

Minutes of the
NIU Board of Trustees
FINANCE, FACILITIES AND OPERATIONS
COMMITTEE MEETING
February 4, 2010

CALL TO ORDER AND ROLL CALL

The meeting was called to order by Chair Manuel Sanchez at 10:17 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 Robert Boey, John Butler, Cherilyn Murer, Barbara Giorgi Vella, BOT Chair Marc Strauss and Committee Chair Manuel Sanchez. Not present was Trustee Myron Siegel. Also present were Student Trustee Matthew Venaas, Committee Liaison Eddie Williams, President John Peters 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 Sanchez asked for a motion to approve the agenda. Trustee Strauss made a motion to approve the agenda. It was seconded by Trustee Vella. The motion was approved.

REVIEW AND APPROVAL OF MINUTES

It was moved by Trustee Boey and seconded by Trustee Vella to approve the minutes of November 12, 2009. The motion was approved.

CHAIR'S COMMENTS/ANNOUNCEMENTS

Today's agenda includes items of particular importance to the students and to the university community as a whole, Chair Sanchez said. Those action items include recommendations for student fees and room and board rates for the upcoming year. These recommendations have been developed through a consultative process involving students and staff. These proposed fees and rates reflect the budget challenges that the university faces in Fiscal Year 2010-2011. Other fee related items include an item from the College of Law and two fee items from University Outreach. Other action items on the agenda include 12 spending authorization and contract renewals, two multiyear grant items, authorization for the Cole-Stevens Complex capital project. Today's information items include the Quarterly Summary Report of Transactions in Excess of \$100,000, the Periodic Report on Investments and a report on university gasoline savings.

The Chair recognized the representatives of UAC, Dr. Alan Rosenbaum and Dr. Gregory Waas, and thanked them for being at the meeting. We are privileged to have you gentlemen working with the committee and look forward to getting to know you better this year.

I say this year because it is 2010, and for many of us, December 31 represented a celebration of the ending of a rather stressful year and the beginning of, hopefully, a great year in 2010. So far as NIU is concerned, I am convinced that it will be a better, notwithstanding the challenges that Springfield and the state have with the fiscal problems that exist. Whether it is \$12 billion or \$13 billion, one way or another, whoever is elected in November is going to have to address that issue. In the meantime, we have to continue this fabulous higher education institution with the limited resources that we have. And fortunately, we have nothing short of the best management team led by Dr. Peters and supported by Dr. Williams and the other members of this executive staff and the greatest faculty and staff people that

higher education offers here in the state of Illinois. It is because of your efforts, which this Board has the privilege of leading, that NIU continues to maintain the great reputation that it does nationally. So, personally, as the Chair of this committee in 2010 and as a Trustee, I tell you that I share with you my excitement that 2010 will be a better year.

When I was in Toronto, notwithstanding the fact that NIU lost that game, I was buzzing with pride with many of the other alumni and students who were there because NIU, in consecutive years, is there on the national front in a bowl game. And I know next year, wherever that game is, I am going to have a similarly big fat NIU pride face and say, "You know what, DeKalb, Illinois, 65 miles west of Chicago, we are happening." Whether you know it or not, we are the second largest higher education institution in the state of Illinois, but the best.

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 had been received.

UNIVERSITY RECOMMENDATIONS

Agenda Item 7.a. – College of Law Academic Excellence Fee

Through requests of the dean, Dr. Williams said, the College of Law is requesting a phase-in, graduated fee for law students only: \$40 per credit hour for the first year, \$55 the second and \$70 the third. The purpose of this fee is program enhancement. Since the State of Illinois has not released the promised appropriations, we have to find ways to maintain quality and the programs and services we have for our students. In conjunction with and consultation with the law students, the dean has brought forth a recommendation for fees that would be used to enhance the library, the academic programs and services within the college.

I brought this comment up in the Academic Affairs meeting, Trustee Murer said, and I do not know what the processes are related to this, but my observations are that at this juncture, especially in light of your initial comments in terms of quality of what we do and the dedication and the support of staff, I am not pleased that we are always the cheapest. This is not an anti-student comment. Certainly if we could provide education at no cost to all people, that would be a wonderful thing. But we sit here charged with fiscal responsibility for this university, but we should have more parity on the out-of-state tuition, even though the dean indicated that we do not have many out-of-state students, at least in the visual aspect of this so that we are not perceived as always trying to be cheap, but we are trying to deliver the highest quality product at the highest value. Also, the fee structure is still about \$800 less than SIU, so we have some leeway in regards to that fee. So my point is, I certainly will support this, but I do not know if there are processes available to us to reevaluate whether we have any latitude on it.

