

**PRESIDENT’S REPORT TO THE  
BOARD OF TRUSTEES OF NORTHEASTERN ILLINOIS UNIVERSITY  
JUNE 12, 2008**

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**I. ACTION ITEMS**

**A. APPROVAL OF PRELIMINARY FISCAL YEAR 2009 UNIVERSITY  
OPERATING BUDGET**

In August 2003, in its effort to improve accountability for the use of public funds, the Illinois Board of Higher Education adopted *Recommended Actions to Expand and Enhance Public University Annual Operating Budget Review, Approval and Oversight*. The recommendations in that report include a new requirement that each public university adopt a "preliminary/estimated spending plan" prior to July 1 that includes:

- funding sources reported by, at a minimum, state-appropriated funds, university income funds, and all other non-appropriated funds, and
- expenditures by object of expenditure (e.g., personal services, contractual services, equipment)

This report provides the information required by the Board of Higher Education for fiscal year 2009. The Northeastern Illinois University Board of Trustees is asked to approve the University operating budget that represents preliminary/estimated spending plans for the upcoming fiscal year beginning on July 1, 2008 and will be asked to approve the final detailed budget at the September 2008 Board meeting.

In September 2007, the Board of Trustees adopted the University's initial fiscal year 2009 budget request and forwarded that request to the Board of Higher Education for consideration. On February 5, 2008, the Board of Higher Education adopted its fiscal year 2009 budget recommendations and, on February 20, 2008, Governor Blagojevich announced his proposed operating budget for all of state government. At the time this report was prepared, the Illinois General Assembly had not taken final action on fiscal year 2009 appropriations. As a result, the budget outlined in this report is based on state funding levels included in the Governor's budget with the restoration of our two current year special line item appropriations that were eliminated in the Governor's budget: Improving Retention and Graduation Rates Initiatives (\$170,000) and North Atlantic Slave Trade Study (\$200,000). Should actual fiscal year 2009 state appropriations differ from the adjusted Governor's budget, the budget brought to the Board for action in September will reflect those adjustments and the actual appropriation levels.

The preliminary/estimated spending plan for the University reflects all revenue sources available to support operating expenses during the fiscal year. The plan is comprised of two main sections based on state reporting requirements: unrestricted (state-appropriated funds, University Income Funds and unrestricted local funds), and restricted (primarily local grants and contracts). 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.

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Table 1 provides proposed expenditures by functional category (e.g., instruction, organized research) and object category (e.g., personal services, travel) by source of funds.

The budget for Northeastern Illinois University included in this report includes \$40.8 million in General Revenue Funds, the same level of funding the University received in the current fiscal year. If University operations are funded at the level included in this report, it would match the current year funding as the highest level of state funding since fiscal year 2003. However, even at this level, state funding to the University would remain \$4.6 million, or 10 percent, below the level appropriated to the University in fiscal year 2002.

As state funding decreases, the University increasingly relies on student tuition to support operations and compensate for the shortfalls in state funding. In fiscal year 2002, the mix of state appropriations to student tuition revenue was 69 percent to 31 percent. At the adjusted Governor's fiscal year 2009 budget level, the mix is 51 percent state funding and 49 percent student tuition. Based on prior year enrollment levels, the proposed fiscal year 2009 operating budget includes an increase of \$2.8 million in student tuition revenue. The combined increase in state funding and student tuition revenue will result in an expected increase of \$2.8 million in unrestricted operating funds in the coming fiscal year.

Our expenditure challenges, however, are greater than available revenues. The most significant cost increases for next year are:

- Negotiated and non-negotiated salary increases, generally in the 3% to 3.5% range, requiring an estimated \$2.2 million,
- Increased utility costs estimated at \$400,000 to \$600,000,
- Unfunded sick leave and vacation payouts and additional retirement costs estimated at \$300,000, and
- Increasing costs for insurance and legal services and inflationary cost increases for postage, minimum and prevailing wage, technology software and maintenance, service contracts, purchased goods and contracted services, estimated at \$300,000.

Given these budget realities, we will again be implementing cost control initiatives. The focus will be on reducing staffing through attrition, reviewing staffing positions and program need, and reducing the use of temporary employees. In addition, equipment purchases, other than Library books, will be reduced from historical expenditure levels. Other cost savings and expenditure reduction initiatives are being evaluated and I will be working with the vice presidents, as well as the entire University community, to further these efforts for inclusion in the fiscal year 2009 operating budget presented to the Board in September.

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Over the next few months, all departments within the University will work to compile detailed spending plans. At the September meeting, the Board will be asked to approve the fiscal year 2009 budget that provides the detailed revenue and expenditures plans by sources of funds and function and object expenditure line items.

**Table 1  
NORTHEASTERN ILLINOIS UNIVERSITY  
Fiscal Year 2009 Operating Budget  
by Function and Line Item**

<b>Functional Categories</b>	<b>Unrestricted</b>				
	<b>General</b>	<b>University</b>		<b>Restricted</b>	<b>Total</b>
	<b>Revenue</b>	<b>Income Fund</b>	<b>Local</b>		
Instruction	\$ 21,934,100	\$ 22,722,900	\$ 4,344,700	\$ 1,500,000	\$ 50,501,700
Organized Research	126,600	128,900	110,500	540,000	906,000
Public Service	464,700	521,800	926,700	17,187,800	19,101,000
Academic Support	3,799,300	3,803,700	751,400	80,000	8,434,400
Student Services	1,371,800	1,389,400	4,157,700	9,700,000	16,618,900
Institutional Support	6,132,800	5,438,500	2,549,700	50,200	14,171,200
Operations and Maintenance	5,498,800	5,359,300	1,976,800	-	12,834,900
Independent Operations	-	-	5,460,000	142,000	5,602,000
Others/Awards & Grants	370,000	147,000	3,300,000	-	3,817,000
Health Insurance Reserve Fund	1,072,600	-	-	-	1,072,600
<b>Total</b>	<b>\$ 40,770,700</b>	<b>\$ 39,511,500</b>	<b>\$ 23,577,500</b>	<b>\$ 29,200,000</b>	<b>\$ 133,059,700</b>

*Amounts rounded to nearest hundred dollars.*

<b>Line Item Categories</b>	<b>Unrestricted</b>				
	<b>General</b>	<b>University</b>		<b>Restricted</b>	<b>Total</b>
	<b>Revenue</b>	<b>Income Fund</b>	<b>Local</b>		
Personal Services	\$ 37,560,400	\$ 27,466,000	\$ 4,336,400	\$ 8,000,000	\$ 77,362,800
Contractual Services	1,030,000	7,803,300	7,715,600	7,450,000	23,998,900
Travel	-	200,000	65,200	126,000	391,200
Commodities	-	950,000	744,500	828,000	2,522,500
Equipment	300,000	1,700,000	677,600	332,000	3,009,600
Telecommunications	-	650,000	532,400	33,000	1,215,400
Operation of Auto	-	15,200	17,600	1,000	33,800
Awards/Grants/Tuition Waivers	-	147,000	2,905,000	9,700,000	12,752,000
Permanent Improvements	-	400,000	540,000	-	940,000
Benefits/Social Security/Medicare	437,700	180,000	320,000	1,700,000	2,637,700
Health Insurance Reserve Fund	1,072,600	-	-	-	1,072,600
Other	-	-	5,723,200	1,030,000	6,753,200
Program Specific Appropriations	370,000	-	-	-	370,000
<b>Total</b>	<b>\$ 40,770,700</b>	<b>\$ 39,511,500</b>	<b>\$ 23,577,500</b>	<b>\$ 29,200,000</b>	<b>\$ 133,059,700</b>

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**B. NAMING OF CCICS AUDITORIUM FOR DR. DONN F. BAILEY**

Dr. Donn F. Bailey served as director of the Carruthers' Center for Inner City Studies (CCICS) for 22 years. He was one of the founding architects of the center. He passed away in December, 2007. During his tenure as director, Dr. Bailey oversaw the renovation of the historic Frank Lloyd Wright-designed building in 1975 and developed the undergraduate curriculum tied to the City of Chicago's Career Opportunities Program. A national and international leader in the field of speech and language, Dr. Bailey co-founded (1977) and directed (1978-1981) the National Black Association for Speech-Language. He also served as chairman of the Chicago Board of Education's Commission on School Desegregation in Chicago Public Schools from 1986-1990.

