

Minutes of the
NIU Board of Trustees
FINANCE, FACILITIES AND OPERATIONS
COMMITTEE MEETING
June 11, 2007

CALL TO ORDER AND CALL ROLL

The meeting was called to order by Chair Robert Boey at 10:20 a.m. in the Board of Trustees Room, 315 Altgeld Hall. Recording Secretary Sharon Banks-Wilkins conducted a roll call of Trustees. Members present were Trustees Cherilyn Murer, Manny Sanchez, Myron Siegel and Chair Boey. Not present was Trustee George Moser. Also present were Committee Liaison Eddie Williams 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

Chair Boey asked for a motion to approve the agenda. Trustee Murer made a motion to approve the agenda. It was seconded by Trustee Sanchez. The motion was approved.

REVIEW AND APPROVAL OF MINUTES

It was moved by Trustee Sanchez and seconded by Trustee Siegel to approve the minutes of March 8, 2007. The motion was approved.

CHAIR'S COMMENTS/ANNOUNCEMENTS

If I remember correctly, Chair Boey said, this will be the last committee meeting in the structure of the Board of Trustees for Student Trustee Nelms because he will be leaving us soon. Thank you for being on all our committees. It has been a pleasure to have you and your participation. It is also always a pleasure to see you at all the functions of Denny Hastert and other people. You are always there with a helping hand. It goes without saying, we know you will have a very successful career. The very best of wishes to you.

We all feel that our Board of Trustees has been blessed with the student trustee participation, Trustee Sanchez commented. Andrew has been another fine example of the kind of talent that we have here in DeKalb at NIU. And, personally, I agree, whether it is here at a formal committee meeting, at a Board of Trustees meeting, in the stadium or somewhere else, he is a fabulous representative for the school and for the university, and we have been the beneficiaries of his input. So, thank you Andrew, it has been great.

As Trustee Sanchez said, we have been very lucky to have good trustees from our student body, Trustee Siegel commented. I think that when they see how hard the job is and how much is involved, it tends to cull out those who just want to sit up here and not work. Andrew has worked very hard, as have our previous Student Trustees, in learning the material and representing the students' point of view. So, we wish you well and are looking forward to our new student trustee.

I would be remiss not to make my comments as well, Trustee Murer said. I am amazed at the maturity of our student trustees. As everyone has said, it is a difficult job, and you have certainly risen to the occasion, Andrew. We wish you the very best.

Chair Boey recognized Dr. Paul Stoddard, the University Advisory Committee representative. I would just echo the Board's comments regarding the Student Trustee, Andrew Nelms, Dr. Stoddard said. I think he has done an excellent job. Chair Boey also congratulated Dr. Stoddard on his election to the DeKalb County Board.

Today's agenda includes a number of items that require committee approval: the Fiscal Year 2009 Budget Guidelines; the Fiscal Year 2008 Internal Operating Budget Interim Approval; the 2008 Tuition Recommendations; contracts and agreements such as the NIU Foundation Professional Services and *Northern Star* contracts, Radiation Oncology Physician Services and Zeke Giorgi Legal Clinic Lease Renewal. There are capital improvement projects such as the East Campus Chilled Water Production/Distribution Plant, Public Safety Relocation, and Design and Estimating for NCAA Track; Off-Campus Delivery Fee Request, and a number of other items, including annual reports such as an Update to Undergraduate Tuition Policy, Report of Transactions in Excess of \$100,000, Periodic Report on Investments, Semiannual Progress Report of Active Capital Projects and a Fiscal Year 2007-2008 Appropriated Budget Update.

PUBLIC COMMENT

No members of the public had registered a written request to address the Board in accordance with state law and the Board of Trustees Bylaws.

