

III. ACTION ITEMS

A. **Approval of Minutes**

April 27, 2007 Board Meeting

B. Executive Session Minutes – Open Meetings Act

Section 2.06(c) of the Open Meetings Act requires that the Board of Trustees review the minutes of all executive sessions at least semi-annually to determine whether the need for confidentiality still exists as to all or part of those minutes. Minutes of executive sessions, or portions thereof, which no longer require confidential treatment must be made available for public inspection.

In order to comply with this provision, Board Counsel is reviewing executive session minutes and will provide the Board recommendations as to whether or not all or part of those minutes should remain confidential.

C. **FY08 Budget Overview**

Information on the University's FY 2008 all funds budget is included on the following pages. A presentation will be made to the Board regarding the University's Financial Plan for FY 2008.

It is recommended that the Board of Trustees approve the University's FY2008 Financial Plan.

C. FY08 Budget Overview (Cont.)

TABLE 1. SOURCE OF FUNDS FOR BUDGETED REVENUES

FUND SOURCE	FY07		PROJECTED BUDGET FOR FY08	CHANGE FROM FY07 ORIGINAL BUDGET		CHANGE BETWEEN FY08 and FY07	
	ORIGINALLY BUDGETED	ESTIMATED REVENUES		DOLLARS	PERCENT	ESTIMATED REVENUES	PERCENT
OPERATING FUNDS							
I. APPROPRIATED INCOME FUNDS							
	\$94,326	\$96,489	\$96,663	\$4,388	4.6%	\$2,274	2.4%
A. General Revenue Fund	48,283	48,283	49,189	906	1.9%	906	1.9%
B. Income Fund	46,042	48,126	48,484	3,462	7.5%	1,368	2.8%
II. NON-APPROPRIATED FUNDS							
	\$77,398	\$80,864	\$85,165	\$7,767	10.0%	\$4,301	5.3%
A. Restricted							
	\$17,266	\$17,615	\$18,421	\$1,155	6.7%	\$806	4.6%
1. Federal Financial Aid	7,047	7,723	7,467	420	6.0%	(256)	-3.3%
2. Federal Grants & Contracts	1,866	4,237	4,316	2,350	125.3%	(21)	-0.5%
3. State Grants & Contracts	2,132	3,444	3,426	1,294	60.7%	(18)	-0.5%
4. Private Gifts, Grants, & Contracts	6,221	2,211	3,312	(2,909)	-46.8%	1,101	49.8%
B. Unrestricted							
	\$60,132	\$63,249	\$66,744	\$6,612	11.0%	\$3,495	5.5%
1. Housing Operations	30,860	31,396	33,889	3,029	9.8%	2,493	7.9%
2. Student Unions	7,673	7,864	8,056	383	5.0%	192	2.4%
3. Other Self-Supporting Activities	5,309	6,369	6,342	1,033	19.5%	(27)	-0.4%
4. Student Activities	15,471	16,565	17,553	2,082	13.5%	988	6.0%
5. Indirect Costs	459	612	459	0	0.0%	(163)	-26.0%
6. Gifts, Grants, and Contracts	360	443	445	85	23.6%	2	0.5%
III. TOTAL OPERATING FUNDS							
	\$171,723	\$177,273	\$182,848	\$12,125	7.1%	\$6,576	3.7%
CAPITAL FUNDS							
A. Appropriated/Direct	7,131	2,043	4,872	(2,259)	-31.7%	2,829	138.5%
IV. TOTAL CAPITAL FUNDS							
	\$7,131	\$2,043	\$4,872	\$(2,259)	-31.7%	\$2,829	138.5%

Note: The \$7,131 in FY07 and \$4,872 in FY08 represents multi-year funding.

C. FY08 Budget Overview (Cont.)

TABLE 2. SUMMARY OF BUDGETED EXPENDITURES -- ALL FUNDS

BUDGET FUNCTION	FY07		PROJECTED BUDGET FOR FY08	CHANGE BETWEEN FY08 AND FY07	
	ORIGINALLY BUDGETED	ESTIMATED EXPENDITURES		CHANGE FROM FY07 ORIGINAL BUDGET	CHANGE FROM FY07 ESTIMATED EXPENDITURES
	DOLLARS	DOLLARS	DOLLARS	DOLLARS	DOLLARS
	PERCENT	PERCENT	PERCENT	PERCENT	PERCENT
OPERATING FUNDS					
EDUCATIONAL AND GENERAL OPERATIONS	\$129,613	\$133,875	\$136,331	\$6,718	\$4,766
				5.2%	3.6%
Instructional Activities	52,937	54,950	56,939	4,002	1,989
				7.6%	3.6%
Organized Research	1,458	1,185	1,313	(146)	128
				-10.0%	10.8%
Public Service	8,906	8,726	9,247	342	521
				3.8%	6.0%
Academic Support	11,511	11,890	11,188	(313)	(692)
				-2.7%	-5.8%
Student Services	22,266	23,805	24,148	1,882	343
				8.5%	1.4%
Scholarship & Fellowship	7,743	8,141	8,000	800	402
				10.3%	4.9%
Institutional Support	13,854	12,839	14,423	869	1,584
				6.4%	12.3%
Operation & Maintenance of Physical Plant	11,238	12,039	12,520	1,282	481
				11.4%	4.0%
INDEPENDENT OPERATIONS	\$39,478	\$42,403	\$42,379	\$2,901	(\$1,024)
				7.3%	-2.4%
Auxiliary Enterprises	39,478	43,403	42,379	2,901	(1,024)
				7.3%	-2.4%
OTHER	\$1,026	\$3,831	\$2,787	(\$1,181)	(\$124)
				7.9%	-3.2%
FICA/Medicare	1,026	1,184	1,000	(26)	(184)
				-2.5%	-11.8%
Group Insurance	1,843	1,724	1,734	91	10
				5.5%	0.6%
Compensated Absences	1,356	973	973	(383)	0
				-28.2%	0.0%
TOTAL OPERATING FUNDS	\$130,639	\$137,698	\$140,917	\$10,301	\$3,868
				8.5%	2.8%
CAPITAL FUNDS					
Operation and Maintenance of Physical Plant	7,131	2,043	4,872	(2,259)	2,829
				-31.7%	138.5%
TOTAL CAPITAL FUNDS	\$7,131	\$2,043	\$4,872	(\$2,259)	\$2,829
				-31.7%	138.5%

** Note: The \$7,131 in FY07 and \$4,872 in FY08 represents multi-year funding.

D. FY 2009 Budget Recommendation

Information on the University's FY 2009 Appropriated and Income Funds budget request is included on the following pages. A presentation will be made to the Board regarding the budget request for FY 2009.

It is recommended that the Board of Trustees approve the University's FY2009 Appropriated and Income Funds budget request.

D. FY09 Budget Recommendation (Cont.)

Eastern Illinois University FY 2009 Appropriated and Income Funds Budget Request

Each year, Illinois public universities request increases to their appropriated and income funds budgets. The following process is typically followed:

- Operating and capital budget requests are sent to the Illinois Board of Higher Education (IBHE) by October 15th.
- IBHE staff members meet in late October with each public university to discuss issues and priorities.
- The IBHE issues its recommendations to universities in early December. These recommendations are made available to the Governor's office.
- Eastern's recommended appropriation is published by the IBHE in late January.
- The Governor presents his budget recommendations in the annual State of the Budget address, normally given in February.
- Universities prepare and submit Illinois State Legislature (ISL) forms to the General Assembly offices in March.
- Universities provide testimony regarding their budget requests before the House and Senate Appropriations Committees in April.
- Eastern's appropriation bill is drafted in late April or early May.
- The General Assembly finalizes appropriations by the end of May.
- The Governor signs the appropriation bill some time around July 1st.
- Funds are available to universities by early July.

Eastern, like the rest of the State, has suffered through recent economic difficulties. Between Fiscal Years 2002 and 2006, General Revenue Funds (GRF) decreased \$ 7.2 million dollars. Thankfully, a GRF funding increase was appropriated in FY 2007 (\$673,300) and, preliminarily, in FY 2008, (\$906,400) in new funding is expected. Still, the comparison between Appropriated and Income Funds budgets shows State support for Eastern has dropped from 67.0% of the budget in FY 2002 to a projected 51.0% for FY 2008.

During this period of declining State support, beginning in FY 2002, the University's Income Funds (primarily, tuition revenue) increased approximately \$21 million. This dramatic shift resulted from both larger enrollments and, unfortunately, higher than normal tuition rate increases. The increases were made necessary by the reductions in State support and the need to cover increases in operational and programmatic costs, especially the sharp rise in energy costs.

