

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

September 20, 2007

The meeting of the Board of Trustees of Northeastern Illinois University was convened on Thursday, September 20, 2007, at 4:09 p.m., in the Golden Eagle Room of the Student Union at Northeastern Illinois University, 5500 N. St. Louis Avenue, Chicago, Illinois. Nancy J. Masterson, Chair of the Board, called the meeting to order.

Roll was called and the following trustees answered present:

Carlos Azcoitia
Carole Balzekas
Grace G. Dawson
Walter W. Dudycz, Vice Chair
Omar A. Duque
Edward G. Dykla
Sunil Mahadeshwar
Nancy J. Masterson, Chair

The following trustee was absent:

Jin Lee, Secretary

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

Approval of Minutes

Written Minutes of the meeting of June 7, 2007 and the Minutes of the Confidential Executive Session dated June 7, 2007 have been prepared and submitted. Chair Masterson said that hearing no corrections, the Minutes stand as written.

Remarks by Chair Masterson

Chair Masterson thanked the Inauguration Committee for their hard work all summer which culminated in a week of activities and the inaugural ceremony itself on Friday, September 7, 2007. She said that she had attended each of the events. She thanked Dr. Vicki Roman-Lagunas, Associate Provost, and trustee Walter Dudycz for coordinating the activities of the committee.

She also thanked Mr. Dudycz for serving as Master of Ceremonies at the Inaugural Gala on September 7. She said that it was a most memorable week for NEIU. Mr. Dudycz also thanked the members of the committee, including the students, and the many volunteers for their support.

Chair Masterson welcomed former trustee Margaret Laurino and asked Mr. Azcoitia to read the Resolution honoring Ms. Laurino which was passed by the board at the June 7, 2007 meeting. (see Minutes, June 7, 2007) Ms. Laurino said that she was honored to have served on the board and to have worked with each of the trustees and that she looked forward to continuing her relationship with the University as a neighbor, an alumna and an elected official.

Introduction of New Trustees

Chair Masterson extended a warm welcome to Mr. Omar Duque who was appointed by Governor Blagojevich effective August 29, 2007, to fill the unexpired term of James Barushok. Mr. Duque received his bachelor's degree in Journalism in 1998, along with a dual emphasis in Political Science and Latin American and Caribbean Studies, at Northwestern University, Medill School of Journalism in Evanston, Illinois. He is currently the President and CEO of the Illinois Hispanic Chamber of Commerce, an active member of the Chicago 2016 Olympic Committee; Board member of the Latino Coalition for Prevention; and Governors appointee of the New Americans Initiative. She also introduced the new Student Trustee, Sunil Mahadeshwar, a Junior majoring in Finance. His term began July 1, and he served on the Inauguration Committee and was actively involved in the activities during Inaugural week including doing a wonderful job service as Master of Ceremonies for the Traditions and New Beginnings program.

Introduction of New Faculty

President Hahs asked Provost Frank to introduce our 22 new faculty members for 2007 as follows:

Dr. Howard Bultinck, Educational Leadership and Development; Dr. John Casey, Philosophy; Dr. Amanda Dykema-Engblade, Psychology; Dr. Essam Elshafie, Accounting, Business Law and Finance; Dr. Travis Heath, Music; Dr. Michele Kane, Special Education; Dr. Andrew Kourvetaris, Sociology; Dr. Jason Mohaghegh, Philosophy; Dr. Marie-Élène Roberge, Management and Marketing; Dr. David L. Sharlow, Music Education; Dr. Marshall Thompson, Political Science; Dr. Qiumei Jan Xu, Management; Dr. Ai-Ru Yen, Accounting, Business Law and Finance. Those unable to attend the meeting today are: Ms. Kim Ambriz, Art; Dr. Abhijit Banerjee, Geography and Environmental Studies; Dr. Christina Ciecierski, Economics; Dr. Matryn de Bryn, Political Science; Dr. Craig Johnston, Counseling; Dr. Eileen Kaiser, Teacher Education; Dr. Alberto Lopez-Carrasquillo, Teacher Education; Dr. Donald R. Pittman, Educational Leadership and Development; and Ms. Theresa Segura-Herrera, Counselor Education (arrival delayed until January 2008).

