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I. ACTION ITEMS

A. FISCAL YEAR 2008 UNIVERSITY OPERATING BUDGET

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.

**B. FISCAL YEARS 2009-2014 PRIORITIES STATEMENTS AND
FISCAL YEAR 2009 OPERATING AND CAPITAL BUDGET REQUESTS**

The report of the FY2009-2014 Priorities Statements and the FY2009 Operating and Capital Budget requests are attached as Attachment 1, Pages A-1 to A-25.

Action is requested for adoption of this report.

**C. APPROVAL OF THE ACCEPTANCE OF REAL PROPERTY THAT
WILL ACCRUE TO THE UNIVERSITY**

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.

II. INFORMATION ITEMS

A. PLANNING

1. Strategic Planning - During the past several months, we have been setting the stage for the University's strategic planning initiative.

-We began in the spring with the establishment of the University Values, as presented to the Board at the June meeting.

-On June 4th, the President's Council, which includes the three vice presidents and senior University staff, engaged in a discussion of the University's external opportunities and threats;

-On June 27th the Council discussed the University's internal strengths and weaknesses.

-On June 28th, I held a day-long Planning Session with the President's Council during which we brainstormed on our collective view of what the University might look like in the future and how we view the planning process.

-On August 21, 2007, I met with the University Administrative Team, which is a group of about 80 administrators – including the President's Council, deans, department chairs and directors, to discuss the University's strengths and areas for improvement.

As a result of these discussions, we are starting to see some common threads of who we think we are as a University, where we see our problems and threats and where we see our strengths and opportunities. Over the next several weeks, we will be expanding the discussion groups so that the entire University community (Board of Trustees, faculty, staff, students, alumni, community) has an opportunity to participate in this discussion of our strengths, weaknesses, opportunities and threats—what is typically called an environmental scan.

At the same time, I am gathering information on how we can use external consultants to help facilitate our Strategic Planning process. This includes reviewing similar requests for planning proposals and discussing planning options with others who have successfully completed strategic planning processes. We need this independent appraisal to be sure we are accurate and thorough in our planning and that we have a structure to our process.

I will continue to provide updates to you on our progress in this important initiative.

2. Vice President for Advancement - The search process for the Vice President for Advancement has been initiated. The membership of the search and screen committee has been determined; the national and regional advertisements have been placed. We hope to complete the hiring process this fall.

3. Enrollment Management Council - We have established an Enrollment Management Council. The Council is charged with oversight of enrollment approaches, procedures and policies; analysis and dissemination of data; development of appropriate measures of success; and identification of ways to build and improve a culture of student success. The overall structure is included in an attachment. (See Attachment 2)

4. Presidential Task Force on the Millennium Student - The Task Force will address a broad range of issues related to the needs of Northeastern students in the 21st century. The Task Force, co-chaired by Dr. Barbara M. Scott and Dr. Santos Rivera, is focusing on recommendations and actions steps that will strengthen the University's commitment to excellence, access, diversity, and community.

The Task Force outlined three phases to address its charge. Phase One is complete and involved receiving input from the board spectrum of campus constituents during meetings held on each University campus. From those meetings, several themes emerged that were formed into five focused subcommittees: Advisement, Curriculum, University Environment, Developing New Matrices, and Informing Policy Makers and Advocating for the Millennium Student. During Phase Two the subcommittees will be finalized and charged to review, evaluate and make recommendations regarding the specific charge(s) developed for each subcommittee. Phase Three includes the review and compilation of the subcommittee reports and recommendations and the submission of a final report to President Hahs for her consideration. The Task Force plans to complete its work by May 31, 2008. From this work, it is anticipated that the Enrollment Planning Council will act on the key recommendations and suggest short and long-term success strategies.

5. Markers of Student Success - Three attachments are included on this topic: a) an explanation of the National Survey of Student Engagement (NSSE), its purpose and some preliminary findings; b) preliminary fall enrollment data; and c) a brief explanation of the purpose of the First Year Experience and this fall's course listing. (See Attachments 3, 4 and 5)

6. Schedule - A tentative annual schedule of information to be presented at each board meeting regarding our focus on Student Success is as follows:

September—Annual Overview of plans and emphases for the academic year.

November—Enrollment trends and comparative data, to include the Illinois Comparative Cost Study, the NEIU Peer Institutions retention and graduation rates.

February—Graduation trends, to include IPEDS data, time to degree and other measures; the Illinois Baccalaureate Survey results.

April—To be determined (contingent on alternate site or planning agenda).

June—Annual Summary, to include actions by the Enrollment Management Council and other units impacting student success.