I cannot comment on that, Dr. Williams said. I know the dean and I appreciate your position and your advice. There is a reality here, and the reality is that at some point and time, if we are going to maintain quality and maintain our programs, we are going to have to make steps such as this. Open to the dean and part of the item before you is a reevaluation of this fee and the needs of the college, which gives the dean an opportunity, if necessary to come to this committee again for the necessary resources to update.

In reply to a question from Trustee Boey, Dean Rosato said that the Academic Excellence Fee is unique to NIU with a thought to not only evolving the concept from just sustaining the resources of the library, in particular, but to really enhancing and being visionary and proactive about the academic program.

It is a great idea, Trustee Boey said, and I echo Trustee Murer's statement that we should not be limited just because we are voting on this excellence fee. Reality should rule the day, and if excellence is being impacted, we certainly need to revisit it.

You know that I am a graduate of the law school, and it is a wonderful law school. I want to echo my support of what you are trying to do, academic excellence. I know that law school is valued for their library and that is very important as is all the other work that you want to do. This is an idea to energize the law school, and I see that you have your goals set and your action plans. I look forward to your coming back to us in a year and telling us how this went, and I applaud your efforts. I cannot tell you how happy I am to see that this is moving forward, and I am happy to see that my fellow Trustees are in agreement.

I want to echo my own sentiment and support of this, Chair Sanchez said. Given your comment at the earlier committee meeting about the reality of these out-of-state tuition students really becoming in-state tuitions in their second and third year, some of us would welcome a review of increasing the out-of-state tuition to something much more comparable. I do not like to use the word cheap, but less expensive, it does not make sense, not with the quality of the education that students receive here. The State of Illinois legislated that. Illinois domicile rules are pretty easy. But that would not happen in Tennessee or Pennsylvania or a lot of other states. But it is a reality here in Illinois, and since it is, at least for that first year, we should get some bang from them for their buck.

To domicile in Tennessee, and many other states, President Peters said, if you went from Illinois to Tennessee to law school, for the purpose of going to law school, you could never be domiciled in Tennessee for in-state. You would have to come in, work a year, without going into education and then apply. Now that is in the extreme, and was not waivable by anybody at the university. You were fiscally responsible for that. I have often thought that Illinois' policy, from one perspective, is very good. From another perspective, it is a source of income and this is an Illinois state institution, established for residents for the state of Illinois. Action from the legislature would be required to change the domicile rules.

However, the Chair said, I do not think it is outside of our purview to address the out-of-state tuition value proposition by trying to increase it. That is correct, the President said, but if you set the tuition three times the in-state rate, a student, would do the five or six things that need to be done to establish domicile within six months. So it is almost a one-time payment.

Trustee Boey asked Eric Johnson, President of the Student's Law Association, to comment on this subject. From a student perspective, Mr. Johnson said, we are very supportive of this policy. From day one, as soon as the committee was formed, the Student Association had a member on it. We understand the importance of affordability, but we also understand that at some point you give up affordability for being cheap, and our students want to be proud of their law degree. We are getting an excellent education, but these additional proposals, besides giving money to the library, will allow our students to attend conferences and to get leadership opportunities. We have a lot of external competitions that our students cannot attend for the simple reason that there is not enough money in the budget. So these types of things we are looking forward to, and our organization fully supports this proposal.

One last quick comment on this, Trustee Murer said. We should also look at this as a two-step process. I agree with you, what is available to us as a Board, in our purview, is setting that out-of-state tuition, and that is something we can do. That also allows an opportunity to review with the legislature what their position really should be given that this is a State of Illinois university, and this State of Illinois university is struggling because of budget cuts from the legislature. If we can review the domicile issue to be more comparable with other states, that might be a good thing. But it is a two-step situation: First we have to have parity, at least with SIU; and secondly, we could review this issue through my committee, the Legislation, Audit and External Affairs Committee. Another way might be to combine the three committees on the same issue.

One of the reasons we phased-in the fee is due to the students making me do my homework, Dean Rosato said. They were the ones who said, "We want to try to generate more revenue, and we want to try to make sure that our programs are the most excellent." One of the things they did want to balance is the hardship and notice to the existing students. So part of the reason for the phase-in is to make sure that the hardship and the burden is less on current students, who are going to less enjoy the programs, and it will also give us the faculty governance and the time to create those excellent programs that I know, having been at a new law school, do take one to two years to create.

