It is sponsored twice a year by the Office of Alumni Affairs. Eligible graduates participated in drawings for special prizes including free membership to the NEIU physical education center, class ring and graduation portraits. Students were able to talk to representatives from a variety of NEIU offices and departments regarding graduate school, job placements and career counseling. More than 300 eligible graduates participate each year.

11. Student Volunteer Fair – November 29

Each year the Dean of Students' Office sponsors a Student Volunteer Fair in the Village Square to connect NEIU students with not-for-profit organizations who are in need of volunteers/interns. Many of the organizations provide support services to those in need, the physically and mentally challenged, and the elderly. Included among the agencies in attendance this year were: World Relief – Chicago, Triton College Access to Literacy Program, Big Brothers Big Sisters of Metropolitan Chicago, Childserv, Council for Jewish Elderly, and the Tax Assistance Program.

12. Academic Honors Reception – December 7

In recognition of students who are graduated with grade point averages above 3.5, the University hosts the Academic Honors Reception. This program offers students, their families, faculty, and staff a chance to meet as students receive the medallions that the graduating students wear at the Commencement Convocation.

On Dec 7, 2006, the Fall Academic Honors Reception was held in the Alumni Hall. Brief congratulation remarks were delivered by President Steinberg, James Barushok, Trustee on behalf of the Board of Trustees. Provost Frank called forward the individual students in attendance and President Steinberg presented the medallions.

There were 111 students recognized (out of 183 eligible), with 225 guests, family, faculty and administration in attendance.

13. Millennium Student Meeting

State Representative David E. Miller, District 29, Calumet City, Illinois visited Northeastern Illinois University on December 7, 2007 to discuss with President Steinberg, the President Council's members and the Presidential Task Force co-chairs, Dr. Barbara Scott and Dr. Santos Rivera, the "Millennium Students: Who are they, and are Universities prepared to meet the needs of these students?" Mr. Courtney Nottage, a member of the University advocacy team attended, too. Representative Miller indicated that he was very much interested in the Millennium Students. He said that if it takes

longer than the “regular” four years for graduation for Millennium students and even if it takes eight years for a student to obtain a degree, this fact should be celebrated, and not ‘looked down upon.’ Representative Miller indicated that he would be happy to assist NEIU in any way he could in order to meet the needs of the Millennium Student.

14. Commencement – December 17

The Commencement Convocation for students who graduated in August and December 2006 was held on Sunday, Dec 17 in NEIU’s Physical Education Complex, with the reception following the ceremony in the Student Union.

The December commencements have been very well received by the students. The number of students participating in the December Commencement has been steadily growing. In order to meet the guest seating needs of the students, it was decided that, for the first time in December, that we would do 2 ceremonies on this day. There would be a morning ceremony for Arts and Sciences and Nontraditional Degree candidates, followed by an afternoon ceremony for Business and Management and Education. Master Degrees and Bachelor Degrees were awarded at each ceremony.

The plan for extra ticketing provided up to five tickets for each student. We also used closed circuit video in the Student Union.

Both of the ceremonies were enthusiastically received by the students, their family and guests, as well as the faculty and staff. One faculty member commented that the smaller ceremony is much more intimate and personal for the graduates and their families.

The ceremonies included greetings from Board of Trustee member Walter Dudycz, student remarks, and President Steinberg’s remarks to the graduates. Before the conferral of degrees, the President presented the faculty emeritus scrolls.

There were approximately 375 students, 60 faculty and administration, and 2200 guests at each ceremony.

15. Stress Free Zone -December

The Student Health Service sponsored a ‘*Stress-Free Zone*’ for students during finals week in December, 2006. SU 214 was turned into a peaceful oasis of dim light and fountains where students could play cards, checkers, do crafts, color pictures, watch videos, get a chair massage or just do nothing in an effort to help them relax between final exams. A total of approximately 600 students attended the event over the three day finals period, almost double the amount that attended last year.