UNIVERSITY RECOMMENDATIONS

Agenda Item 7.a. – Fiscal Year 2009 Budget Guidelines

Each year at this time, through the Board of Trustees, Dr. Williams said, we establish the guidelines that will be used to develop the oncoming year's budget. This Fiscal Year 2009 budget would go into effect a year from now. Again this year, the university is recommending those increases we deem important for us as an institution to continue its mission. We are well aware of the fact that the state has been unable in prior years to meet these obligations. But on the other hand, we have a responsibility to point out and identify the true needs of our institution. So you will note in the guidelines on page 8, that we are requesting a 5 percent faculty and salary staff increase, 15 percent for utilities, 3 percent for general price, 15 percent for library fees and increases, and \$250,000 for the mandated but unfunded Medicare program. We ask approximately \$5.2 million in program priorities, primarily in the academic area and \$3.1 million for nonacademic programs. On page 9, is listed our Fiscal Year 2008 recommendations. You will note that while our guidelines in the far left column are similar to our recommendations for FY09, the Governor's recommendation for 2008 included only the potential of a 1.9 percent salary increase.

I was half tempted not to come to today's meeting because of Agenda Items 7.a. and 7.c., Trustee Siegel said. When I was in Springfield at the appropriation hearings, I listened to many of the presidents of the other institutions talk about the lack of funding from the state. One of those presidents boldly stated that he was not going to preside over the decline of his institution. And as I sat there, I realized that he had hit a cord because he was saying that if we cannot rely upon the state, we are going to take the actions we need to take at our institution in order to deal with many of these issues. Obviously, competitive salaries are an issue, but so is class availability, class size, the research component here at NIU. There was a reason these recommendations from the BOT were made, and have been made over and over again. Every year, for the last several years, they are not funded. So we know that situation has gotten even worse because these things have not been done. I do not believe we can continue to rely on the fact that someday the legislature is going to fund these for us. If we do not take some action, all of these things already have adversely affected and are going to continue to affect the quality here. Class sizes are up. Tenure-track faculty are down. The research components are down. Class availability is difficult for our students. I would say that we cannot do much about items 2 through 7 on page 8. There is a problem, and this is not going to solve the problem. Because year, after year, after year, we have done this, I want the record to show that this problem does not get resolved by the passing of these budget guidelines for 2009.

Although the sentiments that Trustee Siegel has put forth are certainly meaningful, Trustee Murer said, I think you manage with the hand you are dealt. The fact of the matter is that this is not an NIU problem.

This is a national problem relative to state schools. So, conversely, after having sat in on the Academic Affairs meeting previously, hearing what our deans and faculty have been able to accomplish, and also knowing personally the efforts of the Foundation, which supports the university, I think we are taking the best control we can in a situation that certainly is not ideal. It is very frustrating because we are a state institution, yet the support of the state is not there. Trustee Siegel and the Legislation Committee are putting forth efforts in Springfield as well as Kathy Buettner and her staff. But I also have to look to our chief financial officer and look at the recommendations in terms of how to divvy up the pie. So, although I at least echo a desire to see a greater increase, I think that we are doing responsible work, and we can only move forward in terms of what is available to us. My observations are that we are being very aggressive in looking at alternative means of funding at this university.

Trustee Siegel, I understand your frustration, Trustee Boey said. Since 1996, when you, Manny and I came together on this Board, there has been a constant battle of taking one step forward and then being pushed back two steps. I agree, we have to continue very strenuous efforts to see how we can work our budget. We need to be sure that we remain creative and keep reminding ourselves what we are all about – quality, affordability, accessibility. And that is our challenge to go forward.

Chair Boey asked for a motion to approve the Fiscal Year 2009 Budget Guidelines. Trustee Murer so moved, seconded by Trustee Moser. The motion was approved with a vote of three ayes and Trustee Siegel opposed.

Agenda Item 7.b. – Fiscal Year 2008 Internal Operating Budget Interim Approval

As you know, Dr. Williams said, there are many things going on in Springfield, so we do not know with certainty what our budget is going to be. So, as we normally do at this time of year, we ask the Board to review and give interim budget approval which allows the university to continue its business, pay its bills, pay salaries as we go into the new fiscal year. Then in September, we will bring back a full budget to the Board for approval.