In recognition of his leadership and the integral role he played in making CCICS a prominent part of both Northeastern Illinois University and the broader Chicago community, it has been proposed in a letter dated January 17, 2008 by current CCICS Director Dr. Conrad W. Worrill on behalf of members of the faculty, staff and education community at large, that the Center's 250 seat auditorium be named in honor of Donn F. Bailey.

Many prominent, historic black and other civic leaders have visited CCICS—a virtual mecca for the study and creation of urban black culture and life. Paul Robeson, W.E.B. DuBois, Harold Washington, Rod Blagojevich, Carol Moseley Braun, Barack Obama, Richard J. Daley, Richard M. Daley, Jesse Jackson, Martin Luther King, Jr., John Sengstacke, Vernon Jarrett, Oscar Brown, Jr., and Nelson Mandela among countless others have visited CCICS, many of whom have spoken in its auditorium. A fundraising initiative is planned for auditorium renovations and already approximately \$3,000 in memorial funds has been raised.

This action item recommends that the CCICS auditorium be officially named: **Donn F. Bailey Legacy Hall**, recognizing not only his everlasting legacy, but those of the many other prominent individuals who have played a part in the Center's development. This action item shall be enacted in accordance with University policy.

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**C. TENURE RECOMMENDATIONS**

Board approval is requested to grant Tenure to the following:

<u>Name</u>	<u>Department</u>
<b>Paul Schroeder Rodriquez</b>	<b>Foreign Languages and Literatures</b>

Dr. Schroeder will come to NEIU in July 2008 to chair the Department of Foreign Languages and Literatures. He holds a PhD in Spanish from Stanford University and he has taught since 2001 at the University of Hawaii at Manoa, where he is a tenured member of the Department of Languages and Literatures of Europe and the Americas and chair of the Division of Spanish. He has published numerous studies dealing with Latin American literature and cinema and is the author of *Tomas Guitierrez Alea: The Dialectics of a Filmmaker*. He is an active contributor to the interdisciplinary field of cultural studies, especially with regard to Iberian, Latin American, Cuban and Puerto Rican cinema.

<b>Cris Toffolo</b>	<b>Justice Studies</b>
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Dr. Toffolo will come to NEIU in August 2008 to chair the Department of Justice Studies. She holds a PhD in Government and International Area Studies from the University of Notre Dame, where she also was affiliated with the Joan B. Kroc Institute for International Peace Studies. Since 1992 she has taught in the Political Science Department at the University of St. Thomas in Minnesota, where she holds tenure. For five years she served as Director of the Program in Justice and Peace Studies at the University. She has published several works focusing on cultural pluralism, on human rights, and on Pakistan. She edited the 2003 volume, *Emancipating Cultural Pluralism*, and is the author of *The Arab League*, forthcoming in 2008.

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**D. APPROVAL FOR ADJUSTMENTS TO THE RESERVE LIMITS FOR  
NON-INDENTURED ENTITIES**

**ITEM DESCRIPTION:**

Northeastern Illinois University and most governmental entities use fund-based accounting systems. These systems require that restricted monies be held in separate accounts so that those funds are kept segregated from other funds.

The Illinois General Assembly, through its Legislative Audit Commission (LAC), recognized the use of fund accounting and, in consultation with the Illinois public universities, adopted *LAC University Guidelines* to establish uniform fiscal procedures and controls for the Illinois public universities. First adopted in 1982 and amended in 1997, the *Guidelines* provide direction not only to the universities in establishing and maintaining appropriate fiscal procedures and controls but also to assist the Office of the Auditor General by providing the standards to which Northeastern and all other Illinois public universities must adhere.

The *Guidelines* recognize the need for these University accounts to acquire and accumulate resources for long-term purposes, such as equipment replacement, repair and maintenance of facilities and other similar purposes. At the same time, the *Guidelines* established limits for the accumulation of funds in these restricted accounts so entities do not accumulate funds beyond a reasonable level.

The *Guidelines* include a formula to determine the maximum allowable reserves for revenue bond entities and non-indentured entities. The entities at Northeastern Illinois University subject to the reserve limits are Student Fee Programs, Public Service, Student and Staff Services, Service Departments, Other Educational Services, Educational Contracts, Other Auxiliaries, and Parking Lots.

The *Guidelines* allow reserve accumulations for non-indentured entities up to the sum of the following:

- 5% of building and building improvement replacement costs,
- 10% of historical costs of parking lots, and
- 20% of historical costs of movable equipment.

It should be noted that these reserves do not represent cash balances in these various accounts. Instead, these reserve limits represent the limit on accumulated cash based on the statewide reserve formulas. Because the cost basis for these assets changes annually, the calculated reserve limits need to change annually. The *Guidelines* and the *Northeastern Illinois University Board of Trustees Regulations* require approval by the Board of Trustees for adjustment to those reserve limits and each June, the Board is requested to adjust those limits for the current fiscal year.

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Approval is requested for the following Reserve Limits for Non-indentured Entities:

**Reserve Limits for Non-indentured Entities**

<b>Entity</b>	<b>June 2007 Approved Amount</b>	<b>Requested Change</b>	<b>Adjusted Total</b>
<b>Student Fee Programs</b>	<b>\$2,288,330</b>	<b>+ 82,497</b>	<b>\$2,370,827</b>
<b>Public Service</b>	<b>\$1,031,471</b>	<b>+ 70,847</b>	<b>\$1,102,318</b>
<b>Student and Staff Services</b>	<b>\$582,230</b>	<b>+ 24,453</b>	<b>\$606,683</b>
<b>Service Departments</b>	<b>\$2,219,785</b>	<b>+ 5,171</b>	<b>\$2,224,956</b>
<b>Other Educational Services</b>	<b>\$1,109,179</b>	<b>+ 30,763</b>	<b>\$1,139,942</b>
<b>Educational Contracts</b>	<b>\$180,074</b>	<b>+ 32,044</b>	<b>\$212,118</b>
<b>Other Auxiliaries</b>	<b>\$1,560,728</b>	<b>+ 26,894</b>	<b>\$1,587,622</b>
<b>Parking Lots</b>	<b>\$567,207</b>	<b>+ 6,868</b>	<b>\$574,075</b>

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**E. CLASSROOM BUILDING GUARDRAIL REHABILITATION**

**ITEM DESCRIPTION:**

The Classroom Building was built in 1973 and the building design includes metal guardrails in several interior and exterior sections of the building. In the interior, the guardrails surround the atrium in the center of the building on the 3<sup>rd</sup> floor. On the exterior of the building, the guardrails surround the north and south porch areas. In addition, there are two large utility and lighting wells on both the north and south sides of the building that currently are protected by temporary plastic fencing.

Since the time the building was constructed, the code requirements for guardrails have changed significantly. This project addresses the need to meet code requirements and improve safety in the affected areas by modifying the exterior and interior metal guardrails to meet the current building code. In addition, the project will provide new, permanent guardrails around the existing exterior well areas. Modifications will be made to the first floor exterior railings and the third floor atrium railing. The existing guardrails will have additional grill material attached to the current guardrails which will reduce the open space in the railings to 4 inches or less – in compliance with code requirements. The new well area guardrails will match the modified design of the existing guardrails.

Six firms expressed interest in this project. Four firms attended the pre-bid meeting but did not submit bids. Two firms submitted bids. However, one of the firms submitting a bid was rejected following reference checks. The bidder was deemed not a responsible bidder for failing to meet the acceptable performance record criteria.

