

MINUTES
Board of Trustees
Illinois State University
October 27, 2006

The Board of Trustees convened at 9:00 a.m. on Friday, October 27, 2006, in the Old Main Room of the Bone Student Center, Illinois State University, Normal, Illinois. Chairperson Kasten called the meeting to order and Trustee Ommen called the roll.

The following members were present.

Trustee Bergman
Trustee Kasten
Trustee Kinser
Trustee Maitland
Trustee McCuskey
Trustee Ommen
Trustee Schnepfer

Absent:

Trustee Davis

A quorum was declared. Also present for the public session were:

President Al Bowman
Vice President and Provost John Presley
Vice President for Student Affairs Steve Adams
Vice President for Finance & Planning Steve Bragg
Vice President for University Advancement Dianne Ashby
Assistant to the President Jay Groves
Board Legal Counsel Carol Posegate

Others in attendance included representatives of the media, faculty, staff and Ms. Margo Coleman of the Campus Communication Committee.

APPROVAL OF AGENDA

Chairperson Kasten: Trustee Ommen moved for approval and was seconded by Trustee Maitland. Motion made, seconded and vote recorded with all members present voting aye.

APPROVAL OF MINUTES

Chairperson Kasten: Are there any changes to the Minutes of July 21, 2006? Trustee Ommen moved for approval and was seconded by Trustee Kinser. Motion made, seconded and vote recorded with all members present voting aye.

CHAIRPERSON'S REMARKS

Good morning everyone, and thank you so much for coming today. I want to start by thanking the Campus Communication Committee for organizing this morning's discussion hour—and I want to thank Dianne Ashby, Vice President of University Advancement, who gave a wonderful presentation about what we should expect in the upcoming 150th anniversary observation. I also want to thank everyone from the University community who has been involved in planning this wonderful year.

It was my pleasure to be present for Homecoming this year, and I know many of the Trustees participated in Homecoming activities. It was the most exciting Homecoming ever in my ISU memory. Everyone involved in the planning deserves our thanks. I know it was the first Homecoming for Stephanie Epps and I know she worked hard as well as her staff and it turned out extremely well. I also want to thank Lynda Lane who was the alumni representative on the Homecoming committee. I know she worked extremely hard as well. I also want to say congratulations to our student-athletes who put the crowning touch on a wonderful weekend with a solid 37-10 win over Southern Illinois.

The crowd in Hancock Stadium was simply remarkable—and I know it was a day that I'll remember proudly for a long time, not only in attendance, but in enthusiasm and in spirit, and it made for an absolutely wonderful Homecoming.

I want to publicly congratulate Trustee Stan Ommen, who very recently received a Presidential Lifetime Achievement Award, complete with a ceremony at the White House. The award celebrates individuals who have provided more than 4,000 hours of public service over a lifetime. Stan was nominated for the award by the Financial Services Roundtable—a consortium of the nation's largest financial services institutions. Stan, that is a remarkable achievement and a much-deserved award—we all know what kind of time you have given this University and I know that is not even a significant percentage of the time that you have given to earn this award. So on behalf of the entire Board—congratulations.

Chairperson Kasten: I know we have a very busy agenda, but I would like to ask the Trustees if they would like to comment on any activities they have participated in since our July meeting. I want to start by saying thanks to Sheahon Zenger and his staff for spending a day with me in Athletics for my Trustee-In-Residence on October 3. I very much appreciate getting fresh insights as all of us always do on these visits. I also want to take a moment to thank Governor Blagojevich for his trip here on August 30 and his announcement of support for our Fine Arts project. We have had this on the table for a while and the Governor, in addition to talking about Stevenson, Turner and Schroeder, did publicly commit to supporting that Fine Arts project.

Trustee Kinser: I think that all of us are very thankful to all of those who planned the Homecoming events. They were just great. The Prism Band Concert was just very, very well done and I attended the Performing Arts Center and was very impressed with that concert. There must have been seven or eight things going on at the same time so I only got to one or two of them. I think that the Alumni Luncheon was extremely good and very well attended. So all in all it has been a very busy several months and I am still going to a lot of receptions.

Trustee Bergman: I went to Homecoming also and a number of events and enjoyed them all, especially the football game. I would like to mention that there are events down in the Bloomington/Normal area and around the Chicago area, and while there are a lot of Trustees that live in the Bloomington/Normal area, there are not in the Chicago area. So, when I am aware of something taking place up there, I try to go. There was an interesting event that I went to. Cynthia Kukla, a Professor of Art currently on sabbatical, was involved with the Field Museum – the King Tut event, and her specialty is Egyptian art. Through that she got involved with Lawry's Restaurant, which is a sponsor of the King Tut event and was invited to come for an exhibition that went on for two nights. Lawry's Restaurant is the old McCormick family mansion in Chicago – it is beautiful. She had her exhibition, and we went and attended the exhibition and took her out to dinner afterwards and I had a very enjoyable time. But I think the fact that the more that we here in Bloomington/Normal advertise our skills in the Chicago area, especially the type of people that go to art exhibitions, the better off we are and the more we are going to enhance the perception of the University. While I was there I ran down the manager of the restaurant and also the special events director to inquire about the possibility of our people going up there in the future. I received a positive response and I talked to Paul Borg here on campus, and I am hopefully going to put Paul and some people up there together to see if some additional events can be planned.

One other thing, the ISU football team has generally not gotten much press in the Chicago area. I understand last night on WGN news at about 9:55 pm they had a story about the ISU football team. They mentioned that we were ranked #3 in the nation and it is my understanding that a comment was also made that we have the best college football team in Illinois.

Trustee Maitland: I also attended several of the Homecoming events so I won't go into them again. I was at the Governor's visit and attended the President's State of the University Address. Just a couple of days ago I did my Trustee-In-Residence visit in CAST and I cannot believe in four hours the ground we covered. We went from Kinesiology with students exercising to the child care where all the smaller children were exercising to the robotics in action – went to see how bio-diesel can be made from the fryer fat from the campus dining centers. The only problem is who is going to collect it? I also heard about the

green environment from the horticultural students to the info-technology students who are getting ready for competition on a program that they have – to hear about crime control, and lastly I helped save Reggie. Reggie was ill and I had to do a urinal analysis on Reggie to see what was wrong with him and we saved him. So it was a very, very interesting day and I thoroughly enjoyed it. I could not believe the variety and I want to thank Dean Wood and Dr. Gentry – they also told me that is only eight departments out of 14 that they have in CAST. It is amazing and I thank you for that privilege.

Trustee Ommen: Well I say ditto to all those as far as Homecoming – it was a great event. Several of us including Dianne Ashby and Lane Crothers got the Redbird Women’s Volleyball team on the right direction so they have won three in a row since we helped coach them the other night. I would like to personally thank Dr. Dixie Mills for hosting me last Friday for my Trustee-In-Residence with the College of Business. It is always great to go into that wonderful new facility. In fact I remarked at lunch that it was the first visit I’ve had on campus where the group didn’t talk about needing new facilities. It was a great day and you learn something every time you go to one of these colleges about the things that go on around this campus that I didn’t realize were happening, but they have some wonderful programs there and I applaud Dixie in all the things that she has done in terms of her leadership and wish her very well.