I will only make one remark, Trustee Boey said. The total appropriated fund, rounded, is \$104 million. The total revenue and expenditure needed is \$380 million. That is less than 30 percent coming from the state. But when we took over as an individual Board of Trustees in 1996, that ratio was around 45 percent or higher. It is about 28 percent now and going down. These are some of the things that Trustee Siegel was addressing. We are going to address it and figure a way to keep our objectives intact, in spite of declining state support. We will do our part. This is an NIU matter, and we have to do it together. Chair Boey asked for a motion to approve the Fiscal Year 2008 Internal Operating Budget Interim budget. Trustee Sanchez so moved, seconded by Trustee Murer. The motion was approved.

Agenda Item 7.c. – Fiscal Year 2008 Tuition Recommendations

As you know, Dr. Williams said, we are under the Truth-in-Tuition legislation, which guarantees tuition for students entering NIU from the fall of 2004. Whatever the tuition was when those students came to NIU as freshmen is guaranteed for four years. Therefore, the recommendation only applies to new students and graduate and law students. The recommendation is for a \$300 (10.8 percent) increase per semester for undergraduate students. Certainly, we appreciate the comments and the support of this Board. They are real concerns. But we also appreciate your understanding of the context in which these concerns have arisen. Within that context, I want to assure you that we are working in every possible way, under the leadership of our President, to identify all sources of funds necessary to support the programs and initiatives of the institution. That is our number one objective. In terms of affordability and where NIU's tuition fits, ranking the 12 universities from highest tuition to lowest, with this recommendation for FY08, NIU ranks seventh on that list. There are two universities for which we do not know the FY08 increase, but their overall tuition will probably still remain lower than NIU. At this point, the University of Illinois at both Champaign and Chicago, Illinois State University, University of Illinois-Springfield and Southern Illinois University all have tuitions that are far in advance of NIU. This increase will generate funding that will allow us to address salaries and other needs of the institution.

This may be influenced by the Truth-in-Tuition Act, Trustee Sanchez said, but I do not recall us ever, as a Board of Trustees, approving a tuition increase in the double digits. We have really been conscious of that, and worked for 11 years to keep a single-digit increase in tuition. I am disappointed to see that we

are unable to do that this year given the fiscal stresses we are under. I do not want any parent or faculty or administrative person to think that we do not take this very seriously because we do. But we are forced to do this, particularly on the heels of the Truth-in-Tuition Act.

Yes, Chair Boey said, and I think it is important to make it clear again that in prior years, before Truth-in-Tuition, what we did was for each year, and it was a low number. This 10.8 percent increase is for four years, and that is another reason it is higher.

We have done a remarkable job here in the past 11 or 12 years, Trustee Siegel said, with Dr. Williams' financial mastery and ability to find dollars in every crack and crevice where no one knew they were and every other way we could to keep tuition and fees down for the benefit of the students. There is no question that this Board always has taken and continues to take this issue very seriously. And, as Trustee Boey said, we are proud of the Board, the administration, the faculty and staff.

I want to reiterate what I said earlier regarding the comments of that institutional president who stated that he was not going to preside over the decline of his institution. In short, what he told the Senate Appropriations Committee is, "Look, you're not going to give us the money. We need to do these things. We can't have so many people in a class. We can't abandon the quality issue. We're going to raise the tuition. We're going to do what we have to do even though we don't want to do it."

There is no embarrassment in us following what some of the other schools are doing. There is a reason why six other schools are ahead of us in tuition. We have done what we could to keep it down. I understand this recommendation. I am going to vote against it, because I do not think we are doing everything we need to do to address the quality issue and still remain affordable – because we are seventh on the list – and still remain affordable for our students.