**PROJECT COST:**

Base Bid	\$154,000
Additional funds if needed	<u>15,400</u>
TOTAL COST:	\$169,400

**SOURCE OF FUNDS:**

Academic Enhancement	\$169,400
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**RECOMMENDED VENDOR:**

North Chicago Iron Works  
1305 Morrow Avenue  
North Chicago, IL 60064

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**F. BUILDING H CHIMNEY MASONRY REPAIRS**

**ITEM DESCRIPTION:**

The University has one central heating and cooling plant that is housed in Building H, located on the far west side of campus. Building H was constructed in 1961 and expanded in 1972. Connected to Building H is an 82 foot chimney that was part of the original building construction and accommodates the discharges from the boiler flues. The chimney was last renovated in 1978 and now, after 30 years of additional use, the masonry is failing to the point where repairs are needed.

This project will remove the upper 12 feet of the masonry chimney, rebuild the removed section, install a new concrete cap, remove the old lightning protection and replace with new, and grind and tuck point the remaining lower portion of the chimney.

The project is being competitively bid per the requirements of the Illinois Purchasing Act. Bids will open on June 3, 2008, after the Board materials are prepared. It is anticipated that an acceptable bidder will be selected on June 3<sup>rd</sup>. Based on engineering estimates, the base bid should be approximately \$300,000 and a 10 percent contingency is recommended for any unforeseen conditions. The project will be funded with fiscal year 2009 funds from the Facilities Management Repair and Maintenance account.

At the June Board meeting, the total project cost, recommended vendor and vendor information, and a summary of all other bids on the project will be presented to the Board with, assuming a qualified contractor successfully bids on the project, a recommendation to approve this project.

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**G. RENEWAL OF CONTRACT FOR LEGAL SERVICES**

**ITEM DESCRIPTION**

It is recommended that the contract for legal services between the Board of Trustees of Northeastern Illinois University and the law firm of Dunn, Willard, Arkell & Bugg be renewed for fiscal year 2009 under the terms and conditions listed below. All hourly rates, other than the rate for legal advice on debt issues, will be held constant at fiscal year 2008 levels. The hourly rate for legal advice on debt issues will increase from \$150.00 per hour to \$165.00 per hour, the same rate as that for Board legal services.

1. Legal advice, representation and litigation services for the Board and the University at the rates of \$165.00 per hour for partners and \$135.00 per hour for associates.
2. Legal advice regarding any debt issues charged at the lesser of \$165.00 per hour or 1/10 of 1 percent of the first \$5,000,000 of the debt issue and 1/20 of 1 percent of the amount of the debt issue in excess of \$5,000,000.
3. Reimbursement for actual, reasonable and necessary expenses incurred and advanced upon behalf of the Board and the University, incident to the foregoing matters.
4. Any H-1B application filed by the firm on behalf of NEIU will be billed at a flat fee of \$1,800, plus filing fees and costs. Any H-1B extension petition filed by the firm on behalf of NEIU will be billed at a flat fee of \$1,000, plus filing fees and costs.

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**II. INFORMATION ITEMS**

**A. FOLLOW-UP REPORT ON UNIVERSITY CONTRACTING**

At the April 2008 Board committee meeting, several questions were asked concerning University contracting procedures. This report provides a brief overview of State of Illinois procurement requirements and University efforts to award contracts to the lowest responsible bidder while expanding the diversity of eligible bidders.

**Overview**

Each year, the University procures goods and services that are needed for the continuing operation of the University. The largest expenditure of University operating funds (state funding and tuition) is for salaries, which in fiscal year 2008 will total approximately \$62.6 million, or 81 percent of total operating funds expenditures. (It should be noted that as recently as fiscal year 2002, salaries totaled only 75 percent of total operating expenditures.) The second largest expenditure of University operating funds is for energy costs, which will total approximately \$2.7 million in the current year and are expected to increase by \$400,000 next year. In addition, the University expends funds for certain items that are available from only one source, such as state health insurance, social security, telecommunications, postage, computer software and maintenance, employee travel reimbursement and property rental.

The University also expends funds each year for goods and services that can be obtained from multiple sources. The procurement of these goods and services in a competitive manner creates the opportunity for the University to take advantage of price competition to hold down costs for the University.

The University is a member of the Illinois Public Higher Education Consortium that includes membership of all the Illinois public universities. Together, the universities are able to leverage their buying power to lower costs for each university. For example, IPHEC negotiated with Dell Computers to secure a price point for computers and accessories for all public universities that most would not be able to secure on their own.

**Competitive Bidding**

When a department within the University determines that it needs a specific good or service, the first and most critical step in the procurement process is determining the exact specifications for that good or service. These specifications can be fairly simple for a less complicated task or the specification can be extensive, such as the project manual that supported the paving project approved by the Board at the April meeting. These specifications also can require that the bidder have proven experience for a project of such size.

When estimated expenditures for a purchase or service meet the threshold that requires competitive bidding, a bid must be advertised to the public via the Illinois Public Higher

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Education Procurement Bulletin. Per the Procurement Rules of the Chief Procurement Officer for Public Institutions of Higher Education, purchase contracts must be awarded only to the lowest responsible and responsive bidder whose bid meets the requirements and criteria set forth in the Invitation for Bids (specifications). The Procurement Rules do not make an allowance for awarding contracts on the basis of minority business ownership.

Using the recent parking lot paving project as an illustration of the competitive bidding process, the following process took place:

- Specifications were prepared by the Facilities Management Department.
- The Invitation for Bids was publicly advertised starting February 14, 2008.
- A mandatory pre-bid meeting was held on February 29, 2008.
- The public bid opening was conducted on March 7, 2008.
- Five responsive bids were received; however, in the bid responses, none of the bidders disclosed that they had obtained Minority and Female Business Enterprise (MAFBE) certification.
- Chicagoland Paving Contractors, Inc. was the lowest responsible and responsive bidder whose bid met the requirements and criteria set forth in the Invitation for Bids.
- Board of Trustee approval for entering into a contract in the amount of \$199,999 with Chicagoland Paving Contractors, Inc. was attained on April 10, 2008.
- The purchase order and contract were issued on April 11, 2008.

Per State procurement rules, had a MAFBE certified supplier submitted a bid response, it would still have to be the lowest responsible and responsive bidder whose bid met the requirements and criteria set forth in the Invitation for Bids in order to receive the contract award.

**Purchases from Minority, Female and Disabled-owned (MAFBE) Businesses**

Northeastern Illinois University, as a public institution, is committed to the development of the local and state economies. The State of Illinois established the Business Enterprise Program for Minorities, Females and Persons with Disabilities (BEP) to promote the economic development of businesses owned by minorities, women and persons with disabilities. The Business Enterprise Program for Minorities, Females, and Persons with Disabilities Act (30 ILCS 575/) became effective August 1994.

To comply with guidelines established by BEP, the State of Illinois requires that the University establish the goal of making at least 19 percent of all purchases of commodities, equipment and contractual services – after allowable exemption – from state-certified minority, female, and disabled-owned businesses. BEP certification must take place through the Department of Central Management Services (CMS). Other minority-owned business certifications that are recognized by the University are certifications made by the Illinois Department of Transportation, the Women's Business Development Council and the Chicago Minority Business Development Council.

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These certification requirements are limited to firms whose minority ownership is at least 51% and control of management and daily business operations of the firm is by the minority owners. Without this or a comparable certification, a firm is not recognized by any state agency or university as a minority, female or disabled-person owned business.

**Past Results and Increasing Participation by MAFBE Businesses**

Northeastern Illinois University, through its University Purchasing Department, is committed to attaining its BEP goal established with CMS and submitting two reports to BEP/CMS each fiscal year:

- Fiscal Year Compliance Plan – details the University's goals for the upcoming fiscal year.
- Fiscal Year Expenditure Report – details the University's achievement of its goals from the past fiscal year.