President's Report

President Hahs requested approval of three items as follows:

1. Mr. Dykla, seconded by Dr. Dawson, moved to approve the **Fiscal Year 2008 Operating Budget** as follows:

Each year the University Board of Trustees is asked to adopt the University operating budget which sets the University spending parameters for the coming fiscal year. This budget presented to the Board is based on fiscal year 2008 state appropriations, tuition and fees, grants and contracts, other local funds held by the University, and 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 restricted by statute, contract, or other requirement. The restricted operating budget includes expenditures from revenue sources that are restricted either by an external requirement or by an internal accounting policy. The University also prepares an operating budget including only State appropriations and the University Income Fund, which summarizes the primary operating budgets for the majority of University departments, and a local funds budget.

The following paragraphs discuss the University operating budget. Table 1 summarizes the fiscal year 2008 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 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 2008 operating budget request in September 2006. The University’s initial request included additional State funding for cost and salary increases and programmatic requests for expansion of undergraduate and graduate program advising, support for the Ed.D. in Leadership and Global Education and the expansion of the Weekend Institute, and additional resources for recruiting and retaining critical faculty and staff.

The request was forwarded to the Board of Higher Education and included in the BHE’s higher education budget recommendations adopted February 22, 2007. The Governor presented his fiscal year 2008 budget recommendations to the Illinois General Assembly on March 7, 2007.

On August 10, 2007, the Illinois General Assembly approved House Bill 3866 which included the state of Illinois fiscal year 2008 operating budget for all of state government, including higher education and Northeastern Illinois University. On August 13th, the General Assembly sent HB3866 to Governor Blagojevich for his consideration and on

August 23, 2007 the Governor approved HB3866, with certain item and reduction vetoes, which effectively brought to an end the longest legislative overtime session in Illinois history. The General Assembly may still consider overrides to the Governor's reductions.

For Northeastern, the final budget action resulted in a total state general revenue fund appropriation of \$40.8 million, or an overall increase in state funding of \$744,400, or 1.9 percent. This increase is \$1.8 million less than the amount originally requested by the Board of Trustees in September 2006 but \$519,600 more than the amount recommended by the Board of Higher Education in February 2007. While the University has received general state funding increases in three of the past four years, our state funding level in fiscal year 2008 will be \$4.6 million, or 10.2 percent, below the amount of state funding we received in fiscal year 2002.

Included in the University's state appropriation is support for the continuation of two special programs - fiscal year 2008 funding of \$170,000 for programs to improve student retention and lessen time-to-degree and \$200,000 for the North Atlantic Slave Trade Study that will take place at the Carruthers Center for Inner City Studies.

As shown in Table 1, the overall University operating budget will increase \$2.1 million, or 1.7 percent, in fiscal year 2008. Table 1 also shows that the largest increase in the unrestricted operating budget is the result of additional student tuition revenue. Factors contributing to this increase are the Board-approved undergraduate tuition increase of 14.7 percent and the continuing implementation of the Tuition Guarantee Program that guarantees four years of level tuition for newly enrolled undergraduate students. Fiscal year 2008 tuition revenues reflect the fourth year of students entering under this Program with their tuition locked for four consecutive years.

The combination of new state funding and incremental tuition revenue will generate approximately \$2.7 million in new University resources in fiscal year 2008. This funding level, however, is not sufficient to meet the University's salary and unavoidable cost increase requirements. As a result, the University will implement a two percent University-wide internal budget reallocation to help address the funding requirements described below. It is anticipated that this reallocation will provide the resources necessary to balance the budget and bring expenditures in line with estimated revenues.

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. The decrease in Federal Grants and Contracts and Indirect Cost revenue is the result of a decrease in GEAR-UP funding.

Expenditures

As mentioned above, the combined State and Income Fund unrestricted operating budget is the University's primary budget for most departments. That budget increases \$2.7 million, or 3.7 percent. Also as mentioned above, there were only limited incremental funds for salary increases appropriated by the Illinois General Assembly, and the University will implement a two percent internal reallocation to meet our resource requirements. Even so, the University will implement negotiated salary increases for our five bargaining units and a salary increase plan for our non-negotiated employees. Salary increases for fiscal year 2008 total approximately \$2.1 million plus an additional \$150,000 for benefit increases.

The budget also includes an additional allocation of \$400,000 for University utilities costs, primarily for our two major energy sources - natural gas and electricity. Beginning in January 2007, electric rate deregulation took effect with a resulting increase in our electric rates of approximately 20 percent. During fiscal year 2008, the University will realize the effect of a full year of deregulated electric rate increases.