To Trustee Murer's point, Chair Sanchez said, I just saw a headline, according to the *Tribune*, that Hynes has just conceded the election to Quinn on the Democratic nomination side. As some of you may know, the Governor and I go back 37 years, so if he were to be fortunate enough in November to get elected, I commit to this committee and to the audience that I will make it my business to take that up with him and Mr. Cullerton and the speaker to see if we cannot get some more justice and parity on that end.

Regarding the fee, Trustee Strauss said, this is an example of people being very responsible and identifying a problem and finding a way to work together to be able to meet that challenge. It is really commendable that everybody participated in finding a solution that they could find workable. This is something that I am very happy to see.

I am very interested in an update about the use of the fees, Trustee Butler said, whether or not they achieve the objectives and so forth. If that could be something we commit to, that would make me much more comfortable. This strikes me as a very large increase, but I support it because the students support it, and it seems as though it was put through a fair and rigorous process, but I would like to learn more about it a year from now.

Chair Sanchez requested that the minutes reflect that a year from now, we want to at least revisit this and make sure that we keep the momentum going both in accountability and in seeing where this has taken us.

I was involved in this with the dean from the beginning, President Peters said, and I am pleased at the way it unfolded. It was done in a proper way. I have been fighting this battle for 30 years. My concern on this is the monopolistic and oligopolistic tendencies of publishing houses, that irrespective of financial meltdowns worldwide, irrespective of supply and demand, every year they increase the cost to us to our students, whether it is textbooks or legal services. Since the seventies, law libraries have to be separate from main libraries, and it is a big part of accreditation. You have to have a good law library and access to materials. This really started out as a way to handle these increasing fees every year of 10 percent or 15 percent for law journals and access to now on-line materials. So one of the things I am going to be watching, as Trustee Butler mentioned, I do not want this fee to be totally eaten up by costs that accrue for law materials that are beyond our control, because the exciting part of this is what it is going to do for our law students.

One of the things I asked the library to do was to put assumptions in their proposal as to the portion that would be allocated essentially to them, Dean Rosato said. So even though there is a range of 6.0 to 10.0 percent inflation, their portion is based on 6.4 percent, which is an average, and still assumes that there is going to be \$12,500 in cuts in the collection every year, and none of the resources from the fee will go to additional collection. It will be to handle the inflationary cost only, which is the cost we cannot avoid. We tried to put in some controls to make sure it did not take over a significant portion of the fee.

Chair Sanchez asked for a motion to approve the College of Law Academic Excellence Fee. Trustee Vella so moved, seconded by Trustee Boey. The motion as approved.

Agenda Item 7.b. – Off-Campus Fees for Courses Associated with Certificates

In order to be effective and competitive in the marketplace, Dr. Williams explained, the university will have an opportunity to put courses together which will be called clusters under a certificate that would be offered at off-campus sites. This would attract students, to whom specific certificates would be of great use in their professional career. These would not be degree students. This request is to allow the Division of Outreach to set the delivery fees for such clusters. The idea here is to set a range for these cluster delivery costs so that a particular cluster is put together to respond to a particular market need. The vice president then will be able to set the delivery fee for that cluster as long as it remains in the range of zero to what is now the highest such course fee we have, which is \$321 a credit hour.

Chair Sanchez asked for a motion to endorse the Off-Campus Fees for Courses Associated with Certificates. Trustee Vella so moved, seconded by Trustee Boey. The motion was approved.

Trustee Strauss made inquiry regarding the rationale for the difference in the levels being set for off-campus delivery of courses in Agenda Items 7.b. and 7.c.

Dr. Kaplan explained that the rationale behind both of these proposals speaks partly to Trustee Murer's comment that it is not always best to be cheap. But at the moment, we are not only cheap, we are slow to get to market, she said, and we have an incomprehensible pricing structure. Setting the regional course charge at \$50 for all of the undergraduate programs will bring some rationality to that. Those are full programs, and that is quite different from certificates. Those programs have been approved, and we will market them as full programs. But the more interdisciplinary we become in those programs, the less we want to pull fees from disciplinary programs where the fees were previously set for different reasons. Setting the undergraduate level at \$50 will affect very few existing programs. The certificate programs, on the other hand, are much more workforce focused, much less predictable and much more likely to need to be done fairly quickly. They are sort of entrepreneurial. If it works and looks like it should be more than a certificate program, then we will go back to the faculty and say you might want to put this forward as a full degree, in which case it would come back to the Board.

This issue of pricing, Trustee Murer commented, in particular the certificate programs, is really vital to the future of the university because we are going to continue to see an increase in the demand for certificate programs. This is the way those who are in the workforce can enhance their positions and their competitiveness, so our flexibility is paramount related to the certificate programs, in particular. We do not want to be caught in the same situation where we are cheaper for no reason to be cheaper. We want to be at market value.

