

Minutes of the  
NIU Board of Trustees  
**LEGISLATION, AUDIT AND EXTERNAL AFFAIRS COMMITTEE**  
November 15, 2007

**CALL TO ORDER**

The meeting was called to order by Chair Marc Strauss at 11:26 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 Student Trustee Shaun Crisler and Chair Strauss. Also in attendance as a temporary appointee at the Chair's discretion for purposes of a quorum was Trustee Robert Boey. Members not present were Trustees George Moser, Manny Sanchez and Myron Siegel. Also present were Board Parliamentarian Kenneth Davidson and President John Peters.

**VERIFICATION OF APPROPRIATE NOTICE OF PUBLIC MEETING**

Confirmation of Open Meetings Act public notice compliance was given by Parliamentarian Kenneth Davidson.

**MEETING AGENDA APPROVAL**

Trustee Boey made a motion to approve the agenda. It was seconded by Student Trustee Crisler. The motion was approved.

**REVIEW AND APPROVAL OF MINUTES**

It was moved by Trustee Boey and seconded by Student Trustee Crisler to approve the minutes of the September 6, 2007. The motion was approved.

**CHAIR'S COMMENTS**

Chair Strauss welcomed the University Advisory Committee representatives to this meeting: Jay Monteiro, President of the Operating Staff Council, and Bobbie Cesarek, President of the Supportive Professional Staff Council.

I would like to thank the committee for its foresight and assistance relative to the raises that were provided to the institution, Ms. Cesarek said. In view of all the issues with our state legislature, I know how hard everybody has worked to pull that together, and we thank the committee and the full Board for their efforts in assisting in those efforts. Mr. Monteiro stated that he would like to add to Ms. Cesarek's comments and say we really appreciate the fact that you are making it a priority that we receive our raises, and the fact that we were able to go over and above the state funding and use our own monies to supplement those raises.

Since June, Chair Strauss said, I have had high hopes that this committee would be receiving the final action report from this year's session of the General Assembly that would include budget operations and capital funds for FY08. As of today, the General Assembly is still in gridlock with the Governor relative to the development of a capital budget that would include renovation funding for Stevens Hall. The dispute centers around transit funding revenue streams, the number of casino licenses given out by the state to support gaming revenues as the funding source for a capital budget, and the individual projects within the capital budget. Ken Zehnder will provide us with a detailed report updating the status of this situation.

We will also receive an update from Ken on the situation in Washington, D.C. regarding higher education appropriations and issues still unresolved between Congress and the White House. In light of recent issues raised in the national media about study abroad programs, Ms. Deborah Pierce, Executive Director of the International Programs, will provide this committee with more information relating to our study abroad program and practices.

Finally, Dr. Steve Cunningham, Associate Vice President of Administration and Human Resources, will provide an overview of the results of the State Universities Civil Service Merit Board's recently completed audit of certain personnel functions at NIU.

## **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 request for public comment had been received.

## **UNIVERSITY REPORT**

### **Agenda Item 7.a. – 95<sup>th</sup> General Assembly Report**

### **Agenda Item 7.b. – FY08 Illinois Higher Education Budget**

It seems that for every step forward in the General Assembly, there has been a step back, Mr. Zehdner commented. The session was originally scheduled to conclude in May. This was extended into June, which was not unusual, and then into July, August, September, October and into the present. There have been approximately 16 special sessions, and the budget was finally agreed on in August. But the implementation bill, which executes some of the provisions of the budget, was held by the House until October. It has since been released and the Senate approved it. It is now November, and the Governor has still not indicated whether he will sign or veto the implementation bill. This is the first year ever that the legislature has been in session every month. It appears that they will continue that trend into December. I just learned that they have scheduled two days of session between the first of January and the primary, which is scheduled for February 5. We are hopeful there will be some action between now and the end of the year.

