

Minutes of the
NIU Board of Trustees
November 6, 2014
COMMITTEE MEETING
FINANCE, FACILITIES AND OPERATIONS

CALL TO ORDER AND ROLL CALL

The meeting was called to order at 1:30 pm by Chair Marc Strass in the Board of Trustees Room, 315 Altgeld Hall. Recording Secretary Vicky Rippberger conducted a roll call of the Trustees. Members present were Trustees Robert Boey, Wheeler Coleman, Robert Marshall, Cherilyn Murer, Student Trustee Paul Julion, Board Chair John Butler, Committee Chair Marc Strauss. Also present were President Douglas Baker, Committee Liaisons Lisa Freeman, Nancy Suttentfield, and Lesley Rigg, Board Liaison Mike Mann, and Committee Liaison and Board General Counsel Gregory Brady.

VERIFICATION OF APPROPRIATE NOTICE OF PUBLIC MEETING

Confirmation of Opening Meetings Act compliance was given by Board General Counsel Gregory Brady.

MEETING AGENDA APPROVAL

A motion to approve the agenda was made by Trustee Murer; seconded by Trustee Boey. The motion was carried.

REVIEW AND APPROVAL OF MINUTES

A motion was made to approve the minutes of the August 28, 2014 meeting by Student Trustee Julion; seconded by Trustee Boey. The motion was carried.

CHAIR'S COMMENTS/ANNOUNCEMENTS

Chair Strauss welcomed everybody to today's meeting. Now that we've gone through the formalities, let me start by welcoming two new people. First Vicky Rippberger, who is at least for today going to serve as our scribe and faithful attendant; so thank you, and we look forward to working with you. And also I'd like to welcome Michele Danza. She is the new Director of Procurement and Strategic Sourcing. Did I get the title right? Well we'll look forward to working with you as well. I also want to take this opportunity to, on behalf of the committee, bid farewell to Nancy Suttentfield. Not that she's leaving campus, but this is going to be her last meeting with the committee, and I've really enjoyed working with Nancy. She's been instrumental in helping us find a budget process, lead us on the road toward financial transparency, help evaluate the capabilities of the people within her organization, help us understand bond funding, and the amount she's been able to accomplish here in about a year has really been helpful to the committee and to the board. I want to thank her for her service here and look forward to working with her for the balance of her tenure. So thank you Nancy. I can see we have at least some University Advisory Council members here. I'm not sure whether they're all here, but Jay I see for sure. Do you have any comments Jay? Jay responded that he had no comments.

PUBLIC COMMENT

Chair Strauss asked General Counsel Brady if we had any registered public comment requests. General Counsel Brady stated that no such requests had been received.

UNIVERSITY RECOMMENDATIONS/REPORTS

Action Item 7.a. – Bowl Game Participation Expenses

Nancy Suttentfield presented the first action item which relates to bowl game participation expenses. It's happy news to have this on the agenda, and it is a practice that we've followed in the past in anticipation of being invited to a bowl. We seek advance approval to obligate funds and enter into a business relationship appropriate to a bowl invitation. In seeking approval from the board, it is with the commitment and the board's expectation that we file a follow-up report on all of our expenses and the other terms associated with the business relationship.

A motion was made to approve the recommendation by Trustee Boey; seconded by Student Trustee Julion. The motion was carried.

Action Item 7.b. – FY16 Tuition, Fees, and Room and Board

Additional Speakers: Eric Weldy, Vice President for Student Affairs & Enrollment Management

**Brad Bond, Dean of the Graduate School and
Associate Vice President for Graduate Studies
Mike Stang, Executive Director for Housing & Dining**

Nancy Suttentfield presented our second action item, which as Chair Strauss mentioned, is our centerpiece agenda item for today. It relates to all of our pricing recommendations for fiscal '16. I'd just like to go back, not quite a year ago, and talk a little bit about our focus last year. The focus when we met last year to review pricing recommendations for fiscal '15 was on access and affordability for our undergraduate students and a recommendation that we made for a flat cost of attendance, pricing structure for our students and at the same time to advance approval for all of our pricing from June to February which improves our competitive position with respect to other institutions in Illinois. This year we have continued our focus on these same two concerns, access and affordability, as well as even earlier pricing approval. I'm pleased to add that in addition to the change that we made last year wherein we held costs of attendance flat for entering undergraduates, this year we're recommending a reduction of \$600.00 for new undergraduate students compared to fiscal '15. That's about a 2 ½ percent overall reduction largely attributable to a change in our board package. We're also pleased to say that there will be similar slight reductions for our continuing students in the actual tuition costs that they will see in their bills for next year as well as dining charges if they reside and dine on campus. In addition, this year we've endeavored to simplify, streamline, and realign the underlying structure of each one of our sticker prices, often rethinking the overall rationale for the structure that we've used for many years, and therefore we have quite a number of reforms that we would like to discuss with you today. I'll just highlight what some of them are, and then we'll have the opportunity to get into them in more detail. In the realm of tuition, we looked at a declining credit hour rate structure that had been in place for quite a few years. We also looked at our pricing for out of state students with respect to the tuition that they pay. We looked at ways that we could bring about greater consistency between pricing for on campus, off campus, and on line, and we looked at the relationship between instructional charges as well as other related academic fees at the graduate and law level. With respect to student fees, we looked at collapsing over a dozen fees down to a group of about four through a two-year phase-in process, and then importantly in the room and board area, we looked at bringing pricing down and becoming especially more competitive in that area because it appeared that we were well out of step with other Illinois institutions when we did our review last year. As part of that we updated our overall board plan to reflect a plan that is already proven to be very popular with our students. Many, many people participated in the process this year to bring you these recommendations. They participated in a very thoughtful and enthusiastic way and there are too many of them for me to name today, but let me just say that they represent, I think, the best minds at Northern Illinois University. They came to their work on these tasks from Academic Affairs, Student Affairs, Finance, and importantly from the student body. With respect to

the tuition recommendations, we had very, very good participation and extensive discussion this year on two occasions at the Dean's Council. So I would like to congratulate and thank each and every person that participated in this process this year and helped us put together this package of recommendations. And just as importantly the work that they did in contributing to greater transparency in pricing, everything that we offer to students that come to our campus, whether they're the instructional charges or our non-instructional charges. So with that as an opening overview of what we've done and the objectives behind, I would now like to call upon Dean Brad Bond who's the Dean of the Graduate School and who served as the chair of our tuition task force. He will provide a summary of the recommendations related to tuition and other academic pricing and he will then be prepared to take questions, and Executive Vice President and Provost Freeman and I will assist in any way that we can. Then following Dean Brad Bond's comments, we will invite Eric Weldy, Vice President for Student Affairs and Enrollment Management, to do a similar summary on other student fees including room and board.

Brad Bond opened, just to reiterate a couple of things that Nancy had said. First of all, at the risk of being hyperbolic, it might be the most inclusive conversation about tuition structure and pricing that I've ever seen on this campus. It has been an iterative process and it's involved a large number of people. Throughout our discussion, we tried to focus on a couple things, but primarily on being very strategic and understanding the decisions that we were making would shape the strategy of the university moving forward as it attempted to address enrollment and retention issues; revenue issues as well. I'm pleased to say what I'll do today is just to provide you, hopefully, a neat summary of the items that are in the board book. We'll take them rather systematically if you don't mind. We'll start on page 12 with the declining rate schedule and the bundled tuition rate for undergraduates. The declining rate schedule was instituted in about 1998. The purpose of that schedule was to encourage students to buy credit hours in bulk. It has not had the necessary desired effect. If you don't understand the declining rate schedule, this is the way it functions. For students who are part-time, enrolled in 1 to 11 hours, they are charged a tuition rate, a per credit hour tuition rate. When they enroll in 12 – 14 hours the per credit hour tuition rate is lowered. When they enroll in 15 or 16 hours the rate is again lowered. Besides failing to achieve its desired purpose, which was to encourage students to enroll in more hours, the declining rate schedule also causes some extraordinary confusion amongst students and parents. An example of that is when a student drops from 15 to 14 credit hours in a given semester, the charges that the student confronts actually increase. It's a very difficult and indeed an illogical conversation to have with the student to explain that less costs more. The bundled tuition rate that's being proposed here actually addresses and eliminates that difficulty. It continues to charge a per credit hour rate to part-time students, those who are enrolled in 1 to 11 hours. But at the 12 hour mark, all students pay the same tuition. That tuition rate at the 12 hour mark is set as the equivalent of 13 ½ credit hours roughly. 13 ½ credit hours is about the average credit hours in which undergraduate students are enrolled. The bundled tuition rate also provides an undergraduate student, who intends to enroll full time, a very clear incentive to enroll in something beyond the minimal full-time level. For example, a student who intends to be full-time is advantaged to enroll in 15 or 16 hours. The price is exactly the same as it is for 12 hours. Indeed, if you look at the 16 credit hour level for students who will arrive next fall, they will be charged about \$200.00 less than a student in the exact same situation this year. The bundle rate has that effect. We do care that students enroll beyond the minimum to be full-time students. We need them to be enrolled at that level. We want them to be. It's the right thing to emphasize. It emphasizes to students that we want them to complete their degrees in four years, and there's a lot of pressure to do that. There's pressure on the institution to do that because of the ever-growing influence that performance-based funding will have. For prior truth in tuition years you'll notice on page 14, table 1, that the bundled rate kicks in at 14 rather than 12 hours. What's less evident in that table is that we honor our legislatively mandated commitment to truth in tuition by actually lowering, if only marginally, the tuition charged to every student who's subject to a prior year's truth in tuition. The second recommendation that I'll draw your attention to is the one in which we seek to improve the geographic diversification of our undergraduate student body. We make that recommendation based on the proposition that establishing an alternative tuition rate for students in nearby states will facilitate their enrollment. An alternative tuition rate for students who are residents in propinquities states, in our case that would be Missouri, Iowa, Wisconsin, Indiana, is not a