This budget also will support increases in insurance, risk management and other support increases totaling approximately \$500,000.

Following approval of the operating budget by the Board, the University is required to submit a copy of the budget to the Board of Higher Education (BHE) and to the Governor's Office of Management and Budget. This is in response to a BHE policy that is intended to "expand and enhance public university annual budget review, approval and oversight." In addition, the Office of University Budgets will prepare a detailed University budget for all departments and offices and provide a copy of that budget to each Board member and administrative office and 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.

President Hahs said that this budget represents an increase of 1.9% or \$744,000 in State appropriations. She noted that this is \$5 million below the high water mark in 2002. The Income Fund has increased by \$2 million for a total increase of \$2.7 million. \$2.1 million are needed for salary increases, \$400,000 for utility increases and the remainder will be used for other cost increases. A 2% university-wide reallocation has been put in place to help cover these costs.

Roll was called and the vote was as follows:

Azcoitia	Yes	Dykla	Yes
Dawson	Yes	Mahadeshwar	Yes
Dudycz	Yes	Masterson	Yes
Duque	Yes		

The motion carried.

2. Dr. Dawson, seconded by Mr. Dudycz, moved to approve the report of the **FY2009-2014 Priorities Statements and the FY2009 Operating and Capital Budget Requests** as listed in Attachment 1, Pages A-1 to A-25. (See Attachment 1, Pages A-1 to A-25)

Mr. Azcoitia commented that he had just attended a session where some of the McNair Scholars were discussing issues on advising and student support, the need for the development of writing skills, all of which are addressed in the Program Requests section. Mrs. Masterson said that retention is one of the highest priorities for our new president.

Roll was called and the vote was as follows:

Azcoitia	Yes	Dykla	Yes
Dawson	Yes	Mahadeshwar	Yes
Dudycz	Yes	Masterson	Yes
Duque	Yes		

The motion carried.

Ms. Balzekas arrived at 4:50 p.m.

3. Dr. Dawson, seconded by Mr. Dudycz, moved to approve **Acceptance of Real Property that will Accrue to the University** at no cost to the University as follows:

Regulations adopted by the Board of Trustees of Northeastern Illinois University require that any transaction involving the acquisition of real property must be brought before the Board for approval. At its February 9, 2006 meeting, the Board authorized the University President to enter, with the concurrence of the Board of Trustees Legal Counsel, into certain agreements with the Illinois State Toll Highway Authority (ISTHA) and/or the Nature Conservancy to allow

access to University property by the ISTHA and to accept title to any inholdings that are procured by ISTHA for transfer to the University for the expansion and improvement of the Gensburg-Markham Prairie and adjacent sites.

The Board is now asked for approval to accept certain real property that will accrue to the University as part of an agreement between Dixmoor Wetlands LLC and The Nature Conservancy.

Background

Northeastern Illinois University's Gensburg-Markham Prairie, located within the City of Markham, is a 110 acre remnant of the lake plain prairies on which the City of Chicago and many of its suburbs are built. The Gensburg-Markham Prairie Nature Preserve is part of an archipelago of five prairies that are collectively referred to as the Indian Boundary Prairies (IBP), surviving remnants of the vast prairie that once extended for miles along Lake Michigan and the Lake Plain Section of old Lake Chicago. The most pristine of five IBP sites, Gensburg-Markham Prairie (GMP) supports several endangered species. A trail system, open to the public, is used by Northeastern and other college and high school classes, environmental clubs, volunteer groups, and other members of the general public. A local volunteer group, the Friends of the Indian Boundary Prairies, helps to care for the GMP site and conducts tours and other educational activities for the public.

Four of the five IBP preserves are owned and managed by the Nature Conservancy (TNC), a national conservation organization with offices in Chicago and Peoria. For more than 10 years, Northeastern has been working closely with TNC to expand, manage and protect the Indian Boundary Prairies. With considerable help from the Natural Lands Institute in Rockford and the Corporation for Open Lands in Chicago, together these groups have been striving to restore degraded water tables and plant communities and to procure unprotected parcels critical to the long term health of this unique Midwestern ecosystem.