Achievement data are available for fiscal years 2002 to 2007. During that period, the University's MAFBE participation goals averaged \$396,400 per year and our actual MAFBE expenditures averaged \$762,500 per year. In two years, fiscal years 2002 and 2007, the University did not meet its total MAFBE goal. In fiscal years 2003 through 2006, the University exceeded its MAFBE goal each year. During the six year period, the University, on average, exceeded its State MAFBE goal by \$366,100. The University was successful during the six year period in meeting its minority-female-owned and female-owned (not minority disclosed) goals. During the six year period, the University did not meet its overall goal for minority-owned (not female disclosed) and disabled-owned business participation.

The critical issues in expanding minority and disabled-owned participation in University contracts for goods and services include the development of an increased base of certified MAFBE suppliers and increasing University efforts to attract minority firms to do business with the University. More effort will be required, and will be made, to establish a broader base of minority-owned businesses willing to do business with the University.

The following actions are being taken by the Purchasing Department:

- Advertised competitive bids will be target-marketed to certified minority-owned and disabled-owned businesses registered under the applicable required service category.
- A staff member has already been assigned to reach out to current minority-owned University suppliers who have not registered for MAFBE certification and help facilitate the process.
- Representatives of the Purchasing Department will attend a Minority-Owned Vendor Conference to be held at the UIC campus on June 11, 2008 with the goal of establishing new supplier contacts.

Northeastern Illinois University has a successful overall performance record in meeting its annual MAFBE Compliance Plan. With these proactive steps and the participation of

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all University departments in identifying potential MAFBE business opportunities, the University will be better positioned to improve on its successful record of working with a diverse group of contractors.

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**B. STUDENT HEALTH INSURANCE FEE**

**ITEM DESCRIPTION**

In June 2006, the Board of Trustees approved the contract for student health insurance for the academic year beginning fall 2006. At that time, the Board also approved the selection of the Chickering Group, a wholly owned subsidiary of Aetna Insurance (now known as Aetna Student Health), as our new student health insurance provider. This selection was the result of an extensive Request for Proposal (RFP) evaluation process that was conducted to obtain the best insurance value for our students based on program performance and cost.

Student health insurance at Northeastern, as with most Illinois public universities, is a mandatory fee for all full-time, undergraduate students. The health insurance may be waived by a student if documentation is provided that other health insurance is in place with equal or better health coverage than the University plan. Part-time and graduate students also may participate in the program. As a mandatory fee, the student health insurance fee is covered by the Illinois Monetary Award Program, the state's need-based financial aid program for students with demonstrated financial need.

The University received the policy renewal notice for the academic year beginning fall 2008. The student cost per semester will remain at \$474. There is no reduction in program benefit coverage and several new wellness initiatives will be made available to students. Students who purchase student health insurance for the spring semester are also covered during the summer. As a result, students purchasing health insurance for the fall and spring semesters will have coverage for one full-calendar year.

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**C. INITIAL FISCAL YEAR 2010 OPERATING AND CAPITAL BUDGET  
REQUESTS**

Introduction

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

In previous years, the University has engaged in a review and discussion of our Priorities Statements and the strategies to address those priorities. That campus discussion relied on the University Budgetary Council, with its campus-wide representation, to facilitate discussions on the Priorities Statements with their constituents. Changes recommended by the Council were incorporated into the Priorities Statements submitted to the Board for approval.

This year, the University community is actively engaged in strategic planning which should yield a new vision and long-term plan for the University, in effect replacing the current Priorities Statements and Strategies. Because of the strategic planning initiative, I met with the University Budgetary Council and we agreed to a one year hiatus on the review and revision of the Priorities Statements. I also presented my vision of an expanded role of the Council and its involvement in both planning and budgeting which will emerge from the Strategic Planning process. As a result, this year's report presents the operating and capital budget request for fiscal year 2010 and presents the current Priorities Statements for informational purposes only.

Overview of Operating and Capital Budget Requests

The budget requests brought before the Northeastern Illinois University Board of Trustees and summarized in this report are fiscal year 2010 requests, for the year beginning July 1, 2009 and ending June 30, 2010. The initial operating and capital budget requests are provided to the Board in June for review and discussion. At the September meeting, the Board will be asked to approve the Priorities Statements and final budget requests.

The budget presented to the Board in this report reflects the estimated fiscal year 2009 state-appropriated base budget for the University and the University's budget requests for new funding for fiscal year 2010. Also included in the operating budget is the University Income Fund which is established by state statute to account for student tuition and certain fee revenue. The total of state appropriations and University Income Fund revenues represents the University's unrestricted operating budget.

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An important factor in developing the fiscal year 2010 operating budget request is the prior year base budget, the starting point for budget development. The operating budget included in this request is based on the Governor's fiscal year 2009 recommended budget for the University with the adjustment made to include two special line item appropriations in our current year budget but not included in the Governor's budget: Improving Retention and Graduation Rates Initiatives (\$170,000) and the North Atlantic Slave Trade Study (\$200,000). With these two adjustments, the University's fiscal year 2009 appropriation is level with the prior year appropriation. The total of state appropriations and University Income Fund revenues represents the unrestricted operating budget that requires Board of Trustees approval and that will be sent, following approval, to the Illinois Board of Higher Education for consideration.

Developing our operating budget request requires that we reach a balance between the new and ongoing financial needs of the University and a reasonable expectation of support from the State of Illinois and our students. Since the beginning of fiscal year 2002 through our estimated fiscal year 2009 appropriation, Northeastern has seen our available funding from the State's General Fund decrease by \$4.6 million, or 10.2 percent. In addition, beginning in fiscal year 2002, the University was required to begin making an annual payment of \$1.1 million to the group health insurance fund for all state employees. The State of Illinois did not provide funding for this required contribution, meaning the University reallocates annually to meet this cost. With this required contribution not available for University expenditures, the actual reduction in available University funding has decreased \$5.7 million, or 12.6 percent, since fiscal year 2002.

This budget request is modest in terms of the needs of the University and includes only moderate funding requests for salary and cost increases and selected program initiatives. We are on record, therefore, that these are our highest priorities.

The following summarizes the budget information provided in this report.

Fiscal Year 2010 Budget Development Schedule. Table 1 provides a schedule of the budget development process from June 2008, when the NEIU Board will receive the initial fiscal year 2010 budget request, through September 2009, at which time the Board will take action on the University's fiscal year 2010 internal budget.

Priorities Statements. Page 5 includes the current University Priorities Statements for fiscal years 2009 through 2014. These statements represent the current priorities of the University and serve as the planning document for the University in the development of new and expanded programs, the allocation of current resources, and requests for new funds to support program initiatives.

Operations. The budget request for University fiscal year 2010 operations is summarized in Table 2, with additional information supporting the operations request provided on pages 6 through 9. Table 3 summarizes the requests for salary and inflationary cost increases. Table 4 summarizes the program requests for fiscal year 2010. Because these represent the highest University priorities for new or expanded programs, the University

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may attempt to implement some of these programs through the redirection of staff effort and University resources.

Capital Improvements. Table 5 summarizes the fiscal year 2010 requests for capital improvements, which are described on pages 10 through 14. Capital requests are discussed in the two broad categories used by the Board of Higher Education to classify state-supported projects – Regular Capital projects and Capital Renewal projects. Regular Capital projects include requests for new construction or significant remodeling or renovation. These projects typically provide new space or provide a significantly different use for remodeled space. Capital Renewal projects are of a lesser scope than Regular Capital projects. They include the remodeling or renovation of space, infrastructure renewal, and improvement projects that address deferred maintenance.

Should the Illinois General Assembly pass and the Governor sign a capital bill that provides funding for any of these projects before the Board adopts the budget request in September, the capital request list will be adjusted to reflect the newly appropriated funding.