Chair Sanchez inquired whether this fee discussion would have application to the National Career Readiness Certificate Program being discussed in the Race to the Top application for federal funding that the State of Illinois had recently made. It is basically designed to enhance the mathematic and the scientific skills of folks that are not necessarily going on to higher education, but who are coming out of high school without the basic skills to pursue a technical career or a solid job. People are going to be providing those certificate programs, and I wondered if this is something that NIU would consider and perhaps apply this fee change to.

I am not in a position to answer that, Dr. Kaplan said. I do not know what the curriculum in those state certificates is presumed to be nor how many courses would be involved, but I can get that information for you.

Wearing my hat as director of the Chicagoland Chamber of Commerce, the Chair said, they just had a big meeting on that subject. For those of you who may be aware, Illinois is one of many states that has applied for this federal money. It is basically acknowledging that 60-some percent of those coming out of high school are not looking four years down the road at higher education. But this would give them the opportunity to acquire the skills to have a successful career in manufacturing or in other areas. Someone has to provide that, and this is something that NIU may well see as a market opportunity if the state of Illinois is one of the successful recipients.

We are talking about a not-for-credit certificate program, Dr. Alden said, so it would not be a university credit based program, and I believe we have enough flexibility in the Outreach program to do essentially whatever is needed to address those kinds of certificates.

Agenda Item 7.c. – Undergraduate Regional Course Charges

As we just discussed, Dr. Williams said, the Undergraduate Regional Course Charge is to level off our Outreach delivery fee costs at \$50 per credit hour. Pursuant to Trustee Murer's statement earlier, I will further reaffirm here that again, after evaluation, and in about a year, the vice president is always given the opportunity to come back to the Board to increase or modify this fee based on market conditions and costs.

In reply to a query from Trustee Butler, Dr. Williams explained that university procedures require an annual evaluation and analysis of any fee being considered to see if it should be adjusted up or down.

Chair Sanchez asked for a motion to endorse the Undergraduate Regional Course Charge. Trustee Strauss so moved, seconded by Trustee Murer. The motion as approved.

Agenda Item 7.d. – Fiscal Year 2011 Athletic Sports Camp Housing and Meal Expenditure

The FY11 Athletic Sports Camp Housing and Meal Expenditure is a pass-through from Intercollegiate Athletics, Dr. Williams said, which we see annually. They are asking the Board's authorization to spend funds that come in from those who participate in the camps. Chair Sanchez asked for a motion to endorse the FY11 Athletic Sports Camp Housing and Meal Expenditure. Trustee Strauss so moved, seconded by Trustee Vella. The motion was approved.

Agenda Item 7.e. – Fiscal Year 2011 Copy Paper Contract Renewal

The FY11 Copy Paper Contract Renewal is our annual request for the purchase of paper for our copy machines throughout campus, Dr. Williams said, and the requested amount is the same as it was last year.

Since there were a number of renewal options on multiyear contracts on the agenda, Trustee Strauss asked whether the university looked at the market condition for other people who might be in the position to provide those goods. Dr. Williams replied that we do where we have that flexibility within the contract we sign. If not, then we live with the contract, and we try to keep the contract at a term that makes sense. Chair Sanchez asked for a motion to endorse the FY11 Copy Paper Contract Renewal. Trustee Boey so moved, seconded by Trustee Strauss. The motion was approved.

Agenda Item 7.f. – Fiscal Year 2011 Copier and Controller System Contract Renewal

The FY11 Copier and Controller System Contract Renewal is the contract for the copy machines themselves. As we just discussed, this is an example of where the vendor has made a major capital outlay in putting copy machines throughout the campus under a ten-year agreement. This renewal request is also at the same level as the previous year. Chair Sanchez asked for a motion to endorse the FY11 Copier and Controller System Contract Renewal. Trustee Murer so moved, seconded by Trustee Vella. The motion was approved.

Agenda Item 7.g. – Fiscal Year 2011 International Programs Division Expenditures

The FY11 International Programs Division expenditure authority is a pass-through, Dr. Williams said. This allows the dean in the International Programs Division to expend the fees that come in from the students. Chair Sanchez asked for a motion to endorse the FY11 International Programs Division expenditures. Trustee Boey so moved, seconded by Trustee Strauss. The motion was approved.