novel idea. Many institutions in the state of Illinois do that. We have not done it in the past. We do propose something a little bold in extending that alternative rate to include residents in the states of Michigan and Ohio. The primary purpose in doing that is we do have traction with students in those states. We do attract students from those states, in small numbers, admittedly. We believe that owed largely to the success of Huskie athletics in the MAC conference, which is numerically dominated by schools in those two states. And just as Huskie athletics are capable of bringing student athletes from those states, we believe that we'll also be able, strategically thinking, be able to draw other students as well. The other tuition recommendations I want to draw your attention to all revolve around graduate or professional tuition. But like the items that focus on undergraduate tuition, these are intended to pave away forward by removing barriers to enrollment growth. One of the components that I'll start with is on page 13. There is a proposal there that seeks to consolidate for graduate and law students all tuition and fees under the rubric of tuition. We make this recommendation to approve a consolidated tuition rate because every semester we lose graduate students who have employer reimbursement benefits. We lose those respective students because NIU charges tuition and general fees and program fees and excellence fees and regional delivery fees. And for students who have employer reimbursement, that reimbursement typically only covers what is labeled as tuition. By calling what we charge students tuition, we will be able to attract them because right now what happens is those students look at our price and what they have to pay, and though the overall price is substantively lower than private institutions where they often go, it's much more affordable for them to go to a more expensive institution than it is to come here. We believe this will help us with enrollment, particularly in professional programs. In constructing this consolidated tuition rate, it's important to recognize in part what will happen there is that we have to smooth out some of the differences that we see in fees. For example, the academic enhancement surcharge which is currently on a sliding scale of \$125.00 per semester or \$250.00 per semester, will need to be evened out to be \$22.00 per credit hour. Likewise, the outreach delivery charge which for students who take courses off campus or on line is currently \$56.00 an hour will need to be evened out across all graduate students enrolled to be \$18.00 an hour. The next recommendation is not unrelated to the first or the final one. It seeks to get your approval to create program level differential tuition rates. Differential tuition is not an unfamiliar concept in higher education institutions. It's certainly not unfamiliar with many of our competitor institutions which do charge differentials based on the enrollment, a program which a student is enrolled. As envisioned here, differential tuition will be a substitute for program excellence; regional delivery fees which do in fact function as differential tuition under a different name. Restyling those fees as tuition is necessary to consolidate instructional and institutional charges. More importantly, by approving the proposed range for differential tuition to be charged to all students enrolled in a specific program, the board will be turning loose the creativity and the entrepreneurial spirit of faculty. Effectively, by assuming regional delivery fees under the rubric of differential tuition and spreading those charges across all students enrolled in an academic program, the board will be removing location and modality as a consideration. The board will be incentivizing academic programs to educate the greatest number of students, graduate students, regardless of location or modality. The board item related to differential tuition asks approval for establishing a minimum and maximum differential rate. Here the compressed timeline in which we've operated as a task force has affected our ability to consult widely enough to develop program specific differential rates. Faculty and chairs and deans will need some time to consult and figure out at what rate, if they wish to charge a rate, differential they should use. We do envision a process that would require academic units to propose and receive approval from the CFO and the provost for any differential charged. We do envision a process for reporting to the board what those approved rates are and how they're functioning. The compressed timeline under which we operate and notwithstanding approving a range, as proposed here for differential graduate professional rates, will help academic programs be sufficiently nimble to address dynamic market conditions. Finally, seeking approval for a range of differential rates is not without precedence with the Board of Trustees. Some years ago, the Board approved a maximum rate for regional delivery charges so that Dr. Kaplan would not have to seek specific board approval each time that a program wished to alter the charge. Since the differential rate will be supplanting the regional delivery charge in part, the item seeks an extension of the consideration that's been previously afforded. The final item that I'll point to is the on-line tuition that's proposed there. Everyone at the institution

knows that for years now we've struggled to get on a path forward to do on-line graduate education, on-line education for adult students. Provost Freeman and Dr. Kaplan have of late started down that path by bringing together the sources of e-learning and the Center for Faculty Development and Instructional Design and placing them under the rubric of the Office of Online Program Development and Support. That effort is intended to seed and to bolster ongoing efforts to deliver outstanding academic programs on-line as well as certificates to working adults. The justification for establishing a per credit hour range for programs that undergo a process for designation on line is not unlike the justification for differential tuition. In fact, the two are intimately related. We seek to provide proper incentives to encourage faculty to think creatively about how best to provide an NIU education to the largest possible pool of students. I readily admit that the range that we ask the board to approve is wide. The minimum per credit charge is roughly the equivalent of proposed graduate tuition rate, and the maximum requested is not unprecedented in the marketplace for online business and health-science related degree programs. That maximum however is at the upper bounds of the price charged for online education. We are aware of the need to balance cost and the desire to grow enrollment. We also know that working professionals desiring advanced credentials have created a very vibrant marketplace where quality and convenience are very much in demand, highly desired. The tuition range for which we seek approval allows the university to compete in a very diverse online graduate education, adult education market. Miss Suttentfield I will yield to you. It's your show. I'll take questions or you can.

Chair Strauss asked if there were any questions for Dr. Bond before we move on to hear the presentation regarding room and board and fees? So let me ask one question with regard to the graduate level tuition, if we are okay with consolidating the two and creating a range, how long would that arrangement remain in effect?

Provost Freeman responded that the presumption is that on an annual basis, when we set tuition and fees at this committee meeting and the subsequent board meeting, we would ask the board either to reaffirm or modify the range.

Chair Strauss thanked Provost Freeman. If there are no other questions for Dr. Bond at this point then I think the plan is to hear from Dr. Weldy next.

Dr. Weldy thanked Nancy for giving a nice summary in regards to room and board rates as well as our student fees. What I would like to do is to just share a few highlights in looking at our housing and dining, excuse me our room and board rates. There were some changes that were made; our recommendations for changes for FY16, and I just want to highlight a few of those. One is looking at coming up with a single meal plan focusing on our unlimited access meal plan. In FY15, our current fiscal year, when factoring in the meal plan options available, there are 16 possible room and board rate combinations when factoring in only the rates by room type. The recommendation for FY16 is to come up with just one single meal plan, unlimited access meal plan, for our students. This will allow for just three possible combinations. So parents can now at a glance quickly determine the per semester cost of living on campus. One of the difficulties for our parents and for families is figuring out what is it going to cost as it relates to room and board and being on campus. So depending on where a student decides to live, it basically was a little bit complicated. What this allows us to do is really to fall in line with our competitors and what they're doing and make it easier for our families to make a decision. The other thing I want of focus on is from the standpoint of the language. When we talk about rooms, (and there are different types of rooms this year, for example, students have the options of a single occupancy room, a double occupancy, or a suite), to simplify the language, we'll have basically just two areas, one is the single occupancy rate and the other one is what we call a multiple occupancy rate. So we now consider all living spaces that house two or more students as a multiple occupancy which is in line with what many other colleges and universities are doing around the state and around the country. There are no competitive or market advantages in pricing suite style rooms differently than standard, double-style rooms, and so I think that this a good decision on our part from the standpoint of making this recommendation. As we move to a single unlimited access meal plan, what we're doing is instead of having two rates, one for

room, one for board, we're looking to have one single rate for our students. And so as we move to a single unlimited access meal plan, which all students who are living on campus are required to purchase on campus, the need for separate roommates and board rates has been eliminated. This will allow us to present a single combined room and board rate which is also in keeping with what other institutions are doing, and once again I think it simplifies it for our families and parents and students from the standpoint of looking at what will it cost to live on campus here at NIU versus other institutions, other competitors. So those were just a few things I wanted to highlight in regards to the room and board rates, and I think it would probably be easier to open up for questions here and then go to the student fees.