16. Adult Learner Orientation – January 4

On January 4, 2007, Adult and Women Student Programs (AWSP) held an Adult Learner Orientation for new spring semester entrants. The returning adults who attended this session were a combination of freshmen and transfer students. The program

consisted of a welcome given by Michelle Morrow, the Interim Director of AWSP and Director of Scholarships and Retention, a panel discussion, and mini information fair. Representatives from the following NEIU campus units were on hand to provide valuable information to the new students:

- Academic Advisement
- Bursar Services
- College of Arts and Sciences
- College of Education
- Counseling Center
- Financial Aid Office
- Non-Traditional Programs
- Parking Office
- Placement Office
- Student Activities Office

A current returning adult student spoke to the group regarding the journey that led him to NEIU, and how positive his experience has been thus far at the university. The mission of the orientation is to assist our new adult learners in connecting them with the individuals and campus resources that will ease their transition and enable them to successfully navigate the university system. College-specific transfer student orientation sessions and an adult learner orientation session is also held each year before the beginning of the fall semester.

17. 6th Annual Dr. Martin Luther King, Jr. Day Celebration - January

On January 16, 2007, from 10:00am – 12:00 noon, the Northeastern Illinois University community, celebrated Dr. King's life and legacy to a packed audience of students, staff and faculty in Alumni Hall.

Provost Frank and Dean Duster provided opening remarks. The Rev. Dr. Gregory Seal Livingston introduced the keynote speaker, former Lieutenant Governor of Colorado, Joe Rogers, who delivered a powerful commentary in dedication to the memory and legacy of Dr. Martin Luther King, Jr.

The NEIU Black Heritage Gospel Choir sang for the standing room only audience in Alumni Hall. Other speeches and tributes were offered by student leaders.

18. Performing Arts Series / Jewel Box Series / Mostly Music at NEIU December – January

On December 15, 2006 *The Rose Ensemble*, a renowned acapella ensemble from St. Paul, Minnesota performed on NEIU's Jewel Box Series to a sold out audience. The program *Christmas in Elizabethan England* was re-broadcast on WFMT 98.7 FM on Christmas Day and New Year's Day.

**PRESIDENT'S REPORT TO
THE BOARD OF TRUSTEES OF NORTHEASTERN ILLINOIS UNIVERSITY
FEBRUARY 15, 2007**

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On Friday, January 19th the Cypress String Quartet performed on the Jewel Box Series and provided a lecture/demonstration to NEIU music students on the Thursday before their concert.

On Saturday, February 3rd the Dallas Brass was featured in the Performing Arts Series in NEIU's auditorium. The ensemble presented *American Musical Journey*, incorporating a full complement of brass and percussion for a musical travelogue featuring music of Copland, Bernstein, Gershwin, Berlin, John Williams, Sousa. Area high-school brass players will be invited to participate in a master class and to perform one piece with the Dallas Brass on the evening concert.

On Friday February 16 The Verdehr Trio will perform on the Jewel Box Series and present a master class for students on Saturday, February 17th at 10:00 a.m.

Mostly Music at NEIU

Upcoming concerts in the *Mostly Music at NEIU* Series will feature The Jupiter Trio, pianist Junghwa Lee, Three Celli, The Cavatina Duo, and The Euclid Quartet.

Mostly Music at NEIU also brings in guest lecturers to give presentations to NEIU music students. On November 7th William Westney, author of *The Perfect Wrong Note* spoke to NEIU students. On February 13th local jazz performer Corky Siegel will give a lecture presentation on his new book *Jumping Off the Clef: Let Your Music Soar, The Emotional Connection*.

19. Eleventh Annual African, African American, Native American, Caribbean and the Americas Heritage Program: "Human Rights and Our Collective Destiny." January 23-27

Each year, NEIU sponsors and produces a series of Annual Heritage Conferences. In January we celebrated the Eleventh Annual African, African American, Native American, Caribbean and the Americas Heritage Program. Presentations include several keynote addresses, lively panel presentations, round table discussions, performances, video and film presentations and other activities that explore a wide range of issues in health, education, economics, diversity, history, human rights, social justice, equity issues, and the legal system. In addition, there is always evidence of interdisciplinary scholarship in the presentations, an important component of student learning which occurs outside the classroom environment.