Trustee McCuskey: Unfortunately I was unable to go to Homecoming but I was thrilled to see that the football team drew 17,000 people. I recently went to sort of a Homecoming of Redbirds down in St. Louis in the last couple of weeks and every game I have worn my ISU Redbird hoodie, which brings a lot of people up to you to say good things about the University. On the way over today I was listening to B Joseph White who I get to meet occasionally over in Champaign/Urbana and it was on WGN and before long the “chief” came up and the president very quickly deflected and said that is going to be a matter the Board of Trustees will have to take up. It casts sort of a long shadow on the University, and I thought as I was arriving here today the difference of what the shadow is – there is no shadow here – there is only the bright light of the future and celebrating 150 years, so it is a great Board of Trustees meeting today.

Trustee Schnepfer: I am on campus so I attend a lot of university events but I wanted to say one quick note about Homecoming – I have been waiting four years for what I saw and it was amazing and I look forward to the rest of the year being like that.

Chairperson Kasten: Thank you to all of you for all the events you had attended and continue to attend. I did not comment that I intend Sunday to go to a reception for observing the 100 year anniversary of the Missouri Valley Conference that will take place in St. Louis.

Before turning to President Bowman for his remarks I want to acknowledge Representative Dan Brady who always finds time to give Illinois State University his best – both time-wise and effort-wise. Representative Brady we are always extremely proud to have you present at our meeting.

PRESIDENT’S REMARKS

I want to add my thank you to the Campus Communication Committee and Dr. Ashby for this morning’s discussion hour. Obviously, next year is going to be both exciting and very, very busy—so I thank you for the preview. I want to echo Trustee Kasten’s sentiments regarding Homecoming. In my more than a quarter century at Illinois State, I have never witnessed the kind of school spirit that I saw during Homecoming week—not just Saturday at the game—but the entire week. We had a luncheon for the employees in the Brown Ballroom that drew over 1,000 faculty and staff and just a great atmosphere. I think “Spread the Red” has gripped the entire campus and the surrounding community, and I hope that energy continues to fire throughout the year. I think it is also safe to say that right now, we have the most exciting football team in Illinois—so congratulations to everyone involved, especially Dr. Sheahon Zenger, his coaches and staff and all of our student athletes.

I also want to echo the congratulations to Trustee Ommen. I must admit the number of hours – 4,000 – seems low to me considering the time that you log not only on campus but in email exchanges throughout the day and evening. The award is richly deserved—and I am grateful for your many years of diverse service to Illinois State.

I would also like to offer my congratulations to a team from Illinois State and Illinois Wesleyan whose work with McLean County Habitat for Humanity earned them first finalist honors for the Jimmy and Rosalyn Carter Partnership Award for Campus and Community Collaboration. Since 1993, the team, comprised of faculty, staff and student members, has built 11 Habitat for Humanity homes. Tom Gerschick from Sociology, Gary Klass from Politics and Government and Hank Campbell, Technology Emeritus, were among those who received the award in Chicago from former First Lady Rosalyn Carter—so congratulations to everyone involved in that important project.

Dr. Elzy goes to Washington. It could be the title of a movie, but it really describes a trip to the nation's capitol taken recently by our Dean of Libraries, Cheryl Elzy, who also serves as the University's copyright officer. She was asked to testify before Congress on the issue of peer-to-peer file sharing and the illegal downloading of movies and music. Dean Elzy was asked to testify because of the University's nationally innovative approach to working with students, campus leaders and representatives from the music and movie industries to combat this growing problem.

Also, congratulations to Distinguished Professor of Chemistry, Cheryl Stevenson, who is the recipient of the American Chemical Society's Award for Research at an undergraduate institution. The undergraduate student who worked with Dr. Stevenson on this particular research is now a graduate student at Stanford.

Another accolade for our College of Business – the College has been recognized as one of the best choices for earning an MBA according to the 2007 edition of Best 282 Schools, published by the Princeton Review. Illinois State is one of just 45 universities that were added to the list this year.

Excellent news also from our Student Counseling Center, which has earned re-accreditation from the International Association of Counseling Services. The reviewers cited Counseling Center Director Sandy Colbs' leadership as making a big difference in the overall operation of the Center—so congratulations to Dr. Colbs and her staff.

We are passing the mid-point of the fall 2006 semester, and already applications for fall 2007 are on a record pace. Our fall 2006 freshman class continued to set a new standard for academic quality. As a former faculty member, I am particularly happy to see the progress we've made in student selectivity. This year's freshman class is the most academically talented in Illinois State's history, with an average ACT score of 23.9 and a GPA of 3.4. Our freshman retention rate stands at 85 percent—also a historic high. I will mention as an aside that the fall 2007 admission cycle is underway and at least to date the applications are even stronger than they were a year ago.

Most of you know that Governor Blagojevich visited Illinois State University on August 30th. Several Trustees were on hand to welcome the Governor, and I greatly appreciated your support, particularly after the short notice we had from the Governor's office. Also on hand were Representative Dan Brady and Senator Bill Brady. As I said to the campus community during my State of the University address, the Governor's visit was important on two fronts. First, he chose just one university to launch his election-year higher education platform—and that university was Illinois State. Second, he publicly supported our top capital project—the overhaul of our Fine Arts complex.

Also at my State of the University address I gave a recap of the first year of our Salary Enhancement Program and offered a forecast for this year's process. During the last fiscal year, the program—an effort to bring aggregate employee group salaries closer to peer group averages—added almost \$700,000 to the salaries of faculty, civil service and administrative employee groups. That is \$700,000 above and beyond the annual merit-based raises that occur at the beginning of the fiscal year.

Right now, the average salaries for assistant professors are close to comparison group averages and the average salaries for Civil Service and Administrative Professional employees are at, and in some cases, above comparison group averages. There are still pockets of employees within each of these groups that are behind comparison group averages, and as time and finances permit, we will continue to address those salary issues.

Given our resources this year, we will focus on the group that remains the furthest behind comparison group averages – full and associate professors. As the year progresses I will provide the Board with more specific information about salary enhancements.

A couple of personnel announcements I want to bring to your attention. First, Deborah Curtis, our Interim Dean of the College of Education is now our continuing Dean of the College of Education. Provost John Presley made that appointment after the College of Education Council recommended Dean Curtis' immediate appointment in lieu of a planned search—and in consultation with myself and Academic Senate Chair Lane Crothers—so congratulations to Dr. Curtis.

I also announced at the last Senate meeting that I have initiated the search for the Vice President of University Advancement. Dr. Dianne Ashby is in her second year of her interim appointment—and that is when we had told the campus community we would start the search process according to Senate policy.

A report on construction around campus:

We celebrated the reopening of our second renovated residence hall tower this week. On Tuesday, an open House was held to show off all the upgrades and remodeling that has been accomplished over the past year. The \$7 million project was completed on time and within established budgets. The students are excited about our continuing program to upgrade our residence halls.