Chair Strauss asked if there were any questions at this point? The following discussion took place:

Chair Strauss: *Let me ask just a couple then and we'll come back. With regard to multiple occupancy, you could have a single resident in a multiple occupancy room, at least in theory?*

Eric Weldy: *In theory, I think so.*

Chair Strauss: *What would be the pricing for a multiple occupancy room occupied by a single person in the proposed plan?*

Eric Weldy: *In the proposed plan I think the price would basically be the same.*

Chair Strauss: *It would be the same, alright. Again, at least in theory, you could have a student living off-campus that wanted to buy a meal plan. Is that still an option?*

Eric Weldy: *Yes.*

Chair Strauss: *And what would the pricing for that be?*

Eric Weldy: *The commuter plan - Mike do you have the price off-hand?*

Mike Stang: *There's a variety of options for off-campus students. The highest plan is just over \$1,000 for the semester.*

Chair Strauss: *Alright, so is that something that we would need to approve but that isn't in table two?*

Eric Weldy: *In regards to the commuter?*

Chair Strauss: *In regards to the rate for the commuter. We may not solve this today. I just want to make sure that we've done everything that we need to do to give you the approvals required.*

Eric Weldy: *Okay. I don't think that we're not making any changes with the commuter meal plan rates.*

Chair Strauss: *Alright I'll just leave it as a question for now.*

Chair Strauss: *The last question I have is regarding the table two provision for Grant Tower B which isn't in service currently.*

Eric Weldy: *Yes, that's correct.*

President Baker: *If I could just briefly speak to that, we had a wonderful challenge this fall which was with residence halls closed we had more students than we had room. It's a wonderful thing to have as an issue. We're sixty?*

Mike Stang: *About seventy.*

President Baker: *Seventy students short so we used Holmes and open areas and other things. So looking forward next year with our increased recruiting efforts, we're hoping we have a bigger challenge, and so we need to decide going forward what we need to do, and this is one proposal. We've got two residence halls that are mothballed; one is Lincoln and one is Grant A and B, and we're doing an analysis on that right now. So I'd offer this as a placeholder that we'll come back to you in December. We need to do some more analysis to finalize what we want to do there. We've got a lot of options with the wings in Lincoln and then the two towers. I think this is a placeholder number we might frame it as, and we'll come back to you with more detail in December.*

Chair Strauss: *Thank you. Bob?*

Trustee Boey: *Eric, under meal plans, you have the Huskie unlimited at \$1,040, I understand that; Huskie 65 at \$1,040; what is 65? 65 years old? I figure it can't be because Huskie 90 is more expensive than Huskie 65.*

Eric Weldy: *No I don't think it's in regards to how old you are.*

Trustee Boey: *No I'm kidding, but help me with the numbers 65 and 90.*

Eric Weldy: *Under the FY16 recommendation, we're just going with the one meal plan, the Huskie unlimited plan, and so the other two would be eliminated for FY16.*

Trustee Boey: *Thank you.*

Chair Strauss: *Trustee Butler?*

Trustee Butler: *Can you walk me through the determination that the room and board rate, the consolidated room and board rate, that's being proposed represents a 7.08% reduction, because I'm seeing, as I'm doing some calculations, I'm not seeing there to be a significant difference if you were to add the meal plans to the single rooms, because this is an analysis of single room costs, right? But if you're not in a single room, let's say you're in a double room, I guess I'm trying to figure out, it seems to me it's the same price. So if I'm in Gilbert in a double last year I'm paying \$4,206 plus a meal plan, let's say the lower end of \$1,040, that's \$5,246 isn't that what you're proposing in FY16?*

Eric Weldy: *Yes.*

Trustee Butler: *So how is that a reduction?*

Eric Weldy: *The number that is given in regards to the reduction rate of 7.08 percent is a little bit misleading because not all of the students would be eligible for that reduced rate.*

Trustee Butler: *Why is that?*

President Baker: *If you look at table two, go down to the meal plans, you see the Huskie 90?*

Trustee Butler: *Yeah.*

President Baker: *So for this year per semester it's \$1,440.*

Trustee Butler: *Yeah.*

President Baker: *And next year it would drop \$400.00 a semester. So that \$1,000 plus the tuition gets you to the \$5,246. It would have been that \$400 per semester times two, \$800. So that's the decline you see, and then if you go over to table four, it shows a parenthetical \$800 in the change column. That's the difference. That's the \$800 reduction going from the premium meal plan.*

Chair Strauss: *Just calculated off the Huskie 90 meal plan not the Huskie unlimited meal plan?*

President Baker: *Right.*

Chair Strauss: *That's how you get to the 7.08 percent.*

Trustee Butler: *Okay, so the reduction analysis assumes the expensive meal plan.*

Chair Strauss: *Right.*

President Baker: *So in the new one, it's unlimited food, like just want you had for lunch until you eat and blow up or something.*

Chair Strauss asked if there were any other questions before we move on to the introduction of the fee piece of this? Okay Eric let's move on then.

Eric Weldy continued, that was a wonderful example of what some of our families and students were going through in trying to figure this stuff out depending on where they would end up living on campus. So I think it's a good move. The next one is in regards to our students fees. There were a number of subcommittees looking at the various fees, and I just want to note that, as last year, President Baker charged the fee committees to review the continuing necessity of each fee as well as insuring that the fees are being utilized for their intended purpose, and looking at FY16, assuming a zero percent fee increase unless compelling documentation could be provided that would support the need for an increase. As we look at our recommendations for FY16, we are recommending no fee increase for a majority of the fees, with a couple of exceptions at this time. One is the bussing fee, and the other is the student activity fee. Just to make a couple of notes in regards to these fees; in regards to the bus fee, the recommended fee increase for FY16 is 3.49% or 33 cents per chargeable credit hour. The reason for this is twofold: one is that we expect a decrease in the chargeable credit hours (basically, low enrollment means that you have fewer dollars), and the second is an increase in the contract amount of the bus contract due to the purchase of one bus each year. There are times when, due to heavy use by our students depending on the routes, there's been a need to add a bus. In regards to the student activity fee, just a couple of talking points. There is a 3.04 % or 13 cents per chargeable credit hour recommended increase. The recommended increase is due to increased funding requests for programming from over 200 student organizations and service departments. The increase will also allow for funding to remain flat due to drop in enrollment, possible drop in enrollment. Secondly, it is to address any small salary increments for full-time staff.

Chair Strauss asked for questions and the following conversation ensued:

Trustee Butler: *When you say full-time staff, you mean staff whose salaries are paid by the activity fees?*

Eric Weldy: *Yes, that's correct.*

Trustee Butler: *So this could be say a minimum wage alteration?*

Eric Weldy: *Yes, that's correct.*

Trustee Butler: *The other question I had was if whereas tuition levels out at 12 credit hours, do fees stop at that point or if you take 15 hours, are you charged 15 credit hours times the fee?*

Eric Weldy: *Yeah, I mean you're charged per credit hour.*

Chair Strauss: *Up to 12.*

Trustee Butler: *It caps at 12 just like tuition does?*

Eric Weldy: *Yes.*

Chair Strauss: *Any other questions before we have a greater discussion? Let me just ask one before we move on to the bus contract. We're paying for a new bus the way that you described it?*

Eric Weldy: *No what I said was that in previous years there's been a high demand depending on what line, and so when we've had students that have been waiting and not being able to get on busses because of the heavy use on a particular line, then we've had to add a bus line.*

Chair Strauss: *Oh I see. Not purchase a bus, add another bus to the mix.*

Eric Weldy: *Yes.*

Chair Strauss: *Okay if there are no other questions at present then thank you.*

Eric Weldy: *Thank you very much.*

Chair Strauss asked for a motion to approve the recommendation that's in the printed materials on page 12. This will at least get it on the floor, and then we can have a discussion about all three of these items.

A motion was made to approve the recommendation by Trustee Murer; seconded by Trustee Butler. The motion was carried.

