

Minutes of the
NIU Board of Trustees
FINANCE, FACILITIES AND OPERATIONS
COMMITTEE MEETING
March 1, 2006

CALL TO ORDER AND CALL ROLL

The meeting was called to order by Chair Manuel Sanchez at 10:19 a.m. in the Board of Trustees Room, 315 Altgeld Hall. Recording Secretary Sharon Mimms conducted a roll call of Trustees. Members present were Trustee Cherilyn Murer and Chair Sanchez (via teleconference). Also present for the purpose of a quorum was Trustee Marc Strauss. Not present were Trustees Robert Boey, George Moser and Myron Siegel. Also present were Committee Liaison Eddie Williams, President John Peters, Board Chair Barbara Giorgi Vella (via teleconference) and Board Parliamentarian Kenneth Davidson. With a quorum present, the meeting proceeded.

VERIFICATION OF APPROPRIATE NOTICE OF PUBLIC MEETING

Confirmation of Open Meetings Act notification compliance was given by Board Parliamentarian Ken Davidson.

MEETING AGENDA APPROVAL

Trustee Murer made a motion to approve the agenda. It was seconded by Trustee Strauss. The motion was approved.

REVIEW AND APPROVAL OF MINUTES

It was moved by Trustee Murer and seconded by Trustee Strauss to approve the minutes of September 1, 2005. The motion was approved.

CHAIR'S COMMENTS/ANNOUNCEMENTS

Welcome to the March 2006 meeting of the Finance, Facilities and Operations Committee, Chair Sanchez said. Today's agenda includes items of particular importance to the students as well as to the university community. Those items include recommendations for student fees and room and board rates as well as regional delivery fees for the upcoming year. These recommendations have been developed through a consultive process involving students and staff. They reflect the budget challenges that the university faces in Fiscal Years 2006 and 2007. Additional items that require committee action include contracts related to matters for Student Accident and Sickness Insurance, Mass Transit, International Programs Travel Services, Printing Services for the *Northern Star*, Waste Management Services, Copier Services, Business and Industry Services Training, Expenditure Authorization and Project Approvals for Athletic Sports Camp Housing and Meals, Campus Dorms Fire Sprinkler Systems, College Avenue Street Reconstruction, Davis Hall Cleanroom and Organic Lab, Housing for Students with Dependents, Neptune West Roof Replacement, Swen Parson HVAC Upgrade, Zulauf Hall Elevator Replacement, ITS Computer Lab Equipment, College of Engineering Research and Development. Reports and information items to be received by the Committee include the Fiscal Year 2006-2007 Budget Update, Fiscal Year 2007 Legislative Update, Fiscal Year 2006 Increment Summary Report; Quarterly Summary Report of Transactions in Excess of \$100,000; Periodic Report on Investments; Energy Infrastructure Improvements Performance and Implementation of University Commercial Procurement Credit Card System.

At this point, I would like to recognize the representatives to this Committee from UAC: Drs. Paul Stoddard and Xueshu Song. Just briefly, Dr. Stoddard said, one of the main things we will be considering today are the student fees. The faculty are concerned that we maintain affordability for the students. We

have looked over the fees with Dr. Williams and Mr. Albanese, and we are satisfied that these are necessary and reasonable fees to charge. We encourage the university to maintain its efforts in keeping fee increases as minimal as possible.

As you know, Chair Sanchez said, that is always a challenge, particularly in these difficult economic times. Frankly, as a Trustee and as Chair of this committee, I am proud of the work that has been done by the faculty and staff in minimizing these increases. They are a necessary evil, but I can assure you that a tremendous amount of work goes into keeping them to the ultimate minimum possible.

PUBLIC COMMENT

The Chair asked Board Parliamentarian Kenneth Davidson if any members of the public had registered a written request to address the Board in accordance with state law and the Board of Trustees *Bylaws*. Mr. Davidson noted that no timely requests for public comment had been received.