On a positive note, Eastern is expecting \$906,400 in additional funds from the State in FY 2008, the second time an increase has been recommended in six years. Consequently, there is hope that the State's economic crisis is coming to an end and funding for higher education will once again be a priority for the State in FY 2009 and beyond.

While there are indications that the State is emerging from its economic doldrums, State-wide issues such as pension funding, Medicare and capital funding must still be addressed. It is within

D. FY09 Budget Recommendation (Cont.)

the context of these economic realities that Eastern's Fiscal Year 2009 budget request is presented to the Board for consideration.

In the following summary, the various components of Eastern's operating and capital budget requests are identified and summarized. Exhibits I and II, on pages 23 and 24, provide summary information. Funds appropriated through the operating budget request process are added to Eastern's base budget on a permanent, on-going basis (available year after year) while capital funds are appropriated on a project-by-project basis and, once expended, do not remain in the University's budget.

Operating Budget Request

Funds are requested to increase Eastern's day-to-day operating budget in two main categories, incremental base budget increases and Program Priority Requests. Incremental base increases are intended to meet general cost increases for items such as salaries, Medicare, library acquisitions, general costs and utilities. Program Priority Requests fund a specific program or need, such as an academic initiative or technology request. Requests for incremental base budget increases are attached to the same categories of items each year. In contrast, Program Priority Requests are associated with specific programs, which may change from year to year.

I. Incremental Base Budget Items

Salary Increases

In the past few years, Eastern has tried to provide employees with a salary increase (approximately 2-3%) to keep pace with inflation. Keeping pace with inflation has meant only small amounts are available for merit and market increases. Whenever possible, Eastern has reallocated funds to address the issue of employee groups whose salaries are below State and National averages. Unfortunately, even with these internal reallocations, Eastern has only been able to provide salaries that continue to fall below State and National averages.

Faculty Salaries

According to IBHE data, Eastern's faculty salaries have ranked second lowest in the State in recent years. In FY 2007, Eastern negotiated a new four-year faculty contract with the University Professionals of Illinois (UPI). This new contract provides significant salary increases for faculty and should improve the salary ranking of Eastern's faculty.

Civil Service Salaries

According to IBHE data, Eastern's FY 2006 weighted average Civil Service salaries were second lowest at \$34,899 for primary campuses, compared with a State average for all public universities of \$39,355, a gap of approximately 13% which is greater than last year's 11%. A majority of Eastern's Civil Service employee groups (Advanced Professional and Managerial, Beginning Professional and Managerial, Semi-Skilled Domestic, Medical, Clerical, Data Processing, Technical and Para-Professional) have salaries that are below the State average and fall far down the list of other State universities.

D. FY09 Budget Recommendation (Cont.)

Administrative Salaries

Several, but not all, of Eastern's administrative and other professional employees have salaries below National levels for similar public universities, according to the College and University Personnel Association (CUPA) Administrative Compensation Salary Survey.

Our FY 2009 request is for a 5.0% increase to the salary base and an additional 2% increase for retention of critical faculty and staff to protect against further deterioration of salaries in comparison to other state universities. In FY 2008, we also asked for a 5.0% increase to the salary base and an additional 2.0% increase for retention of critical faculty and staff to avoid further deterioration of employee salaries. State funding for FY 2008 has been proposed at only \$906,400 and the University is obligated by contract to pay faculty approximately a 6.0% salary increase (est. \$2.2 million dollars). This does not take into account salary increases for other University employees (Civil Service and Academic/Professional or Prevailing Rate Craftsmen). Therefore, it is imperative that the State provide additional funding for Eastern to attain salary competitiveness both within the State and to ward off raids on our employees from competing universities beyond State lines.

Additional information on the 2% request for recruiting and retaining critical faculty and staff is contained in the Program Priority Request section beginning on page 13.

Medicare

For FY 2009, Eastern is proposing a 7.0% increase for Social Security/Medicare charges. The percentage increase for these costs was derived by combining Eastern's proposed FY 2009 salary increase of 5% with the additional 2% for recruiting and retaining critical faculty and staff. Eastern is required to contribute 1.45% of applicable wages to the Social Security/Medicare program for all employees hired after March 1986. While Eastern continues to employ individuals hired before March 1986, this number continues to decline. For this reason, the Social Security/Medicare request is linked to the salary increase request.

Library Books

For FY 2009, Eastern proposes an increase of 15% in its library acquisitions (books, journals, electronic materials) budget. Before FY 2007, Eastern had requested an annual increase of 10% to cover price inflation, especially in scholarly journals and electronic resources.

In recent years, serial prices have increased at a rate of 9-11% annually. To compensate, Eastern's library has made an effort to offer access to a wide variety of electronic databases and document delivery services. While there is a gradual movement away from print sources, there is still a great need to provide a basic level of funding for printed library materials.

Due to the State's continuing financial crisis, no new operating funds were available in FY 2008 for the library's acquisitions budget. Therefore, for FY 2009, we are requesting a standard 10% increase plus 5% to catch up from having received no FY 2008 library acquisitions budget support. A 15% increase would address FY 2009 price increases and assist with the FY 2008 support shortfall.

D. FY09 Budget Recommendation (Cont.)

General Cost Increases

The State has sometimes recognized the impact of inflationary price increases for goods and services. But, for the past decade and a half, such appropriations have been non-existent. In fact, between Fiscal Years 2002 and 2006, Eastern’s GRF declined approximately \$7.2 million (over 15.0%). Since general price increases, measured from Fiscal Year 2002, have increased 11.6%, this has put more pressure on Eastern’s ability to support its instructional programs adequately. Therefore, Eastern is proposing a general cost increase of 3% (approximately \$367,600) for operating costs during FY 2009. The operating budget increase would also support the operation and maintenance of approximately 183,000 square feet of new academic space when the Doudna Fine Arts Center re-opens in 2008.

Utilities

The following table provides a summary of various utility rate and fuel price changes utilizing the most recent available data.

Rate and Price Level Changes in Utility Prices			
<u>Utility</u>	<u>Avg Price Feb. 2007</u>	<u>Estimated FY08 Price</u>	<u>FY08 Change In Price</u>
Natural Gas	.85/therm	1.00/therm	17.6% increase
Electricity	.0629/KWH	.0629/KWH	0% increase
Fuel Oil	2.69/gal	2.85/gal	6% increase
Coal	80.00/ton	80.24/ton	0% increase
Water	7.92/1,000 gal	8.79/1,000 gal	11% increase

Internal data from multiple year commodity contracts and utility providers

While utility costs have increased in the past couple of years, it is hard to predict what prices will do when the FY 2009 budget begins. However, it is hard to imagine cost increases for FY 2009 being less than those estimated in FY 2008. Eastern has been very successful in its energy conservation efforts; however, with the rise in utility rates, an 8% (estimated \$264,100) increase for utilities is proposed for FY 2009. For the past several years, Eastern has avoided higher utility costs by burning coal rather than other fossil fuels. While the cost of this commodity has drastically changed, this option still provides the lowest cost per BTU and insulates Eastern from price swings in natural gas and fuel oil markets. However, the transportation charges to transport coal to Charleston have now increased dramatically, further adding to the cost of this fuel source.

Eastern will continue to monitor utility costs and utilize the most efficient fuel sources available. Cost savings in utility funds, if any, would be used to offset budget shortfalls and fund energy management projects.

D. FY09 Budget Recommendation (Cont.)

II. Program Priority Requests

Eastern's program priority budget requests are identified through the University's formal planning process which begins nearly two years before funds are appropriated. For FY 2009, the planning cycle began in September 2006. All program planning requests arise from the President's stated planning goals. The President's goals were developed after reviewing the Illinois Board of Higher Education goals (currently detailed in the *Illinois Commitment*); the priorities of the Governor and the Illinois General Assembly; and the specific needs and priorities of Eastern Illinois University.

Subsequent to the President setting goals, the vice presidents establish focus statements based on the President's goals. Deans and directors establish planning objectives consistent with the President's goals and the vice presidents' focus statements. Individual departments develop specific initiatives to carry out the objectives of the deans and directors. These initiatives are then sent back for approval, first to the deans and directors and then to the vice presidents. Initiatives, approved by the vice presidents, that require new funding, are reviewed by members of the Council on University Planning and Budget (CUPB) before going back to the President who makes recommendations to the Board of Trustees regarding which of these items should go forth in the FY 2009 budget request as program priority requests. The program priorities listed below have been approved by the President. Many of the initiatives below are repeated from the prior year as they were not funded.