D. FACULTY AND STAFF NEWS

1. Suicide Prevention Grant – December 13-15

Northeastern Illinois University's Suicide Prevention Program is administered through Northeastern's Counseling Office and supported by a grant from the US Department of Health and Human Services, Substance Abuse and Mental Health Services Administration (SAMHSA). The 3 year project is funded at \$75,000 per year from SAMHSA (\$225,000 total over the length of the project) and was initiated in October of 2005; its second year began in October of 2006. The Suicide Prevention Program works to enhance awareness of mental health issues across the campus community with a series of workshops and outreach activities for students, faculty and administrative staff, and to improve the responsiveness of front-line responders to students in psychological crisis--such as counselors, nurses and campus police officers.

2. Dr. Terrell – NASAP

Dr. Melvin C. Terrell, Northeastern Illinois University (NEIU) Vice President for Student Affairs, is the current president of the National Association of Student Affairs Professionals (NASAP) and will preside over the NASAP 53rd Annual Conference hosted by Savannah State University from February 7 to 11, 2007. This year's conference theme is "Commitment to Access and Student Achievement: Our Agenda, Our Responsibility." NASAP was founded in 1954 on the campus of Howard University in Washington, D.C. The purpose of the association is to promote excellence in student affairs. The NASAP membership is expecting several hundred participants at this year's annual conference.

**3. American Association of State Colleges and
Universities Hispanic Student Graduation
Outcome Study**

I am pleased to report that upon my recommendation, the American Association of State Colleges and Universities (AASCU) has selected Lawrence Frank, Provost and Vice President for Academic Affairs, and Santos Rivera, Senior Executive Director of Affirmative Action and Institutional Outreach Initiatives, Office of the President, as members of the Hispanic Student Graduation Study Team. Dr. Frank and Dr. Rivera will be part of a national study with participants from campuses in 24 states. This study, which is an extension of the 2005 AASCU study that focused on graduation outcomes for all students, will yield insights and information that will help all of higher education serve Latino students more effectively. Provost Frank has been assigned to the Study Team that will visit California State University at Northridge, and Dr. Rivera will work with the study team visiting the University of Texas at Arlington.

E. FAREWELL TO NEIU

I wrote the following text for *Insights* as my farewell to Northeastern Illinois University and public thank you to the NEIU Board of Trustees and the NEIU Foundation.

There have been a number of occasions to say farewell to Northeastern Illinois University, my home from more than 30 years. As I said at the farewell gala, the quality that I cherish about our university community has always been the wonderful people who make it special. It is those of you who support our students, programs and initiatives who make this a place where we all come to learn and grow. Yes, we are distinctive, and each of you makes a difference to our students and to each other.

The warmth of the University community was evident at the reception on January 19 attended by more than 400 faculty, staff, students, alumni, retirees, and friends of NEIU, including President Emeritus Jerome Sachs.

I am grateful to the program speakers and their generous comments: Vice president Melvin Terrell, NEIU's longest-serving vice president; Santos Rivera, senior executive director of affirmative action and institutional outreach initiatives; Helen Ang, executive director of the office of university budgets; Wilma Sutton, executive assistant to the president; Margaret Laurino, member of the NEIU Board of Trustees as well as alumna and alderman for our Ward. Mrs. Nancy Masterson, chair of the NEIU board of trustees, offered remarks, a toast, and presented me with the President Emerita scroll.

The NEIU Foundation Board President John Gingell spoke on behalf of the Board of Directors and presented me with a beautiful gift of three paintings by noted Chicago artist Nancie King Mertz depicting *Serenity* by Ruth Duckworth, the Fine Arts Center Recital Hall, and prairie flowers from Northeastern's campus.

The NEIU Jazz Quartet, directed by Mayo Tiana, performed and two NEIU students performed. Dorothy Slater sang "Vissi d'Arte" from Puccini's *Tosca*, and Gerald Chaney sang a favorite ballad of mine, "Shenandoah."

Last Thursday, a group of faculty and staff including Murrell Duster, Conrad Worrill, Wamucii Njogu, and BarBara Scott organized a celebration of diversity and our mutual roles in leading in this central area. Members across the campus and from CCICS and El Centro as well as friends representing diverse communities throughout the Chicago area commented on the importance of Northeastern diversity and what a difference it makes in all of our lives. Their testimony was deeply moving.

And so, I thank each of you who came to these special events, and I thank all of you who have been my colleagues and friends over the years from my heart.