UNIVERSITY RECOMMENDATIONS

Agenda Item 7.a. – Fiscal Year 2007 Student Fee Recommendations

This item includes all of the student fee recommendations for Fiscal Year 2007, Dr. Williams said. As you are all aware, these recommendations come through a system of meetings, which are fully represented by both staff and students, looking at each fee area and making recommendations to the President. After review, the President meets with student leadership in a final meeting to review all of the recommendations. Those recommendations are then provided to this committee and to the Board. I am pleased to say that the effort this year was consistent with the President's guidelines to minimize the increases in fees. In aggregate, the fee increases add up to about 7.83 percent. However, within that increase is a 13.21 percent increase in the student health insurance, which is a factor that we do not control. It is based on the history and performance over the prior year. Parents of our students are very appreciative that NIU has such a comprehensive health insurance program for our students. Without the health insurance percentage, the increase would be 3.95 percent, which is within the President's guideline and is a very modest increase considering all of the areas that have been included in the fee recommendation.

Chair Sanchez entertained a motion to approve the Fiscal Year 2007 Student Fee Recommendations. Trustee Murer so moved, seconded by Trustee Strauss. The motion was approved.

Agenda Item 7.b. – Fiscal Year 2007 Room and Board Rate Recommendations

Again, the room and board rate recommendations process includes the students in the residence halls directly in the deliberations and review of these fee recommendations. The recommendation is for a 12.7 percent increase in our room rates. It included certain needs within our residence halls. A long-term need is the unfunded mandate by the State of Illinois that all residence halls eventually have fire sprinklers. With the increase in the room rate, the committee has recommended that there be no increase in the board rates. So, as an aggregate, it is a 9.1 percent increase.

Dr. Williams stated that operating expenses are included in this rate, but contributions are also being made to the reserve, which deals with maintenance and ongoing capital repairs. Every year I have been here, President Peters said, it has been my understanding that the Residence Hall student groups wanted higher rates for various improvements and so forth. We do what we can, but we try to keep them lower, and these recommendations have the support of the residents in the halls.

When asked how NIU's room and board rates compare to other universities, Dr. Williams stated that NIU's room and board rates are among the lowest in the state of Illinois, and compared to MAC universities, NIU is at the low end as well. This year, he said, I believe there is going to be a dramatic difference between the fee recommendations at NIU compared to what I hear will be large increases at other universities.

Chair Sanchez asked for a motion to approve the Fiscal Year 2007 Room and Board Rate Recommendations. Trustee Murer so moved, seconded by Trustee Strauss. The motion was approved.

Agenda Item 7.c. – Fiscal Year 2007 Regional Delivery Fees

Through our outreach program, Dr. Williams explained, we are basically making sure that the fees we charge for our general studies programs are consistent between various colleges. We have a general studies program through the College of Liberal Arts and Sciences, for which we charge a \$50 per credit hour fee. We are implementing a program through the health sciences, and some of those courses have a \$40 fee. The bottom line is that the dollars are needed to support the programs. So, the recommendation from our outreach area is to have a flat fee of \$50 per credit hour for all of these general studies programs. In addition, it is recommended that our basic outreach fee, which has not been increased since Fiscal Year 2002, be increased from \$35 per credit hour to \$40 per credit hour. That fee is used to support the delivery of courses to the various sites throughout our service region. Everyone is well aware of the increase in gasoline prices alone, and for faculty to travel from DeKalb to the various sites is an issue. So a \$5 per credit hour increase is certainly justified. It is well below the market, so we do not expect to have any kind of negative impact from this increase relative to our market share. Also, occasionally there are conferences in this region at which we want to offer a one credit hour course. This provides the opportunity to offer such a course in an affordable way.

Chair Sanchez asked for a motion to approve the Fiscal Year 2007 Room and Board Rate Recommendations. Trustee Murer so moved, seconded by Trustee Strauss. The motion was approved.

Ms. Buettner pointed out that a correction should be made in the motion for this fee increase. The Board Report is correct, but the Outreach fee that we have tried since 2002 to keep low is going from \$40 to \$50, she said, instead of \$35 to \$40, and represents a \$10 increase.

Mr. Davidson recommended that the vote be done by roll call, since three committee members were not physically present to cast their votes.

Chair Sanchez then asked for a motion to approve the Fiscal Year 2007 Room and Board Rate Recommendations as amended. Trustee Murer so moved, seconded by Trustee Strauss. A roll call vote of the Trustees was as follows:

Trustee Murer Yes Trustee Strauss..... Yes Chair Sanchez..... Yes

The motion was approved as amended.