B.S. in Nursing Program - \$285,000

In April 2006, the IBHE approved Eastern's request to offer the B.S. in Nursing, effective Fall 2007. The B.S. in Nursing is a baccalaureate completion program designed for registered nurses with current Illinois nursing licensure who want to complete a bachelor's degree program. The B.S. in Nursing will help ameliorate the overall shortage of nurses in the State and address the growing need for *professional* nurses capable of serving populations that are aging and/or require more complicated care, more intensive care, and more care delivered at home. Currently, no public university in Eastern's region offers a baccalaureate-level program in nursing. In fact, throughout the State of Illinois, only four of the sixteen nursing programs reside in public institutions. The rest are offered by less affordable private colleges.

On average, approximately \$285,000 will be required to fund the program during each of its first three years of operation. New resources are necessary to hire qualified faculty and clerical support; purchase instructional equipment and materials such as examination tables, otoscopes, laryngoscopes, computer software, videotapes, and library books; and cover the cost of contractual services associated with placing students at clinical sites and maintaining malpractice insurance.

Thirty students are expected to enroll in the B.S. in Nursing program during its first year of operation. By the end of year four, the University expects to enroll eighty students and to graduate thirty.

D. FY09 Budget Recommendation (Cont.)

Academic Base Support - \$700,000

Funds requested in this initiative would be directed at two areas that directly impact Eastern's ability to support teaching and learning of the highest quality: hiring staff in areas of greatest need and increasing academic department operating budgets. In particular, personal services dollars would allow the University to begin to address identified imbalances in the ratio of tenured/tenure-track to annually-contracted faculty. Additionally, funds requested for departmental operating budget increases would ensure that academic units could provide both students and faculty with instructional materials and support necessary to engage teaching and learning. This request would help strengthen an academic base challenged for several years by contractually-mandated faculty salary increases and State-wide reductions in GRF.

Community College Faculty Preparation Program - \$125,000

Eastern's development of academic programs designed to prepare community college teachers is a natural outgrowth of its normal school heritage, emphasis on teach preparation programs, and tradition of educating transfer students. Currently, the University offers specialized options in community college pedagogy in its graduate-level Communication Studies and English programs in conjunction with Lake Land College. These programs combine theory with applied learning in on-campus courses and off-campus practica. While several additional graduate programs provide advanced preparation for secondary teachers, this new budget request would allow them to expand their offerings to include emphases in community college pedagogy. The \$125,000 requested would support the development, administration, and delivery of community college education options in disciplines routinely taught at community colleges, including those in the fine arts, natural sciences, and social sciences. It would also allow Eastern to expand the number of cooperating community college to include Parkland College, Danville Area Community College, Illinois Eastern Community Colleges and Rend Lake College.

Diverse Learning Environment - \$166,000

This request supports interrelated initiatives that improve upon the diversity of faculty and professional staff and educational programming on diversity. It expands targeted recruitment of underrepresented faculty and professional staff and, in so doing, supports the University's ability to attract and retain minority students. These initiatives bolster goals to increase access and diversity within the student body, faculty, and administrative staff.

Substance Abuse Counselor - \$45,000

It is a well-established fact that a significant percentage of college students experience negative academic, social, and personal consequences related to substance abuse.

D. FY09 Budget Recommendation (Cont.)

Results of the Eastern Illinois University 2006 CORE survey indicate a strong need for campus-wide alcohol education and consumption reduction. Seventy-four percent of the campus reported using alcohol recently (30 days prior to survey administration), and over half admitted to binge drinking (5 or more drinks in one setting) in the past two weeks. 14.7% of respondents indicated that they thought they might have a drinking or other drug problem and 5.2% indicated that they tried unsuccessfully to stop using. Academically, a relationship between weekly consumption and grade point average exists for students who drink; “A” students consumed on average 4 drinks per week, “C” students consumed approximately 8 drinks per week and “D/F” students consumed over 12 drinks per week.

The National Institute on Alcohol Abuse and Alcoholism’s (NIAAA) [A Call to Action: Changing the Culture of Drinking at U.S. Colleges](#) report highlights evidence-based interventions found to be effective with college populations. Those considered to be among the most impacting include identifying and targeting individual at-risk drinkers, followed by a brief assessment, screening and interventions to assess and compare their drinking habits with those of other students. Implementation of cognitive-behavioral strategies intended at reducing or eliminating high-risk alcohol consumption are also known to be effective.

Eastern has devoted considerable time and effort to establishing substance abuse prevention programs that primarily focus on evidence-based environmental strategies, utilizing prevention, promotion and educational activities. However, existing financial and time constraints have limited the effective implementation of recommended evidence-based practices of assessment, screening, and individual and group counseling interventions.

Funding of the Substance Abuse Counselor position would permit Eastern to provide evidence-based assessment, screening, intervention and counseling efforts to a significant percentage of our student body badly in need of such services and to mitigate the academic, social, and personal impact of substance abuse on these individuals and on the larger University community.

Recruiting and Retaining Critical Faculty and Staff - \$1,600,000

In addition to the request for a basic salary increase, it is proposed that an additional 2% of the personal services base be requested for recruiting and retaining critical faculty and staff. These funds would be used to recruit and retain faculty and staff in high demand areas; provide retirement incentives and leave payouts for faculty and staff in low demand areas; provide start-up incentive funds for faculty in high demand areas; and provide additional funding to recruit minority faculty and staff.

In FY 2000, the IBHE established its five-year *Recruiting and Retaining Critical Faculty and Staff* initiative. The goal of this initiative was to provide a 3% basic salary increase with an additional 1% for recruiting and retaining critical faculty and staff. Universities were asked to match 1% so that a total 5% salary increase funds were made available. The initiative has been referred to as the “3+1+1” initiative. The following table identifies the dollar amounts available for recruiting and retaining critical faculty and staff over the past several years.

D. FY09 Budget Recommendation (Cont.)

	Appropriation	University Match Required
FY 00	\$ 1,033,400	\$ 0
FY 01	540,000	540,000
FY 02	1,140,000	570,000
FY 03	0	0
FY 04	0	0
FY 05	0	0
FY 06	0	0
FY 07	0	0
FY 08	0	0 (Est.)
FY 09	0	0 (Est.)
	<u>\$ 2,713,400</u>	<u>\$1,110,000</u>

After studying early results of the 3+1+1 initiative, and realizing that progress in the area of improving salaries in high demand areas was limited, the IBHE decided to change the initiative to a 3+2+1 allocation in FY 2002. While the IBHE had hoped to continue with the 3+2+1 initiative, the State's financial problems have made this impossible since FY 2002. For FY 2009, Eastern hopes IBHE can return to its original plan to provide funding for this initiative and therefore requests 2% for recruiting and retaining critical faculty and staff.

Technology Enhancements - \$325,000

This initiative would support the University Enterprise Resource Planning (ERP) software suite replacement (SCT Banner), establish an enhanced technology "help" area for students and support other necessary technology enhancements. Funds would be used for servers; system upgrades; computers; imaging hardware and software to be shared by academic, administrative and student affairs areas; and other necessary technological equipment.

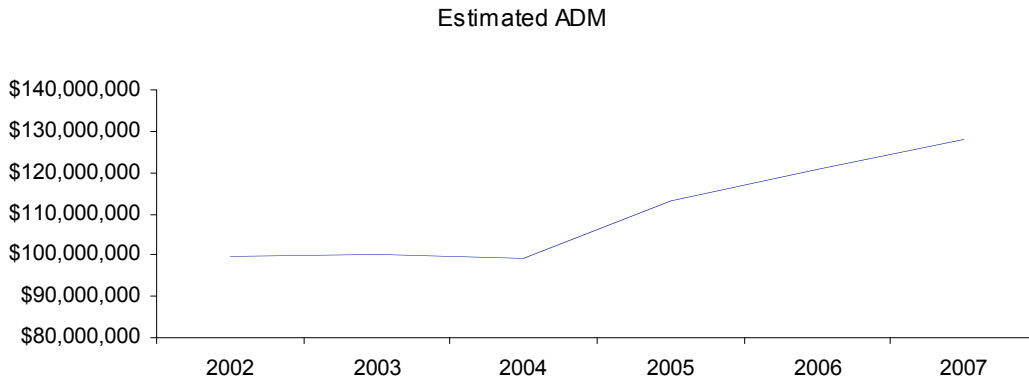
Deferred Maintenance - \$1,200,000

By today's Higher Education industry standards provided by APPA (The Association of Higher Education Facilities Officers), 1.5% of current replacement value (CRV) of campus buildings should be spent to halt the additional accumulation of deferred maintenance. The FY 2007 amount resulting from the application of this formula is \$5.3 million dollars. In the past, Eastern has requested and received funding for a deferred maintenance budget of \$1.7 million dollars (.8% of CRV). This is a short fall of \$3.6 million, or approximately 68% less than recommended expenditures, which assume reasonable levels of deferred maintenance spending.