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**Table 1  
FISCAL YEAR 2010 BUDGET DEVELOPMENT SCHEDULE  
(Approximate dates – subject to change)**

June 2008	Submission of initial FY2010 operating and capital budget requests to NEIU Board of Trustees for review and discussion
September 2008	Discussion and final approval of the FY2010 operating and capital budget requests by NEIU Board of Trustees
	Submission of current FY2009-2014 University Priorities Statements and FY2010 operating and capital budget requests to the Board of Higher Education
November 2008	Report to the NEIU Board of Trustees on proposed FY2010 tuition and fees rates
December 2008	Board of Higher Education action on FY2010 higher education operations and grants and capital improvements recommendations
February 2009	Governor's FY2010 Budget Address
	NEIU Board action on FY2010 tuition and fee rates
May 2009	General Assembly's action on FY2010 appropriations
June 2009	Governor's action on FY2010 appropriations
	NEIU Board of Trustees' action on FY2010 preliminary University internal budget
September 2009	NEIU Board of Trustees' action on FY2010 University internal budget

NOTE: Fiscal year 2010 begins on July 1, 2009 and ends June 30, 2010.

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**FY 2009-2014 PRIORITIES STATEMENTS**

The University has identified seven major goals to be pursued during the planning period from FY 2009-2014.

- Goal 1:** Recruit, retain and graduate a diverse student body at both the undergraduate and graduate levels using strategic enrollment management practices.
- Goal 2:** Develop a comprehensive strategic plan for the University which addresses program offerings, enrollment management, fiscal resources, technology, facilities planning and staffing to guide University planning and decision making.
- Goal 3:** Foster a student-centered community that supports successful outcomes both in and out of the classroom.
- Goal 4:** Create a University environment that fosters excellence in teaching, learning and scholarship through the use of information technology and learning resources.
- Goal 5:** Strengthen and expand educational opportunities to enhance understanding of international and global issues.
- Goal 6:** Collaborate with external constituents to provide instruction, research and service programs that build upon the programmatic strengths of the University and are consistent with the University's instructional, research and service missions.
- Goal 7:** Secure the necessary resources to meet programmatic needs and enhance the working environment for faculty and staff.

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**FISCAL YEAR 2010 OPERATING REQUEST**

Developing the fiscal year 2010 operating budget request requires that the University reach a balance between the new and ongoing financial needs of the University and a reasonable expectation of support from the State of Illinois and our students. This budget is modest in terms of the needs of the University and includes only modest funding requests for salary and cost increases and selected program initiatives. We are on record, therefore, that these are our highest priorities.

The University also recognizes the need for adequate state funding to support our instructional and support programs. From our fiscal year 2002 appropriation through our currently proposed fiscal year 2009 appropriation, Northeastern has seen our funding from the State's General Fund decrease by \$4.6 million, or 10.2 percent. In addition, the University received a mandate to pay \$1.1 million annually into the Health Insurance Reserve Fund, further reducing available resources. During this period, the University received no new state funding to address new programmatic initiatives or support the increasing costs of needed goods and services. Nearly all University departments had their spending held level or reduced to support faculty and staff salaries and unavoidable cost increases (e.g., utilities).

The University operating budget request for fiscal year 2010 totals \$85.5 million, an increase of \$4.9 million, or 6.0 percent, above the estimated fiscal year 2009 base. The fiscal year 2010 operating budget request includes salary and cost increases totaling \$3.2 million, and program requests of \$1.7 million. Table 2 summarizes the operating request.

**Cost and Salary Increases**

The request includes cost and salary increases so that University programs and services and employee compensation do not lose purchasing power due to inflationary factors and that salaries remain competitive with market rates. These requests are summarized in Table 3 and include a general salary increase of \$2.0 million. This salary increase request totals 3.0 percent for a general cost of living salary increase. Based on current salaries, each 1.0 percent salary increase costs approximately \$654,000. Cost increases are requested to provide for Social Security/Medicare increases of \$18,500 (3.0 percent), utilities increases of \$563,000 (17.0 percent), library materials increases of \$99,600 (10.0 percent) and a general cost increase of all other goods and services of \$516,600 (5.0 percent).

**Program Requests**

The University included three programmatic initiatives in the operating budget request, each of which is summarized in Table 4 and described below. These programs represent the most important University initiatives. The University may attempt to implement, at least in part, other important initiatives through the redirection of staff effort and University resources.

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**Implementing Recruitment, Retention and Graduation Strategies (\$650,000).** Improving the recruitment, retention and graduation of students at Northeastern Illinois University is our highest institutional priority. The University is in the midst of University-wide Strategic Planning that will consider three major planning initiatives the University has recently undertaken: the Task Force on Retention and Time-to-Degree, which issued a final report in May 2006; the Presidential Task Force on the Millennium Student; and, most recently, the University-wide Enrollment Management Council, which will build on the earlier work of the Retention and Time-to-Degree Task Force. The report of the Retention Task Force highlighted several areas for the improvement of student success at Northeastern; these form the basis for this request.

The University proposes **the expansion of the First Year Experience program (\$200,000)**. Research shows that increased student engagement with the University improves retention and student success. In fiscal year 2007, the University implemented the First Year Experience as a pilot program for about one-third of our first-time freshmen students. The program is showing positive results in engaging new freshmen in their academic studies and sparking student interest in their first semester of collegiate studies, a critical time for student retention. In fiscal year 2008, this program will be expanded and mandated for all first-time freshmen. Funds are being requested to institutionalize funding for the program which is currently being funded from grant funds.

**Improving and expanding undergraduate and graduate advising (\$250,000)** has been identified as one of the best means to improve student success. The University proposes expansion of advising programs to better support academic planning for students, particularly in regard to sequence and course availability in their programs, and to increase contact with prospective, new and continuing enrolled students. In addition, the expanded advising initiative is designed to shorten time to degree for undergraduate students who enter college without clearly defined academic goals.

One of the major impediments to degree completion, and one of the most often cited complaints from students, is the lack of **high-demand course sections (\$200,000)**. Expansion of course offerings in high-demand general education courses, particularly the sciences, and capstone classes within majors are specific areas where additional course offerings are critical.

**Teacher Education and Development (\$800,000).** Two of the core missions of Northeastern Illinois University are preparing future teachers for the Chicago and metropolitan area and providing continuing professional development for current teachers. Because of Northeastern's location and partnerships in Chicago and the neighboring communities, the University also is in the unique position to be a national leader in developing pedagogy for training teachers for urban education and to strengthen the pipeline for students from inner city schools to higher education.

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**Professional Development Schools (\$300,000).** Professional Development Schools (PDS) are public school sites that are partnered with a university College of Education to support enhanced teacher development for both practicing and prospective teachers. Whereas traditional preservice clinical placements and supervision are focused on the teaching candidate, the PDS model is focused more broadly on teacher development. This focus leads to better initial preparation of candidates and professional development for candidates and cooperating teachers, the goal of these efforts being positive impact on P-12 student learning. The College of Education would implement four Professional Development Schools with the Chicago Public Schools. A longitudinal database would be developed and a collaborative research effort would be initiated. Faculty from Northeastern and the PDSs would work collaboratively on issues related to candidate preparation, such as mentoring and induction, P-12 student learning, and the utilization of state-of-the-art technology. Research on the impact of the PDS model has likened the model to a teaching hospital where novice and expert teachers work together to raise P-12 student performance.

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

**Teacher Education and Development – Expanding Teacher Training with Teaching Specialties in Urban/Bilingual Education (\$250,000).** Northeastern Illinois University is the most diverse university in Illinois and is recognized by the federal government as an Hispanic Serving Institution. Northeastern also has an historical commitment to teacher training and, because of its location in Chicago, prepares teachers to work in urban schools. Given the growing documentation of statewide and national shortages of teachers that are prepared to teach in urban environments and that enter the workforce able to function in multilingual settings, Northeastern is ideally situated to expand our teacher training program in bilingual/bicultural education and to focus it on urban education. Currently, candidates may major in elementary education with a concentration in bilingual/bicultural education. However, the number of candidates choosing this option is extremely small and the need in Chicago is great. Currently, most bilingual teachers in CPS enter the field with an emergency certificate.