Real Property Transactions and Wetlands Mitigation Requirements

The Nature Conservancy and Dixmoor Wetlands LLC (Dixmoor) are completing a transaction in which Dixmoor will acquire approximately 11 acres of current prairie wetlands from TNC that are no longer considered acceptable for inclusion in the IBP nature preserve and, in exchange, Dixmoor will transfer approximately 24 acres of prairie

adjacent to the IBP nature preserve to TNC. In addition, Dixmoor will provide \$100,000 to TNC for prairie and wetlands management.

The federal government has established wetland mitigation rules that contain specific ratio requirements when identified wetlands are destroyed. In the above transaction, the exchange of 11 acres of wetlands for 24 acres of prairie does not meet the federal requirements; hence, Dixmoor is required as part of the transaction to assure that additional land is protected. To

accomplish this, Dixmoor has agreed to pay the City of Markham to vacate that portion of Washtenaw Avenue located within Northeastern's GMP - approximately 1.4 acres. Per Illinois Compiled Statutes, when this roadway is vacated, it reverts to the owners of the adjacent property, which in this case is only Northeastern Illinois University, at no cost to the owners of the adjacent property. This acquired property will then be incorporated into the GMP.

The University has been assured that all the costs, the legal work and the legal fees related to the vacation of any prior dedication of the land for use as a public road will not be the responsibility of the University. The University has also been assured that all costs, the legal work and the legal fees related to the dedication of the land for wetlands purposes will not be the responsibility of the University.

The acquisition of this property is consistent with Northeastern's long term objectives to enhance the quality of the disturbed portions of our preserve and to acquire strategically important tracts in our boundaries or near our boundaries to the north and south.

Board Action - The Board of Trustees of Northeastern Illinois University is asked to adopt the following resolution:

The Board authorizes the University President to enter, with the concurrence of the Board of Trustees Legal Counsel, into the following agreements.

1. Northeastern agrees to accept title to the inholdings of vacated property that is transferred to the University as the result of the vacation of the land previously dedicated for use as a public roadway, at no cost to the University.
2. Northeastern agrees that upon vacation of the land previously dedicated for use as a public roadway, the University will execute a dedication of such land as an Illinois State Nature Preserve under the Illinois Natural Areas Preservation Act, as the current adjacent University owned parcels are already so dedicated.

Roll was called and the vote was as follows:

Azcoitia	Yes	Duque	Yes
Balzekas	Yes	Dykla	Yes
Dawson	Yes	Mahadeshwar	Yes
Dudycz	Yes	Masterson	Yes

The motion carried.

Regarding Information Items, President Hahs said that 36 applications have been received to date for the Vice President for Advancement Search. She spoke about Attachment 3, the National Survey of Student Engagement (NSSE). Trustee Dawson asked about the composition of the

Enrollment Management Council. She felt that there should be representation from groups such as the Carruthers Center for Inner City Studies (CCICS) and El Centro. President Hahs said that she would take Dr. Dawson's comments and those of the other trustees into account regarding the membership of the Council and would get back to the trustees. She continued by discussing the Schedule she would follow for presenting information at upcoming Board meetings.

Committee Report

Mr. Dykla gave the construction update as follows:

Building A Remodeling:

- The Illinois Capital Development Board authorized the University to proceed with remodeling of Building A, which will house the College of Business and Management, faculty offices and classrooms.
- Favorable bids were received for Asbestos Abatement and Demolition on April 24, 2007. Work began in July and will be completed at the end of September, 2007.
- The construction is scheduled to follow 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 is being reviewed. Meetings will continue with the architect to further develop the building program. The actual design work requires CDB approval to proceed.

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 fire alarm system has not been updated since the building was constructed in 1988 and the CCICS fire alarm system 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.

Education Building:

- The Governor included planning and construction funds for the Education Building in his proposed fiscal year 2008 capital budget.
- Funding for the Education Building was included in Senate Bill 1110, which passed the Senate on September 18, 2007. Funding for the project now awaits action by the House of Representatives on the statewide capital program included in SB1110 and the inclusion of this project in that program.
- The University will review and update the current building program, site location and building design over the next few months.

Report from Legal Counsel

Mr. Dunn presented Legal Report No. 62 and said that he would provide information on the status of some of these cases in executive session.

Old Business

There were no items of Old Business.

New Business

Appointment to Civil Service Merit Board to replace Arnold Park – Mrs. Masterson appointed Mr. Dudycz to represent the Board.