I am certainly going to support this, Trustee Murer said, because one of the paramount responsibilities this Board of Trustees has as a fiduciary responsibility is fiscal liability. I cannot think of a chief financial officer who would be more diligent than Dr. Williams. But I also believe that business, whatever the business is, does not thrive on cutting expenses. Businesses are built on revenues. We have put the train in motion to do that in terms of academic excellence that will generate grants. Grants and research, as we discussed in the Academic Affairs Committee meeting, is the cornerstone of growth for this university. Coupled with that is the foundation of strength that we have today. We built that foundation yesterday. We did not wait and say that we cannot be dependent on the state. We should be. We should be dependent on the state because we are a state university. But the reality of life is that more and more states are cutting more and more funds from more and more universities. We have taken some aggressive actions through the Foundation. And hopefully, the academic excellence that we are focused on, especially with the endowment program, will bring us the revenues that we are looking for, in particular, through research and grantsmanship. So, I think that this is a responsible thing for us to do, and I echo Trustee Sanchez in the disappointment that we have broken the double digit mark. But I think we are showing the responsibility that we need to show by adjusting the tuition appropriately and looking to other revenue sources concurrently.

I did want to thank the Chair for yet again reminding us about the decline in state funding, Student Trustee Nelms said. Those are stark figures. And while I am pleased to see it still middle-of-the-road affordability-wise, it was said earlier that we are at the head of the pack as far as quality is concerned. If we had a large tuition number, where our counterparts did not, that would raise some eyebrows. But, unfortunately, all the schools are having to take the same step. It is necessary in order to avoid compromising the quality of the degrees that we offer. I also would like to lament the fact that the state is not stepping up to the plate and coming through for the students and the young people of this state like they ought to and like they used to. I would like to sit here and hope for a minor single digit or a zero percent increase. I said when I ran first time around, that if the state were to give us more money, we could talk about tuition decreases. But, we have to play the cards we are dealt.

Chair Boey asked for a motion to approve the Fiscal Year 2008 Tuition Recommendations. Trustee Siegel so moved, seconded by Trustee Sanchez. The motion was approved with a vote of three ayes and Trustee Siegel opposed.

Mr. Chair and members of the committee, Dr. Williams said, I am just glad to be a part of NIU, because we are definitely on our way. We have come through a period over the last six years where our budget has been reduced significantly by the state, and yet our institution did not suffer the kind of cuts and program eliminations that occurred at many of the other state institutions. That was because of the planning and efforts of our deans and our vice presidents working together to make sure that the quality of this institution would not be affected by any such reduction. I just wanted to state that fact since President Peters is not here because I am sure he would want those sentiments expressed to the Board.

Agenda Item 7.d. – Fiscal Year 2008 NIU Foundation Professional Services Contract

Dr. Williams explained that the Northern Illinois University Foundation contract supports the fundraising services and activities provided by the Foundation on behalf of the university and is an item brought to the Board annually. The contract amount will be offset by the Foundation payment to the university for personnel services, fringe benefits, administrative services, facilities and program expenditures to meet the contract obligations. Trustee Siegel made a motion to approve the Fiscal Year 2008 NIU Foundation Professional Services Contract, seconded by Trustee Sanchez. The motion was approved.

Agenda Item 7.e. – Fiscal Year 2008 Materials Management Commodities Purchase

This is a routine item that covers open orders utilized for the purchase of nonfood, food service related commodities sold through Materials Management's resale program, Dr. Williams said. Trustee Siegel made a motion to approve the Fiscal Year 2008 Materials Management Commodities Purchase, seconded by Trustee Murer. The motion was approved.

Agenda Item 7.f. – Fiscal Year 2008 Northern Star Contract

The *Northern Star* contract is also a routine contract renewal, Dr. Williams said, for Fiscal Year 2008 expenditure authority. Chair Boey asked for a motion to approve the Fiscal Year 2008 *Northern Star* Contract. Trustee Murer so moved, seconded by Trustee Siegel. The motion was approved.

Agenda Item 7.g. – Fiscal Year 2008 Radiation Oncology Physician Services Contract Renewal

This is a renewal of the contract for on-site radiation oncology physician services with Nuclear Oncology for the NIU Institute for Neutron Therapy at FermiLab (NIU-INT), Dr. Williams stated. Funds are provided through a federal grant and operations. Chair Boey asked for a motion to approve the Fiscal Year 2008 Radiation Oncology Physician Services Contract Renewal. Trustee Siegel so moved, seconded by Trustee Murer. The motion was approved.