D. FY09 Budget Recommendation (Cont.)

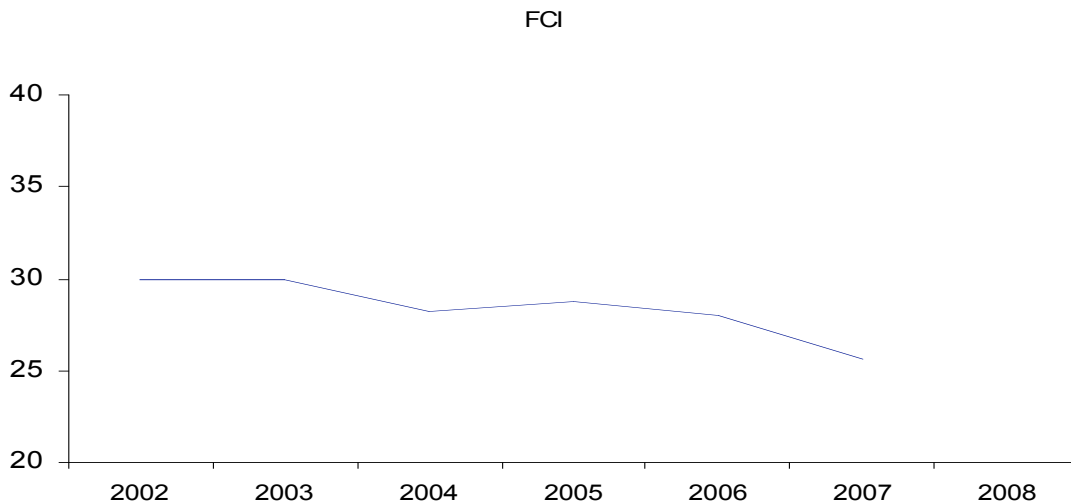
Graph 1 shows how the deferred maintenance backlog has changed in absolute dollars since 2002. Opening of the renovated Booth Library in 2002 and restoration of Blair Hall, resulting from the fire in the spring of 2004, decreased deferred maintenance. However, the amount of deferred maintenance continues to rise without significant infusions of annual funds. All appropriated buildings and infrastructure were considered in the calculations for the estimated accumulated deferred maintenance (ADM) costs. A contribution to the rise in ADM are capital renewal projects managed by the Capital Development Board (CDB), which have been approved for funding and designed, but continue to remain on hold pending release of funds.

GRAPH 1



Typically, the industry measures the relative amount of deferred maintenance using a Facility Condition Index (FCI). An FCI is determined by the ratio of deferred maintenance to the replacement value of buildings. An ideal value is $FCI \leq 5$. FCI values in excess of 15 are considered serious and indicative of a campus in poor condition. Graph 2 shows the FCI values of buildings over time at Eastern (excluding utilities infrastructure systems).

GRAPH 2



D. FY09 Budget Recommendation (Cont.)

Both Graphs 1 and 2 include the value of funds managed through the Capital Development Board (CDB) and university-controlled funds. We believe this is consistent with the IBHE definitions for managing deferred maintenance. The drop, beginning in 2004, in Graph 2 is the result of Blair Hall, Fine Arts, and other projects being vacated for demolition, expansion, remodeling or reconstruction. Consistent deferred maintenance funding is essential if the campus is to strive to reduce ADM appropriately. Plans to request additional campus funds, through the CDB, are in place. These are typically large infrastructure or major rehabilitation projects. However, when smaller rehabilitation projects must be undertaken, the university believes operating funds are a more effective source for campus-identified major maintenance.

Eastern Illinois University requests an additional \$1.2 million in FY 2009, to address the \$3.6 million annual shortfall in deferred maintenance allocations.

CAPITAL BUDGET REQUEST

Capital budget funds are requested in two main categories, regular capital and capital renewal. Regular capital projects are larger in scope and are often phased over several years. Regular capital funds can be requested for planning, site improvements, land acquisitions, utilities, construction, remodeling, and moveable equipment. For FY 2009, Eastern proposes the regular capital projects listed below.

I. REGULAR CAPITAL

Fine Arts Center Moveable Equipment -- Project Number 2009-1 \$ 1,500,000

Equipment for Fine Arts is requested to coincide with the construction of the building. Anticipated equipment needs include office furniture, classroom seating, academic program equipment, instrument storage systems, computers, networking/electronics, and other equipment necessary to appropriately outfit the building.

\$7,500,000 was the original request of which \$6,000,000 was awarded. This remaining \$1,500,000 will help ensure that the remaining equipment necessary to open the building will be in place.

New Science Building -- Project Number 2009-2 \$ 9,121,100

The University's Campus Master Plan, approved by the Board of Trustees at their April 1999 meeting, identified the need for a new science building to house Biological Sciences, Chemistry, Communication Disorder Sciences, Psychology and the Office of the Dean of Sciences. The recommendation was based on analysis of existing science facilities and the overall demand these departments place on the physical infrastructure. In addition, it was recognized that these academic departments demonstrated a serious space deficiency and are often challenged to provide instruction to students that is representative of current academic and industry practices.

D. FY09 Budget Recommendation (Cont.)

The proposed new facility would contain building equipment and systems to provide adequate ventilation, fume control, plumbing, hazardous waste control, lighting and sound control necessary for 21st century science. The building would be constructed with appropriate floor-to-floor distances for the installation of mechanical/electrical/plumbing systems to service these departments. In addition, the building would centralize animal care facilities, presently housed in two campus buildings, to better maintain and efficiently house important living subjects.

The University's Campus Master Plan proposes to locate the building on a site that is partially owned, thus requiring land acquisition. The acquired land would assist the University in realizing another Master Plan goal of converting 7th Street into a pedestrian mall and expanding the core of the campus to the east.

Rehabilitate Steam Production Facilities -- Project Number 2009-3

\$ 14,279,600

The utilities infrastructure at Eastern Illinois University is aged and major portions of critical service systems are well beyond useful economic life expectancy. The campus has experienced forced outages due to infrastructure failures resulting in loss of availability of core utilities to support academic, housing and administrative units. In FY2007, three critical failures occurred in the EIU steam plant: main coal bucket conveyor drive, stoker shaft and grate chain and stoker drive gearbox. Indicative of the overall condition of the operating equipment, these failures placed our coal operation off-line for over 20 weeks during the spring and summer and cost an estimated \$400,000 to correct and an additional \$250,000 in expenditures for natural gas.

Budget requests have been made in past fiscal years to address the spectrum of serious utilities infrastructure deferred maintenance issues faced by Eastern. However, a major portion of the requested funds is required to correct issues in the degrading steam plant. In the steam plant, investments in re-tubing the boilers, replacing safety valves, upgrading combustion controls, replacing worn steam process control valves, replacing pumps, upgrading burners, upgrading fuel handling systems, replacement of the economizer, fly ash bag-house upgrades, correction of code issues, necessary support system re-piping and securing the plant's structural shell integrity are required. A concentration of funds is needed in the flue gas desulfurization (scrubber) area. Scrubbers are required to remove sulfur dioxide from the gasses created from burning high sulfur Illinois coal in order to comply with current State and Federal air emissions regulations. The obsolete wet scrubbing operation involves spraying a chemical mixture into the hot exhaust gasses released when high sulfur coal is burned in the boilers, then processing the resulting mixture in a complex chemical plant to remove sulfur and reclaim the reactants. The scrubbing process involves both highly acidic and highly caustic liquid environments. Handling these aggressive chemical compounds and maintaining the correct neutralization reactions is a complex process which is corrosive to piping, vessels, pumps, instruments and building components. The result of this aggressive process has been the total breakdown of the scrubber system, forcing the University to procure alternate "air quality" coal. This coal is sourced from outside the State of Illinois at a considerable price disadvantage. Since the steam plant and scrubber processes are located central to the campus and adjacent to academic, administrative and student functions, it is essential that deferred maintenance issues be addressed not only to sustain reliable service to campus but also to safely contain the aggressive environment within.

D. FY09 Budget Recommendation (Cont.)

The University requests funding to address serious deferred maintenance needs in the steam generating plant and in the scrubber systems. Failing to address these needs will result in eventual loss of the ability to supply mission critical steam services to campus, possible damage to campus facilities and injury to students, faculty, staff or the visiting public.