**Urban Education Studies Center (\$250,000).** Northeastern Illinois University is uniquely positioned to be a leader in improving urban education. Our teacher education program is the largest in Illinois located in an urban setting. Our Chicago Teachers' Center is nationally recognized for developing and implementing innovative instructional services, student support programs and parental/community involvement initiatives to further the success of students studying and learning in an urban environment. Because of the University's

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extensive involvement in urban education, we plan to develop the Urban Education Studies Center to more systematically link faculty research with the extensive experience and knowledge we are gaining from our current involvement with public and private schools in the Chicago area. This linkage will result in best practices in urban education and, as a result, directly impact our teacher training program through the development of best practices in urban teacher education.

**Campus Safety Initiatives (\$250,000).** The health and safety of Northeastern Illinois University students, faculty, staff and guests is a serious concern to the University community. Additional funding is requested to meet high priority needs, including the installation and implementation of emergency notification systems; further development and testing of emergency response protocols; equipping the emergency response center; providing emergency power capability to critical campus units; and further training and development of University emergency personnel.

### **TUITION AND FEES**

The timing of the formal request for the approval of tuition and fee rates is a compromise between early adoption, that allows students and their parents to better plan for college costs, and later adoption, that allows the University to consider available state funding in determining tuition rates.

In February 2008, the NEIU Board of Trustees adopted tuition and fee rates for fiscal year 2009, the academic year beginning in the fall of 2008. This schedule represented the best alternative, allowing time for students to plan for fall costs and also allowing the University some sense of the state funding support. February consideration of tuition also allows for a broader discussion with students on tuition issues during the fall semester.

At the November 2008 meeting, the Board will receive a report on tuition and fee rates that will facilitate a discussion with student government during the fall semester. A set of tuition and fee recommendations for fiscal year 2010 will be brought to the Board for action at the February 2009 meeting.

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**CAPITAL IMPROVEMENTS**

Table 5 summarizes capital improvement requests for fiscal year 2010. Requested capital projects total \$160.4 million. These include \$157.0 million in Regular Capital projects and \$3.4 million in Capital Renewal projects. All projects are based on the fiscal year 2009 cost guidelines issued by the State of Illinois Capital Development Board (CDB). These amounts will be adjusted in the September report based on fiscal year 2010 CDB cost guidelines. The requests also include a priority number for each project, as requested by the Board of Higher Education.

At the time this report was prepared, the Illinois General Assembly was considering a comprehensive capital bill. Should any of these requested projects receive funding in fiscal year 2009; the fiscal year 2010 request will be adjusted to reflect the fiscal year 2009 appropriation.

A brief description of each project follows.

**A. REGULAR CAPITAL**

**2010-01 Education Building, Planning - \$4,913,800**

This request is for planning funds through the preparation of bid documents for a new Education Building. Construction of an Education Building is necessary to address the continuing growth, success, and pressing needs of NEIU students. This project will permit Northeastern Illinois University to meet needs in the areas of classroom space, support services, education reform efforts, and overall space utilization on campus.

Northeastern is one of the top producers of education degrees and careers in the State of Illinois. In academic year 2007, 700 degrees were granted by the College of Education. This is consistent with Northeastern's historic role in teacher preparation and national recognition of our successful quality innovation in this area.

Notably, Northeastern is nationally recognized as a top degree awarder of education degrees to Hispanic and Asian students. According to *Diverse*, "Top Degree Producers 2007", Northeastern ranked 11<sup>th</sup> in the nation in undergraduate education degrees awarded to Hispanics and 21<sup>st</sup> in the nation in undergraduate education degrees awarded to Asians. Overall, Northeastern is 22<sup>nd</sup> in the nation in undergraduate education degrees awarded to minorities. Given the proven track record of success in earned degrees by members of underrepresented groups, Northeastern has learned a great deal about the support services that are necessary for student success. The Education Building will provide more opportunities for systematic tools of support for first-generation and dual-language students. This goal is consistent with national goals of increasing the numbers of Hispanics and Asians in the teaching force.

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The academic strengths of Northeastern's undergraduate and graduate bilingual education programs, special education, and counseling programs are nationally recognized. The work of the College was commended by the Illinois State Board of Education and NCATE in its last accreditation review. Moreover, there is national urgency in the need to revisit how teachers are prepared. Our faculty and staff are actively engaged in that dialogue through major national grants. The Education Building would support these programmatic initiatives and facilitate closer links with the community, including Chicago Public Schools.

For twenty-three years, the College's off-campus leased facility, the Chicago Teachers' Center, has played a leadership role in education reform and teacher support, with a proven track record of successful partnerships and collaborative efforts. By moving Center activities to the main campus and the new Education Building, funds could be reallocated from lease expenditures to cover operating costs of the Education Building as well as increase faculty positions. In addition, there are programmatic reasons to house the Center in an on-campus Education Building. This relocation of the Center will strengthen both enterprises and permit Northeastern on-campus faculty to be engaged more completely with the initiatives of the Center.

The University has been working with the architectural firm of Perkins & Will to update the Education Building program, including infrastructure support, and provide new cost estimates. The September report to the Board will include updated building information based on that work.

**2010-02 Education Building, Construction - \$61,476,800**

These funds would provide for construction of the Education Building.

**2010-03 Jacob H. Carruthers Center for Inner City Studies Remodeling Phase I -  
\$4,804,400**

This project will renew existing interior finishes and the exterior façade, modernize HVAC and utility systems, modernize the lighting systems, add a Building Automation System, replace fixed equipment, and remodel interior areas in response to programmatic changes that have occurred since the previous remodeling in 1972.

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

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preparation and development, administrator training and in-service programs, and student enrichment programs.

The University is proposing a two-phase project to address these building needs. Phase I of the project includes the replacement of boilers, HVAC fan units, electrical fixtures, and selected supporting systems; the renewal of the exterior façade; the replacement of ceilings, floors and interior wall finishes in public areas and washrooms; and renovation of public event areas on the lower level, first floor and second floor. The public event areas include a student lounge and large meeting room on the lower level; the lobby, meeting rooms and miscellaneous spaces on the first floor; and the auditorium on the second floor.

The request is to complete all of the Phase I work and provide planning through design for Phase II. Phase II of the project will complete the renovation, including remodeling of classrooms, offices, and other supporting systems, and the replacement of furnishings.

**2010-04 Science Building Planning - \$5,622,800**

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

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

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

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

First, the extensive phasing necessary to keep as many laboratories available as possible during all phases would be extraordinarily disruptive to the programs resident in the Science Building. Up to half of the labs in a given discipline would be undergoing modernization during each phase, so the phasing would require reduction in scheduled classes and their associated labs. In order to continue to have sufficient general classrooms available to support a minimal science teaching program, portable temporary buildings would also have to be rented to house the classrooms and offices that would be displaced during each phase.

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

In addition, the University discussed as an alternative the construction of a new Laboratory Building near the current Science Building. This approach would provide larger new laboratories, a somewhat shorter construction period, increased classroom space as the current labs in the Science Building would be converted to classrooms, and much less disruption of ongoing University

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Programs. However, a new laboratory only building would be separated from the faculty offices and classrooms, and the faculty offices in the current Science Building would still be handicapped inaccessible. A new laboratory building location would need to be constructed on limited land close to the present Science Building. Construction in this area would disrupt other campus long-range plans and may not be the best use of limited real estate. A new laboratory building would cost an estimated \$39.8 million.

After looking closely at remodeling the existing Science Building, and the alternative of a separate Laboratory Building, a completely new building with classrooms, teaching labs, research labs and offices was decided to be the most cost and time efficient way to provide a state-of-the-art science facility. This building would support not only current program requirements but would be flexible in meeting future programs in an environment much more conducive to learning. Planning for a new science building would cost an estimated \$5.6 million and construction would cost an estimated \$71.0 million.

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

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

**2010-05 Science Building, Construction - \$70,977,800**

These funds would provide for construction of the Science Building.