The Long-Range Housing and Dining Plan calls for the renovation of one residence hall tower each year. The third of the three west campus residence halls to be renovated is Wright Hall. Wright Hall was temporarily taken off line last May and the upgrades and remodeling work is well underway. All construction work will be completed in July 2007 and the building reopened for student occupancy in August 2007.

Linkins Dining Center is the first of the Campus Dining Services rehabilitation projects and is part of the Long-Range Housing and Dining Plan. Linkins provides meal services for the West Campus Residence Complex. Asbestos abatement will start in January 2007 and general construction work will follow. All work is expected to be completed by the end of July 2007. The concourse of Horton Field House is designated to be a temporary dining facility for the upcoming spring 2007 semester.

All existing buildings located at 309 West Beaufort Street, have been demolished in preparation for the construction of the new Southeast Zone Chiller plant. The site preparation work has been completed and the construction contractors have begun to mobilize and prepare the site. Actual construction is scheduled to start in November 2006. The new chilled water plant will be a brick faced steel super structure with cooling towers on the roof. The facility will serve both Watterson Towers and Stevenson Hall and is anticipated to be completed by August 2007.

Planning is underway for the design of the University's fourth parking deck. This project provides for more than 400 spaces at the location of the present South University Parking Garage. It is intended that this work begin after the Tennis Court project is completed on Gregory Street.

Design work has commenced on the Student Fitness and Kinesiology Recreation Building. The University Design Committee has been working with the architects and designers. Earlier this week, the design team assembled on campus for a three-day planning exercise. During this intense planning exercise, they outlined the essential requirements for the building and sketched out the overall layout for the complex. The design phase will take approximately 20-24 months and construction will take approximately two years. This project is anticipated to be completed before the fall semester of 2010.

Finally, more on Intercollegiate Athletics: We have already talked a bit about our Homecoming success. At 6-1 on the season, the Redbirds are also enjoying some regional success with victories over Eastern and Western Illinois this season – ISU has swept the I-AA competition in the state for the first time since 2000.

Head coach Denver Johnson and his Redbirds are now ranked No. 3 nationally in I-AA football, equaling the highest ranking ever by an Illinois State football team. Tomorrow is Family Day and the football team will reach for another milestone. With a victory over Youngstown State, Illinois State will be riding a 7-game winning streak for first time since 1932.

In addition to major accomplishments on the football field, the Athletics Department is also enjoying unprecedented development success. The Redbird Club, Illinois State's athletic scholarship foundation, is now over \$1 million in cash donations for the first time in the department's history. There are 986 current members of the Redbird Club right now and I know Sheahon Zenger hopes to have that number over 1,000 before the start of the basketball season. Congratulations.

That takes care of my initial comments this morning. I would now like to call the Chair of the Campus Communication Committee, Dr. Margo Coleman, to the podium for her report. Dr. Coleman is a Professor in the Department of Kinesiology and Recreation.

CAMPUS COMMUNICATION COMMITTEE

Dr. Coleman: Good morning. On behalf of the Campus Communication Committee I would like to begin by thanking Dianne Ashby for sharing her presentation on the ISU Sesquicentennial celebration. This promises to be an exciting time for the University and I'm sure we will look forward to all the events in the upcoming months.

The CCC would like to comment on several issues found in today's Board packet as well as other items faced by faculty, administrative professional and civil service staff at Illinois State University.

First, the CCC is pleased to see the attention being paid to reviewing *Educating Illinois*. The University is being proactive in taking a serious, thoughtful look at the plan, especially in light of changes to the University administration and changes in expectations regarding external funding for university programs and initiatives. Systematic review will keep the document current and more effective in setting long-range goals.

Second, we notice the Board will be taking up an administrative salary issue and hope that recognition of faculty and staff accomplishments and compensation will receive due diligence this year also. While we applaud the mid-year salary adjustments made last year we urge the administration to continue its commitment to develop fair compensation for all members of the University community. The process used to make salary adjustments seems to have worked fairly, and the campus community was kept well informed of the process. While the University's budget has been flat or subject to rescission in recent years, it is encouraging to see an effort made to enhance salaries. We appreciate that salary compensation is a top priority of the University and President Bowman.

Third, the CCC endorses the plan to forge a partnership with the University Foundation to acquire the property at 1101 N. Main St. This landmark move could open up valuable academic space on the Quad and provide visitors with an easily accessible gateway to the University. The site has sat empty for several years and we look forward to seeing a proposal soon to develop a viable plan for it. There are many possible uses for this property and we urge wise planning of this valuable space.

A few weeks ago President Bowman made his State of the University address. Members of the CCC and the campus community appreciate the format of the address, especially the opportunity to have a question and answer session with President Bowman. This type of interchange promotes positive synergy on campus as faculty and staff are able to share their views with the administration.

Finally, the CCC would like to congratulate members of the Illinois State University athletic program and particularly the recent success of the football team. The exciting Homecoming win and almost unprecedented support by students and alumni for the game creates a wonderful spirit on campus. This success, coupled with the academic success of many ISU student athletes in the classroom and their

community service participation, provides the University with outstanding publicity and invaluable name recognition. Thank you.

President Bowman: I would now like to call Mr. Phil Adams to the podium for a legislative update.

LEGISLATIVE UPDATE

Mr. Adams: Thank you and good morning. The elections are in 1 ½ weeks and I would like to thank whoever planned the Board Retreat for having it right after that Tuesday election as it will give us something to discuss. I think at that point we will have a better feel for how our efforts in terms of capitol bills may work out.

The one thing I did want to mention, during the session we discussed the administration's desire to sell part of the portfolio, at one point, all of the portfolio, of the Illinois Scholarship Commission. Members of the House, Republican caucus, asked the Attorney General for an opinion on that sale and she issued that opinion last week. Jackie has copies if anyone is interested in reading the whole thing, but basically Attorney General Madigan's opinion is that the administration will have to secure legislative authorization to sell that entire package and that the proceeds, and I think this is the important point from our standpoint and dovetails with the letter the President sent during those negotiations relative to the use of monies, she also said that those proceeds had to go back and be used for the base purposes in the original statute to student aid and that sort of thing, which is good news for us. What the administration chooses to do, I don't know that anyone knows at this point. They originally thought they could sell off \$1 billion dollar's worth – probably if her opinion were taken as the law they could probably sell maybe \$100 million's worth, which would not generate the extra money that they were looking for to try to get it into the general revenue fund. So we are going to be watching that. Someone will make a move on that during the veto session. Other than that we are just waiting for the election results to see if the 65/53 in the House and I think 31/27 and 1 in the Senate changes. I don't think the Senate is going to change much. I think the House might change 3 or 4 seats.

President Bowman: What is the likelihood that a capitol bill will be considered in the fall veto session?