Trustees to represent the Board at upcoming university events:

Academic Honors Reception on Thursday, December 6, 5 to 7 p.m. – Dr. Dawson

Commencement on Saturday, December 15:

Morning Ceremony from 9 a.m. to 11:30 a.m. – Dr. Dawson

Afternoon Ceremony from 1:30 to 4 p.m. – Mr. Duque

Mr. Mahadeshwar updated the trustees on matters before the Student Government Association including a proposed boycott of the Sodexo food services to express dissatisfaction with the quality and scope of the food services and the proposed price increases.

The two other items of new business as noted on the Agenda, the recommendation to grant Tenure and Rank to President Hahs and the proposal to name a University facility for President Steinberg will be discussed in Executive Session and action, if any, will be taken when the Board reconvenes in open session.

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

Chair Masterson noted for the record that an opportunity for public comment was provided.

Convene in Executive Session

At 5:28 p.m., Mr. Mahadeshwar, seconded by Dr. Dawson, moved that the Board of Trustees of Northeastern Illinois University convene in Executive Session to consider: 1) the employment of employees, as permitted by Section 2. (c) (1) of the Open Meetings Act; 2) pending, probable or imminent litigation, as permitted by Section 2. (c) (2) of the Open Meetings Act; and 3) discussion of minutes of meetings 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	Duque	Yes
Balzekas	Yes	Dykla	Yes
Dawson	Yes	Mahadeshwar	Yes
Dudycz	Yes	Masterson	Yes

The motion carried.

Reconvene in Open Session

At 5:15 p.m., Mr. Dudycz, seconded by Mr. Mahadeshwar, moved to reconvene in Open Session.

Roll was called and the vote was as follows:

Azcoitia	Yes	Duque	Yes
Balzekas	Yes	Dykla	Yes
Dawson	Yes	Mahadeshwar	Yes
Dudycz	Yes	Masterson	Yes

The motion carried.

Upon the recommendation of the Chemistry Department faculty, the Chair of the Chemistry Program, the Dean of the College of Arts and Sciences and the Provost, Mrs. Masterson, seconded by Mr. Azcoitia, moved to approve the **appointment of President Sharon K. Hahs as Professor of Chemistry with Tenure in the Department of Chemistry, Earth Sciences and Physics, effective September 20, 2007.**

Roll was called and the vote was as follows:

Azcoitia	Yes	Duque	Yes
Balzekas	Yes	Dykla	Yes
Dawson	Yes	Mahadeshwar	(not permitted by Statute to vote on Tenure)
Dudycz	Yes	Masterson	Yes

The motion carried.

Mrs. Masterson, seconded by Mr. Dykla, moved that the **Fine Arts Center at Northeastern Illinois University be renamed as the Salme Harju Steinberg Fine Arts Center.**

Roll was called and the vote was as follows:

Azcoitia	Yes	Duque	Yes
Balzekas	Yes	Dykla	Yes
Dawson	Yes	Mahadeshwar	Yes
Dudycz	Yes	Masterson	Yes

The motion carried.

Mr. Duque, seconded by Ms. Balzekas, moved that the **Confidential written Minutes of the Executive Session dated September 21, 2006 no longer require confidential treatment and are available for public inspection.**

Roll was called and the vote was as follows:

Azcoitia	Yes	Duque	Yes
Balzekas	Yes	Dykla	Yes
Dawson	Yes	Mahadeshwar	Yes
Dudycz	Yes	Masterson	Yes

The motion carried.

Ms. Balzekas, seconded by Dr. Dawson, moved to approve the **destruction of verbatim records required for 5 ILCS 120/2.06 (c) for the meeting of February 9, 2006** 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 9, 2006** 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 9, 2006** 2) the destruction of the verbatim records of the closed meeting held on **February 9, 2006** 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	Duque	Yes
Balzekas	Yes	Dykla	Yes
Dawson	Yes	Mahadeshwar	Yes
Dudycz	Yes	Masterson	Yes

The motion carried.

Adjournment

At 6:19 p.m., Ms. Balzekas, seconded by Dr. Dawson, moved to adjourn.

Roll was called and the vote was as follows:

Azcoitia	Yes	Duque	Yes
Balzekas	Yes	Dykla	Yes
Dawson	Yes	Mahadeshwar	Yes
Dudycz	Yes	Masterson	Yes

The motion carried.

Nancy J. Masterson, Chair
Jean A. Kelchauser, Assistant Secretary