On the positive side, negotiations are continuing. However, media reports yesterday stated that even though all the parties were assembled in Chicago, they adjourned early and there was only one report of progress. They are meeting again this afternoon, and we hope the leaders will make progress. As Chair Strauss indicated, there are many issues pending at the moment, and they are trying to pull them all together to combine capital transit funding and downstate transportation projects. Stevens Hall funding has been on the various caucus lists, and funding should be available if the General Assembly passes something this year or early next year. And, if the size of that funding bill can accommodate, we would be looking for deferred maintenance money which would assist all of higher education. It would be in the range of \$30 to \$50 million and/or a combination of agreed projects from both of the IBHE Priority Lists. If they reach \$250 million for projects, Stevens Hall should be fully funded. There is also an Opportunity Returns project list on page 28 of your reports. The final project list will probably be a combination of projects on the IBHE Priority Lists and projects from the Opportunity Returns List or others which come out of the negotiations.

The legislation in your books lists those bills from your September LAEA report. The bills have been updated to reflect either final action or the Public Act numbers for those bills that have been signed.

### **Agenda Item 7.c. – Congressional Report**

There are several federal issues that Congress has dealt with. The long-awaited Higher Education Act Reauthorization legislation was dropped by the committee last Friday. It contained some provisions that were well received such as year-round Pell Grants and an increase to a \$9,000 grant maximum. It also contained several provisions that were cause for a great deal of concern. Congress has attempted to fix concerns about affordability and, as drafted, the Higher Education Reauthorization Act would create a Higher Education Price Index Watch list that would be based on percentage increase changes for tuition and not dollar changes. In this version of the bill, there would be no account for need-based assistance, decreases in state support or the base level on which the tuition increases would be based. So, an increase of several hundred dollars could put a public institution on the same list as a private institution that would require thousands of dollars of increase. The implications have potential misimpressions and strong impacts. I just returned from the NASULGC meetings where the Council of Government Relations has taken concerted actions to address these issues at mark-up.

The bill also addressed the copyright infringement issue which the committee has discussed previously. There were two provisions in the bill that the Governmental Relations Council supports, and one would require institutions to report to their students annually on the policies and practices with respect to copyright infringement. There also is a portion which they have opposed that would require institutions to develop a plan for offering alternatives to illegal downloading and coming up with ways to pay for alternatives.

On a positive note, President Bush signed the Department of the Defense appropriation bill that contained the \$2.4 million for our proton therapy project and \$1.6 million for neutron/hadron therapy. Both of those amounts are applicable to the Proton Therapy Cancer Treatment Center. Also included in the bill was \$3.2 million for the next generation manufacturing project, activities going on at EigerLab in Rockford. Also there was an agreement to place a cap on indirect costs for Department of Defense basic research in the defense bill. The House bill has included a 20 percent limit on negotiated reimbursement rates. The conference report places a 35 percent cap, not on the negotiated rates but on the amount of an overall grant that can be comprised of indirect costs. So, while this is an arbitrary cap, it is less restrictive than it would have been.

#### **Agenda Item 7.d. – Study Abroad Update**

Chair Strauss asked Deborah Pierce to present this committee with an update regarding the study abroad program and the practices here at NIU.

This summer spring and summer, certain parallels began to appear between incentives provided to some student financial aid offices and those sometimes available to study abroad offices, Ms. Pierce said. While emphasizing that there are no federal regulations governing study abroad as there are governing student financial aid, I would also like to highlight that at NIU we are in good shape regarding provider incentives and study abroad. First, we have always been guided by the principle of meeting the educational and cultural needs of our students. For that reason, we had never focused on any one provider. Additionally, when external providers offer scholarships to students participating in their programs, we always pass them through to those students. The scholarships are typically handled as a discount on the invoice for the student participant. However, some providers have offered small rebates to our office to support general promotional expenses. Until June 2007, we had accepted those rebates to support our campuswide promotion of a wide range of study abroad opportunities. I would like to emphasize that the presence or amount of the rebates in no way influenced the selection of providers. Providers were selected based on the interests and objectives of the students involved. After following the news about student financial aid incentives, in June 2007, I realized these small rebates may not have appeared appropriate, and instead, directed study abroad and business office staff to allocate them to those students whose enrollment had generated the rebates. At no time did staff in the Study Abroad Office at Northern Illinois University direct NIU students to a particular program based on any incentives.