Chair Strauss opened it up for discussion:

Trustee Coleman: *My question is related to total revenue. Based on the changes that we're projecting here, and I'm assuming we're doing different scenarios with the students whether there's an increase or decrease of students on campus, what is the projected revenue impact with these changes?*

Nancy Sutfenfield: *Imbedded in the tuition recommendation, is a 2.3 percent increase. The estimated revenue on that is about 1.2 million dollars as I recall. Depending upon the assumptions you make about how many students actually participate in the board program, you will have very different projections of room and board rates. So we've run a lot of scenarios with a lot of combinations, and at this point in time I can't really give you a definitive net change in revenue, but we do have sufficient revenue coming in on the tuition side to give us a little bit of maneuvering room for general operating purposes (meaning our instructional programs and the administrative and student support programs that are paid from that) but the margin will be very, very small. Because there are so many moving parts to all of this, it's very hard to anticipate what the actual change to the overall bottom line will be.*

Trustee Coleman: *So raising the rates in some cases could have an adverse impact to our bottom line. Is that correct?*

Nancy Sutfenfield: *It's possible because we have to make changes, but when you put together a variety of different assumptions, and that's all they are, it's really hard to compare what the world will look like in this new structure to the structure that we know we have today.*

Trustee Coleman: *So with all moving parts and seeing only part of picture, this is really tough for me, I have to tell you, because we're looking at the income side of the organization, at least as it relates to our students, without taking a closer look at the expense side of the equation. I know we've got to give rates out there so we can market it and get people locked, but it's kind of difficult looking at just one side of the ledger at a time, and I struggle with this. I struggle blindly looking and approving rates and rate increases, and I think you guys have done some creative things here. I like some of the creative stuff that you're trying to do in terms of bundling items and keeping it simple, but I also have to emphasize*

that I'm concerned about the expense side of the equation, and we need to address that at a different time. We have a tendency to say we will spend what we have. Right now we're putting a down payment on what we would project to get based on the income side, versus looking at both income and expenses together. Maybe this is just the timing of it in the way we do things, but I struggle with this.

Nancy Suttentfield: My response is, and I think you make an excellent point, it is the elephant in the room in terms of financial planning and budgeting for the next fiscal year. I think the way that we will address it is to be extremely conservative in all of our assumptions about revenue and then assure that when we are projecting expenses for next year, that we project worse case scenarios for revenue so that we can assess the bottom line implications and make resource allocation decisions accordingly. That's the way I would respond. But it's clear that the structure that we have is not working, and it's clear that we are maxed out in terms of what our pricing can be with respect to our competitors. So we do have to make changes.

Trustee Coleman: One last comment. We're losing a lot of students to nearby states. When we look in terms of comparisons to the public institutions and their annual increases and their annual rates, how do we compare to the Missouri's and the Iowa's and some of the other schools in Indiana and Michigan?

Nancy Suttentfield: Dean Bond did the task force look at that specifically?

Brad Bond: Can you ask the question again?

Trustee Coleman: Sure absolutely. On page 14 we have a breakout of the Illinois schools, and right now I guess Northern is probably around the middle of the pack in terms of increases from the prior year. The question I have is, since Illinois is losing as a state, we're losing a lot of our high school graduates to neighboring states, how do we stack up in terms of the fiscal year or the annual costs for full-time students to some of the neighboring public institutions?

Brad Bond: In states like Iowa, our costs are going to be very similar. Their rates have been similar. Missouri is a lot cheaper. Indiana is a bit cheaper for their in-state students. Those are our tough markets, and if you go as far south as Kentucky, we have very few students from Kentucky for a reason, it's really cheap to go to school there.

President Baker: If you go to Indiana or Iowa from Illinois?

Brad Bond: If you go there from Illinois, it gets pretty competitive. It gets pricey quickly. Some of those states, well at least Iowa I believe, is three times the rate for out of state.

Trustee Coleman: What's wrong with this picture? If Illinois is the second largest exporter of high school students and those students are willing to pay three times the price, something's wrong. Why? I would love if anybody's got any insight on that. So you're saying they're paying more to go out of state.

Brad Bond: That's what the book rate says.

Trustee Coleman: Okay, but that may not necessarily be the case. They may be getting subsidies?

Brad Bond: That's exactly right.

Trustee Murer: Okay I have like three disconnected thoughts on this and questions. The first one is, could you just refresh my recollection as it relates to the truth in tuition. That remains a mandate?

Nancy Suttentfield: Yes.

Trustee Murer: Yes, so what we're establishing here today is the tuition of an entering freshman that will not have increases for four years. Do you say four or five years?

Chair Strauss: Nine semesters.

Trustee Murer: Nine semesters, alright, regardless of the costs, so there's a guarantee of nine semesters on this. Is the room and board applicable to that or it is just the tuition?

Nancy Suttentfield: Just the tuition.

Trustee Murer: Just the tuition. That is guaranteed.

Chair Strauss: Not fees.

Nancy Suttentfield: That is correct.

Trustee Murer: Alright the other question I had was when we were speaking of extending these rates to multi states and including Ohio and Indiana, Wisconsin, are we saying that we are going to offer in-state tuition? Tell me what that meant again in terms of when you talked about the multi-state approach.

Nancy Suttentfield: Currently all out-of-state students pay twice the in-state rate.

Trustee Murer: Literally?

Nancy Suttentfield: *In-state tuition rate, and there is not state law or policy that mandates what the out-of-state rate should be, we felt that we had opportunities to be more competitive in adjacent states if we offered something less than two times the in-state rate. When we looked at what the other Illinois institutions were charging out-of-state students, they were somewhere between 1.5 and 2.3 times higher, so we felt this was a good opportunity to test the concept of going from two times to 1.4 times in our geographic region, recognizing that there could be, would be a revenue loss associated with two times versus 1.4 times.*

Trustee Murer: *You want to make it up in volume.*

Nancy Suttentfield: *We want to make it in volume, and we believe that approximately 80 students, if we could purchase lists or practice other forms of targeting marketing, could make up that difference and perhaps even give us a revenue gain.*

Trustee Murer: *Is it true that Missouri is one of the larger poachers of Illinois students? University of Missouri?*

Eric Weldy: *Missouri, and Iowa is right up there.*

Trustee Murer: *What is the University of Missouri offering Illinois students vis-a-vis the rates that are provided for an in-state Missouri student?*

Eric Weldy: *I don't have that off the top of my head, but I think that Brad may.*

Brad Bond: *It's not going to be real clear off the top of my head, but as I recall, Illinois residents, or maybe all out-of-state residents, applying to the University of Missouri with a 25, I believe, or higher on their ACT are guaranteed in-state rates.*

Trustee Boey: *Guaranteed in-state rates?*

Brad Bond: *In-state rates.*

Trustee Murer: *They're getting the in-state rate?*

Brad Bond: *Yes. Now University of Missouri does have differential tuition so they have a book price on their regular in-state rate, but if you start digging a little bit deeper, that in-state rate with a differential goes up pretty high.*

Trustee Murer: *To be clear on what you just said, the University of Missouri is offering in-state tuition to neighboring states including Illinois?*

Brad Bond: *And it's attached to an ACT score.*

Trustee Murer: *Okay.*

Brad Bond: *Iowa State does a similar thing too.*

Trustee Murer: *Is Missouri one of the more aggressive universities doing that?*

Brad Bond: *University of Missouri is very aggressive doing that. I don't know if Dr. Weldy's seen data lately, but I think the numbers of Illinois students that are going to Missouri are increasing.*

Trustee Murer: *And just one last question, Mr. Chair could I?*

Chair Strauss: *Yes is Brad going to answer it, if not maybe I could ask just a couple short questions.*

Trustee Murer: *Oh certainly.*

Chair Strauss: *Before we have him leave the microphone and then we'll come back to you. So to finish the context as long as you're at the microphone, we haven't explicitly talked about the tuition setting for international students, and that's a multiple as well. Is there a proposal for that or the continuation of a practice?*

Brad Bond: *It would be treated just as out-of-state students, yes sir.*

Chair Strauss: *Two times*

Brad Bond/Nancy Suttentfield: *Two times the rate.*

Chair Strauss: *Alright, and I know that everybody sets their tuition at different times and we've had a discussion now about out-of-state schools. Is there any context that's available about what other in-state schools are going to be charging?*

Brad Bond: *We do not know that.*

Chair Strauss: *Okay. Thank you. Trustee Murer.*

Trustee Boey: *Before you go, let me just clarify what I thought.*

Chair Strauss: *For Brad? Because I think Cher had a question.*

Trustee Boey: *For Brad, excuse me.*

Trustee Murer: *So if you have it for Brad because I have a totally different question for Eric too.*

Trustee Butler: I have a question for Brad too.

Trustee Boey: Brad, you mentioned Missouri has a changing in-state rate within themselves, I thought I heard that.