Mr. Adams: I think there will be discussions – I think three or four weeks ago leaders talked about it. A lot has to do with how many people aren't going to be coming back. The largest capital bills have always surfaced during a veto session. Fortunately for those of us that want the capital bill – not so much for candidates. The more people who aren't returning next year, the better, in terms of passage. I think it would be short-sighted not to assume that some of the activities that have occurred in Chicago with Mr. Fitzgerald in the last three or four weeks are going to impact how this all plays out, and we are certainly in that regard in some substantial uncharted water as to how that is going to affect the next session. The people that we would classify as our number one supporters are all ready to do what they can do. I have been in a lot of conversations with them. We just need to get a little action out of the minority in the Senate and we will be okay.

REPORTS

Report 2006.10/1000.03: Affirmative Action Plan

The Affirmative Action Plan is a document that expresses Illinois State University's commitment to achieve equal opportunity in employment. I would like to call to the podium our Director of Diversity and Affirmative Action, Shane McCreery, for a brief presentation on this report.

Dr. McCreery: Good morning. The FY2007 Illinois State University Affirmative Action Plan reaffirms the University's commitment to diversity and is written assurance that the University observes and remains compliance with 19 different state and federal laws, highlighted by Title VII of the Civil Rights Act, the Illinois Human Rights Act, the Americans with Disabilities Act, as well as the Board of Trustees policies on equal opportunity and affirmative action. This plan is presented to the Illinois Board of Higher

Education, the Equal Employment Opportunity Commission, as well as the U.S. Department of Education and is distributed campus wide.

The breakdown of the plan follows primary areas, the first being the Introduction, followed by the Equal Opportunity Policies and Responsibilities – pages 1-23, Major Accomplishments and Strategies by Different Constituencies of the University – pages 24-55, the Workforce Summary and Analysis, which will be covered later in this presentation – pages 56-60, and concludes with Appendices A-H.

Every employment position in the University is placed into one of seven different primary employment categories: Executive/Administrative/Managerial, Faculty, Professional, Clerical, Technical and Paraprofessional, Skilled Crafts, and Service Maintenance. All of these categories are then broken down into 37 secondary employment classifications. The classifications on the left side are subject to Affirmative Action. The classifications on the right side are not subject to Affirmative Action as the hiring practices are covered by collective bargaining agreement and civil service testing procedures.

Within these categories the University monitors and tracks the retention and hiring of five minority or traditionally underrepresented groups: females, African-Americans, Hispanics, Asians and Native Americans. Underutilization is a calculation of an 8-point test where I compare the University's workforce to the availability of the workforce defined by the U.S. census. In the Executive/Administrative/Managerial area we have underutilization, or a better word to describe it would be a need for representation, of these groups of females, African-Americans, Hispanics and Asians. In the Professional category – African-Americans, Hispanics and Asians. In the Faculty category, which I have broken down by individual college, the greatest need for diversity is African-American and Hispanic. These are the fastest growing workforces in the United States and will be the following year's primary focus.

To grant you a side-by-side visual comparison of the University's workforce compared to the available workforce – in the Executive/Administrative/Managerial category you can see we have a concentration of about 10% higher than the comparison group in Caucasians, 7% and 3% respectively low in African-American, Hispanic and on par in Asian and Native Americans. In the Faculty category we are on par in Caucasians, 3% low in African-American, on par in Hispanic, slightly higher than we need to be in Asians, and on par in Native Americans. It should be noted, however, that between FY2006 and FY2007, the total faculty count has increased by 20 persons of which 13 were minorities. Finally, in the Professional category we are 3% high in Caucasians, 3% low in African-Americans, on par in Hispanics and Native Americans and roughly 2% low in Asians.

To address these underutilizations I am proposing that the University continue to increase our participation in the Diversifying Faculty in Illinois initiative, which is sponsored by the Board of Higher Education. Additionally, I desire to expand our use of on-line recruitment tools and arm hiring authorities and search committees with a list of local, national and regional advertising resources. Affirmative Action essentially is an affirmative duty placed upon me to provide resources to hiring authorities so that they make informed decisions in their recruitment of qualified candidates. The first step is building a firm foundation of a diverse pool of applicants. Finally, while I do emphasize the recruitment and hiring of persons traditionally underrepresented groups, I cannot deviate from my focus of retaining those that we already have. Thank you.

President Bowman: Questions for Shane? Thank you very much.

Report 2006.10/4000.02: Promotions, Tenure and Sabbatical Leave Report

Promotion, tenure and sabbatical decisions that take affect in FY2007 are completed in the fall and spring of FY2006. This report outlines the application and review process for those decisions. Also provided in

the report are summary data on this year's applications, rank distribution over the past decade for tenured faculty and lists of the FY2007 changes in status. Are there any questions?

Report 2006.10/4000.03: Oral English Proficiency Report

In 1986, the Illinois General Assembly moved to require that University governing boards ensure the oral English proficiency of all personnel providing classroom instruction. Illinois State immediately put a mechanism in place to comply with the legislative action.

Information about our policies and procedures is distributed to all students each semester in the Class Registration Directory. During the 2005-2006 academic year, no complaints were filed about the English speaking ability of instructors at Illinois State.

Report 2006.10/1100.04: Educating Illinois: The Next Phase of Planning

For almost seven years, we have tied all of our goals and accomplishments to *Educating Illinois: An Action Plan for Distinctiveness and Excellence*. During my State of the University Address, I asked the campus community to re-examine that strategic plan.

I charged the *Educating Illinois* coordinating team with initiating a planning process—beginning immediately—and concluding with the end of our Sesquicentennial Celebration in February 2008. The process will seek participation and guidance from the entire university community. The document must, at its completion, represent the whole university. How *Educating Illinois* may change or may not change will be a reflection of our shared governance process.

The report in your packet outlines a process to be used by the University community. I want to thank Deb Smitley, Assistant Vice President for Finance and Planning, as well as the entire *Educating Illinois* Coordinating Team, for their work thus far—and the work they will perform during the coming year.

ACTION ITEMS

Resolution 2006.10/24: FY2007 Internal Budget

The Illinois Board of Higher Education, as part of its accountability efforts, requires that the Board of Trustees must review and approve a detailed line-item internal budget prior to October 1 of each year. The specific line-items are provided by the IBHE and match those in our appropriation bill.

Also included in this item is a summary of FY2005 and FY2006 budget and expenditures. A summary table for each year provides budget and expenditure information by sources of funds. I ask your approval of this resolution.

Chairperson Kasten: Is there a motion for approval? Trustee Maitland so moved and was seconded by Trustee McCuskey. Just a couple of observations that stick out to me – one is on page 32 where it talks about less than 30% of total institutional projected revenues comes from state appropriated funds in FY2007. Do we know exactly how much below 30% it is going to get to? Is it going to get to like 25-27%?

President Bowman: It could. In the state of Colorado it is down to 11%. It is interesting that while that trend is certainly part of a national one, there are states that have begun to reinvest in higher education – Virginia and certainly California.

Trustee Kasten: Correct me if I am wrong, but I think at one point in the 50s or the 60s, the state's share was about 70%, was it not?

President Bowman: That is correct.