B. NEWS AND EVENTS

1. Freshman Orientation - June - August

Nine Freshman Orientation workshops were held from June through August. Over 450 freshmen took part in the day-long programs. The students were guided through the experience by an enthusiastic group of undergraduate peer leaders. New this year was a series of college-specific orientations outlining information on entrance requirements of the colleges and about the various majors from which students can choose. The sessions were led by faculty and administrators. The afternoon included a luncheon with key university administrators and faculty, a presentation by Student Activities and Campus Recreation personnel on the importance of getting involved on campus, and a tour of the University. Results from an exit survey distributed to orientation participants show that the program is considered highly beneficial.

In addition, two Family Orientation programs were held in July and August. Approximately 300 students, family members, and friends attended the events. Family Orientation consists of two panel discussions, one by administrators, and one by students, who provide useful information to attendees about life at NEIU. The program concluded with campus tours.

2. Ensemble Español Gala Concerts – June 21-24

This June, the Ensemble Español Spanish Dance Theatre performed their Gala concerts in the University Auditorium. The Gala concerts are the culmination of the American Spanish Dance Festival. For the last several years, the Gala concerts have been held in off-campus performance spaces, such as the Harris Theatre in 2006. The concerts brought 1200 guests and over 30 artists to NEIU and received stellar reviews in the Chicago Sun-Times.

3. Retirement Reception Alumni Hall - June 29

Family, friends and distinguished guests joined us for an annual reception recognizing retiring faculty and staff for their years of service at NEIU. The event also included former and current members of the campus community. Trustee Grace Dawson greeted the audience on behalf of the NEIU Board of Trustees

4. Article on Mentoring Published in the Journal for Negro Studies – June, 2007

Vice President for Student Affairs Melvin C. Terrell co-authored an article entitled "Mentoring and Satisfaction with College for Black Students" which was published in the *Negro Educational Review* Special Issue on Mentoring. The article explores the extent to which faculty-student mentoring predicts satisfaction in college for Black students.

5. Administrative and Professional Employee Recognition Awards - August 16

The University held a ceremony in Alumni Hall to recognize the continuing services made by Administrative & Professional Employees to the University throughout the years, and also to recognize our Civil Service Employees for their outstanding contributions to the University during January through December, 2006. The University community was encouraged to attend. President Hahs addressed the assembly and introduced area executives who read the names of awardees in their respective areas.

6. 35th Annual Chuck Kane Memorial Lunch & Golf Outing - August 21

The 34th Annual Chuck Kane Memorial Golf Outing organized by the NEIU Foundation Board was held on Monday, August 21, 2006 at the Highland Park Country Club. Ninety golfers participated. Corporate and private sponsors donated a record \$18,500 to the event. Proceeds from the outing support scholarships in the Department of Health, Physical Education, Recreation and Athletics and in the Colleges of Arts and Sciences, Business and Management, and Education.

7. New Faculty Orientation - August 21

On August 21, the Center for Teaching and Learning conducted the annual orientation for the new tenure-track faculty members. Twenty-three new faculty for FY2008 attended the session. They were welcomed by the President and Provost and other representatives of the administration during a breakfast that started a full day of workshops and activities lasting until 4:30 p.m. Our new faculty had an opportunity to hear from a panel of senior colleagues about their experiences with the campus. They attended presentations on student demographics, technology, promotion and tenure, and faculty mentoring. They had breakout sessions with their respective deans and were introduced to key offices and services on campus. Each new faculty member received a folder with important information on campus procedures and resources.

8. Fall into Fun Week - September 10-15

Student Activities, in collaboration with several other university offices, organized the annual week long celebration to welcome students to the new academic year. The week included a day long Fun Fair, the 17th annual two-day Student Organization Fair and the showing of an outdoor movie on large screen on Friday evening, *Pirates of the Caribbean III: At World's End*. The week was celebrated at El Centro on Saturday, September 8 and at the Jacob H. Carruthers' Center for Inner City Studies on Saturday, September 15.

9. Jewel Box Series

The 2007-2008 Jewel Box Series will open on Friday, September 14 with pianist Soojin Ahn performing works by Haydn, Liszt, Messiaen, Granados and Ravel. A reception with the artist will follow the concert.

10. Mostly Music at NEIU

The Mostly Music at NEIU Annual Benefit will be held on Monday, September 17 and will feature one of the last Chicago performances by the renowned Vermeer String Quartet. The event will be held at Roosevelt University, Ganz Hall.

11. Presidential Lecture Series

The Presidential Lecture Series will present a free lecture by American novelist Claire Messud on Thursday, September 27 in the NEIU Recital Hall. She will meet with NEIU students at 4 p.m. in the recital hall that same day.