**2010-06 Classroom Building Remodeling - \$9,156,300**

This project is closely linked with the construction of the Education Building and will renew existing finishes, modernize HVAC and utility systems, replace fixed equipment, and remodel interior areas in response to programmatic changes in the Classroom Building since it was constructed in 1973. The project includes realigning administrative space throughout the building by consolidating various department offices. It also reconfigures the second-floor open computer laboratories, consolidates the University's computer center and support offices, and adds student meeting and group spaces in support of a student-centered environment for our commuting students. The project also provides for replacing

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the perimeter heating and cooling units; modifying lighting, electrical, and data distribution systems to support remodeling; and renewing interior finishes and fixed equipment in classrooms, corridors, stairwells, and washrooms.

**B. CAPITAL RENEWAL PROJECTS**

**2010-01CR 4160V Substation & Cable Replacement – \$1,721,300**

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

**2010-02CR Buildings D & E Exterior Window Wall Replacement - \$1,702,800**

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

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**Table 2  
NORTHEASTERN ILLINOIS UNIVERSITY  
FY2010 OPERATING BUDGET REQUEST  
STATE APPROPRIATIONS AND UNIVERSITY INCOME FUNDS**

(in thousands of dollars)

<b>FY2008 Base (Excluding Retirement)</b>	<b>\$</b>	<b>80,652.2</b>
<b>Increases to Maintain Operations Levels (see Table 3)</b>		3,159.6
<b>Increases for New and Expanded Programs (see Table 4)</b>		
New Academic Program Request		-0-
Program Priority Requests		1,700.0
<b>FY2010 Operating Budget Request</b>	<b>\$</b>	<b>85,511.8</b>
Dollar Change		4,859.6
Percent Change		6.0%

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**TABLE 3  
NORTHEASTERN ILLINOIS UNIVERSITY  
FY2010 OPERATING BUDGET REQUEST  
COST INCREASES TO MAINTAIN OPERATIONS LEVELS**

(in thousands of dollars)

	FY09 Base	<u>FY2010 Increases</u> Amount	Percent
<b>Compensation Increases</b>	<u>\$ 65,396.4</u>	<u>\$ 1,961.9</u>	<u>3.0%</u>
<b>Social Security/Medicare</b>	<u>617.7</u>	<u>18.5</u>	<u>3.0</u>
<b>Utilities</b>			
<b>Electricity</b>	<u>2,365.3</u>	<u>473.1</u>	<u>20.0</u>
<b>Natural Gas/Propane</b>	<u>854.1</u>	<u>85.4</u>	<u>10.0</u>
<b>Water/Sewer</b>	<u>90.0</u>	<u>4.5</u>	<u>5.0</u>
<b>Subtotal</b>	<u>\$ 3,309.4</u>	<u>\$ 563.0</u>	<u>17.0</u>
<b>Library Books &amp; Materials</b>	<u>996.4</u>	<u>99.6</u>	<u>10.0</u>
<b>All Other Operating Costs</b>	<u>10,332.3</u>	<u>516.6</u>	<u>5.0</u>
<b>Total</b>	<u>\$ 80,652.2</u>	<u>\$ 3,159.6</u>	<u>3.9%</u>

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

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**TABLE 4  
NORTHEASTERN ILLINOIS UNIVERSITY  
FY2010 INITIAL BUDGET REQUEST**

(in thousands of dollars)

**NEW ACADEMIC PROGRAMS**

None \$ -- 0 --

**PROGRAM PRIORITY REQUESTS**

<u>Implementing Enrollment, Retention and Graduation Strategies</u>	<u>\$ 650.0</u>
First Year Experience	200.0
Expanding Student Advising	250.0
Additional Course Sections	200.0
<u>Teacher Education and Development</u>	<u>800.0</u>
Professional Development Schools	300.0
Teacher Training with Teaching Specialties	
In Urban/Bilingual Education	250.0
Urban Education Studies Center	250.0
<u>Campus Safety Initiatives</u>	<u>250.0</u>
<b>TOTAL PROGRAM REQUESTS</b>	<b><u>\$ 1,700.0</u></b>

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**TABLE 5  
NORTHEASTERN ILLINOIS UNIVERSITY  
FY2010 CAPITAL APPROPRIATIONS REQUEST**

(in thousands of dollars)

<b>PROJECT</b>	<b>PRIORITY</b>	<b>ESTIMATED PROJECT COST</b>
<b>REGULAR CAPITAL PROJECTS</b>		<b>\$ 156,951.9</b>
Education Building, Planning	1	4,913.8
Education Building, Construction	2	61,476.8
Carruthers Center for Inner City Studies Renovation, Phase I	3	4,804.4
Science Building, Planning	4	5,622.8
Science Building, Construction	5	70,977.8
Classroom Building Remodeling	6	9,156.3
<b>CAPITAL RENEWAL PROJECTS</b>		<b>\$ 3,424.1</b>
4160 V Substation & Cable Replacement	1	1,721.3
Buildings D & E Exterior Window Wall Replacement	2	1,702.8
<b>TOTAL</b>		<b>\$ 160,376.0</b>

Note: All costs reflect FY2009 Capital Development Board (CDB) cost guidelines. These amounts will be adjusted in the September report with FY2010 cost guidelines.

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**D. NEWS AND EVENTS**

**1. Student Awards Ceremony – April 8**

The Student Awards Ceremony was held Tuesday, April 8 at 1:45 in Alumni Hall. Awards presented were the Phi Theta Kappa Scholarship, and the Presidential Scholarship, the Student Leadership and Service Scholarship, the University Ambassador Award, Nontraditional Degree Program awards, and awards given by the various colleges. Over 200 students received awards. President Hahs gave the welcome, Carlos Azcoitia provided remarks from the Board of Trustees, Sharron Evans was this year's keynote speaker and Vice President for Student Affairs, Melvin C. Terrell presented the awards.

**2. Lobby Day - April 9**

On Wednesday, April 9, 2008 a group of 7 students, 3 faculty, 9 staff, 4 alumni, 7 administrators and 2 trustees, a total of 32, traveled to Springfield, Illinois to participate in the Higher Education Lobby Day. The group message was on support for NEIU's Fiscal Year 2009 state operating budget request and for a Capital Bill that funds NEIU's Education Building.

More than 32 legislative visits were conducted with legislators representing NEIU's main campus and satellite campuses, the chairs and vice-chairs of the senate and house appropriations and higher education committees as well as NEIU alumni, leadership members and the governor's office.

**3. Campus Safety Information Sessions – April 8-10**

James C. Lyon, Jr., Director of Public Safety presented a series of campus safety information sessions to inform the university community about safety in a post Virginia Tech/NIU world. The sessions were held at 1:30 p.m. and 6 p.m. in the Student Union, April 8-10, and provided some background on the Public Safety Department and training that the police officers receive. The session also included how Public Safety is prepared to handle a crisis situation. Approximately 64 students, staff, and faculty were in attendance.

**4. Salme Harju Steinberg Fine Arts Center Dedication – April 17**

On April 17, we celebrated the dedication of the Salme Harju Steinberg Fine Arts Center Building. NEIU Board of Trustees Chair Walter Dudycz, along with Board of Trustee members Nancy Masterson and Carlos Azcoitia presented President Emerita Steinberg with a replica of the building dedication plaque and a resolution in honor of her long-standing commitment to the arts. Three performances followed by David Portillo, tenor, and Celeste Rue, piano; our own Brian Torosian, guitar; and the Ensemble Español Spanish Dance Theater, in residence at NEIU.

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**5. First Year Experience – April 21**

Friday, April 27<sup>th</sup>, we were pleased to announce the successful completion of the pilot phase of the First-Year Experience (FYE) Program. During the 2006-2007 academic year, 11 new courses were introduced. An additional 27 courses are planned for the coming 2007-2008 academic year, when the FYE will be required for all new first-year students.

**6. Mozart Requiem Concert - April 22**

On Tuesday, April 22, under the direction of Michael Melton, the NEIU Chorus performed Mozart's final work, the "Requiem in D," in honor of the victims of the shootings at Northern Illinois University (NIU) on February 14. The concert also featured the NEIU Chamber Singers in choral favorites that span the history of Western music under the batons of student conductors.