Agenda Item 7.h. – Fiscal Year 2011 Mass Transit Contract Renewal

Again, Dr. Williams said, this is one of those contracts where a vendor has made a major capital investment by providing buses to our campus under a multiyear agreement that was originally competitively bid. The agreement provides for a couple of escalators, one is for the cost of fuel, and the other is the actual number of routes that the Student Transit Board wants to include in the contract. If our Transit Board wants to add additional routes to the contract, there is a provision by which that is done and a cost factor formula so that it is not just an open-ended number. This contract is for \$3.9 million, which is \$200,000 more than last year. Chair Sanchez asked for a motion to endorse the FY11 Mass Transit Contract. Trustee Boey so moved, seconded by Trustee Butler. The motion was approved.

Agenda Item 7.i. – Fiscal Year 2011 Materials Management Central Stores Commodities Contract Renewal – Clark Products, Inc.

This annual contract is an open order for commodities, Dr. Williams said. It is primarily for disposable plates, napkins, silverware, etc. for use in the residence halls. There are two items this year because two vendors gave us very good bids. This request is the same as last year. Chair Sanchez asked for a motion to endorse the FY11 Materials Management Central Stores Commodities Contract Renewal for Clark Products, Inc. Trustee Strauss so moved, seconded by Trustee Vella. The motion was approved.

Agenda Item 7.j. – Fiscal Year 2011 Materials Management Central Stores Commodities Contract Renewal – Edward Don & Company

This is the second company that provided a favorable bid for commodities, Dr. Williams said. It is also for disposable plates, napkins and commodities of this type. This bid is for \$275,000. Chair Sanchez asked for a motion to endorse the FY11 Materials Management Central Stores Commodities Contract Renewal for Edward Don & Company. Trustee Murer so moved, seconded by Trustee Vella. The motion was approved.

Agenda Item 7.k. – Fiscal Year 2011 Northern Star Contract Renewal

The FY11 *Northern Star* contract renewal is basically the same as last year with a base amount of \$250,000 and a contingency of \$13,000, Dr. Williams said. The contingency provides them with the flexibility to increase the size of a particular publication or have inserts. Chair Sanchez asked for a motion to endorse the FY11 *Northern Star* Contract Renewal. Trustee Strauss so moved, seconded by Trustee Vella. The motion was approved.

Agenda Item 7.l. – Fiscal Year 2011 Public Safety Security Services Contract Renewal

The Public Safety Security Services Contract covers services provided for security in our residence halls. This is a private company that provides individuals to monitor activity in the residence halls and to help secure them. We had the opportunity to renegotiate these costs and this contract represents a substantial reduction from the prior year. Chair Sanchez asked for a motion to endorse the FY11 Public Safety Security Services Contract. Trustee Boey so moved, seconded by Trustee Strauss. The motion was approved.

Agenda Item 7.m. – Fiscal Year 2011 Student Accident and Sickness Insurance Renewal

I have said for years that NIU should be very proud of the health services that we provide to our students, Dr. Williams said, both through the health center and through the insurance program we make available to our students. It is an excellent program. In prior years, we ran into some difficulties with cost escalations in health insurance. This year, I am pleased to report that the negotiating committee came back with a one-year contract for a health program that contained no losses in coverage, yet the actual amount of the contract remained the same. There is a provision in the contract that allows a review of claim experience for the next year's renewal amount. Chair Sanchez asked for a motion to endorse the FY11 Student Accident and Sickness Insurance Renewal. Trustee Boey so moved, seconded by Trustee Strauss. The motion was approved.

Agenda Item 7.n. – ITS Hardware and Software Maintenance/Upgrade Contract Renewal

This is a three-year revolving contract for ITS hardware and software maintenance upgrades, Dr. Williams said. Again, in this case, the renewal is for less than the original contract. Chair Sanchez asked for a motion to endorse the ITS Hardware and Software Maintenance/Upgrade Contract Renewal. Trustee Strauss so moved, seconded by Trustee Murer. The motion was approved.

Agenda Item 7.o. – ITS IP-Based Voice Trunking Services

Dr. Williams asked Wally Czerniak, Associate Vice President, Information Technology Services, to brief the Board on this item. Basically, Mr. Czerniak said, the pipes we have to connect all of our voice communications onto campus and back off the campus go through existing fiber and infrastructure that was installed in the nineties. It is time to rebid that contract and go to the newer IP-based technology to save money and to take us into the next ten years, and we would then renew that contract annually. Chair Sanchez asked for a motion to endorse the request for ITS IP-Based Voice Trunking Services. Trustee Butler so moved, seconded by Trustee Boey. The motion was approved.