Brad Bond: A differential rate program, yes that's right.

Trustee Boey: So for an ACT of 25, a student from Illinois going to Missouri is twice you said, or is it 1.5?

Brad Bond: It's one. It's the equivalent of in-state.

Trustee Boey: It's equivalent of in-state but what is the actual, I thought I heard...

Brad Bond: What is the actual tuition? I'm sorry I don't remember.

Trustee Boey: No, no, no I don't mean the number, but I thought they were playing games with in-state rate and that the differential was in their in-state rate.

Brad Bond: There is depending on the academic program, the major that you're enrolled in, your rates would go up. Engineering students are paying an additional (I think it's close to) \$50.00 maybe \$75.00 per credit hour.

Trustee Boey: But that's the degree difference?

Brad Bond: That's right.

Trustee Boey: But otherwise in-state. If in-state they're not playing games with it?

Brad Bond: My only point in mentioning that was that you have to be careful when you look at book rates.

Trustee Boey: You bet, okay, thank you.

Chair Strauss: Trustee Butler.

Trustee Butler: Brad my question for you is, were there any discussions in the group that you led with regard to international students providing some opportunity for nimble pricing there?

Brad Bond: Yes there was. We looked at both views of that question - that is making the rate higher than two times the in-state rate which is a practice at some institutions, but also looked at making it a little bit lower. And in the end, in part because the influence of the Dean's Council and Deans, the rate that's being proposed at two times the in-state rate, the traditional place, was where we held steady. We did look at it.

Chair Strauss: Trustee Boey.

Trustee Boey: I thought we were, and Dr. Baker, I thought we're making an extra effort to increase the international students coming in. That was my sense that we're trying to increase the enrollment of international students, and yet we haven't made any adjustment other than twice the in-state rate for international students. Is there any room there to try to make it more attractive?

President Baker: Well two comments on that. One is some international students are not price sensitive. The Saudi Student Association approached me and said that they'd be happy to recruit and their government pays 100 percent of their tuition.

Brad Bond: Plus the living stipend.

President Baker: Plus a living stipend. So they're not very price sensitive as it turns out.

Trustee Boey: That's from Saudi Arabia?

President Baker: Right. Now they don't pay room and board, so these room and board changes are going to make us more attractive for those kinds of students. So they're more sensitive to room and board rates than they are to tuition. On the tuition side, if we set it at two, that gives us some flexibility because we're covering more than costs there that we can discount if we need to. So it gives us a flexible cap that we can deal with. If you put it at 1.4, you maybe not even be breaking even there, or breaking even just barely, so you don't have any room to discount. So we're probably better off at that level and then having some flexibility, if we get into contractual negotiations, to make some adjustments if needed.

Trustee Boey: So what I'm hearing Dr. Baker is that two times is not a drop dead rate. It's a rate that is flexible for international students.

President Baker: It is. It's one we'd like to collect if we can, and a lot of the universities use out-of-state students as a place to enhance their budgets. Our tuition doesn't cover the costs of educating; an in state tuition does not cover all our costs. So you've got to make it up with the state funding piece which we've seen a steady decline in for twelve years, or other revenues and this may be another revenue source.

Trustee Boey: Well okay. You and I have talked about this in the past. I view the international student situation is that when they come they have to live on campus and that's all the other necessities of room and board and whatever is – it is basically a full service program for international students as versus someone in state that may or may not live on campus.

President Baker: They don't have to live on campus.

Trustee Boey: No but it's more probable that a foreign student will live on campus.

President Baker: I don't know. What do you think Brad?

Brad Bond: Maybe amongst the undergraduates yes, but not for graduate students.

Trustee Boey: I'm thinking about undergrads.

Brad Bond: It's probably 50/50 I would say. Mike? International undergraduates living at higher or lower rate on campus?

Mike Stang: We have very few living on campus, but we would have very few traditional freshmen international students. (no microphone last sentence inaudible.)

Trustee Boey: Okay, and I'm thinking of freshmen. I'm just thinking of 100 years ago when I came as a freshman, I lived on campus. There was no other place to go. As simple as that.

President Baker: On the way out, we're not just competing on price, we need to compete on quality, and we have to have enough money to have a great faculty and facilities and programs and staff to run the place.

Chair Strauss: Alright Trustee Murer and then Trustee Coleman.

Trustee Murer: I have a question back to Eric, I understand the issue of the food, that makes a lot of sense to me to just bundle it, and you're just giving people one price, is that correct, the \$1,040?

Eric Weldy: Yes.

Trustee Murer: Okay, but the more I thought about this consolidation of the single and multiple where you had such a description before on the two people, the four people, the bath, the no bath, when you just do a single and a multiple then who makes those decisions? I mean there still will be, or are all the rooms uniform now?

Eric Weldy: All the rooms aren't uniform. It just kind of depends on where you live. So a student will select a residence hall really based on what their needs may be. Maybe there's certain things that one residence hall offers that's more appealing than another. Sometimes you're comparing apples and apples and sometimes you're comparing apples and oranges. It really depends on the students.

Trustee Murer: You're saying a family and a student isn't concerned whether its two people or four people, whether there's a bath or not a bath, and they're not willing to pay a differential on that. Is that what your research has shown you?

Eric Weldy: According to my housing director yes. That's what the research is showing.

Chair Strauss: Okay Trustee Coleman.

Trustee Coleman: I need further clarification on a couple things. So the truth in tuition covers the book rate but not necessarily the differential?

Chair Strauss: It covers, somebody correct me if I'm wrong, but it covers tuition for undergraduates guaranteed for nine semesters. It doesn't cover fees. It doesn't apply to graduate students or incoming undergraduates.

Trustee Coleman: So what about differentials? If the College of Business charged \$200.00 extra for a credit hour or something of that nature, I'm assuming that's not included in the book rate. Is that correct?

Chair Strauss: It could be done as a fee.

Trustee Coleman: Okay. So what we are voting on is the book rate of a 2.3 % increase as well as the options for different colleges to charge differentials.

Chair Strauss: Differentials are for graduate tuition, not for undergraduate tuition.

Trustee Coleman: Okay.

Chair Strauss: And for on-line. I know it's confusing. It took me a while when I sat down to talk about it first.

Trustee Coleman: I am confused and I appreciate and I'm sorry if my questions are not appropriate but before I render a vote here I want to make sure I know what I'm voting for. So what we're saying is for the grad level and there's differentials but not for undergrad?

Chair Strauss: That's correct and then there's a separate set of proposals relative to on-line that also has a range in it. Those are for programs and not for classes and they'd primarily be graduate classes.

President Baker: Could I just comment on that? One of the reasons we're probably confusing you and others is that we're going from a slope in tuition you with a declining amount, and we're making it linear so that at 12 credit hours the line becomes a plateau right. So if you, last year if you would have looked at as Brad said somebody at 16 credit hours, this year or next year if we approve this, they'd pay less. So it depends on where you are on those curves.

Trustee Coleman: I get that aspect of what we're trying to do here. I was confused about the differential in terms of I thought we were giving the liberty for undergrads as well as grads.

Chair Strauss: I think they're great questions and the confusion isn't just going to be ours, it's going to be everybody who is being asked to consider to come here and their families who are participating in the decision making. So part of this is about how we message whatever it is that we ultimately decided to do with this. It has to become understandable for the consumer. Trustee Butler?

Trustee Butler: So when we started this conversation I had three concerns that I thought I would need to be given more information on before I could support this. I mean I'll support this coming out of the committee regardless. Now I'm a little bit down to maybe two. On the international students I felt as though we needed to have flexibility. If I understand President Baker, there is flexibility in the potential for the university to negotiate with another university, for example with the issues we were working on with China. That's good because I would want us to have that flexibility, so I'm not as concerned about that. Now before I say this, I do want to say I greatly appreciate the work that's been done here. This is the kind of nimble thinking and creative entrepreneurial thinking and flexibility that I've been hoping for, that I have actually publically stated when I've spoken on behalf of the board, that the board is open to, and I've actually used the word nimble so bring us your ideas and we will work with you. However, I do have some reservation about the differential tuition rate. Not the rate as it's been presented here but the precedent we're setting as a board by approving such a wide range of pricing without us sort of putting our final stamp on it. So if I understand that at the graduate level, this is the pricing that we are saying yes to if we vote for this - \$493.63 per credit hour plus a differential tuition rate between \$30 and \$400 to be determined by the various units and departments and programs as some point in the future, presumably before we begin to promote these programs. On-line we're approving \$500 to \$1000 per credit hour. I didn't mean to stress \$1,000. I understand that there are some programs that would warrant that high level, plus \$30 to \$530 in differential tuition rate, and I understand from Provost Freeman that the recommendation is and will continue to be that these differential ranges be brought to us on an annual basis, and we will approve them on an annual basis. I'm a little uncomfortable with that. The board has within its authority and mandate to set tuition rates and fees. I'm a little uncomfortable with that big of a range. I think I'd be comfortable with it for a year, and then I would like us to settle on some sort of a routine process whereby we bring the pricing structure in all of its complexity to the board for its approval. But I'd be comfortable with it for a year. I don't want to go back on the notion of being nimble and encouraging an entrepreneurial pricing structure and doing the work that needs to be done. But going forward, I would hope that we could do that work before the cost of attendance proposals come before the board.