Agenda Item 7.h. – Fiscal Year 2008 Gasoline 10 Percent Ethanol Blend

The university is requesting expenditure authority for Fiscal Year 2008 to purchase gasoline, Dr. Williams said. Mr. Bill Finucane was able to negotiate this purchase at a cost of approximately \$2.53 per gallon, plus taxes, for a total of \$2.73 a gallon. This is a substantial purchase, but it is at a price that is well under the market. Chair Boey asked for a motion to approve the FY08 Gasoline 10 Percent Ethanol Blend expenditure. Trustee Sanchez so moved, seconded by Trustee Murer. The motion was approved.

Agenda Item 7.i. – Fiscal Year 2008 Charter Air Travel for Football

This item contains a request from Intercollegiate Athletics to purchase charter air travel for our NIU football team, Dr. Williams said. The funds used for this travel are provided through guarantees obtained from the playing contracts. Chair Boey asked for a motion to approve the FY08 Charter Air Travel for Football. Trustee Sanchez so moved, seconded by Trustee Murer. The motion was approved.

Agenda Item 7.j. – Zeke Giorgi Legal Clinic Lease Renewal

The Zeke Giorgi Legal Clinic, located in downtown Rockford, provides legal services primarily to individuals who may not otherwise be able to secure legal advice. This is a request for renewal of that lease. Funding for this item is through a direct appropriation which we received several years ago, Dr. Williams said. Chair Boey asked for a motion to approve the Zeke Giorgi Legal Clinic Lease Renewal. Trustee Murer so moved, seconded by Trustee Siegel. The motion was approved.

Agenda Item 7.k. – East Campus Chilled Water Production and Distribution Plant

Some years ago, in 2002, Dr. Williams said, the university received funding through the Capital Development Board program for energy reduction and conservation. That appropriation has about \$5.1 million in it. We also received a grant through the Illinois Department of Commerce and Economic Opportunity for \$7.8 million. But, unfortunately, the state froze the money. Because of that, our East Campus chilled water plant project, which would provide chilled water to 11 buildings on the East Campus, was delayed five years. Due to escalations, the cost now has increased by about \$3.9 million. We have been able to negotiate with the state, the CDB and the Illinois Department of Commerce an agreement that they will release their funds and get approval for release of funds if NIU was to come up with additional funding to make up the gap. This is a request to enter into this agreement to release the approximately \$12.9 million that the state holds for this project. We in turn would pledge \$3.9 million that would be funded over at least two fiscal years. Chair Boey asked for a motion to approve the East Campus Chilled Water Production and Distribution Plant. Trustee Murer so moved, seconded by Trustee Siegel. The motion was approved.

Agenda Item 7.l. – Consulting Services for Living and Learning Project Initiatives

As part of our ongoing program of improving our facilities and services to our students, Dr. Williams said, we have several project initiatives that have grown out of the Student Affairs Division and the Academic Affairs Division which enhance student life on the campus. We are requesting approval to engage professional services, consultants or whatever is necessary to develop, evaluate and present to the Board, at a later date, specific projects in the area of our residence hall renovation, roadwork and parking, intramural outdoor playing fields and renovation of our Holmes Student Center. The times I go into our recreation facility, and sometimes it is as late as 11:00 p.m., Chair Boey said, it is still full with students engaged in various activities. The question is, if we did not have this, where would those young people be. This is such a worthwhile item that you have to do it. The Chair asked for a motion to approve the request for Consulting Services for Living and Learning Project Initiatives. Trustee Siegel so moved, seconded by Trustee Sanchez. The motion was approved.