Agenda Item 7.p. – NIU Outreach Multi-Year Grant Regional Health Information Extension Center

Dr. John Lewis gave a brief presentation on a prospective federal grant being negotiated through the Division of Outreach. An announcement was originally to be made by January 29, Dr. Lewis said, but the federal government has not made the final announcement. However, the subcontracts we are asking for will have to be entered into fairly expeditiously after the grant award.

This is a program under the Health Information Technology Extension Program, and the specific program is the Regional Centers of Cooperative Agreement Program. It is a health and human science program that is operated through the Office of the National Coordinator for Health Information Technology. The funding came from the American Recovery and Reinvestment Act to establish a national information technology research center and 70 regional centers around the country. A consortium was formed to put together a grant that would serve the state of Illinois. Two people who were instrumental in putting this program together and would also be instrumental in making sure it is done over the next four years, are Roger Holloway, who heads the Rural Health Services Program under the Regional Development Institute, and Lisa Bergeron, Director of Health Care and Information Technology Initiatives for the Regional Development Institute. The purpose of the center is to work with physicians throughout the state, with an emphasis on priority primary care providers, and to help them implement electronic health records in their offices and then be able to connect those electronic health records to other providers hospitals, public health centers, etc. in the region. The overall intent of the federal legislation was to have transparency in the movement of health records around the country, thus providing doctors with better information and reducing healthcare costs.

This is a four-year program. They will provide funding for the first two years, initially, with a renewal for the second two years. Over the next four years we will be involved in activities from providing education and outreach to the priority primary care providers to participating in a national learning consortium that will be composed of the 70 regional centers along with the national center. The technical assistance we will be providing includes assisting them in the selection of an electronic health system that meets their practice needs, helping them get that system up and running in connection with support from the vendor; and then moving them toward the federal government goal allowing that health record to interact with other health records throughout the state and at some point, throughout the nation.

When this proposal was put together, there was a lot of discussion about whether there should be one proposal from the State of Illinois or should there be multiple proposals for the State of Illinois? We ended up collaborating with Northwestern University. NIU submitted a proposal to serve the state of Illinois, excluding Chicago, and Northwestern University submitted a proposal to serve the city of Chicago. We will have joint development materials and joint development implementation plans so that it is a seamless program throughout the state of Illinois.

We put this program together and included a variety of different organizations that are involved in healthcare throughout the state. The program includes the Illinois Critical Access Hospital Network, which are small rural hospitals that are specially funded, the Illinois Hospital Association and so forth. Quality Quest is a healthcare organization in central Illinois that does health reporting. Southern Illinois Healthcare Foundation, University of Illinois at Chicago is involved in the project as well as the Metropolitan Chicago Health Planning Council. From an organizational perspective, the Office of the National Coordinator and then the Health Information Technology Regional Centers will fall underneath that. From a delivery perspective, we will also be establishing four regional offices under the NIU center: one at Metropolitan Chicago Healthcare Council that will be serving the metropolitan Chicago area. NIU will also have a regional office for the implementation of services in northwest Illinois, Quality Quest for Central Illinois, and Southern Illinois Healthcare Foundation for southern Illinois. That organization is a Federally Qualified Health Center (FQHC) which serves much of the southern part of the state.

During the first two years, the \$7.5 million in grant funding will come to the university and the co-pay from the physicians will be about \$9.8 million, and about \$6.1 million of that will be in subcontracts. The third and fourth year will be another \$4 million.

It is important to put this project in perspective. Approximately five years ago, Wally Czerniak and I sat down and discussed the fact that information technology was going to be a real driver in the coming economy. Out of that discussion has developed NIUNet and a host of information technology initiatives, including the Broadband Development Institute within the Regional Development Institute.

Putting that into perspective, part of what we are doing with this grant is working with the doctors' offices to see how the workflow needs to change based upon electronic health records. We have had discussions with the College of Engineering and Engineering Technology on how some of their industrial

engineers can help with that process. And we will be talking to Health and Human Sciences about what they might do in health informatics and how that fits into this program. Several years ago, we started working with the Illinois Rural HealthNet, a program that is going to provide broadband connectivity to 85 small rural hospitals around the state, and it ties into this program. The university is partnering with a not-for-profit organization in Rockford to put together a strategic plan for creation of a health information exchange for northwest Illinois. We just completed a proposal for the Beacon Community Cooperative Agreement Grant, another grant that will help provide infrastructure to go from hospitals to doctors' offices to county health departments and so forth. NIU is becoming a leader in the delivery of healthcare information and healthcare technology, and this creates a large picture about what NIU is doing in this area.