Chair Strauss: I saw Dr. Bond advancing to the microphone again, but let me see if I can simplify this somewhat and provide a little context and then you may also want to have some consultation before we get to the full board meeting, because I don't know that we'll be able to flush out all the details for you. My understanding is that the range that's being requested now pretty much reflects the range that we have in actual costs for our current programming, within a range of \$50 or thereabouts. So this flexibility, that range, is already imbedded in the many different tuitions that we've either approved or have come out of other programs. So the annual review of the range will allow us to be sensitive. I don't know whether that's fully satisfactory for you or not, but whatever we do today we're gonna have a chance to address it again in the full board meeting. If I've missed any point or you want to clarify further please go ahead.

Brad Bond: I did want to clarify the business about on-line where you were talking about \$500 plus, \$1,000 plus. Is that what I understood you to say?

Chair Strauss: (no microphone)

Brad Bond: *It's no plus. That range is for on-line, minimum per credit charge would be \$500. The maximum that's in the proposal would be \$1,000. Nothing else, period; so there's no plus. That was my only point Trustee Butler.*

Chair Strauss: *That's a fully bundled rate as it's proposed.*

Trustee Butler: *The written materials do not reflect that. I'll read directly from it. It says, "This recommendation relies on approval of a consolidated tuition charge and differential tuition where the minimum differential charge will be..." which it seems like that should say differential tuition, "will be 30 per hour and the maximum will be 530."*

Chair Strauss: *So the intent is that it be fully bundled.*

Provost Freeman: *If you look at Figure 1, which is labeled Components of the Minimum On-Line Tuition, and you look at the second line from the bottom in that table, the line item is called Program Differential. What's shown there is the minimum differential charge of \$30 per hour that's referred to in the narrative that you just read, and that results in a bottom line in that table of the total minimum on-line tuition. If instead of the program differential line item being the minimum of \$30, it was the maximum of \$530, you would have a total maximum on-line tuition that would be \$1,000.*

Chair Strauss: *\$1,000. So that was the intent, and if some clarification of the language is in order, I think we can have that discussion, but that was the intention.*

Trustee Butler: *Okay.*

Provost Freeman: *Is that helpful?*

Trustee Butler: *Yes it is. So then I would modify my comments only to say that the differential on the graduate from \$30 to \$400 as an ongoing basis is a regular practice of us approving a range as opposed to an actual cost. That troubles me at the moment. I could be talked into it, there could be some argumentation here, but at the moment I'm uncomfortable relinquishing that board authority going forward.*

Chair Strauss: *Okay. Anything else?*

Trustee Butler: *Yeah there was one other thing which was the existence of the B Tower placeholder price. Here's what concerns me about this, and this gets into setting precedence as well. If we approve this, but then we don't look at proposals regarding the B Tower project say for another meeting cycle, we kind of lock ourselves into that proposal. What I'm concerned with is before we approve the price for occupancy of a residence hall that is currently not prepared for occupancy, I would like us to look at the proposal of preparing it for occupancy.*

Chair Strauss: *Alright. Do you understand the question?*

President Baker: *Yeah, and we'll have that for the December meeting.*

Trustee Butler: *That would be fine.*

Chair Strauss: *Alright. That's it John? Trustee Boey thank you for being patient.*

Trustee Boey: *I see how we struggle to try to understand room and board and tuition changes. I see how we struggle here. We are people who are supposed to know something about it. I shudder to think how a typical family at home is going to understand and compare favorably as to how much it costs for NIU versus Northwestern or somebody else. What I'm leading up to, is there any way we can simplify this thing? I know it's hard. I know we're trying to cover a lot of changes.*

Chair Strauss: *I agree with this, but I will tell you that what's being proposed is simpler than what currently exists. So this is a step in the right direction, but there certainly is a communication piece to this as well.*

Trustee Boey: *Wait a minute, you mean there is a simpler solution than what we have heard?*

Chair Strauss: *This is a simpler solution to what currently exists believe it or not.*

President Baker: *Could I explain. Let me use a visual. What we're proposing is a line, a straight line up to 12 credit hours for undergraduates. That's probably what you're most interested in; where currently that line is not straight. It's an S curve. Okay, and so Brad said that if you go from 16 to 15 hours you drop a – let's say you drop a one credit class – you owe the university money currently because you've backed into a more expensive tuition rate. So that's confusing when you're paying tuition and you say to this point, I pay a certain amount, to this point I pay a little more, and up here I pay a certain rate, but if I drop back I owe more. That's very confusing. So we're just saying straight line to 12, and it's the same price after that.*

Trustee Boey: What I'm saying Doug is let's make this clear and simple to the family listen to it.

President Baker: I agree.

Trustee Boey: They don't have a view of your curve in front of them when they're reading at night, at ten o'clock at night trying to decide NIU or Western Michigan.

President Baker: Right and I think what we're proposing does exactly that. It is the same amount per credit hour to 12; easy to understand and there's no increase after that.

Trustee Boey: So when will we see the new version?

President Baker: You've got it in your hand. That's it.

Nancy Suttentfield: Students and families will see something different.

Trustee Boey: I'm trying to put myself in the families shoes, and I'm saying if I'm very confused, they're smarter than me. I won't make that assumption, but we're viewing the consumer's eye now. Make it simple for them to understand so they will say yes.

President Baker: My hope would be that having a flat per credit hour rate up to 12 hours is as simple as you can get.

Trustee Boey: It sounds simple, but when you start looking at all those components, maybe the thing too is not to give them too many components to look at. I don't know.

President Baker: I think that's what we're trying to do both in the room and board where we've taken it from a dozen or whatever it was to three options and then tuition it's basically a flat rate, I mean per credit hour rate to 12 with a plateau after that, meaning no additional charge.

Trustee Boey: We're at three simple lines to say that as I read it into the schedule?

Chair Strauss: You bet. This isn't the marketing material. This was a lot of background and all the bells and whistles.

Trustee Murer: So I agree, and I get it on the 12 hour under/over. I think that's simple. I get it alright, and that makes a lot of sense especially this issue of owing money which that would have probably gotten people like crazy, crazy. So I get that. I think that's really easy. I get the meal thing. That makes perfect sense, that's really easy. But I am still very uncomfortable on the room side where dorms really matter to people. They really do. And what you're living conditions are is really important, and what I'm hearing is it's a, I don't know, a bird shoot, whatever we want to call this, but not knowing what you're getting for what you're paying, really concerns me, and I'd like to see the data behind that. I would respectfully request Eric that you share with me the data that you have on that.

President Baker: They pick the room not us.

Trustee Murer: Well then that's even worse. So you mean you get there and what is it it's like a gold rush and rush to the room? I don't understand this.

President Baker: No. They see the room and they pick it well before they're here.

Trustee Murer: You mean virtually?

Eric Weldy: Yes.

Trustee Murer: Virtually. So it's...

President Baker: They come for campus visits and they do the tour.

Trustee Murer: So they virtually pick a room and they lock in a room?

President Baker: Yeah and they can say I want to be in the new hall and have this kind...

Trustee Murer: Do they lock it in?

President Baker: Yeah.

Trustee Murer: For sure?

Eric Weldy: Yes they see the rooms.

President Baker: Eric doesn't pick. The students pick where they live.

Eric Weldy: They pick the rooms. They decide from the standpoint of ...

Trustee Murer: So it's like on an airline. So you keep blocking out the seats, you keep blocking out the rooms and then the longer you wait then that's the only thing that's available?

Eric Weldy: Yep.

Trustee Murer: Okay I get that better now. So does that then encourage people to make their decision quicker?

Eric Weldy: Oh yeah.

Trustee Murer: Is that what that's about?