Agenda Item 7.m. – Public Safety Relocation

The Speech and Hearing Clinic soon will be moving to the new Monsanto facility, which will free up space that will accommodate the relocation of Public Safety, Dr. Williams said. To do this, it will be necessary to renovate the area where the clinic is now located. Public Safety for many years has been cramped for space. The growth, strength and focus of our Public Safety Department requires us to provide adequate facilities, and we are requesting approval to establish a project budget of \$475,135. Sometime in the future when the timing is appropriate, Chair Boey said, I would like to have some of our committee meetings set up at the Monsanto building.

Trustee Sanchez made a motion to approve the establishment of a project budget for the relocation of the Public Safety Department, seconded by Trustee Murer. The motion was approved.

Agenda Item 7.n. – Demolition of GKC Theatre Building

Normally we present demolitions as information items, Dr. Williams said. But some time ago the Board invested in a property right off of Lincoln Highway formerly known as the GKC Theatre, which we have been using primarily for parking. After an evaluation of the facility, we determined that it is not repairable and are requesting approval to demolish the building at this time. Chair Boey asked for a motion to approve the demolition of the GKC Theatre Building. Trustee Murer so moved, seconded by Trustee Siegel. The motion was approved.

Agenda Item 7.o. – Design and Estimating for NCAA Track

Pursuant to Title IX requirements, Dr. Williams said, the university needs to begin a qualified base selection process for the identification of architecture and engineering services to design an NCAA track. The NCAA has been satisfied over the past few years with the university leasing the track at DeKalb High School. However, we have been informed by the NCAA that they will no longer allow us to use the DeKalb track; it must be an NCAA regulated track. After the development and design of such a track, we will bring the project back to the Board for consideration and approval.

Title IX has been a critical aspect of equal opportunity for women, Trustee Murer commented. We should embrace this recommendation and the compliance of it. Women have done remarkable things in track and field, and we should have the proper facilities for them here instead of having to use the high school facilities.

Chair Boey asked for a motion to approve the university's request to select architecture and engineering services to design an NCAA track. Trustee Sanchez so moved, seconded by Trustee Murer. The motion was approved.

Agenda Item 7.p. – Off-Campus Delivery Fee for Instructional Technology Programs

Our College of Education is requesting approval of an off-campus delivery fee for Instructional Technology programs, Dr. Williams said. This is specifically for the areas of technology, research and assessment within the college. They are going to extend certain special classes in the master's program which will be offered to distinct cohorts and not necessarily affect individual classes that may be offered. We have done this before, and it has been successful. So we are now moving to enhance these program areas through approval of an off-campus fee increase of \$50 per credit hour. Chair Boey asked for a motion to approve the request to increase the off-campus delivery fee for Instructional Technology programs. Trustee Sanchez so moved, seconded by Trustee Murer. The motion was approved with a vote of three ayes and Trustee Siegel opposed.

Agenda Item 7.q. – Fiscal Year 2008 Off-Campus Delivery Fee for MBA, MST and MAS

The College of Business is initiating three new concentrations that will continue to make us competitive in the marketplace, Dr. Williams said, and it will be necessary to also increase the off-campus delivery fees for the MBA, MST and MAS degrees. Looking at our rates in terms of both quality and price, we are still the best deal in town. Chair Boey asked for a motion to approve the request to increase the off-campus delivery fee for the MBA, MST and MAS degrees. Trustee Sanchez so moved, seconded by Trustee Murer. The motion was approved with a vote of three ayes and Trustee Siegel opposed.

Agenda Item 7.r. – Collective Bargaining Agreement

This collective bargaining agreement is with the Metropolitan Alliance of Police, Dr. Williams said. All facets of the agreement are within the guidelines established by this Board. Trustee Boey asked for a motion to approve the collective bargaining agreement with the Metropolitan Alliance of Police. Trustee Murer so moved, seconded by Trustee Sanchez. The motion was approved.