Agenda Item 7.d. – Fiscal Year 2007 Student Accident and Sickness Insurance Contract Renewal

The Fiscal Year 2007 Student Accident and Sickness Insurance Contract Renewal is the student health insurance contract, which is consistent with the fee increases we put in place, Dr. Williams said. Again, this is a multiyear contract, and as we move through it, there are contingencies that affect the price. One of those contingencies is the prior years' experience. The increase is being held at 13.2 percent which, in this particular environment, is a very positive result in the negotiations.

In reply to a query from Trustee Strauss, Dr. Williams said that the insurance package came through the bid process. We are always open to see what the marketplace may offer in any one given year, he said. But the fact is that we wanted to get some kind of agreement that would lock them in place, and that is important because these numbers can be very unattractive given what is going on in the insurance market right now. So, there is an opportunity to at least check the marketplace to make sure that we are within a reasonable envelope; but we would not bid it as a routine on a yearly basis.

Chair Sanchez asked for a motion to approve the Fiscal Year 2007 Student Accident and Sickness Insurance Contract Renewal. Trustee Strauss so moved, seconded by Trustee Murer. A roll call vote of the Trustees was as follows:

Trustee Murer Yes Trustee Strauss..... Yes Chair Sanchez..... Yes

The motion was approved.

Agenda Item 7.e. – Fiscal Year 2007 Mass Transit Contract Renewal

The mass transit contract is a renewal for our bus service, Dr. Williams said. There are contingencies in the contract which include the fuel costs. Chair Sanchez asked for a motion to approve the Fiscal Year 2007 Mass Transit Contract Renewal. Trustee Murer so moved, seconded by Trustee Strauss. A roll call vote of the Trustees was as follows:

Trustee Murer Yes Trustee Strauss..... Yes Chair Sanchez..... Yes

The motion was approved.

Agenda Item 7.f. – Fiscal Year 2007 Athletic Sports Camp Housing and Meal Expenditure

The request for Fiscal Year 2007 Athletic Sports Camp Housing and Meal Expenditure is a pass-through that we routinely look at each year, Dr. Williams said. This is for camps held on campus in basketball, football, soccer, softball, volleyball, wrestling and athletic training throughout the summer for participants up to 18 years of age. These camps are entirely self-funded from fees charged to campers for services provided.

Chair Sanchez asked for a motion to approve the Fiscal Year 2007 Athletic Sports Camp Housing and Meal Expenditure. Trustee Strauss so moved, seconded by Trustee Murer. A roll call vote of the Trustees was as follows:

Trustee Murer Yes Trustee Strauss..... Yes Chair Sanchez..... Yes

The motion was approved.

Agenda Item 7.g. – Fiscal Year 2007 International Programs Division Contracts Renewal

The Fiscal Year 2007 International Programs Division Contracts Renewal is also a routine item we see every year, Dr. Williams said. It gives International Programs authorization to enter into contracts and to renew contracts relative to students studying abroad. The contract authorization is limited not to exceed \$3 million. Chair Sanchez asked for a motion to approve the Fiscal Year 2007 International Programs Division Contracts Renewal. Trustee Strauss so moved, seconded by Trustee Murer. A roll call vote of the Trustees was as follows:

Trustee Murer Yes Trustee Strauss..... Yes Chair Sanchez..... Yes

The motion was approved.

Agenda Item 7.h. – Fiscal Year 2007 *Northern Star* Contract Renewal

The renewal of the *Northern Star* contract is also an item we see annually, Dr. Williams said. Student employees gain practical experience performing all the writing, editing, photography set-up, management and advertising sales for the paper. Advertising revenue covers the cost of printing. This is the fifth year of a five-year contract, and the contract amount remains the same as last year.

Chair Sanchez asked for a motion to approve the Fiscal Year 2007 *Northern Star* Contract Renewal. Trustee Strauss so moved, seconded by Trustee Murer. A roll call vote of the Trustees was as follows:

Trustee Murer Yes Trustee Strauss..... Yes Chair Sanchez..... Yes

The motion was approved.

Agenda Item 7.i. – Fiscal Year 2007 Waste Management Contract Renewal

Again, the Waste Management contract is a renewal which is consistent with prior year expenses. This is the fourth year of a five-year contract.