Rehabilitate Life Science/Coleman HVAC & Plumbing – Project Number 2009-4 \$3,521,000

Life Science Complex

Life Science (1963) and the Annex building (1964) HVAC systems are original equipment, and are failing to provide adequate levels of comfort in seasonal service. Air handling units which fail to deliver acceptable indoor air quality compromises the normal delivery of education to our students. In addition, poor temperature control and air delivery is energy inefficient. Also, the building heating and chilled water distribution systems have experienced numerous leaks due to internal and external corrosion and thinning of pipe wall thickness. The deterioration has made the piping systems virtually impossible to repair due to insufficient pipe material remaining to thread. During the past several leak events, faculty offices had to be evacuated and important academic work interrupted. In the event of longer-term system outages, research occurring in the Life Sciences complex could be compromised. The building infrastructure requires an entire mechanical upgrade.

This project would replace the ventilation units, air handling units and cooling and heating coils throughout the structure. Temperature control instrumentation would be updated to deliver precise control at optimum energy efficiency. The hot and cold domestic water distribution piping would be replaced to eliminate further system leaks.

Coleman Hall

The Coleman East (1965) and West (1968) buildings HVAC systems are original equipment and fail to provide adequate levels of comfort in seasonal service. Air handling units which fail to deliver acceptable indoor air quality compromises the normal delivery of education to our students. In addition, poor temperature control and air delivery is energy inefficient. Also, the building hot and cold domestic water distribution system has experienced numerous leaks due to internal corrosion and thinning of pipe wall thickness.

This project would replace the air handling units and cooling and heating coils throughout the structure. Temperature control instrumentation would be updated to deliver precise control at optimum energy efficiency. The hot and cold water distribution piping would be replaced to eliminate further system leaks.

D. FY09 Budget Recommendation (Cont.)

Old Main Ceiling Asbestos Abatement -- Project Number 2009-5

\$ 2,919,600

Old Main is the oldest historical structure on campus, and houses administrative offices and classroom spaces. Significant parts of the main corridor ceilings, and also the entire ceiling above the University Business Office are the original plastered construction. These surfaces are deteriorating and are structurally unstable. This plaster has been determined to be an asbestos-containing surfacing material, and is in damaged condition. This proposed project would rebuild these surfaces to mitigate the asbestos exposure risk and to ensure the continued health and safety of occupants. The method of achieving the asbestos abatement project in the Business Office would be to construct a permanent barrier above the existing floor during the abatement project which would be left for development into office space.

Upgrade Utilities Infrastructure -- Project Number 2009-6

\$ 20,605,400

The utilities infrastructure at Eastern Illinois University is aged and major portions of critical service systems are well beyond useful economic life expectancy. The campus has experienced forced outages due to infrastructure failures resulting in loss of use of major facilities to academic, housing and administrative units. Steam distribution and condensate return piping systems, both racked and direct-buried, utility tunnel water distribution mains, sanitary sewage laterals and mains, storm water collection and discharge systems upon which the campus operations depend, require extensive upgrades to restore acceptable service reliability.

In order to approach this challenge, a master design for all utilities would need to be developed. The design would consider all current system conditions, future additional loads expected, location of underground utilities and operations plans which would impact utilities systems. Based upon this comprehensive plan, a project to install the required upgrades, in order of their assigned priority, would be implemented.

Environmental Health and Safety -- Project Number 2009-7

\$ 4,291,600

With increased awareness and concern for the environment and the health and safety of Eastern's students, faculty, and staff, the University's Environmental Health and Safety Committee has considered relevant codes, legislation and government programs (e.g., fire codes, ventilation standards, prudent laboratory practices and disaster-resistant measures) and recommends the following priorities:

1. **Laboratory Ventilation:** In order to achieve compliance with OSHA, laboratory standards and other ventilation standards, ventilation in the University's laboratory and studios which use hazardous chemicals and handle biological materials must be improved to eliminate risks and injuries from inhaling these materials. (\$1,839,500 – Physical Science fume upgrade)
2. **Safety Wiring and Controls:** Emergency master shut downs for gas/electric service are needed in laboratories where solvents, gases, fire or other explosion potentials exist. Electrical outlets near sinks or other high-risk shock locations should have ground fault interruption devices. (\$612,600 – labs control wiring and valves)

D. FY09 Budget Recommendation (Cont.)

3. Emergency Generator Backup: The Human Services Building and other buildings on campus require an emergency generator to provide emergency aid to the campus and prevent loss of property and research. Installing emergency circuits and power capabilities would prevent this from occurring. (\$1,839,500 – Human Services generator, lab backup power)

Note: all projects would require asbestos and lead abatement.

Rehabilitate Klehm Hall HVAC and Plumbing – Project Number 2009-8 \$1,944,700

Klehm Hall (1967) and Klehm Hall Addition (1968) HVAC systems are original equipment and fail to provide adequate levels of comfort in seasonal service. Portions of the 1968 addition which were originally designed as non-air conditioned industrial instruction spaces are now occupied by state-of-the-art processor-controlled machine tools and sophisticated electronics labs. Cooling is inadequately provided by distributed window units, which have been back-fit as additional cooling needs have developed. Air handling units are failing to deliver acceptable indoor air quality which compromises the delivery of education to our students. In addition, poor temperature control and air delivery is energy inefficient. Also, the building heating and chilled water distribution systems have experienced numerous leaks due to internal and external corrosion and thinning of pipe wall thickness. The deterioration has made the piping systems virtually impossible to repair due to insufficient pipe material remaining to thread. The building requires a complete mechanical systems upgrade.

This project would replace the ventilation units, air-handling units, cooling and heating coils and piping distribution systems throughout the structure. Temperature control instrumentation would be updated to deliver precise control at optimum energy efficiency. The hot and cold domestic water distribution piping would be replaced to eliminate further system leaks.

Campus Chilled Water Loop -- Project Number 2009-9 \$ 1,915,900

In 1995, Eastern Illinois University initiated design of a chilled water loop to connect the air-conditioning equipment of four buildings. The goals of the project were to improve energy efficiency by using excess capacity in individual equipment; improve reliability by sharing equipment; permit the cooling of buildings during seasonal shoulder periods; and to defer the replacement of equipment all at once. The project has been very successful. Since the initial project was completed, extensions to the central loop to serve the west and north-central campus buildings and a loop serving south quad buildings have been installed.

Based on the success of the project, the University proposes to extend the central chilled water loop northward from Physical Sciences to serve as the north “academic” quad loop. This project would join the existing central and west loops with north quad buildings, offering improved efficiencies and reliability in this area. This project would bring the total number of buildings piped into the loop to twenty-one, serve the historical north campus structures with 450 tons of cooling, eliminate dozens of inefficient window air conditioners and complete the planned campus chilled water loop development.

D. FY09 Budget Recommendation (Cont.)

This project would increase the reliability of cooling systems and allow for more efficient use of energy throughout the year.

II. CAPITAL RENEWAL PROJECTS

Fire Alarm Upgrades - McAfee Gym – Project Number 2009-10 \$421,100

Upgrade fire alarm detection, pull station, and light-horn devices to improve fire protection of the McAfee Building and increase occupant safety. The original fire alarm system was installed in 1937 to meet construction/building codes. The University is currently following National Fire Protection Association Life Safety Code 101, adopted in 2000. This fire alarm upgrade would provide building systems that conform to State Fire Marshal code standards.

Replace Reheat Coils, Physical Science and Klehm Hall – Project Number 2009-11 \$926,600

The existing reheat coils in the Physical Science and Klehm Hall academic buildings are original to the buildings. Existing duct-mounted heating coils which are inefficient, noisy when heating, exhibit numerous leaks and are ineffective during heating season would be replaced. Replacing these coils would decrease maintenance costs, increase building efficiency and enhance building occupant comfort with better climate control. There are approximately 250 of these coils in the buildings.

Replace Campus Compressed Air Distribution Piping – Project Number 2009-12 \$196,100

Compressed air is produced at the central steam plant and is piped throughout campus in tunnels and direct-buried pipes. The air is used for control of all space temperature regulating systems and critical functions in various academic labs and preparation areas. A study performed by the Department of Commerce and Economic Opportunity indicated that Eastern's distribution lines are undersized, causing loss of temperature control during periods of high air demand. This, in addition to the poor condition of portions of the underground system, dictates that a replacement piping system, sized for the load it is serving, is required.

Upgrade Electrical Systems: Life Science – Project Number 2009-13 \$199,300

Electrical services in Life Sciences are original to the building and have had few improvements. The aging systems contain panels and current protection devices which are obsolete. Finding suitable repair parts when portions of these systems fail is becoming increasingly difficult. Circuit load capacity to service sub-panels is at maximum in many cases. In order to provide reliable and serviceable electrical building systems and to provide adequate load capacity to meet the needs of programs, an upgrade is necessary.