UNIVERSITY REPORTS

Agenda Item 8.a. – Update to Undergraduate Tuition Policy

The undergraduate tuition policy is a statewide issue, Dr. Williams said. The Governor's Office as well as the Board of Higher Education and several of the legislators in our state have been very concerned about what happens to students' tuition rates after they have finished the guaranteed four years or eight semesters, that are provided under the Truth-in-Tuition legislation. Northern Illinois University has modified its policy to provide an additional semester at the same rate to give students an opportunity to complete without having an adverse impact on their tuition. After nine semesters, our policy states that students then would be charged the tuition rate that was in effect for the class that came in two fiscal years after they started. Therefore, if a student entered in the fall of 2004 and they finish nine semesters, their rate going into the tenth semester would be the same as that of students who entered in the fall 2006. This puts further incentive on the part of our students to complete their program as soon as possible. But it does not adversely affect their tuition where they otherwise would face a 40 or 50 percent tuition increase going into that tenth semester.

There are many students out there who, not by choice, cannot graduate in four years, Chair Boey said. It is because of need that they have to spread it out over five or six years. So I certainly understand the reason for this policy.

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

As required by Board *Bylaws*, Dr. Williams said, we are providing information on transactions between \$100,000 and \$250,000 approved by the President.

Agenda Item 8.c. – Periodic Report on Investments

Our investments have had an average rate of return of five percent, Dr. Williams reported. I want to commend Tamara Farley for her work as our investment manager. As I have explained previously, we are very limited in the types of instruments that we can invest state money in. So, when you deal with those limitations, this is an outstanding rate of return.

Agenda Item 8.d. – Semi-Annual Progress Report of Active Capital Projects

This item gives progress reports on all of our active capital projects, Dr. Williams said. Trustee Sanchez asked the status of the new Academic and Athletic facility. I am pleased to report that it is generally on schedule and will be opening as planned in September or possibly a little earlier.

Agenda Item 8.e. – Fiscal Year 2007 and 2008 Appropriated Budget Update

Dr. Williams asked Ken Zehnder, Associate Vice President for External Affairs, to give the Board a report on what is happening in Springfield. In absence of much progress, Mr. Zehnder said, I will call this my legislative update.

Legislative action up until May 31 required a simple majority. There was no progress on budget action other than in the House of Representatives. On June 1, a three-fifths vote requirement came into effect. The House of Representatives passed a modified growth budget before the three-fifths went into effect. That bill remains in the House due to technical action.

The House comes in tomorrow, June 12, and the Senate comes in Thursday, June 14. Not much action is anticipated in the next two weeks. There are several alternatives that could happen: a compromise could be reached between the Governor and the two legislative chambers; they could pass a limited growth budget and then deal with other issues on the table in a special session called by the Governor; or legislature would pass what would most likely be a month-by-month appropriation. What did pass in the regular session was Speaker Madigan’s budget. It called for a two percent increase for higher education operations, which is a positive. The Governor’s budget recommendation was 1.9 percent versus the Board of Higher Education original recommendation of 1.5 percent.

Senate President Jones also passed a significant bill before the end of session, House Bill 25, the gaming bill, which expanded the number of boats, gaming positions and allocated some money for the race tracks. But for higher education, it designated two percent of the gross receipts to be split equally among the state public universities. Basic consensus is that neither bill will to pass as is. There are a number of other actions which are pending a compromise before these bills will be addressed.

What did not receive action was the gross receipts tax, the income and sales tax funding increases. Although there was legislative support for that, the threat of a gubernatorial veto on income or sales tax prevented those from going forward. They also have not arrived on a source for capital projects. The Governor’s original budget included the Steven’s Building, but, again, is pending a revenue source. A number of bills have passed over for the Governor’s review, but he has not acted on those bills as yet.

OTHER MATTERS

Chair Boey introduced Cheryl Ross, Dr. Williams’ Administrative Assistant, and the newest member of his staff, Linda Odom.

NEXT MEETING DATE

The next meeting of the Finance, Facilities and Operations Committee is scheduled for Thursday, September 6.

ADJOURNMENT

There being no Other Matters, Chair Boey asked for a motion to adjourn. Trustee Sanchez so moved, seconded by Trustee Siegel. The meeting was adjourned at approximately 11:21 a.m.

Respectfully submitted,

Sharon M. Banks-Wilkins
Recording Secretary