Chair Sanchez asked for a motion to approve the Fiscal Year 2007 Waste Management Contract Renewal. Trustee Murer so moved, seconded by Trustee Strauss. A roll call vote of the Trustees was as follows:

Trustee Murer Yes Trustee Strauss..... Yes Chair Sanchez..... Yes

The motion was approved.

Agenda Item 7.j. – Fiscal Year 2007 Document Services Copier and Controller System Contract Renewal

The renewal of our Document Services and controller systems is a routine item that we see every year, Dr. Williams said, and is consistent with prior year expenses. This is the fifth year of the contract, which offers optional annual renewals for a maximum of ten years.

Chair Sanchez asked for a motion to approve the Fiscal Year 2007 Document Services copier and controller system contract renewal. Trustee Strauss so moved, seconded by Trustee Murer. A roll call vote of the Trustees was as follows:

Trustee Murer Yes Trustee Strauss..... Yes Chair Sanchez..... Yes

The motion was approved.

Agenda Item 7.k. – Fiscal Year 2007 Copy Paper ITS Document Services and Materials Management

The Fiscal Year 2007 Copy Paper ITS Document Services and Materials Management request is for the purchase of copy paper to be used throughout the campus. The aggregate amount is consistent with prior years. This is the second year of a five-year contract.

Chair Sanchez asked for a motion to approve the Fiscal Year 2007 Copy Paper ITS Document Services and Materials Management request. Trustee Strauss so moved, seconded by Trustee Murer. A roll call vote of the Trustees was as follows:

Trustee Murer Yes Trustee Strauss..... Yes Chair Sanchez..... Yes

The motion was approved.

Agenda Item 7.l. – Campus Dormitories – Install Fire Sprinkler Systems – Capital Project Approval

This request is for the installation of fire sprinkler systems in the residence halls as a capital project approval, Dr. Williams said. In August 2004, the legislature issued a mandate that all residence halls have sprinkler systems. There was no appropriation funding, which left us with an unfunded mandate to have these installed by 2013. Given the mandate, we have begun the planning for some of these improvements. This item gives the university the authorization to select architect/engineering services to provide plans and specifications for these installations.

It is so vital to have sprinklers in dormitories, Trustee Murer said, and I commend you for taking action as quickly as possible. We know it is very difficult when you have a mandate that is unfunded, but this is really critical to life and safety; so we should move as expeditiously as we can within the confines of our funding.

Chair Sanchez asked for a motion for approve the installation of fire sprinkler systems in campus dormitories. Trustee Murer so moved, seconded by Trustee Strauss. A roll call vote of the Trustees was as follows:

Trustee Murer Yes Trustee Strauss..... Yes Chair Sanchez..... Yes

The motion was approved.

Agenda Item 7.m. – College Avenue – Street Reconstruction – Capital Project Approval

The reconstruction of College Avenue has been on our capital list for about seven years, Dr. Williams said, and each year we have not had the necessary resources to carry out the improvements. This year, however, we have the funds set aside.

Chair Sanchez asked for a motion for approve the College Avenue street reconstruction. Trustee Strauss so moved, seconded by Trustee Murer. A roll call vote of the Trustees was as follows:

Trustee Murer Yes Trustee Strauss..... Yes Chair Sanchez..... Yes

The motion was approved.

Agenda Item 7.n. – Davis Hall – Construct Cleanroom and Organic Lab – Capital Project Approval

The Department of Geology and Environmental Geosciences received a grant which funds the construction of a cleanroom and organic laboratory in Davis Hall, Dr. Williams said. We are very pleased we received the grant, and that we have the necessary space that can be renovated to meet the requirements of the grant.

Chair Sanchez asked for a motion for approve the construction of a cleanroom and organic lab in Davis Hall. Trustee Murer so moved, seconded by Trustee Strauss. A roll call vote of the Trustees was as follows:

Trustee Murer Yes Trustee Strauss..... Yes Chair Sanchez..... Yes

The motion was approved.

Agenda Item 7.o. – Housing for Students with Dependents – Capital Project Approval

This item was deferred until the end of the agenda when a short presentation would be made by the Vice President for Student Affairs.