Chairperson Kasten: The second thing that popped out in my mind is that we actually gained a little revenue on the income fund – it says the entire increase in the income fund revenues is in large part to the higher retention rate of second-year students. So all of those efforts and monies that we have poured into those efforts to retain students is coming back to us a little bit.

Trustee Ommen: I have a question on page 32, fourth paragraph where it talks about...in FY2006 the University generated \$20.8M more than was projected and of this the University expended \$10.4M and the balance is available for expenditures, what kind of expenditures can those funds be used for?

Dr. Bragg: Almost all of those increases are in non-appropriated funds – restricted funds – and those expenditures go into our reserves so, for example, in the housing and dining area, we have set aside about \$10M in those reserves to finance the Long-Range Plan. Other reserves are used for repair and replacement of facilities and equipment.

Trustee Ommen: Could any of those funds be used for salaries?

Dr. Bragg: They can be used for salaries in those functions that are supported by those revenues. For example, in the housing and dining area, we cannot use them for salaries, for example, in the academic area and in instruction.

Trustee Bergman: Looking on page 31, FY06 projected revenue, FY06 actual revenue – state our appropriations and the income fund are as close as you can reasonably expect them to be. Revenue bond operations, the actual revenue is 13-14% higher than projected. I was just wondering what the reason for that would be.

Dr. Bragg: Most of the bond revenues are again in the housing and dining area. It's a combination of rates and occupation. We ended up raising room and board rates a little higher than we had originally projected in order to fund the Long-Range Housing Plan and that is driving most of this.

Trustee Bergman: Okay. The next item is grants and contracts. I know this is very difficult to project but we projected \$31M and we got about \$38M. Can you comment on that please?

Dr. Bragg: Sure. We always budget very conservatively in this area. There are just too many unknown factors including the national economy – how much money is available in the state and federal government for research. This is a real tribute to our faculty. They have been extraordinarily productive over the last couple of years – not only in drafting the research grants, but in being successful in getting those research grants.

Trustee Bergman: On local funds, \$35M was projected and we got almost \$41M. Could you comment on that please?

Dr. Bragg: Local funds are sometimes called agency accounts. They are activities that we take in from other sorts of business functions and related instructional functions on campus, and this is the direct result of everyone feeling the pinch from the shortfalls and the budget cuts at the state level – they just redoubled the efforts to become entrepreneurial and generate other sources of revenue to support their operations.

Trustee Bergman: So basically we had about a 15% increase in local funds and that for the most part is faculty, departments and the University going out and generating additional funds.

Dr. Bragg: Right. Things like our Conferencing Unit, Extended University, distance-learning courses – monies that are generated in those types of activities stay in those local accounts.

Trustee Bergman: And this magnitude of increase just wasn't anticipated when the budget initially was put together?

Dr. Bragg: Again, we always budget somewhat conservatively so that we don't let expectations get beyond us and again, as I said, a real tribute to our faculty and staff who have redoubled their efforts to generate these resources.

Trustee McCuskey: Since this is my first year on the Board, this may reflect in not understanding how some of the finances work as far as shortfalls. Over in the Champaign area, the legislative races have the component of whose fault is it that the University of Illinois is getting less money for state appropriations and I don't hear anybody running for Governor saying that there is going to be more money going to universities, so the situation will be do we maintain our share of what is 27% in this budget or do we have a further shortfall or cutback when either the current administration or new administration comes in a non-election year and looks at the budget through a different prism. But what happens if all of a sudden the General Assembly further cuts back on state appropriations, since we don't expect it to go up, what is the rainy day fund or reserve for that if that contingency happens after the election?

Dr. Bragg: We do not have a formal rainy day or contingency fund for state appropriations or indeed in our income fund either. We are prohibited from doing that in the case of general revenue funds. The direct implication that we will have to look to is the combination of increased tuition revenue to cover if it is an immediate cut to cover those expenses, and to further tightening our belt and controlling expenditures on campus.

Trustee McCuskey: Phil would probably say this is a conservative analysis of what we will get from the General Assembly and that we can make it work.

Mr. Adams: I would say that I would be astounded if that goes up.

Dr. Bragg: Let me give you a little longer range perspective, and this speaks to the comment that Trustee Kasten made earlier. Recently President Bowman asked me to look into my crystal ball and tell him what is going to happen in ten years. With regard to finances one of the things that I took a look at was history – what happened to our appropriations over the last 30 years. If you take that 30-year time period and you slice it into ten year periods. Say 1976-1986, 1977-1987, and I actually went back to 1971. You get 26 ten-year periods. If you adjust for inflation our state appropriations have gone up in two of those 26 periods. They have gone down in real dollars in 24 of those ten-year periods. So if I am just using history as a guide, there will be some short-term fluctuation but the long-term projection, unless there is a significant change in philosophy and revenue available at the state, the prudent thing to do is to plan that at best we are going to have level state appropriations and more likely there will be a slight decline in purchasing power. So you are absolutely right, Trustee Kasten, both because we are not going to see significant growth in general revenue funds and because our faculty and staff have adjusted behaviors and we are generating other revenues, my best projection is you are going to see that percentage further decline over time.

Chairperson Kasten: Other comments or questions?

Trustee Maitland: I would just like to make a comment on the grants. Having just done my Trustee-In-Residence, almost every department that I was in a comment was made that this was done through a grant which really speaks highly of the faculty of how hard they do work and what they think of the University.

Dr. Bragg: Absolutely, and I will put in a plug for our highest priority for salary increases, that it is a direct result of making sure we recruit the best and the brightest faculty. It is one of the corollary benefits that we get from that.

Chairperson Kasten: Any other comments. Motion made, seconded and vote recorded as all members present voting aye.

Resolution 2006.10/25: FY2008 Appropriated Budget Request: Operating and Capital

Each year at this time the University asks the Board to approve its appropriated funds operating budget request and its capital appropriation request to the Illinois Board of Higher Education.

For FY2008, Illinois State is seeking an additional \$7.7M in state appropriated funds to support core programs and services. Consistent with my highest priority and the goals outlined in *Educating Illinois* is funding for faculty and staff salary increases.

We have requested \$4.7M for salary increases, which represents 4 percent of the appropriated funds personal services base.

Utilities continue to be our largest contractual expenditure, and we anticipate increased utility costs in FY2008 as a result of electrical deregulation. The University has requested \$1.2M, which is about 16 percent of the appropriated fund utility base.

As you know, maintaining new and existing facilities is critical to the University. While the state has historically provided operations and maintenance funding for new buildings that have been constructed with capital development funds, no funding has been provided for this purpose since the state's economic downturn in FY2002. Therefore, the University will again request \$750,000 for operations and maintenance costs associated with our new College of Business building.

On the capital side of the equation, we request \$203M in state appropriations for FY2008. This request represents two types of projects—five major capital improvement projects and four capital renewal projects.

The capital projects include the Fine Arts Complex Rehabilitation, Information Commons & Milner Library Rehabilitation, Williams Hall Renovation, College of Education Facilities Rehabilitation and Mennonite College of Nursing construction. Information about each project is in your packet.