D. FY09 Budget Recommendation (Cont.)

Electrical Upgrades: Physical Science – Project Number 2009-14 **\$426,200**

Electrical services in the Physical Sciences building are original and have had few improvements. The aging systems contain panels and current protection devices which are obsolete. Finding suitable repair parts when portions of these systems fail is becoming increasingly difficult. Circuit load capacity to service sub-panels is at maximum in many cases. In order to provide reliable and serviceable electrical building systems and to provide adequate load capacity to meet the needs of programs, system upgrades are required.

Emergency Generator for Physical Science Building – Project Number 2009-15 **\$524,800**

The Physical Science building houses the University's Chemistry, Geology, Physics and Psychology departments. Laboratory fume hood ventilation, lab make-up air, on-going research, fire alarm panels, emergency lighting circuits and control power are all critical services which must be maintained at all times. Presently, the Physical Sciences complex has no back-up power which leaves these critical services vulnerable to utility outages. These essential loads need to be analyzed and a new diesel-driven emergency generator set selected to fit the application. Loads determined to be essential need to be re-powered from new or revised distribution panels (emergency panels) which would then be backed up by the new generator. The location of the new generator would be determined taking campus traffic and pedestrian needs into account.

McAfee Elevator – Project Number 2009-16 **\$455,800**

McAfee Gym is listed on the National Register of Historic Places. It has 4 entrances and they all require negotiating steps on the exterior and immediately inside each entrance. This project would construct a small addition to house a grade-level entrance and elevator access to the lower and main levels. The addition would provide handicapped-accessible entry without distracting from the building's historic character.

Student Services Elevator – Project Number 2009-17 **\$533,300**

The only area in the Student Services Building that is handicapped-accessible is the first floor of Financial Aid. The interior of the building has split levels, only accessible by stairs. This elevator will make the center section (3 floors), the east section (2 floors), and the Health Education Resource Center and Telcomm. and ITS offices handicapped-accessible.

D. FY09 Budget Recommendation (Cont.)

**Exhibit I
Eastern Illinois University
FY 2009 Budget Request
Operating Budget**

Incremental Base Increases	Projected FY 2008 Base	Percentage Increase	Dollar Increase
Salary Increases	\$ 80,577,842	5%	\$ 4,028,900
Medicare	1,000,000	7%	70,000
Library Acquisitions	1,549,000	15%	232,400
General Cost Increases	12,254,917	3%	367,600
Utilities	<u>3,301,441</u>	8%	<u>264,100</u>
Total Incremental Base Increases	<u><u>\$ 98,683,200</u></u>		<u><u>4,963,000</u></u>

Program Priority Requests

Goal 2 : Teaching and Learning

Nursing Program	285,000
Academic Base Support	700,000
Community College Faculty Preparation Program	125,000

Goal 4: Access and Diversity

Diverse Learning Environment	166,000
Substance Abuse Counselor	45,000

Goal 5: High Expectations and Quality

Recruiting and Retaining Critical Faculty/Staff (2%)	1,600,000
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Goal 6: Productivity and Accountability

Technology Enhancements	325,000
Deferred Maintenance	<u>1,200,000</u>

Total Program Priority Requests 4,446,000

Total Request \$ 9,409,000 9.5%

D. FY09 Budget Recommendation (Cont.)

Exhibit II
Eastern Illinois University
FY 2009 Budget Request
Capital Budget

	Category	Amount
I. Regular Capital		
Fine Arts Center Moveable Equipment	Equipment	\$ 1,500,000
New Science Building	Planning	9,121,100
Rehabilitate Steam Production Facilities	Utilities	14,279,600
Rehabilitate Life Science/Coleman HVAC & Plumbing	Remodeling	3,521,000
Old Main Ceiling Asbestos Abatement	Remodeling	2,919,600
Upgrade Utilities Infrastructure	Utilities	20,605,400
Environmental Health & Safety	Safety	4,291,600
Rehabilitate Klehm Hall HVAC & Plumbing	Utilities	1,944,700
Campus Chilled Water Loop	Utilities	1,915,900
Total Regular Capital		\$ 60,098,900
II. Capital Renewal		
Fire Alarm Upgrades - McAfee Gym		421,100
Replace Reheat Coils, Physical Science and Klehm Hall		926,600
Replace Campus Compressed Air Distribution Piping		196,100
Upgrade Electrical - Life Science		199,300
Upgrade Electrical - Physical Science		426,200
Physical Science Emergency Generators		524,800
McAfee Elevator		455,800
Student Services Elevator		533,300
Total Capital Renewal Request		\$ 3,683,200
Total Request		63,782,100

E. Non-indentured Reserves

In order to retain working capital allowances and adequate funds for repair/replacement of equipment and/or relevant facilities, and in accordance with Section V.G.5 of the Board of Trustees *Regulations* and Sections IV.A.1 and IV.C.2 of the University Guidelines 1982, Board approval is requested to increase/decrease reserves as follows:

<u>Entity</u>	<u>Current Authorized Amount</u>	<u>Increase/Decrease Requested</u>	<u>Revised Amount</u>
Student Fee Programs/Services	\$1,400,000	\$750,000	\$2,150,000
Service Departments	650,000	0	650,000
Student/Staff Programs/Services	71,000	0	71,000
Educational Services	37,000	(7,000)	30,000
Auxiliary Enterprises-Other	940,000	0	940,000
Public Services	33,000	(18,000)	15,000
Continuing Education (CC)	35,000	(4,000)	31,000
Income Fund Equipment	4,550,000	1,300,000	5,850,000
Reserve for Compensated Absences	1,400,000	0	1,400,000

It is recommended that the Board approve these non-indentured reserve increases/decreases.

F. Expenditure Recommendations for Purchases of \$250,000 or More

1) Purchase Item: Group Insurance Reimbursement

Description/Explanation: In December 2001, Governor Ryan requested that higher education contribute \$45 million to Central Management Services (CMS) to cover a shortfall in the State group insurance program. Eastern's prorated share of the shortfall, determined by the Illinois Board of Higher Education, is summarized below.

<u>University</u>	<u>Contribution</u>
Chicago State	\$ 1,024,000
<i>Eastern Illinois</i>	<i>1,713,300</i>
Governors State	656,200
Illinois State	3,078,300
Northeastern Illinois	1,072,600
Northern Illinois	3,541,300
Western Illinois	1,944,800
Southern Illinois	7,076,300
University of Illinois	<u>24,893,200</u>
Total	<u>\$ 45,000,000</u>

Eastern's group health insurance contribution for FY08 would be made in four (4) installments as follows:

September 28, 2007	\$ 428,325
December 28, 2007	428,325
March 31, 2008	428,325
June 13, 2008	<u>428,325</u>
	<u>\$1,713,300</u>

Cost: \$1,713,300

Recommended Vendor: Central Management Services - Sole Source (per Section 526.2025 of the Higher Education Procurement Rules)

Fund Source: Appropriated and Local Funds

It is recommended that the Board of Trustees approve this purchase item.

F. Expenditure Recommendations for Purchases of \$250,000 or More (Cont.)

2) Purchase Item: Elevator Maintenance

Description/Explanation: On January 28, 2002, the Board approved a multi-year maintenance contract with Cavinder Elevator, Inc. (Cavinder) for an amount “not to exceed” \$425,000. Under terms of the agreement, Cavinder provided maintenance services for all campus passenger, freight, dumb waiter and dock elevators. Since the original contract was signed, Cavinder was acquired by Otis Elevator Company (Otis). Otis agreed to continue providing services to Eastern under terms of the original contract until it expired on June 30, 2009.

Due to the addition of elevators, an extension of the contract term and higher than anticipate labor costs, a request is being made to increase the originally approved amount by \$175,000, for a new “not to exceed” amount of \$600,000.

Cost: Not to exceed \$600,000

Recommended Vendor: Otis Elevator Company
Chicago, IL

Fund Source: Appropriated and Local Funds

It is recommended that the Board of Trustees approve this purchase item.

F. Expenditure Recommendations for Purchases of \$250,000 or More (Cont.)

3) Purchase Item: Annual Supply of Coal for the Heat Plant

Description/Explanation: This contract is for the purchase and delivery of up to 16,000 tons of low-sulfur coal, freeze conditioning treatment and the back-hauling of coal waste for the period July 1, 2007 through June 30, 2008.

Cost: Not to exceed \$1,400,000

<u>Price/ton Delivered</u>	<u>Price/ton Back-hauling</u>	<u>Price/ton Freeze conditioning</u>
\$80.24	\$17.87	\$1.75

Recommended Vendor: Coalsales, LLC
Evansville, IN.

