The NEIU Board of Trustees Committees met as follows on February 27, 2014 in the Golden Eagles room at Northeastern Illinois University, 5500 N. St. Louis Ave. The President’s Report is incorporated herein by reference. Chair Azcoitia called the meeting to order.

Approval of Minutes
Chair Azcoitia said that hearing no corrections, the Committee Minutes from November 14, 2013 stand as written.

Executive Committee – no report

Academic and Student Affairs Committee
Committee Members present: Barbara Fumo, Marvin Garcia, Jin Lee, and Franklin Ortega
Committee Members absent: none
Other Trustees Present: Carlos Azcoitia, Ex-Officio; Bob Biggins, Omar Duque, Darlene Ruscitti, and Jonathan Stein
University Liaison: Richard Helldobler

- Trustee Garcia represented the committee and explained that the discussion and follow-up on recruitment will be scheduled for another day.

Buildings and Grounds Committee
Committee Members present: Omar Duque, Chair; and Barbara Fumo
Committee Members absent: none
Other Trustees present: Carlos Azcoitia, Ex-Officio; Bob Biggins, Marvin Garcia, Jin Lee, Darlene Ruscitti, Jonathan Stein, and Franklin Ortega
University Liaisons: Michael Pierick and Nancy Medina

Items on agenda:
 Review of President’s Report Items:
 Information Item II. B. Overview of Campus Safety and Security, page 12

 Construction Report
 - Trustee Duque read the construction report as follows.

Alumni Hall Construction Update: Construction for the Alumni Hall Renovation Project is complete. The dimming system is programmed and events are being scheduled. The Student Union has been using the space since November.

BBH Vivarium and Marine Organisms Labs: Construction for the Vivarium and Marine Organisms Labs is complete.
CCICS Auditorium Construction Update: Substantial Completion occurred on November 13, 2013. Most Punchlist items have been completed. The CCICS Campus has been regularly using the facility since December.

Education Building Update: The University selected the Design Firm, Smithgroup/JJR, through the Qualifications Based Selection Process. Contract negotiations with the design firm and the Capital Development Board has commenced.

El Centro Building Update: Construction is progressing at the new El Centro Campus building. Installation of the mechanical, electrical and plumbing systems and the exterior curtain wall system is in progress. Work is scheduled to be complete for Fall 2014 classes.

Infrastructure Expansion Update: The contract for the Phase 2 definitive A/E design work has been approved, and will commence on March 1. Design work is expected to be complete by October 2014.

Roofing and Exterior Façade: The Capital Development Board approved the architects and released funding of $1.7 million for several major roof repair projects on campus. New roof and wall repairs will be made to the Library and the PE Building. Roof and wall repairs will also be made on Building H. The projects are currently at 100% design stage and out for bid. The projects are scheduled to be completed in summer 2014.

Finance Committee
Committee Members present: Omar Duque, chair; Bob Biggins, Darlene Ruscitti, and Jonathan Stein
Committee Members absent: none
Other Trustees present: Carlos Azcoitia, Ex-Officio; Barbara Fumo, Marvin Garcia, Jin Lee, and Franklin Ortega
University Liaisons: Michael Pierick and Robert Filipp

Items on agenda:
 Review of President’s Report Items
  Action Item I. A. Tuition and Fee Recommendations, page 1
  Action Item I. B. Approve Michael Pierick as Board Treasurer, page 7
  Action Item I. C. Expenditure Recommendations – Snow Removal Service, page 8
  Information Item II. A. Second Quarter Budget to Actual Report, page 9
  Information Item II. C. Purchases between $50,000 and $100,000, page 17

Trustee Duque represented the committee and explained that the Finance Committee held a special meeting on January 14, 2014 to examine the issues surrounding tuition and fee rates. The consensus reached in that meeting is reflected in the recommendations for the FY2015 tuition and fees presented below:

   a) No increase in fee rates;
   b) A tuition rate change for incoming Fall 2014 undergraduate students that is 5.9 percent higher than the rate for incoming Fall 2013 undergraduate students. (Note that the original consensus from the Finance Committee is 6 percent, based on rounding percentages. Rounding to the nearest whole dollar results in 5.9 percent.)
   c) A tuition increase of 7.0 percent for graduate students; and
d) A tuition increase of 9.2 percent for undergraduate students who will have been at the University for more than six academic years. (Note that the original consensus is 9 percent; rounding to the nearest dollar results in 9.2 percent.)

Northeastern’s tuition rates are consistently below Illinois public university averages and are the lowest of the four-year institutions in Chicago. Approximately 70 percent of our students receive financial aid.

Chair Azcoitia asked about the affect of the higher tuition increase of 9.2 percent for students who will have been at the University for more than six academic years. President Hahs explained that this group of students should pay a mid-level number between years two and three. This population of students is generally part-time.

Trustee Garcia had a few questions on preserving some basic services on campus when some services will be cut. For example, preserving institutional financial aid, maintaining the core faculty, keeping student-to-faculty ratios below 20:1, and supporting recruitment and retention efforts. President Hahs explained that the University has to cover increases in the overall budget that include the new El Centro campus and faculty and staff salaries. If the University receives new revenue to cover these increases then other services will be more preserved. Garcia would like more information regarding restricted and unrestricted funds. What demographics are being impacted? President Hahs explained the reduction in enrollment is across all ethnic groups. Many students are also going to community colleges first and then transferring to Northeastern. Garcia stated, 92% of Northeastern full-time freshman apply for financial assistance. Do we know how many freshman receive a full financial package? Hahs explained, 71% receive a full award, therefore 29% will be effected by the tuition increase. For full-time undergraduates only: 64% receive aid; the average aid is $3,588 out of $4,102 in tuition costs per semester, in other words undergraduates pay about $500 out-of-pocket. The average financial aid award across all students is $2,296, which is about 56% of the cost of tuition. President Hahs described a study of financial aid among four real students, two students were selected in the lowest socio-economic quartile and two were selected from the second lowest quartile. The analysis shows that the increase in financial aid covers the increase in tuition for the four students.

Chair Azcoitia asked for the list of administrative cuts. President Hahs explained Northeastern’s percentage of budget that it devotes to administrative costs is below the state average for the twelve publics. The average rate of the reduction in state funding has been 3.4%. Are we estimating the tuition increase based on the anticipated decrease in state funding of 5%? Hahs has set up the proposal to the Board with a best case scenario of level state funding and level enrollment. Azcoitia: Is there a specific amount the University aims for in reserves and can part of the reserves offset the tuition increase. Hahs: The University never spends reserves for operating costs on an annual basis; that would get the University further and further into debt. The standard balance is approximately $40 to $45 million in reserves at all times. Reserves may be used for one time projects to move the University into the future, for example, projects to buy land for housing and infrastructure expenses for the new Education Building.

Trustee Garcia would like to entertain a discussion around tuition where the University could cap tuition over 3 years, where the Board would decide on tuition increases every 3 years. Trustee Ortega asked President Hahs to explain how the Tuition and Fees for Northeastern were calculated on page 4 in the President’s Report. The number is based on 24-credits a year; it’s a weighted averaged of all the different tuition rates for current undergraduates.
Trustee Azcoitia asked about the timing of state funding received. President Hahs explained that the payments vary every year. Currently, Northeastern has received 40% of total funding requested. It is not known when the University will receive the remainder of state funds for the current year.