Eric Weldy: *Very much so.*

Trustee Murer: *Okay, alright. I'm better now on this. It's like the airplane and you cross out the seats.*

Chair Strauss: *Trustee Coleman.*

President Baker: *Yeah there's not bait and switch here.*

Trustee Murer: *Okay.*

Trustee Coleman: *I'm struggling with the way some of this information was packaged and pulled together. I'd love clarification on this. We're talking about a 2.3% tuition increase. Is that for all students?*

Nancy Suttentfield: *No. Continuing students see no increase.*

Trustee Coleman: *I'm sorry for all students coming to the university. And then we say here that there's a 7% reduction and my question is, is that a 7.08% reduction for all residents? That's not the case is it?*

Chair Strauss: *My understanding is it won't be for everybody but it will be for those people who had the most expensive board rate.*

President Baker: *Wheeler, that 2.3% is a point estimate along that curve. So if you're at 16 you'll pay less next year than you did, I mean if you were a freshman last year versus a freshman next year, you'll pay less next year. So it depends on how many credit hours because of the plateau.*

Trustee Coleman: *Maybe it's just the way we approach this, because I think those numbers are very uneven looking at Figure 1 where we talk about the minimum on-line and we're using the \$30, but the reality is there's another \$500 that could be placed here for the max right? So for me it seems like we didn't paint both sides of the picture. Here's the minimum and here's the max, and I don't know so maybe that's why I'm struggling. I think some of the things that we're trying to do to simplify, I think that's the right thing to do. My concern is that are we really saying there's a reduction of room and board of 7.08 or are we just saying there's, in some scenarios, a 7.8 reduction of room and board, but not all.*

Trustee Murer: *It's an average.*

Trustee Coleman: *I'm not quite sure I'm getting an average either.*

Nancy Suttentfield: *I think one comment that we haven't offered yet, when we have published the cost of attendance it's what a typical student pays and it reflects the cost of attendance as I understand for the purposes of financial aid packaging as well. Now will every student see the change or the combination of changes, students that are returning, no; what we're talking about is the cost of attendance for a typical student based upon a typical room and a typical meal plan.*

Trustee Coleman: *I hear what you're saying. Thank you.*

Chair Strauss: *Alright, any other discussion? Trustee Butler.*

Trustee Butler: *I would just add I think, and correct me if I'm wrong President Baker, but when we're talking about differential tuition rate on the graduate level and the, I'll use my correct terms here, the program differential on the on-line level, what we are approving in this vote is a framework for programs to set the differential aspect of their costs. That's what we're approving. Now that won't translate, it's not meant to translate, publically. We're approving a framework, a range, so that they can do planning activities and think about price in the marketplace with respect to their particular program. That's what we're approving. That will never translate publically, it's not meant to. So it's the difference between a policy discussion at the board level and the way that we market our services and their costs publically. I would like to see us approve this recommendation, this framework for a year; let's see how everything gets set, let's get a report of what that looks like on a program basis, the whole menu, the whole spreadsheet, and then going forward maybe we can approve that menu, that spreadsheet as an actual vote.*

President Baker: *It sounds like a good management practice to me.*

Trustee Butler: *That's what I would prefer.*

Trustee Murer: *What is the impact though of the truth in tuition to approve something for a year?*

Trustee Butler: *The only thing that I'm saying we would approve for a year is the portion of this recommendation that says we're going to approve a range for the differential tuition and for the program differential on the on-line programming.*

Chair Strauss: *Let me come back to that. The on-line portion refers to graduate programs, not undergraduate programs, and the graduate recommendation is for graduates. Truth in tuition doesn't apply to either of those. So I think the administration understands your input John, and if it's acceptable,*

then we've got three weeks where we can hash this out. You can talk to people and see whether you can get comfortable. If not, we can present several options when we get together again, but I think everybody understands the question that you've asked and the point. It has been a good conversation. It is complicated, and there are consumer communication issues that come out of this too. So I think it's been valuable to talk about it. Wheeler?

Trustee Coleman: *One last question. On page 14 we see that Northern is at \$13,500 - that's for a full year of entry level, annual, full-time, undergrad student. I'm assuming that's room and board. Is that the correct interpretation there?*

Nancy Suttentfield: *That's tuition and fees only.*

Trustee Coleman: *And so it would be nice to know, what's our fiscal year 2016 full-time book rate? Are we saying \$4,700 times two plus whatever our predicted fees are would be our book rate for 2016, and how does that compare to the \$13,500?*

Nancy Suttentfield: *If you go to Table 4 which is page 13 and you look at the upper portion for new undergraduate students, it would be the top two lines, tuition and fees.*

Trustee Coleman: *So something doesn't add up.*

Mike Mann: *I think I can clarify. The data in Appendix 1 is from the Board of Higher Education. When they collect tuition and fee information from all the universities they include student health insurance. If you take the \$13,510 reported in Appendix 1 and you take our \$759 per semester (so take that out twice), you will get to \$11,992 and if you go back to Table 4, and add \$9,253 to \$2,739 you will also \$11,992. So the difference is the student health insurance.*

Chair Strauss thanked everyone for the discussion. If there's no other discussion, we have a motion and second, and it appears that we'll have some more conversation about this when we get to the board meeting. People will have the opportunity to talk about other modifications. All trustees were in favor and the motioned was carried.

President Baker thanked everyone for the good discussion. That's complex stuff. I do appreciate everybody that worked on this. As Nancy said at the beginning, we're taking a very complex, convoluted system and trying to make it simpler, and sometimes we make it even more complex when we talk about the old system, so thank you for walking through it with us.

Action Item 7.c. – New Facility for Campus Distributive Antenna System

Additional Speakers: Matt Parks, Sr Director of Network & Communication Services

Angie Bollinger, Space Administrator

Nancy Suttentfield introduced colleague Matt Parks who coordinated the planning and the development of services for wireless - we're all very interested in having more bars rather than fewer on our cell phones. Matt Parks introduced himself - I'm the Senior Director of Network and Communications Services here at NIU. I'm here to talk with you about how we can improve cell phone service around campus. For years NIU has suffered from poor cell coverage from all the major providers across our campus community. This has inhibited our students, faculty, and staff from making and receiving cell phone calls and text messages along with leveraging the capabilities of today's next generation 4G data networks. This is a typical problem in higher education. In order to effectively solve it, that poor service in a university environment, it's common for universities to partner with what are called distributive antenna service providers, for short we call them DAS providers. Here at NIU that partnership was formed in 2010 with a company named Crown Castle, one of the nation's largest providers of shared wireless infrastructure. Since the Crown partnership was formed in 2010, my division has focused on systematically improving coverage in key areas of our campus. In 2011 and 12 in partnership with Crown, we deployed four separate cellular outdoor DAS nodes to targeting areas. First, on the north side of campus to service both the College of Engineering and the College of Business; second to the east central part of campus at Wirtz; third to the south part of central campus at parking; and lastly over at Steven's building to serve that complex. Systems were successfully deployed to address several major known outdoor coverage

problems, but specific only to Verizon Wireless services, and I'll get to more on that later. Today we're focused on improving in-building coverage at NIU's new residence hall facility by the end of this year. We plan to begin discussions with athletics to look at improving several key venues over the next 12 to 18 months. But many more DAS appointments are needed for a campus such as ours. So that's the good news. We've got four outdoor DAS systems that are in service and have been in service for a couple years now. We've got the new res hall system that will come on line at the end of this year, and we've got focus on a number of venues in athletics. But what we need in order to continue to grow these in-buildings and venue-specific data systems beyond the new residence hall is a permanent DAS head-end facility, or hub space, to house the cellular equipment. Crown Castle currently has equipment co-located in our telecom central office. Unfortunately, that space is inadequate for growth, and Crown has been working with us for over a year to find a new permanent space for their equipment along with that of the wireless providers. This new proposed facility identified in partnership with NIU's A&E and Facilities group will be located on the west side of campus in an area adjacent to and north of printing services. The space will be a fenced in facility that on day one will house both Crown Castle and Verizon Wireless equipment with the eventuality of adding other major wireless providers such as AT&T, Sprint, or T-Mobile. While this facility will not in and of itself improve wireless coverage on campus, it will provide the adequate space to house the cellular equipment necessary to enable the growth of these in-building and venue-specific data systems for years to come. While Verizon Wireless is currently the only major provider connected to NIU's data system, all data deployments currently and will continue to neutral host systems. This will allow all other major providers that come to NIU the ability to connect into this infrastructure without a significant investment. We believe the creation of the new DAS hub space will entice at least one other major provider to come to the table within the relative near term, and creating this facility will also provide unfettered access to the wireless hub space for maintenance and break fix of the data system by both Crown and the wireless providers. Upon consideration and approval by the board, NIU will move to finalize lease terms with Crown Castle for this unique and important campus facility and will then initiate the hub space deployment expeditiously. We anticipate the facility could be operational by mid next year. It will allow for the expansion of data systems in athletic venues shortly thereafter and promote future growth of the system across campus. Crown will bear all costs for the construction of the facility, which will also include installation of fiber optic infrastructure to deliver connectivity to our major fiber optic arteries on campus. This connectivity will provide the transport between the hub space location and all existing and future DAS systems across campus. As part of the project, NIU will ensure Crown and its subcontractors will comply with all existing construction and infrastructure campus standards. Additionally, any incidental costs to NIU associated with the DAS hub space project will be reimbursable to Crown. As I mentioned, the new space is critical in order to facilitate the growth of targeted DAS systems across our campus. By doing so, we will improve sorely needed wireless 3G and 4G coverage and capacity, improving services for our students, faculty, and staff for years to come. Thanks for your consideration, and I'll take any questions. I have a couple slides up here. One is, if you can see that, where our proposed facility is just north of the Document Services and Human Resources Building on the west end of campus; and, I think slides two and three are a couple of design drawings from the vendor, Crown Castle, as to what that complex would actually look like. So this is what the interior of the outdoor compound will be. It will be surrounded by an eight-foot fence with a central Crown Castle neutral host configuration and then sort of fiber optic feeds up to four wireless providers on campus of which Verizon will be the first entity to join them as part of this.