Summary of Bids: Coalsales, LLC
Evansville, IN

Seven (7) companies did not respond

Fund Source: Appropriated and Local Funds

It is recommended that the Board of Trustees approve this purchase item.

F. Expenditure Recommendations for Purchases of \$250,000 or More (Cont.)

4) Purchase Item: Trash Collection and Disposal Services

Description/Explanation: This two-year contract includes all equipment, labor and materials for trash collection and disposal services for the period July 1, 2007 through June 30, 2009, with the University's option to renew for four (4) additional two (2) year periods. Under terms of this agreement, pricing may increase up to 3%, in each option period.

Cost: Not to exceed \$300,000

Recommended Vendor: Veolia ES Solid Waste Midwest, LLC
Charleston, IL

Summary of Bids: Base price per year

Veolia ES Solid Waste Midwest, LLC Charleston, IL.	\$ 98,096.76
Matchbox Disposal, Inc. Mattoon, IL	\$174,261.60

One (1) company did not respond.

Fund Source: Appropriated and Local Funds

It is recommended that the Board of Trustees approve this purchase item.

F. Expenditure Recommendations for Purchases of \$250,000 or More (Cont.)

5) Purchase Item: Doudna Fine Arts Center Furniture, Fixtures and Equipment

Description/Explanation: This project includes all labor and materials to install furniture, fixtures and equipment in all rooms/areas of the newly renovated and expanded Doudna Fine Arts Center. These items include instructional equipment, furniture, sound systems, signage, window treatments, computers, printers, pianos, data network equipment, building service worker equipment, accessories, etc. Due to the nature of this project, it will be necessary to award contracts to various vendors capable of providing the required building components.

Individual contracts associated with this project would be awarded in accordance with provisions of the Illinois Procurement Code, Board *Regulations*, and all other applicable policies and procedures. Due to the magnitude of this project and timing of scheduled Board meetings, the University is seeking Board approval to allow the Finance/Audit Committee to approve the awarding of individual contracts in connection with this project. Information concerning the results of all bids and contracts awarded would be presented as information to the full Board at the next Board meeting.

Project Cost: Not to exceed \$8,000,000 (including contingencies)

Recommended Vendor: To be determined as bids are awarded.

Fund Source: Appropriated and Local Funds

It is recommended that the Board of Trustees grant the University authority to proceed with the acquisition of furniture, fixtures and equipment for the Doudna Fine Arts Center as described above, subject to approval of the Finance/Audit Committee.

F. Expenditure Recommendations for Purchases of \$250,000 or More (Cont.)

6) Purchase Item: Shuttle Bus Service Agreement

Description/Explanation: Under terms of this agreement, H & H Shuttle Service, Inc. would provide shuttle bus service for the Fall 2007 and Spring 2008 semesters. The original one-year contract contained provisions allowing the University the option to renew the contract for six (6) additional one-year periods. This contract renewal represents the final option period of the agreement.

Cost: Not to exceed \$275,000

Recommended Vendor: H & H Shuttle Service, Inc.
Charleston, IL 61920

Fund Source: FY2008 Local Funds

It is recommended that the Board of Trustees approve this purchase item.

G. Adoption of Resolutions

Resolutions are being presented on behalf of the following individuals:

1. Mr. Louis V. Hencken, President
2. Ms. Julie Nimmons, Former Chair of the Board of Trustees
3. Mr. Leo Welch, Former Chair of the Board of Trustees
4. Ms. Amanda Raz, Student Member of the Board of Trustees

It is recommended that the Board of Trustees adopt the resolutions being presented on behalf of these individuals.

IV. INFORMATION ITEMS

A. Summary of Purchases \$100,000 - \$249,999

<u>Vendor</u>	<u>Type of Purchase</u>	<u>Bids</u>	<u>Amount</u>
United Labs	Chemicals for Cooling Towers, Training, Consulting, etc.	^a	\$249,793
Lanman Oil	Ethanol Blended Gasoline for University Vehicles and Maintenance Equipment	3	200,000 (not to exceed)
The AME Group	Annual Contract for Computer Installation, Maintenance, etc.	^a	132,080
Hance, Utz & Associates	Design Services for Student Success Center	^b	124,960
Paul's Machine & Welding Corp.	Coal Conveyor Modifications	1 ^c	119,200
Gateway Companies, Inc.	Computer Hardware	^d	105,548
Conference Technologies, Inc.	Audio Visual Equipment for Classrooms	16	101,458

^a This is an option year renewal of the original contract.

^b Vendor selected in accordance with the Quality Based Selection (QBS) Act.

^c Emergency purchase made when the coal conveyor belt failed February 2, 2007.

^d Purchase made in accordance with an existing MHEC/Gateway agreement.

B. Annual Report on Campus Master Plan

On April 19, 1999, the Board of Trustees approved the Campus Master Plan (Plan) for Eastern Illinois University. The overall focus of the Plan is to enhance the quality of campus life in all its aspects, including academics, recreation, residential living and support services. The Plan includes a three-phase recommendation for future campus development. Phase I contained projects most urgently needed to serve campus operations. Phase II includes projects that are important to campus, but not as urgently needed as Phase I projects. Projects in the Ultimate Phase of the Plan are those that represent long-term needs for the improvement of campus.

In 2002, the plan was updated to incorporate amendments that did not extend the Plan beyond the original 15 year (Ultimate Phase) projection. April 2007 concluded the third year of the Master Plan's second phase.

The Plan also established a Design Advisory Team (DAT) to, among other things, implement the Plan, periodically update the Plan and provide an annual report to the Vice President for Business Affairs and the Board of Trustees. Following is the report on the status of Master Plan projects for FY 2007.

Status of Major Phase I Projects:

Booth Library	Complete
Union Food Court	Complete
O'Brien Stadium	Complete
Fine Arts Addition/Renovation	In progress - 75% complete
Human Services Center	Complete
New Science Building	Planning dollars requested
Textbook Rental Building	Design architect selected
New Greek Housing Unit	No progress
Tarble Arts Addition	Complete
Print Center Addition	Deleted
Commemorative Plaza	Complete
Garfield Replacement Parking Lot	Complete
Union North/Student Services/Steam Plant Parking	No Progress
Fine Arts Complex Parking	In progress – 30% complete
“S” Lot Expansion	Complete
Intramural Fields	Complete
Baseball Stadium	Complete
7 th Street pedestrian concourse	Planning is complete. Johnston Avenue is now two-way and the Lincoln Avenue traffic lights have been moved to Ninth Street.
Old Main Landscaping	Complete
9 th Street Parking Lot	Complete

B. Annual Report on Campus Master Plan (Cont.)

Status of Major Phase II Projects:

Observatory	Complete
Chemical Storage Facility	Complete
University Center/Lifelong Learning Center	No Progress
Combined Heat & Power Plant	Conceptual design complete
Clock Tower-Carillon	Complete
Campus Police Relocation	No Progress
Remove Weller Hall from Demo List	Complete
New Student Services Building	No Progress
Student Suite Housing	No Progress
Physical Science Building Renovations	No Progress
Life Science Building Renovations	No Progress
Parking Lot South of Lantz	Complete

Amendment Requests Processed in FY 2007

Amendment request 07-01, to remove the University Print Center from Master Plan consideration, was received in May, 2007. The DAT recommended adoption of the amendment on June 6, 2007.

Amendment request 07-02, to remove the building from the Phase III demolition list and construct an addition to Ninth Street Hall for a Student Success Center was received in May, 2007. The DAT recommended adoption of the amendment on June 6, 2007.

Other Campus Master Plan Activity in FY 2007

An addition to the east side of Lantz Arena was completed in the Fall of 2006. Although considerably smaller than the addition proposed in Phase III, it does follow the Master Plan and does not inhibit a further addition in that area.

A design team has been selected for a new Textbook Rental facility, in accordance with the Illinois Quality Based Selection Act.

Plans are progressing to expand parking east of the Doudna Fine Arts Center on property acquired in 2006.

Demolition of the parking lot in front of Blair Hall was completed and conceptual plans have been developed for an International Courtyard at that location. The Office of International Programs is located in Blair Hall.