**7. Administrative Professionals Day – April 23**

President Hahs and Vice Presidents Lawrence Frank, Carla Knorowski, Melvin Terrell and Mark Wilcockson greeted faculty and staff in honor of Administrative Professionals Day. The reception took place in the Golden Eagle room. Approximately 200 people gathered to enjoy ice cream sundaes and refreshments.

**8. Academic Honors – April 23**

The Academic Honors program was held on Tuesday, April 23, 2008, in Alumni Hall. There were over 350 recipients and guests in attendance for the ceremony and reception. The program began with greetings from President Hahs, followed by words of inspiration from NEIU Trustee Grace Dawson. Provost Frank read the names of the graduating seniors who accomplished outstanding academic achievement during their careers. The students were presented medallions by President Hahs to signify cum laude, magna cum laude, and summa cum laude accomplishments.

**9. Leadership Awards Banquet – April 24**

The Student Activities Office hosted its second Annual Leaders Emerging and Developing (LEAD) Awards Banquet on Thursday, April 24 from 5-7 pm in Alumni Hall. President Sharon K. Hahs gave welcoming remarks, and Assistant Dean of Students Robert E. Bedford was the keynote speaker. With an attendance of approximately 90 students, staff, and family members, 12 awards were announced and presented. Five individual student leaders, 6 student organizations and 1 club advisor received an award. The student organizations who won an award also received \$300 in programming funds. The awards were determined through an application and a committee interview process by which approximately 40 individuals and student organizations were nominated.

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LEAD Award Recipients for 2007-2008:

- Golden Eagle Award – Sunil Mahadeshwar
- Legacy Award – Jacob Chacko
- Pantheon Award – Julissa Flores, Ashley Agron
- Wilson Media Award – Elizabeth Rodriguez
- Golden Spirit Award – Siew Lian Lim
- Indelible Mark Award – Dr. Peter Stonebraker
- Blue and Gold Award – Future Health Professionals
- NRichment Award – Alpha Psi Lambda
- Soaring Eagle Award – Future Health Professionals
- Trailblazer Award – Chinese Student Club
- Bridge Builder Award – Northeastern Programming Board (NBP)
- Mount Olympus Award – Alpha Psi Lambda

**10. Minority Student Mentoring Program Reception – April 24**

First year students who participated in Partners for Success: The Minority Student Mentoring Program was recognized at an end-of-year celebration in the Golden Eagle Room. Mentors and mentees gathered on April 24 to acknowledge the students' achievements through the program and to thank faculty and staff who served as volunteer mentors. The ceremony began with opening remarks by Vice President for Student Affairs Dr. Melvin C. Terrell, followed by words from Dean of Students Michael Kelly. A keynote address was made by the Coordinator for Student Enrichment Programs, Flora Llacuna. Students then came forward to receive certificates of excellence from Dr. Terrell, Dr. Kelly, and Ms. Llacuna at which time photographs were taken, followed by a light reception. Partners for Success: The Minority Student Mentoring Program is coordinated by the Office of the Dean of Students, Office of Student Affairs.

**11. Student Stress-Free Zone – April 29- May 1**

The Student Health Service sponsored the 19th Student Stress-Free Zone on April 29, 30 and May 1 from 9:30 AM to 2:30 PM. The staff of the Student Health Service has converted SU 214 into a gathering place for students during finals week in the fall and spring. Beverages, food and massages are provided to help to ease the tension of the students. Over 300 students took advantage of the event.

**12. Illinois Committee on Black Concerns in Higher Education - May**

Vice President for Student Affairs Dr. Melvin C. Terrell has been appointed Editor of the Illinois Committee on Black Concerns in Higher Education (ICBCHE) Newsletter and Co-Editor of the ICBCHE Journal. The journal's theme will be Closing the Gaps and Addressing the Disparities: Time for Action! The Illinois Committee on Black Concerns in Higher Education's overall goal is the enhancement of education and employment opportunities for Black people in Illinois. Dr. Terrell is a Past Chair of the ICBCHE.

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**13. Student Government Association Passing of the Gavel Ceremony – May 1**

May 1, 2008 marked the beginning of a new Student Government Administration (SGA) and was celebrated during the annual Passing of the Gavel Ceremony from 1:15-1:45 pm in the Golden Eagle Room. During the event, the outgoing student administration, led by Student Body President Keenan Arnold, reflected on their past accomplishments and distributed service award certificates to all 2007-2008 members. Four inaugural SGA “Star Awards” (voted on by student government members) were announced and presented. Three of the four awards were won by outstanding Student Senator Paul Harris who served as Finance Committee Chair for the SGA. The fourth award went to Student Senator David Benjaih for his dedication to advocating for the student body. The newly elected SGA administration was sworn in by the outgoing SGA executives during the “Passing of the Gavel” part of the program. The new SGA President, Jason Garcia, addressed the new members to welcome them and to encourage service and dedication for the upcoming academic year.

2008-2009 SGA Executives and Representatives:

- President, Jason Garcia
- Vice President, Steven Jerome
- Speaker of the Senate, Melina Rodriguez
- Treasurer, Sunil Mahadeshwar
- Student Trustee, Eduardo Arabu, Jr.
- IBHE-SAC Representative, David Benjaih

**14. Spring Commencement – May 3**

Close to 5,000 graduates and guests were in attendance at this year’s ceremony held on the athletic field. 692 graduates walked across the stage to receive their degrees. Live music provided by the NEIU Wind Ensemble set the atmosphere for a program that included greetings from Board of Trustees Chair, Walter Dudycz, a keynote from President Hahs, the awarding of the Brommel Faculty Award, presentation of Emeriti scrolls and the focus of the day, the conferring of degrees. Also in attendance were NEIU trustees Jin Lee and Grace Dawson.

**15. Chicago & Suburban Teacher Job Fair held at Northeastern – May 20**

Twenty-nine schools, school districts and other organizations that hire educators were present for the 2008 Chicago & Suburban Teacher Job Fair which was held in Alumni Hall between 11 am and 3 pm. One hundred and eighty-six (186) applicants participated in the job fair. One hundred and ten (110) of the applicants (59%) were Northeastern students or graduates. Seventy-six applicants (41%) were students or graduates of other campuses.

Twenty-three (79%) of the participating schools and organizations completed an evaluation form. Representatives reported that an average of 25.9 applicants visited each

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of their recruitment tables. Six of twenty-two (27%) of the participating representatives reported that the applicants they met with were in the top 25% of those they have encountered. Fourteen of twenty-two (64%) of the participating representatives reported that the applicants they met were in the middle 50% of those they have encountered.

**16. Donor Reception – May 30**

On Friday, May 30, over 100 donors were honored at a reception on campus followed by a performance by Corky Siegel's Chamber Blues in the NEIU Auditorium. Corky Siegel is one of the world's great blues harmonica masters. NEIU Foundation Board President John Gingell opened the evening at the reception and announced "The Legacy Campaign" to help build our endowment. In addition, I had the pleasure of introducing one of our Presidential Scholars who spoke about his experiences at NEIU and how he benefited from the Presidential Scholars Program.

**17. Jewel Box Series / Performing Arts Series – April and May**

**Jewel Box Series**

The Jewel Box Series concert on Friday, April 18 featured The American Chamber Players in a program of Bach, Martinu and Dvorak. The final Jewel Box Series for this season featured baritone Lucas Meachem in a recital of works by Schumann, Rachmaninoff, Poulenc, Bach and Copland.

**Performing Arts Series**

On May 30 we will feature Corky Siegel's Chamber Blues. The concert will be preceded by a reception for NEIU donors.

Highlights of the 2008-2009 Series include:

The American Brass Quintet  
Author Ana Castillo  
Civil rights leader Dolores Huerta  
The Rastrelli Cello Quartet  
Pianist Vanessa Perez  
Trombonist Luis Bonila  
The La Catrina String Quartet  
The Rose Ensemble  
The Pablo Ziegler Trio for Nuevo Tango  
The Amelia Piano Trio