Chair Strauss asked for a motion to approve the recommendation in the printed materials.

A motion was made to approve the recommendation by Trustee Murer; seconded by Student Trustee Julion. The motion was carried.

Chair Strauss asked for discussion and the following ensued:

Trustee Marshall: *Just a couple of questions. You mentioned various phases such as the athletics, are we looking at a contract that will be covering everything that you've listed, or do we go for additional contracts for the additional phases.*

Matt Parks: That's a good question. Every single phase of the DAS deployment, so every new building and new venue has what we call a network order attached to it, which articulates the specific deployment of that antenna system. That gets added to the master contract that we have with Crown Castle. So yes, we will have for every single venue. The new res hall there's one; when we start to talk with the athletics venues there will be a separate network order attached to that; and as we go to central campus with more deployments, there will be separate ones that are just attached to that master service agreement contract.

Trustee Marshall: So there's no bidding process for the additional contracts?

Matt Parks: No, and the Crown Castle contract per se has been in effect since 2010.

Trustee Marshall: When does it end?

Matt Parks: I think the term for that contract is five years. It's possible that it's seven. As part of this new hub space, we are to co-terminate everything. Right now we're looking at that lease term to be ten years with multiple renewals in that.

Trustee Boey: What is our current problem now; cell phone problem?

Matt Parks: The deployments that we're done this far are fairly limited; only a couple different venues that we've deployed cell service at. We have a macro layer, the Verizon's normal macro network, AT&T's network, and so on, that serves the community. And we've got a lot of old buildings. As you go down, for example, to the lower level of Holmes Student Center, you can see Wi-Fi on your phone but you will not see any 3G or 4G service.

Trustee Boey: Okay. So when this is all done then everything will be fine.

Matt Parks: I caution when we say done on cellular service. This is a continuous process. We'll be looking at improving coverage on this campus for five years; for seven years; for ten years. Part of it is the spectrum that's used, part of it is the RF technology, the new technology like 4G, that's coming to leverage, but this will be a process that will take quite a while for us to hone-in on the areas of campus that need the help.

Trustee Boey: Thank you.

Matt Parks: You're welcome.

Marc Strauss: Let me ask a couple of questions. How did we choose this site?

Matt Parks: I wanted it in central campus, but they wouldn't let me. If you look at the first slide that showed the map, this is kind of a perfect area for this type of space just based upon what's surrounding it. This is unused of course, and there are no plans for its use, so it's out of the way. It's easy for Crown, the wireless providers, and NIU to access on the 24/7/365 basis, and it doesn't conflict with the sort of central campus core operation of the university.

Marc Strauss: And the fiber optic that you have to tie-in to, is it on-site or are you going to need an easement to get there?

Matt Parks: It's on site. It's all on NIU property, so we should be good there. We're going to build up. We've got a main artery through campus going east and west, north of where this facility is, so part of the scope here is to construct from this facility up to tie-in to the main arteries to connect into our core campus infrastructure to serve buildings as we go forward.

Marc Strauss: So the lease will include both the building and whatever areas necessary to get you to a connection to the fiber optic cable?

Matt Parks: Yes.

Marc Strauss: Okay thanks. Any other questions?

Trustee Coleman: Just clarification about the improvements from Crown. So Crown will actually build out the complex and they will own the improvements?

Matt Parks: No. I'm looking at one of our facilities people.

Angie Bollinger: {Not on microphone} Crown Castle will build out all the infrastructure improvements including the fence and the data fiber and everything needed. All those become permanent improvements to the university and are owned by the university. The only thing they will own are the little huts, for a lack of a better term, that their equipment is housed in.

Trustee Coleman: Okay, and the actual build out of the building, we will own that?

Angie Bollinger: There's no building.

Matt Parks: There's no building. It's a fence with gravel inside.

President Baker: *Can you reiterate how much this costs Matt?*

Matt Parks: *Zero dollars for the university. I did mention in here incidental costs. Like any project you're gonna have things come up, and we're accountable. My group is accountable that they do things right. We may choose to fix something that needs to be fixed in the short term, and we'll reimburse to Crown so they build it, they pay for it all, both the structure itself and all the fiber to connect into the campus.*

Chair Strauss asked if there were other questions. There were none. All trustees were in favor and the motion was carried.

Action Item 7.d. – Energy Infrastructure Improvements - Phase XI Performance Contract
Additional Speakers: Ken Pugh, Acting Director of the Physical Plant

Nancy Sutfenfield presented Item 7.d. as our last action item for today. It involves the extension of a performance contract that is designed to conserve energy. We have with us today interim Associate Vice President John Cheney and members of the facility staff who will update us on this project.

President Baker briefly introduced John. He's on loan from athletics. John has been running athletic facilities for us for about a year. He came to us from Oregon State University and ran the facilities there. We really appreciate him being on loan to help us in this interim period.

John Cheney thanked the President and the Board. Actually this is day four for me so I'm not completely up to speed on all these individual aspects so I'm going to turn it over to Ken Pugh, who oversees the Physical Plant who does have this information.

Ken Pugh explained, basically we are finishing up on phase eleven currently of the performance contract. So this would be just an amendment/extension of the same type of categories. We obtained procurement and state approval for \$18 million of phase eleven, but we only asked for Board approval at that time for \$10.8 million, because that's what we thought we could get done in this one-year period. So this is just a continuation. We have various ECMs, Energy Conservation Measures, to choose from in each of these categories, and we need time to work with <ESCO> to put together, I guess you would say, the optimum combination for energy savings. In a nutshell, that's what we're looking for doing for next year.

Chair Strauss thanked Ken and asked for a motion to approve the recommendation in the printed materials.

A motion was made to approve the recommendation by Student Trustee Julion; seconded by Trustee Butler. The motion was carried.

Chair Strauss asked for discussion:

Chair Strauss: *Let me just ask one question. We're familiar with the performance contract since we're up to number 12. I would hope we would have some idea about what they involve. My question is, are we working on buildings that we're going to keep in service so we get the full recovery?*

Ken Pugh: *Well as far as I know.*

Chair Strauss: *Well hopefully we'll keep you advised. But that's the intent right?*

Ken Pugh: *Yes sir.*

Chair Strauss asked if there were other questions. There were none. All trustees were in favor and the motion was carried.

President Baker congratulated Ken and all the facilities folks for the energy savings and money savings over the years on these.

Chair Strauss asked if Nancy was interested in presenting any of the information items?

Nancy Sutfenfield replied that the items that are here for information are certainly topics that anyone on the committee could raise questions about, but we have no plans to make a formal presentation.

There were no questions.

Information Item 8.a. – Semi-Annual Progress Report of Active Capital Projects

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

Information Item 8.c. – Periodic Report on Investments

OTHER MATTERS

None

NEXT MEETING DATE

Thursday, February 26, 2015, at 12:30 p.m.

ADJOURNMENT

A motion was made to adjourn by Student Trustee Julion; seconded by Trustee Marshall. The motion was carried.

Meeting adjourned at: 3:19 PM

Respectfully submitted,

Vicky Rippberger
Recording Secretary

In compliance with Illinois Open Meetings Act 5 ILCS 120/1, et seq, a verbatim record of all Northern Illinois University Board of Trustees meetings is maintained by the Board Recording Secretary and is available for review upon request. The minutes contained herein represent a true and accurate summary of the Board proceedings.