In reply to a query from Trustee Murer about the difference in the amounts in the report item and in Dr. Lewis' report, Dr. Lewis stated that the Board Report item was put together prior to some negotiations with the Office of the National Coordinator for Health Information Technology, (ONC) on what the exact contract would be, so we have had to modify the numbers somewhat. The two-year award plus the fees that will be collected from the physicians amount to about \$9.8 million. Of that, about \$7.1 million will go to the external regional offices, which means that about \$2.9 million will stay within the university for the first two years. Dr. Lewis that the physicians can be reimbursed in two areas. They can receive monies from the federal government for buying and implementing an electronic health system and, in addition, they will receive reimbursement from Medicare/Medicaid beginning in 2014 if they have an operational electronic health records system that meets the federal government's meaningful use criteria. And NIU will be providing them technical assistance to select, implement and move toward that goal. We will be identifying and asking physicians to sign up for these services, and they will be paying a fee in advance of receiving those services.

Chair Sanchez asked for a motion to endorse the NIU Outreach Multi-Year Grant Regional Health Information Extension Center. Trustee Murer so moved, seconded by Trustee Vella. The motion was approved.

Agenda Item 7.q. – Northern Illinois Proton Treatment and Research Center Grant Amendment

We are pleased, again, to report to the Board that through the defense budget, we were able to get appropriations through that would include additional grant monies in support of the proton area, Dr. Williams said. This item amends what has gone to the Northern Illinois Proton Treatment and Research Center (NIPTRC), which is the focus of the research center, and increases that amount to \$13.1 million. Chair Sanchez asked for a motion to endorse the NIPTRC Grant Amendment. Trustee Murer so moved, seconded by Trustee Butler. The motion was approved.

Agenda Item 7.r. – Cole-Stevens Complex Capital Project Approval

Just last week, Dr. Williams reported, Governor Quinn visited our campus in response to the efforts of our President to obtain funding for Cole Hall and for the Stevens Complex. We now have combined the two into the Cole-Stevens Complex. This release of funds will provide for the full renovation of Cole Hall, something our campus has been trying to achieve for some time, plus it will allow for the architectural planning and construction drawing phase for the Stevens Building. The lecture hall that was involved in the incident will not be returned as a lecture hall, and the Provost and the academic area are working on how that space will be allocated. That lecture hall will be replaced and will be part of the Stevens project.

I cannot tell you how proud I was to hear that we are able to move forward with this beautifully conceived project, President Peters said. We have had over 5,000 separate e-mails from all over campus and outside the campus on how to repurpose Cole Hall. I told the University Council that day that it was a good day for NIU, because this is a major step in our healing process. But more than that is what it does for our academic community, the people of Stevens Hall and all the undergraduates and professors who teach in our large lecture halls, it puts smiles on their faces. So I was very pleased, and it should not go unnoticed that this was the first time in ten years that a public official has brought a sum of money into this legislative district and to NIU. All the things you see and hear us talk about, basically, we pretty much do on our own by raising private or federal money. Very little state money has gone into public higher education. I said to Governor Quinn as he walked into the Sky Room, that this is a good day, this is the

day that one really wants to be a governor, because you are doing a good thing for the thousands of students who will use these facilities and remember those from the past.

Trustee Sanchez and I will remember that the Stevens proposal began in 1996, Trustee Boey said, the first year of the Board of Trustees. It is just a miracle that nobody was seriously or fatally injured in the meantime because that building was just absolutely unsafe. My hope is that we can get this done in record time so that the safety issue will be taken out completely.

We appreciate the Board's support, Dr. Williams said, and I will assure you that as the Governor said release, we went on line to start advertising for architects.

You should know that on Tuesday night, when the ballots were still coming in from the election, Chair Sanchez said, Pat Quinn told me how sincerely touched he was to be able to facilitate that. It was not out there for political gain, but he really was touched by that. If you know Pat, there are certain things that he takes very emotionally, and he brought this up to me that night before we knew what the election results were going to be. I could not make it when he made the presentation, but I was proud that it happened.

Trustee Sanchez asked for a motion to endorse the Cole-Stevens Complex Capital Project. Trustee Murer so moved, seconded by Trustee Boey. The motion was approved.