As for the capital renewal projects—they include the Felmley Hall Annex Roof Replacement, Horton Field House and University High School Substation Replacement, Chilled Water Zone Interconnection and the placement of Economizers on Boilers. Again, a short description of each project is in your packet. I would like to thank Barb Blake and Dick Runner for preparing this item. I ask your approval for this resolution.

Chairperson Kasten: Is there a motion to approve? Trustee Kinser so moved and was seconded by Trustee Schnepfer. Any discussion?

Trustee Bergman: On page 55, first sentence....capital renewal funds have been provided to the University in nearly every year since FY86. Can we reasonably expect to get \$1.5M or some portion of this in addition to the other appropriation from the state?

Dr. Bragg: I am actually more optimistic about the capital renewal program than a significant increase in the regular capital program. This is a small niche program that the Board of Higher Education created more than a decade ago that has been extremely useful and valuable on every public university campus. Every public university has indicated strong support for renewing support for this, and I believe that as soon as the capital funds are made available again, there will be support for the capital renewal program – both because it is popular and it is a small dollar amount. Whether that happens this coming year or the next year, I really can't say.

Trustee Bergman: So I guess in answer to my question – all it says here is provided almost every year since 1986 – there is really no assurance we are going to get any this year but we very well could because it is a small amount and everybody is for it.

Dr. Bragg: Correct.

Trustee Bergman: How much did we get in the way of capital renewal funds for our current fiscal year?

Dr. Bragg: None.

Trustee Bergman: How about the prior fiscal year?

Dr. Bragg: None. It has all been associated with the downturn in the state's budget and what everyone is waiting for is for that revenue to turn around again.

Trustee Schnepfer: I see we are asking for the 16 percent for the deregulation increase and I was looking at our Board packet last night – when we were talking about that contract we were looking at around 20 percent increase, so I am wondering if we have monies to cover an increase that would be greater than 16 percent in that deregulation?

Dr. Bragg: The 20 percent increase that we referred to earlier is the rate per kilowatt hour – this revenue that we are projecting at 16 percent would be the total revenue – we estimate that we can cover it with 16 percent because of efficiencies that we can gain in consumption and maintaining consumption.

Trustee Kasten: What if any affect has the state auction or the bidding process that just took place influenced us?

Dr. Bragg: Let me put in a plug for Ron Kelley, Director of Office of Energy Management, who took leadership in forming a consortium of five public universities to combine our electrical load and go out and negotiate a contract. They successfully negotiated a contract with Mid-America for a rate that is about 40% lower than the rate that we would have had if we had gone with the auction process in September. That is the good news. The bad news is, depending on how you look at it, it's somewhere between 29 and 31 percent higher than the rate we have today but a lot better than it could have been.

Trustee Bergman: Did you make the deal with Mid-America after the auction process or before?

Dr. Bragg: I believe it was during but, Ron, let me ask you.

Mr. Kelley: It was a week after.

Trustee Bergman: That was a very wise thing to do.

Chairperson Kasten: Those are the kinds of savings that don't get a lot of press or print about, but are so important to the overall budget. Any other questions or comments? Motion made, seconded and vote recorded as all members present voting aye.

Resolution 2006.10/26: Presidential Compensation

Chairperson Kasten: Each year, as you know, the Board of Trustees reviews in Executive Session the level of compensation for the President in conjunction with its evaluation of the President's performance for the past academic year.

I want you to know that it is a process we take very seriously and we do so for a lot of reasons. One of which is this is our only direct hire, and it is important that hire be everything that we can make it be. We have gotten input and you all were a part of that process, and we carefully looked at and evaluated all the input and have concluded that it has been an outstanding year for Illinois State University and its president, Dr. Bowman. We know the campus community feels that way and the greater community, here and around the state feel that way also. I know our alumni feel that way and I know every Trustee feels that way. In recommending the president's compensation, we take into account a very competitive market place and our desire to retain great leadership in the face of that very competition. We know that this level of compensation that we are proposing today will put us in the middle layer of that competition, both when you consider the president's salary and benefit package. In addition to the salary that we are recommending today, \$274,250, the benefits package includes a contribution of \$20,000 to the State of Illinois Employees Deferred Compensation Plan, use of the University residence, a vehicle and a membership at the Bloomington Country Club. I think all those are pretty well known. I would ask the Trustees to approve the Resolution setting the salary level of President Bowman at \$274,250 for FY2007 with those related benefits that I related.

Trustee Bergman: Mr. Chairman, the membership of the Bloomington Country Club is paid for by the Foundation.

Chairperson Kasten: It is paid for by Foundation funds but authorized by the Board as well so that everybody knows about it. Trustee Ommen moved for approval and was seconded by Trustee McCuskey. Motion made, seconded and vote recorded by all members present voting aye.

Trustee McCuskey: Living over in Champaign/Urbana you obviously get a different perspective on education, but one of the things I said behind the scenes in executive session and am certainly glad to say out loud publicly is that we may not be able to compete or have the resources of the University of Illinois that has literally dozens of people on the staff making well over \$300,000/year – associate chancellors left and right making \$325,000 plus. But that said, behind the scenes I have said that the compensation of the president of Illinois State University should be second to none other than the University of Illinois. Dr. Bowman has never sought that and has always said that his compensation should not jump any greater than what we are moving with the faculty. So for anybody that believes that this compensation is overly generous doesn't understand the compensation for administrators of universities in the field in the State of Illinois. President Bowman has been very conservative and has not sought the compensation that he really is entitled to, so I hope that he is always satisfied here and we certainly appreciate his work and the fact that he has not sought the compensation he is entitled to.

Chairperson Kasten: I think any number of us would echo those sentiments.

Dr. Bowman: Thanks for the kind words and vote of confidence.

Resolution 2006.10/27: Naming of the Business Building Team Room

We all know Dr. Susan Kern as a long-time member of the University family. As you know, Dr. Kern just recently retired after leading Illinois State through its first-ever comprehensive fundraising campaign, Redefining “normal.” She has also made a very generous contribution to the University in the name of her husband, Stephen Kern. So today we ask the Board’s approval to name Team Room number 144 in the College of Business Building as the Stephen R. Kern MBA Room in recognition of the support provided by Dr. Susan Kern.

Chairperson Kasten: Is there a motion? Trustee Kinser so moved and was seconded by Trustee Maitland. Any discussion? Motion made, seconded and vote recorded as all members present voting aye.

Resolution 2006.10/28: East Campus Residence Halls Project Increase

This resolution seeks an additional \$6M to complete construction and renovation for the East Campus Residence Hall Complex. The reasons for the cost increases are simply the skyrocketing cost of construction materials since Hurricane Katrina and the expansion of construction outside of the United States. The cost increases will be covered by Student Residential and Dining Systems funds. I ask your approval for this resolution.

Chairperson Kasten: Is there a motion to approve? Trustee Ommen so moved and was seconded by Trustee McCuskey. Any discussion?

Trustee Ommen: When will this work take place?

President Bowman: Summer of 2008.

Trustee Ommen: So we don’t know at this time whether this additional increase will be enough to cover the cost increases between now and then?