I would like to take this opportunity to mention the new Task Force on Institutional Management of Study Abroad formed by NAFSA Association of International Educators, which is my primary professional association. In light of the concerns expressed in the media regarding study abroad incentives, NAFSA has created a presidential level task force headed by John Hudzik, Vice President for Global Engagement and Strategic Projects at Michigan State University, to examine ways in which universities can serve the best interests of the students while preserving the financial stability of institutional study abroad programs.

I appreciate your coming to speak with us today, Chair Strauss said. Whenever these topics appear in the news, it raises questions, and I thought it was important that we at least hear publicly the ways in which we did or did not have any exposure to this situation.

#### **Agenda Item 7.e. – State Universities Civil Service System Compliance Audit**

This year I served as Chair of the State Universities Civil Service Merit Board. Through that service, I became aware that the Civil Service System completed a periodic audit of certain personnel functions here at NIU, and I have asked Steve Cunningham to comment on these results.

By way of background, Dr. Cunningham said, the Civil Service System is created through state statute. Under that statute, basically all employees are Civil Service unless in one way or another they are exempted. For example, faculty are exempt from Civil Service, as are supportive professional staff and other principal administrative appointments, student employees, and graduate assistants, which leaves

NIU with about 1,800 Civil Service employees. We have an Operating Staff Council. Jay Monteiro is President of that group, and we work with them on a wide variety of policy issues concerning Civil Service administration that involves a wide range of transactions. Jody Tyrrell is our managing director of that area, and Karen Baker is our assistant vice president. They both oversee about 25,000 discreet transactions in a given year ranging from testing to referrals, exemptions, the documentation process for position descriptions, compensation and so forth.

The Civil Service audit is a biennial process that covers all of these different functions. This year's audit covered Fiscal Years 2005 and 2006, and we received the report in July. There were roughly four areas of concern in the audit. One of these involved the updating of position descriptions. We have a total of about 4,000 position descriptions and, statutorily, those should be updated every three years. We worked with the auditors about the updating process on position descriptions, which we do every two years.

Another area of attention was what are called desk audits. That is when a Civil Service employee believes that their position has evolved to the point that it should be looked at for possible reclassification, and they request a desk audit. There is a timeframe for those audits to be completed, and the system looked at that process. The third area was salary range administration. We have about 400 classifications, each of which has a minimum and a maximum salary range associated with it. The rules of the Civil Service System generally require that there be a 60 percent differential between the minimum and the maximum. So this area concerned paying individuals beyond the range maximum, which can be caused by long-term employees, merit, responsibilities and so forth. So, we are working with the system on an exception procedure along with the other universities.

Finally, there is extra help position administration. Extra help employees are those who are on temporary assignments to Civil Service positions. They are nonpermanent, nonstatus Civil Service, and there is a statutory limitation of 900 work hours per year for those employees. So we have worked to correct that as well. But, generally, the process with the Civil Service audit is very collaborative, and Northern has a long history working with the system and being a leader in the state with respect to Civil Service policies.

This is an enormously complicated area, Chair Strauss said, and the report was quite lengthy and very detailed. I appreciate the effort in responding to the items raised by the Civil Service Merit Board and the complexity of trying to keep track of the large number of constantly changing regulations.

#### **Agenda Item 7.f. – Proposed BOT Committee Meeting Dates for 2008**

This schedule of LAEA Committee Meeting Dates and times for calendar year 2008 coincide with the meetings of the Academic Affairs, Student Affairs and Personnel Committee and the Finance, Facilities and Operations Committee. The scheduled dates are: March 6, June 5, August 28 and November 13.

#### **OTHER MATTERS**

Chair Strauss reminded everyone that the full Board had scheduled a workshop immediately following the Legislation, Audit and External Affairs Committee meeting to discuss the university's recently completed strategic plan and its implementation.

#### **NEXT MEETING DATE**

The next regular LAEA Committee meeting is scheduled for March 6, 2008, in DeKalb in Altgeld Hall 315.

#### **ADJOURNMENT**

The Chair asked for a motion to adjourn. Trustee Boey so moved, seconded by Student Trustee Crisler. The motion was approved.

Respectfully submitted,

Sharon M. Banks-Wilkins  
Recording Secretary