Agenda Item 7.p. – Neptune Hall – Roof Replacement – Capital Project Approval

The Neptune West roof replacement is another item that has been pending on our capital list for some time, Dr. Williams said. The original roof was replaced in the early 1970's. Leakage of the current built-up roof has resulted in the closing of several rooms and roof repairs on a regular basis that have become ineffective, allowing the saturation and deterioration of roofing materials through water infiltration. Replacement of the 23,100 square foot roof will be funded from the university's bond revenue reserves.

An inquiry was made by Trustee Strauss regarding whether or not there was a priority list for the application of funds from the revenue bond reserves. Dr. Williams explained that our revenue bond operation is a capital reserve system. Therefore, all facilities within the system can have particular projects funded from the reserve. Through Bob Albanese and his staff working with user departments, Dr. Williams said, we were able to come up with a priority listing of capital needs. Based on that and the funds available, decisions are made on which projects should be pursued.

Chair Sanchez asked for a motion to approve the Neptune Hall roof replacement. Trustee Strauss so moved, seconded by Trustee Murer. A roll call vote of the Trustees was as follows:

Trustee Murer Yes Trustee Strauss..... Yes Chair Sanchez..... Yes

The motion was approved.

Agenda Item 7.q. – Swen Parson Hall – College of Law HVAC Upgrade – Capital Project Approval

The university has made a commitment to upgrade the heating and ventilation system within Swen Parson Hall, Dr. Williams said. This is a necessary requirement, and we have reported to the ABA that these improvements will take place on a timely basis. Funds have been identified internally to meet the construction costs. Since Chair Vella and I are both graduates of the law school, Trustee Murer said, this is something we think is critical.

Chair Sanchez asked for a motion to approve the Swen Parson Hall College of Law HVAC Upgrade. Trustee Murer so moved, seconded by Trustee Strauss. A roll call of the Trustees was as follows:

Trustee Murer Yes Trustee Strauss..... Yes Chair Sanchez..... Yes

The motion was approved.

Agenda Item 7.r. – Zulauf Hall – Elevator Replacement – Capital Project Approval

The existing passenger elevators in Zulauf (formerly Watson East) have come to the end of their lifespan, Dr. Williams said. This is our number one building that houses faculty, and elevator service is very critical. Their condition simply has reached a point where further repairs would cost more than just totally replacing them.

Chair Sanchez asked for a motion for approve elevator replacement in Zulauf Hall. Trustee Murer so moved, seconded by Trustee Strauss. A roll call vote of the Trustees was as follows:

Trustee Murer Yes Trustee Strauss..... Yes Chair Sanchez..... Yes

The motion was approved.

Agenda Item 7.s. – Business and Industry Services Training Contract Extension

The Business and Industry Services Training Contract Extension, again, is one of those routine items that we look at annually. Fortunately, we are able to come to you with an amendment, which says that BIS services were more in demand than was originally anticipated.

Chair Sanchez asked for a motion for approve the Business and Industry Services Training Contract Extension. Trustee Strauss so moved, seconded by Trustee Murer. A roll call vote of the Trustees was as follows:

Trustee Murer Yes Trustee Strauss..... Yes Chair Sanchez..... Yes

The motion was approved.

Agenda Item 7.t. – Information Technology Services Computer Laboratory Equipment

This item provides the opportunity for Information Technology Services to upgrade the university’s more than 397 workstations, Dr. Williams said. Given the constant and rapid changes in technology, we need to upgrade these on a routine basis.

Chair Sanchez asked for a motion for approve an Information Technology Services computer laboratory equipment upgrade. Trustee Murer so moved, seconded by Trustee Strauss. A roll call vote of the Trustees was as follows:

Trustee Murer Yes Trustee Strauss..... Yes Chair Sanchez..... Yes

The motion was approved.

Agenda Item 7.u. – College of Engineering and Engineering Technology Research and Development

For the second year, the College of Engineering and Engineering Technology is subcontracting with a vendor through a Transportation grant to conduct research and development in fuel cell materials, components and systems.

Chair Sanchez asked for a motion for approve the College of Engineering and Engineering Technology Research and Development contract renewal. Trustee Strauss so moved, seconded by Trustee Murer. A roll call vote of the Trustees was as follows:

Trustee Murer Yes Trustee Strauss..... Yes Chair Sanchez..... Yes

The motion was approved.