Mr. Steve Adams: We are confident that it will.

Chairperson Kasten: Motion made, seconded and vote recorded as all members present voting aye.

Resolution 2006.10/29: Northwest Zone Chiller Budget Increase

Again we have a case of escalating construction materials costs and an original budget figure that is no longer adequate to complete the project. This resolution requests an additional \$2M for the Northwest Zone chiller project with appropriated and bond revenue funds. I ask your approval for this resolution.

Chairperson Kasten: Is there a motion for approval? Trustee Ommen so moved and was seconded by Trustee Maitland. Do we have some idea of what the split will be between those two sources?

Dr. Bragg: About 60% appropriation and 40% bond revenue or 55/45.

Chairperson Kasten: Motion made, seconded and vote recorded as all members present voting aye.

Resolution 2006.10/30: Authorization to Lease Property at Traders Circle, Normal

Although this resolution and the one that follows asks the Board to approve lease arrangements for two properties, the importance of these resolutions go far beyond the specific projects. They represent a new

and more sophisticated level of partnership between the University and its Foundation—a level of partnership that Illinois State celebrates as an important initiative.

As you know, the Illinois State University Foundation has created a limited liability corporation called Launching Futures for the purpose of investing some of the Foundation's assets in alternative investments, including real estate. While the Foundation can buy and sell real estate and realize profit from the sale—the University cannot.

The Foundation can develop real estate assets in a more straightforward and cost effective manner than the University can, and because the Foundation's mission is to support the University, all costs the University pays to the Foundation must be used to support the University.

In the two projects before you today, for example, the University gets the beneficial use of needed facilities without having to commit resources up-front for their purchase and then own them forever. The Foundation gets an investment in real estate with a reliable long-term tenant and realizes the property's eventual appreciation. We anticipate more such projects in the future.

With regard to this first resolution, Traders Circle is an ideal site for remote parking. It will allow the University to not only meet the increase demand for parking, but also free up high-demand spaces near the center of campus for faculty and staff. I ask Board approval for the authorization to enter into a lease with the Foundation's Launching Futures LLC as detailed in the resolution.

Chairperson Kasten: Before we proceed to act on the resolution I am going to ask Trustee Ommen if he would like to make any comments about all the effort that has gone into establishing the LLC and the projects here.

Trustee Ommen: A couple of comments – one, I will abstain from voting on both this and the next resolution because of my position with the Foundation and my position with Launching Futures. This is a very common practice on many university campuses around the country. It is a way in which a foundation can support the mission of the university by engaging in some real estate activities. It's easier for a foundation to do it than it is for a state public university. Our foundation wasn't large enough in the past to really talk about doing some of these kinds of things and now we have achieved that kind of scale and have allocated up to five percent of the Foundation's assets for investment into real estate, and we intend to use this kind of vehicle as a means to do that. So it is a project that supports the mission of the Foundation which is to support the University.

Chairperson Kasten: Do I have a motion for approval? Trustee Maitland so moved and was seconded by Trustee Kinser. Any discussion?

Trustee Bergman: We are talking about a rental amount of up to \$50,000 – how is the rental amount going to be determined? Is it a cap rate of cost that the Foundation pays?

Dr. Bragg: It will be determined through intense negotiations between the University and the Foundation.

Trustee Bergman: So basically there has been no agreements as to if you pay this much, we will pay this much?

Dr. Bragg: No, negotiations are still underway.

Chairperson Kasten: Let me just share with the Board that I have talked with legal counsel and they have assured me that all of the various statutes and regulations pertaining to this have been complied with, so from our perspective, it seems to me a very much win-win situation.

Trustee Maitland: I might just add that at my house I heard a lot about the functions going on when you were trying to buy the farm at Lexington and so forth, and so I know this seems like a much easier process than what they went through then, being able to exchange and all that because they couldn't sell the property.

Chairperson Kasten: Motion made, seconded and vote recorded as all members present voting aye.

Trustee Bergman: I'm sorry I should have said that I abstain also.

Chairperson Kasten: Let the record reflect that Trustees Ommen and Bergman have refrained and that the vote was unanimous save those two gentlemen.

Resolution 2006.10/31: Authorization to Lease Property at 1101 N. Main, Normal

This is the second resolution relating to the Launching Futures LLC. For Illinois State, the property at 1101 North Main has several attractions:

- it is located on a high-traffic, high visibility corridor that the University has committed to develop with Illinois Wesleyan University, BroMenn Regional Medical Center, the Town of Normal and the City of Bloomington
- it has 200 parking spaces directly associated with it and access to an additional 200 spaces on adjacent properties
- the space is in excellent structural condition and will allow for efficient and cost effective development

While we will continue to receive campus-wide input on planning for 1101 N. Main, functions that are ideally suited for the space include those that have high interaction with constituencies external to the University, that require parking and that promote the institution. Examples include Alumni, Conferencing and parts of University Advancement.

The development of an Alumni Center at this location that would house such functions would enhance the University's and the Foundation's fundraising efforts as well as promote the visibility of Illinois State. I ask Board approval for the authorization to enter into a lease with the Foundation's Launching Futures LLC as detailed in the resolution.

Chairperson Kasten: Is there a motion to approve? Trustee Schnepfer so moved and was seconded by Trustee Maitland. Any discussion?

Presently the area involved at 1101 N Main is a cavernous unobstructed huge area to develop with a parking lot that is sizeable. What kinds of things for the front of the building toward the Main Street side would be contemplated?

Dr. Runner: The beauty of looking at a structure like 1101 N Main is that the structure itself is very simple and straight forward, both internally and externally. It allows us great flexibility of how we make the exterior face of this building look. We have explored several different opportunities and have looked at what other universities have done across the country with other big box stores or buildings that they have acquired for similar type functions. We have done one sketch that makes it look very Georgian, that makes it look like it would be a close kin to Fell Hall, but we can do any number of things through the building materials that are available to us. Our intent is that the building would look very clearly as a collegiate building, a building that would belong to the University or the Foundation. We want it to be

clearly identifiable as such a facility for those approaching the building or those passing on the street. So among the options we would be looking at using building materials of brick – we have a standard brick of style, color and size that we have used on all of our major buildings over the last 20 years. Also there are a number of other building materials we would use to help accent and compliment the brick, but the entrance – different to what it is now – there would clearly be an identifiable entrance that would have a canopy and a green space out front. We would want to retain and enhance the natural light that would come in the front through the building – that is one of the attractive features of it, but it would look like a college building that belonged to Illinois State University. That is the intent at this point.

Chairperson Kasten: I recognize that it isn't set in stone that it will be an alumni center, but were it, would there be appropriate changes in signage and marquee?

Dr. Runner: Yes, we have looked at the entire exterior area of the building. Currently there are 200 parking spaces – currently it is all asphalt in the front of the building and to the side. Frankly, that is one of the nice features that drew us to that building. It was one of the elements that we were looking for. Our intent would be to take a portion of the front of that building that is currently driveway and concrete – we would create a green front, not too large of one, but one large enough that would define it and give it a collegiate look. It also would provide an opportunity, depending on the units that would go out there, to hold outdoor activities in tents on particular activity weekends, but the overall look and feel including signage would be altered to make it look as part of the institution – out standard signs and graphics to make it clearly identifiable as to what it is. We also have had discussions as to where we put a naming opportunity over the entrance of the building.