Agenda Item 7.s. – Fiscal Year 2011 Student Fee Recommendation

Because of the timing, Dr. Williams said, we had an item in the Board materials to alert you that we would be bringing student fee recommendations to the Board. We apologize, but it was prompted by the fact that the Board meeting schedule was changed, and this was our only opportunity to have fees reviewed and approved by the Board in a timely fashion and have them reflected in our cost and billing information to students as they look at education costs for fiscal 2011. Let me reiterate for the Board members, but also for those who are in attendance, that this process began as early as September where our system requires that there be a representative committee put together consisting of students, staff, and in some cases, faculty, for each fee area. They are responsible for an evaluation of not only the potential of an increase, but they also evaluate the potential for a decrease. Their task is to evaluate the area and see what the needs are for that particular area. They then make recommendations which are then taken to the President. The President in turn meets with the Student Association president, vice president, treasurer and our Student Trustee. We review each of these fee recommendations from the committee. At this point, the President has a recommendation to the Board of an overall 2.97 percent increase in the student fees. We start the year with the President giving me strong direction to keep the fee increases down to 3.0 percent, and we were able to do that this year.

As Dr. Williams mentioned before, Student Trustee Venaas said, we have had students extensively involved in this process and serving on all the committees. I was very pleased to see that we were able to keep the overall increase just under 3.0 percent. And, as we discussed earlier, I was very pleased to see that we were able to keep our health insurance costs even as well. Obviously we are in a very difficult economic situation right now. Many of our students are making difficult decisions on how exactly they are going to be able to pay for school, and at the same time, trying to balance out how we can have the financial resources to make sure we are getting a quality education. With so much uncertainty about the budget, the fee recommendations we are reporting today do a good balance of making sure we have enough financial resources to ensure that an NIU education truly is the best education we can get while at the same time making sure that many of our students who may be having difficulty are not burdened extensively.

Trustee Butler made an inquiry regarding the 7.46 percent increase in the athletic fee. Dr. Williams replied that the primary driver of this fee is grant-in-aid support for student scholarships. The scholarships include tuition, room and board, an allocation for books and for student fees. So the grant-in-aid number is in some sense directed by and the result of other recommendations for fees, for room and board rates, and so forth. Just to address the projected 2011 needs for grant-in-aid would have required an increase of 8.21 percent in the athletic fee. Certainly, there is an impact of the minimum wage on student employees. There also is an impact because of contractual agreements such as for referees. Those rates are determined by the MAC Conference, and they have already projected an increase that they are

going to impose for such services. There is a natural cost in team travel. The other contractual obligation is providing adequate security. Unfortunately, there have been concerted and prudent efforts to upgrade our security management at games. Summing all of these costs, the area actually is facing what would amount to a 13.4 percent increase in their costs. Our athletic director has made steps through cost savings, management of resources and so forth to internally address approximately half of that need. So, we had a 13.4 percent increase need that was reduced to 7.5 percent.

Chair Sanchez asked for a motion to approve the FY11 Student Fee Recommendations. Trustee Boey so moved, seconded by Trustee Strauss. The motion was approved.

Agenda Item 7.t. - Fiscal Year 2011 Room and Board Rate Recommendation

I want to thank all of those in the Student Affairs area, not only for the room and board rate process, but also for our fee process which basically is under their jurisdiction, Dr. Williams said. In this case, the residence hall staff met in conjunction with our Residence Hall Association staff, consisting of students, in determining what the rates are. The students were directly involved with the evaluation, the assessment and the final recommendation for our rates. The recommendation is for a 7.5 percent increase in our room and board rates. One of the things that is driving some of this is the fact that we have an unfunded mandate from the State of Illinois where they reneged even on the possibility of loaning us money. The loan fund never appeared, but we are required to install sprinklers in all of our residence halls by 2013. We have started this program and are doing it in phases because we cannot afford it any other way. Chair Sanchez asked for a motion to endorse the FY11 Room and Board Rate Recommendations. Trustee Murer so moved, seconded by Trustee Boey. The motion was approved.

UNIVERSITY REPORTS

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

Agenda Item 8.b. – Periodic Report on Investments

These items were not discussed.

Agenda Item 8.c. – Gasoline Savings Through the Use of Hybrid Vehicles

This item is an information item regarding the gasoline savings that have been generated through our hybrid vehicles, Dr. Williams said. Bill Finucane and others have done an excellent job in making this possible. Not only have we been able to save \$119,000, but in the news recently there has been some concern about a certain brand of hybrid vehicles, and we do have some in our midst. However, the potential recall does not affect any of our vehicles. Those are for 2010 models.

NEXT MEETING DATE

The Chair announced that the next meeting of the Finance, Facilities and Operations Committee is scheduled for Thursday, April 29, in DeKalb.

ADJOURNMENT

There being no Other Matters, Chair Sanchez entertained a motion to adjourn. Trustee Strauss so moved. The meeting was adjourned without objection by the Chair at approximately 11:43 a.m.

Respectfully submitted,

Sharon M. Banks-Wilkins
Recording Secretary