

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

February 15, 2007

The meeting of the Board of Trustees of Northeastern Illinois University was convened on Thursday, February 15, 2007, at 4:04 p.m., in the Golden Eagle Room of the Student Union at Northeastern Illinois University, 5500 N. St. Louis Avenue, Chicago, Illinois. Walter Dudycz, Vice Chair of the Board, called the meeting to order.

Roll was called and the following trustees answered present:

James W. Barushok
Walter W. Dudycz, Vice Chair
Margaret Laurino
Jin Lee, Secretary
Nancy J. Masterson, Chair (by speaker phone)
Peter Michalczyk
Arnold H. Park

The following trustees were absent:

Carole Balzekas
Edward G. Dykla

Also present were the following:

Sharon K. Hahs, President
Jean A. Kelchauser, Assistant Secretary
Mark T. Dunn, Legal Counsel

University Provost, Vice Presidents and Staff

Vice Chair Dudycz welcomed President Sharon K. Hahs to her first meeting with the Board. He explained that Chair Nancy Masterson is unable to attend the meeting in person today due to illness.

Request for Member to Attend by Electronic Means as per 5 ILCS 120/7 of the Open Meetings Act

Assistant Secretary Kelchauser advised that a quorum of the members of the Board is physically present and that Mrs. Masterson is unable to attend due to personal illness, but wishes to participate by electronic means (speaker phone) as allowed by 5 ILCS 120/7 of the Open Meetings Act.

Mr. Park, seconded by Ms. Laurino moved that Mrs. Masterson be allowed to participate by electronic means (speaker phone) as per 5 ILCS 120/7 of the Open Meetings Act and the motion was adopted by voice vote.

Approval of Minutes

Written minutes of the following meetings have been prepared and submitted in advance of the meeting: Minutes of the meeting of November 16, 2006, Minutes of the Executive Session dated November 16, 2006, and Minutes of the Executive Committee Meeting held by telephone conference call on December 15, 2006. Vice Chair Dudycz said that hearing no corrections, the Minutes stand as submitted.

President's Report

President Hahs requested approval of tuition and fee rates for FY 2008.

Ms. Laurino, seconded by Mr. Lee, moved to approve Fiscal Year 2008 Tuition and Fee Rates as follows:

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.

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.

Initial 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 Hahs noted Table 6 on page 13 which provides the proposed schedule of tuition and fees. She said that for undergraduate students who enrolled in the Falls of 04, 05 and 06 there will be no changes due to the guaranteed tuition plan. This includes about 2/3's of our undergraduates. Rates are \$124/160/175 per credit hour respectively. For students who enrolled prior to Fall 04 the rate is \$156, up from \$136 in FY07. While this is a 14.7% increase, the rate is still lower than the rates for students who first enrolled at NEIU in 2005 or 2006. For students who will enroll for the first time in the Fall of 2007, the rate will be \$195 per credit hour which is 11% higher than the base for the previous year. For graduate students the rate is \$200 up from \$160 this year. This is a 25% adjustment to place graduate tuition higher than undergraduate as it is more costly and to place it more in line with other state institutions. Table 6 also reflects comparable changes for non-resident students.

With regard to fees, the new rate is \$39.80. The greatest dollar changes are to support technology and academic enhancement. Other increases are in response to student demand for more services and activities as well as the personnel costs associated with them.

Discussion followed and President Hahs said that NEIU will continue to be under the average of other state universities and still be one the most affordable while continuing to balance low tuition and quality education.

Roll was called and the vote was as follows:

Barushok	Yes
Dudycz	Yes
Laurino	Yes
Lee	Yes
Masterson	Yes
Michalczyk	Yes
Park	Yes

The motion carried.

President Hahs thanked the trustees for the faith they have shown in the tuition recommendation.

President Hahs updated the trustees on the visit of the Higher Learning Commission January 22-24, 2007. She said that the visit went extremely well. At the exit interview team members stated orally that they will be recommending that we create a comprehensive strategic plan at the institutional level documenting facilities management, physical plant, academic programming, student affairs, financing, budgeting, human resources, and assessment of student learning including feedback loops. We will have three years to implement this plan and report to them.