Trustee Kinser: There are other tenants that are on that property – does this include the total building and what about the improvements on the frontage of the other tenants? Are they going to stay?

Dr. Runner: What we are talking about is the leasing of the large box space that previously was the Eagle grocery store. The other tenants in their own facilities would continue to be there. Our project would only address this initially. We would intend to have as part of the contract or the legal option to acquire or gain control of the other facilities through the LLC if they became available or if the LLC was interested.

Trustee Maitland: I was just wondering since this would be the first focal point when you come into Normal of ISU, was there any thought on putting up some type of information building or something that people can see and stop to find out where they want to go? Maybe out towards the street in the parking lot.

Dr. Runner: We have talked about a number of options – we have talked with Advancement staff about how to best present this building whether it be a separate kiosk out front, but clearly signage identifying what it is and that there would be information available for people who would stop it because it is that first point of contact for folks, so we are again still flexible as to what the ultimate plan would be, but that is one of the features and one of the objectives.

Trustee Bergman: I think this is a lousy idea. I have been on the Board for about three years now and I am going to vote against this. It will be the first resolution that I have voted against and I would like to share my reasons with you.

We have been trying to increase the perception of our University – we have a term “emerging flagship institution”, as well as many others. I don't think you can do that by having an alumni center and a visitor's center in a storefront next to a Walgreens in a strip shopping center. Sure you can put a nice façade on it but it still is a building in a strip shopping center next to a Walgreens. And by the way if you are hungry you can go down to the Chinese restaurant the other side of Walgreens.

Some of us went to the Kansas State football game. They were nice enough to allow us to go into their visitor's center, which I think is some type of alumni center also. It was a beautiful place – far more than \$4M worth. Talk about a first impression – you are going to get it there. I haven't been there but a couple of years ago I know Northern Illinois University built an alumni and visitor center, which I think cost them around \$6M, which is more than what we are talking about. I have not been there but have seen pictures of it and it really looks nice. Good first impression for people that are going to Northern. What kind of first impression are we going to have – a welcome center and alumni office in a storefront next to a Walgreens in a strip shopping center whose main claim to fame locally is that a guy got killed in the parking lot, which is why the Eagle store went out of business.

Frankly, what we are really talking about with this resolution is approving potentially in excess of \$4M in expenditures. \$3M in rent, which is really for renovations, and as much as \$275,000/year for five years. What I would rather do is take that \$4M plus and build our own attractive building. We can't build as large as one, but we could build probably close to a 20,000 sq ft building for \$4M plus. We build it on our land, possibly where the white barn is next to the Ropp building, possibly where the parking office is up the street – high traffic locations. We can build something nice – something that would be a positive rather than a negative. Now like I say for the same money we can build something a little less than 20,000 sq ft. There is something here in the book that says we need at least 30,000 sq ft. Alright – that is maybe another \$2.25M. We heard this morning that our fund raising has been very successful and it has been. I think if we made an effort to go out and raise funds and say we want to build an alumni building and welcome center and we need another \$2.25, I think we could raise that in a matter of months rather than years. And then if we need 30,000 sq ft, we've got it, and we can do a very nice building in a good location and something we would be proud of and own forever.

I also wonder if this is the best use for \$4M of the University money. As far as I know we still have a hiring freeze on, we have fewer faculty than we did several years ago, we have fewer staff than we did several years ago, so I think it is safe to say we are shorthanded, at least in some areas. I was told a couple of years ago and don't know if this is still the situation, but it very well may be, that we really didn't have enough money to reimburse our faculty for travel expenses. We tell our faculty if you want to rise in the ranks going from assistant to associate to full professor, you have to go and you have to present papers – you have to go and attend these conferences – you have to do these things – but by the way we don't have enough money to reimburse you for those expenses. I know that was the case a couple of years ago and it may still be the case. So what is the best use of our money?

I have heard from some people that even the budget for office supplies in some of our colleges and departments haven't been increased in years and things are pretty tight. We already know that many of our faculty are under paid with respect to their peers and some of the staff our also. In looking at the budget proposal this morning, we are looking at 2.5 percent in our revenue – well you can look at a lot of things and say what the rate of inflation is, but basically in the third quarter of this past year, the normal guideline that is used for inflation is 2.7 or 2.8 percent. If that is accurate, we are actually going in the hole this next year in terms of buying power, but yet we are talking about spending \$4M over five years for a storefront next to a Walgreens in a strip shopping center for space I think we would probably like to have but probably don't need all that badly. I don't think that is the best use for our money. If we are going to go with bricks and mortar, I say lets build a building that we can be proud of – our own building on our own land that we will be able to own forever. When we get to voting, I request a roll call vote.

Chairperson Kasten: Thank you Trustee Bergman.

President Bowman: Trustee Bergman and I have had lots of debates about this property over long dinners and I have always prided myself in being persuasive and you can tell that I failed miserably in convincing him that this is a good project, but you certainly make valid points about the property. There are properties around the country, as Dr. Runner indicated, where retail space has been converted in this manner. In a perfect world we would certainly like to build this where University High School is today.

Some people have mentioned the Gregory Street property as a possible location and the difficulty there is the infrastructure is not in place to do it and the cost would escalate.

Trustee Bergman: For what it is worth I would not propose Gregory Street. I agree that it needs to be in a well trafficked, high profile area, so Main Street would be the place to build.

Chairperson Kasten: Other comments? Hearing none we will proceed with the vote by roll call.

Trustee Ommen:

Trustee Bergman – nay
Trustee Davis – absent
Trustee Kasten – aye
Trustee Kinser – aye
Trustee Maitland – aye
Trustee McCuskey – nay
Trustee Ommen – abstain
Trustee Schnepfer - aye

Vote recorded as 4 ayes, 2 nays, 1 abstain and 1 absent. Motion carries and resolution is adopted.

I would now entertain a motion to move into Executive Session for the purpose of considering the appointment, employment, compensation, discipline, performance, or dismissal of specific employees pursuant to 5ILCS, Section 120/2 (c)(1); collective negotiating matters between the University and its employees, 5ILCS, Section 120/2 (c)(2); litigation which has been filed and is pending before a court or administrative tribunal, as allowed in 5ILCS, Section 120/2 (c)(11); and the purchase or lease of real property as allowed in 5ILCS, Section 120/2 (c)(5). Is there a motion? Trustee Maitland so moved and was seconded by Trustee Kinser. Motion made, seconded and vote recorded as all members present voting aye.

We will now move into Executive Session. At the close of Executive Session, the Board will reconvene in public session only for the purpose of adjournment.

The Board reconvened in public session at 11:51 a.m. at which time roll was taken. The motion to adjourn was made by Trustee Maitland and seconded by Trustee Schnepfer. Meeting adjourned at 11:52 a.m.