Agenda Item 7.o. – Housing for Students with Dependents – Capital Project Approval

Returning to Agenda Item 7.o., Housing for Students with Dependents, Dr. Williams said, I would like to ask our vice president of student affairs, Dr. Brian Hemphill, to give a very brief overview to the committee regarding where we are on this project.

Good morning esteemed members of the Board, President Peters and all others in attendance, Dr. Hemphill said. I want you to know that the visionary leadership support as well as the direction of President Peters and Dr. Williams have helped us to arrive at this particular point, and I would like to thank both of them. As you are aware, on September 1, 2005, the Board gave approval to submit an RFP for this project. As we stated then, the 80 units that were built in 1959, when NIU's graduate enrollment was approximately 6,700, are beyond renovation at this point. The facility will be razed due to ongoing issues with mechanical systems, heating and air, plumbing and limited technology. Another issue of concern is the size of the current apartments, which requires the students to share one bedroom with their children. In spite of the conditions, as well as the challenges, these apartments remain full. We currently have eight preschool children as well as three school-age children living in the apartments. We are not anticipating a drastic increase in the number of school-age children in the proposed units due to the fact that an increasing number of our students who are parents are between the ages of 18 and 25, hence they have younger children. As we anticipate these replacement apartments, we are thinking that approximately 15 to 20 preschool children could be accommodated by our on-campus childcare facility. And we anticipate that our school-age residents, which we think will range somewhere between seven to 15 children, will attend the public and private schools in the community.

The proposed 120 units would include one-, two- and three-bedroom apartments as well as a common building. It will be designed using some of today's health and space standards, primarily to meet the needs of our students. It will have some of the modern amenities that are designed for family communities, such as playgrounds, computer labs, meeting rooms and so on. Ultimately, this project will really make a significant difference in the lives of our students who have dependents.

The RFP for this project was issued on January 5, 2006, and on February 13 and 14, we had three private developers come to campus to present their responses to our RFP. The screening committee was very pleased with the outcome of the presentations, and we are confident that we have individuals who can help us in this endeavor. At this point, Dr. Williams will update us on the status of the project as well as the action item before the Finance, Facilities and Operations Committee for your consideration today.

We met with the three vendors that came to campus, Dr. Williams said, we have evaluated their proposals and are in the process of making the final recommendation. At this point, I would ask the committee's indulgence and permission to bring to the full Board the final recommendation for approval of the vendor for this project.

As one of the Trustees who walks the streets in DeKalb, Trustee Strauss said, I can tell you that the input I received was a massive misperception of what was involved in the project. People stopped me to ask about the 500 units that we were adding to the housing stock in the community without paying impact

fees. So I am very pleased to have this clarification and hope that there will be wide dissemination of the true impact of this project on the community.

Chair Sanchez asked for a formal motion to accept the recommendation as articulated by Dr. Williams to submit the final housing recommendation to the full Board rather than to this committee once the final decision is made on a vendor. Trustee Strauss so moved, seconded by Trustee Murer. A roll call vote of the Trustees was as follows:

Trustee Murer Yes

Trustee Strauss..... Yes

Chair Sanchez..... Yes

The motion was approved.

UNIVERSITY REPORTS

Agenda Item 8.a. – Fiscal Year 2006/2007 Budget Update

Agenda Item 8.c. – Fiscal Year 2006 Increment Summary Report

Agenda Item 8.d. – Quarterly Summary Report of Transactions in Excess of \$100,000

Agenda Item 8.e. – Periodic Report on Investments

Agenda Item 8.f. – Energy Infrastructure Improvements Performance Contract

There were no questions from the Trustees regarding the above items.

Agenda Item 8.b. – Fiscal Year 2007 Legislative Update

Dr. Williams asked Ms. Buettner to give the committee a brief update on budget and legislative issues. The Governor has delivered his budget message, Ms. Buettner said, and the university was slated to receive a 1.2 percent increase in the GR base for 2007 under the Governor's recommended plan to the legislature. This is the first increase we have experienced since 2002, and it shows a sign that the state's economy is beginning to turn favorably as well as the fact that the Governor is realizing that we need to continue to invest in public universities and public higher education in general.