C. Banner Project Status Report

A presentation will be made at the meeting to provide the Board with an update on the status of the Enterprise Resource Planning (ERP)/Banner project

D. President's Report

E. Report from Board Chair

F. Committee Reports

Executive/Planning Committee

Robert Webb, Chair
Leo Welch
Roger Kratochvil
Bill O'Rourke

Board Relations Committee

Roger Kratochvil, Chair
Don Yost

Finance/Audit Committee

Bill O'Rourke, Chair
Robert Webb

Academic and Student Affairs Committee

Leo Welch, Chair
Julie Nimmons
Amanda Raz

Board Regulations

Leo Welch

G. Reports from Constituencies

Mr. Sean Anderson – Student Government

H. Other Matters

I. University Highlights

AROUND CAMPUS

EIU helping to bring music program back to small school. After 13 years without a music program, Beecher City Junior/Senior High School will soon offer students a chance to join a choral ensemble, thanks to a unique collaboration with EIU. Starting this fall, an EIU graduate student will lead the school's new choral program, funded almost entirely through a tuition waiver from EIU and donations from the community. "It's bringing music education to about 220 kids here at the junior/senior high school level, and that, to me, is part of the cornerstone of education," said Steve Launius, Beecher City superintendent. "It's also an opportunity to interact with students from Eastern, which is a tremendous benefit to our students." The graduate student will be assisted by undergraduate music education students, who will receive invaluable hands-on training in a real-world teaching environment. Parker Melvin, EIU music department chair, said he only knows of one other Illinois university that has organized such a partnership.

Exhibition on Benjamin Franklin coming to campus. Booth Library is one of 20 libraries selected by the National Endowment for the Humanities to host the traveling exhibition "Benjamin Franklin: In Search of a Better World." The exhibit is part of the NEH's "We the People" program, which aims to inspire the best in citizenship through the reinvigoration of the teaching, study and understanding of American history and culture. Based on a major exhibition developed by the Benjamin Franklin Tercentenary, a consortium of academic institutions in Philadelphia, the exhibit allows people around the country to explore the breadth of Franklin's interests and accomplishments. Booth Library will host the 1,000-square-foot traveling exhibit for a six-week period that is yet to be determined.

New reading program unveiled for incoming freshmen. EIU is set to begin a new freshman reading program called "Eastern Reads!" The program is designed to emphasize reading as a significant component of the college experience and to enhance student participation in the intellectual life of campus. When incoming freshmen visit for orientation this summer, they will each receive a copy of "A Hope in the Unseen" by Ron Suskind, about an inner-city honors student whose ivy-league experience at Brown University challenges him academically and personally. Group discussions and other events correlating with themes presented in the book are planned for the fall. Faculty and staff members will serve as discussion leaders.

EIU program receives Lincoln Bicentennial Commission endorsement. The Learning with Lincoln Institute, part of the EIU College of Education and Professional Studies' Teaching with Primary Sources Program, has been endorsed by the Abraham Lincoln Bicentennial Commission. The commission endorses programs that embody the bicentennial's message of "freedom, democracy and equal opportunity." Through the Learning with Lincoln Institute, participating educators will create classroom materials that focus on the societal, personal and professional events in Lincoln's lifetime, incorporating the digitized primary sources of the U.S. Library of Congress. In addition, area teachers will visit a number of local Lincoln-related historic sites. The Summer 2007 Learning with Lincoln Program at EIU will be attended by a select group of teachers from the Charleston, Paris and Chrisman school districts.

I. University Highlights (Cont.)

Predock receives additional honor. Antoine Predock, design architect of the Doudna Fine Arts Center, has been awarded the 2007 Lifetime Achievement Award by the Smithsonian's Cooper-Hewitt, National Design Museum. Last year, Predock received another prestigious honor with the American Institute of Architects' Lifetime Achievement Award. "Needless to say, the new Doudna continues to bring the very best kind of national and international attention to EIU," said Jeffrey Lynch, associate dean of the College of Arts and Humanities, in announcing the award to campus. "We all bask in the reflected glow of Antoine Predock's many honors and will continue to do so for many years to come."

Library exhibit recounts Hencken's time at EIU. President Lou Hencken is being honored with an exhibit depicting events in his career at Eastern, from his student days in the 1960s, through his days as housing director, vice president for student affairs, and president. Consisting of images, yearbooks, other university publications, newspaper articles and interesting memorabilia, the exhibit will be on display in Booth Library's Marvin Foyer through June 30.

FACULTY/STAFF HAPPENINGS

Beck, world-renowned historian, honored with Distinguished Faculty Award. Roger Beck, a professor of African and world history at EIU, is the 2007 recipient of the EIU Distinguished Faculty Award. Anita Shelton, chair of the history department, said Beck is a "masterful teacher" who consistently earns high marks from his students. During his 20 years at EIU, Beck has served on many campus committees, including Faculty Senate and, most recently, the Presidential Search Advisory Committee. He was also acting associate dean of the Graduate School and International Programs for two years. Beck is active in several scholarly international organizations, is the recipient of two Fulbright scholarships, and has presented his research at professional meetings around the world. He is perhaps best known as an author of two major world history textbooks used widely throughout the country and for his text "The History of South Africa." Upcoming writing projects include a four-volume collection of world history documents, as well as an extensive two-volume history of Africa for Houghton-Mifflin.

EIU honored for employees' generosity in statewide charity campaign. EIU was one of 40 governmental entities to receive an Outstanding Achievement Award from the State and University Employees Combined Appeal during a ceremony at the Executive Mansion in Springfield. The state SECA board set EIU's 2006 fundraising goal at \$17,100. EIU employees surpassed that mark, donating \$17,773 through payroll direct deposit and one-time checks to a variety of charities. Donations were up \$1,642 from the previous year. EIU last received the SECA fundraising award in 2004.

Former dean returns to EIU in fundraising role. Charles Rohn, who spent many years as a K-12 administrator before moving to higher education, is looking forward to working with old friends and making new ones in his latest role. Rohn, who retired in June 2006 as dean of EIU's College of Education and Professional Studies, has joined EIU's Office of Philanthropy (formerly the Office of Development), where he is the staff's primary contact for the Springfield area.

I. University Highlights (Cont.)

STUDENT SPOTLIGHT

EIU shows support for Virginia Tech. In the aftermath of the April 16 tragedy at Virginia Tech, members of the EIU community gathered for a ceremony paying tribute to the victims, with speakers including Student Body President Sean Anderson, President Lou Hencken and Vice President for Student Affairs Dan Nadler. In addition, attendees signed banners, wrote letters of condolence and support, and recorded video messages that were sent to Virginia Tech. Megan Ogulnick, an EIU student who grew up in the Virginia town where two of the victims and the gunman lived, organized the ceremony and presented a slide show tribute to the victims.

ALUMNI ACTIVITIES

Nelson named Journalist of the Year at EIU. Jeff Nelson, managing editor of the Lincoln Courier, has been named Journalist of the Year by the EIU journalism department. Nelson was recognized for his “outstanding contribution to the field of journalism” over the course of his 36-year career at the State Journal-Register in Springfield and the Lincoln newspaper. A 1971 graduate of Eastern with a bachelor’s degree in English and a minor in journalism, Nelson served as editor-in-chief of the then-Eastern News, the student newspaper. He was editor when the paper went from being a weekly publication to a three-times-a-week publication. Nelson is the sixth journalist to be honored in the Journalist of the Year Hall of Fame.

FOCUS ON ATHLETICS

Huber drafted by Pittsburgh Pirates. Fresh off of his final collegiate baseball season at EIU, first baseman Erik Huber was drafted by the Pittsburgh Pirates in the 12th round of the Major League Baseball First-Year Player Draft. Huber, a First Team Academic All-America and First Team All-Ohio Valley Conference honoree, is expected to begin his career with the State College Spikes, the Pirates’ Class A affiliate and a member of the New York-Penn League. The Belleville native was the first Ohio Valley Conference player to be drafted this year. He’s also the first Panther selected since Kyle Haines and Chris Uhle were picked in the 2004 draft. Huber, a physical education major, finished his EIU career ranked among the program’s all-time leaders in batting average (third) and hits (fifth).

Romo, McElroy, more to attend football camp at EIU. Former EIU stars Tony Romo and Ray McElroy are among the professional football players set to attend the Ray McElroy Pro Football Youth Camp, July 11-14 at EIU. The camp will cover fundamentals for ages 11-14. McElroy, a star cornerback for Eastern, played for the Indianapolis Colts, and Pro Bowler Romo is now the starting quarterback for the Dallas Cowboys. They are to be joined by former EIU star Chris Watson, who played for the Denver Broncos and Buffalo Bills; Willie High, the Mattoon product who then became the second-leading rusher in EIU history; former NFL Most Valuable Player Marshall Faulk; Devon McDonald, who played linebacker for the Indianapolis Colts and Arizona Cardinals; and Aaron Moorehead of the Super Bowl champion Indianapolis Colts. The camp is being conducted by the Charleston Parks and Recreation Department.

J. Public Information