We expect to receive the written report of the visiting team in mid-March at which time we may respond to errors of fact only. The report will then go to the commission for affirmation of continuing accreditation during the summer. The team gave us the expectation that our next site visit would be in 2016-17 (which would provide the maximum period before the next review.) This outcome has given us a sense of accomplishment and confidence in our ability to meet the challenges of the future.

Board Committee Report

Dr. Barushok gave a Construction Update as follows:

Building A Remodeling:

- The Illinois Capital Development Board authorized the University to proceed with remodeling design for Building A, which will house the College of Business and Management, faculty offices and classrooms.
- Definite Design was recently completed for the building and abatement/demolition contract documents are 75% complete. Construction is scheduled to start May 2007 with project completion currently scheduled for January 2009.

Building F and E Remodeling/Expansion:

- This project also has a CDB state capital appropriation and includes remodeling and expanding Building F, enlarging the current 110 seat theater and remodeling the adjacent classroom and rehearsal space.
- An initial program has been drafted and meetings continue with the architect to further develop the building program. The actual design work requires CDB approval to proceed.

Library Service Elevator Modernization:

- This project restores the service elevator that was destroyed in the Library fire.
- Work is in progress and expected to be completed April 2007.

Computer Room CLS 3054 Modifications:

- This project is an information item on today's agenda.
- This project consists of improvements to the University's main computer room to accommodate the additional electrical and cooling demands of the ERP project. This project includes improvements to the mechanical, electrical, communications, and fire suppression components to support the space as the long-term main server location for University Computing Services.
- Work began in January 2007 and should be completed by May 2007.

Physical Education Complex and Caruthers Center for Inner City Studies Fire Alarm System Replacement:

- This project upgrades the Fire Alarm Systems in the PE Complex and CCICS.
- The PE system has not been updated since the building was constructed in 1988 and CCICS was last updated in 1972.

- Both facilities will have new fire/smoke detectors and voice/visual activation devices installed and the project should be completed by the end of 2007.

Legal Counsel Report

Mr. Dunn presented Legal Report No. 59 and answered questions from the trustees. He said he would report on additional items in Executive Session.

Old Business/New Business

There were no items of Old or New Business

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

Jeremy Slade, student, suggested that the Board consider that the proposed new Education Building be a “Green” Building. Linda Berlow suggested rooftop gardens for the A and B Wings. Mr. Dudycz thanked the speakers and suggested that they send any additional information on these topics to the trustees in care of the President’s Office. Mr. Michalczyk said that there will be a proposal for a \$3 fee increase for “Green” buildings on campus on an upcoming ballot.

Convene in Executive Session

At 4:33 p.m. Ms. Laurino, seconded by Dr. Barushok, moved to convene in Executive Session to consider pending, probable or imminent litigation, as permitted by Section 2. (c) (11) of the Open Meetings Act and, 2) discussion of minutes of meetings lawfully closed under this Act, as permitted by Section 2. (c) (21) of the Open Meetings Act and the motion was approved unanimously by voice vote.

Reconvene in Open Session

At 4:56 p.m. Mr. Park, seconded by Mr. Lee, moved to reconvene in open session and the motion was approved by voice vote.

Mr. Michalczyk, seconded by Mr. Park, moved to approve the **destruction of verbatim records** required for 5 ILCS 120/2.06(c) for the meeting of June 9, 2005 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 **June 9, 2005**, 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 **June 9, 2005**, 2) the destruction of the verbatim records of the closed meeting held on June **9**, 2005 and, 3) directs the Assistant Secretary of the Board of Trustees to destroy said verbatim records.

The motion was adopted by voice vote.

Adjourn

At 4:58 p.m. Ms. Laurino, seconded by Dr. Barushok, moved to adjourn and the motion carried by voice vote.

Walter W. Dudycz, Vice Chair
Jean A. Kelchauser, Assistant Secretary