The Governor did not release a capital budget during his February message, which is somewhat unusual. This year, the only two items that were contained in the Governor's capital budget for higher education were a \$30 million provision for capital renewal for all the public universities and a \$50 million provision for capital renewal for the Illinois community colleges. As a consequence, there is significant debate in Springfield on whether there will be a capital bill before the legislature adjourns. To pass a capital bill would require bonding approval, which requires an extraordinary majority of both houses and would require Republican votes. Therefore, it may have to wait until later in the year during the veto session.

In reply to a question from Chair Sanchez, Ms. Buettner stated that something on the capital budget would probably happen in veto session due to the fact that the transportation program approved for the state by the federal government last year in August contains billions of dollars of state transportation projects that require a local match from the state. Billions of dollars in statewide road projects are affected by this. So, at some point this year, a capital bill has to be approved that includes bonding authority. However, we have to be extremely vigilant and proactive as we have been in the past to reiterate our capital needs for Stevens and the computer technology center on the North Campus.

Trustee Murer asked Ms. Buettner to comment on the \$1,000 tuition tax credit. Ms. Buettner explained that a \$1,000 tuition tax credit was proposed by the Governor to students that maintain a B average and are enrolled in the universities, public or private, or a community college. As proposed by the Governor in his budget message, the program would have a statewide cost of \$90 million to implement based on current estimates of enrollment at the universities throughout the state. The funding mechanism for that \$90 million is subject to a great deal of legislative discussion. Currently, the Governor, in his budget recommendations, proposed the sale of part of the ISAC loan portfolio as a mechanism to fund most of the \$90 million required to implement the tuition tax credit.

That is a very difficult issue for most legislators to tackle in Springfield. The university presidents have talked extensively about this issue with ISAC, the Governor's Office, the IBHE and the Bureau of the

Budget. As a result of these discussions, the university presidents put a set of conditions in a letter that they sent to the Governor indicating that they could support a sale of part of the portfolio if seven or eight conditions were met. Unfortunately, there was an article in the *Tribune* today about the potential sale and the potential conflict of interest in the sale for the firms that have been employed as consultants by ISAC. If the university presidents' conditions for the sale are honored, such a sale could work and be beneficial to the students overall, which is what everybody is trying to do. However, I am not sure, based on what was in the *Tribune* this morning, that this program will continue to be legislatively viable in Springfield for the session. There will have to be more discussion on how a tuition tax credit program could be funded.

The proposals for a tuition tax credit put forward by the Governor, include the sale of part or all of the secondary loan portfolio in the first year to help support the \$90 million cost of a tax credit, President Peters said. The tax credit also would mean a rebate if your tax liability was less. There is also a commitment on the part of the Governor to support the IBHE recommendation to put approximately \$8 million more into the MAP program, which is for students with need. These are all part of a package the Governor developed to try and make an education more affordable and accessible to students. One of the university presidents' main concerns is that the tax credit concept not hurt students financially or diminish the services that the Illinois State Assistance Commission provides to students.

These things are important to discuss, Trustee Murer commented. Because of what we experienced with the lottery and its impact to education once before, these are issues that we should all be attentive to.

One important detail that I should mention about the potential sale of the ISAC student portfolio, the President said, is that any proceeds or revenues that exceed the money needed in the first year of the tax credit plan, would accrue in the future and be earmarked toward higher education in general. In other words, that would be earmarked, whereas sometimes lotteries across the states go into the general revenue. Also, across the country, states are looking at these loan portfolios and are considering selling them for the same purposes.

Agenda Item 8.g. – Implementation of University Commercial Procurement Credit Card System

If any of the Board members would like more detail about the P-Card system and how it works, Dr. Williams said, we will be happy to explain it to you. This is one of those things that we want to make sure we have very strong and precise usage guidelines on and that there is adequate monitoring and control.

NEXT MEETING DATE

The next meeting of the Finance, Facilities and Operations Committee is scheduled for Thursday, May 25, at 10:00 a.m. in the Board of Trustees Room, Altgeld Hall 315.

ADJOURNMENT

There being no Other Matters, Chair Sanchez asked for a motion to adjourn. Trustee Strauss so moved, seconded by Trustee Murer. The motion was approved. The meeting was adjourned at approximately 11:18 a.m.

Respectfully submitted,

Sharon M. Mimms
Recording Secretary