



Harper College  
1200 West Algonquin Road  
Palatine, Illinois

## Regular Board Meeting Agenda

February 22, 2005  
7:00 p.m.

- I. **Call to Order**
- II. **Roll Call**
- III. **Approval of Agenda**
- IV. **Educational Presentations**  
- None
- V. **Student Trustee Report**
- VI. **President's Report**
- VII. **Harper Employee Comments**
- VIII. **Citizen Comments**
- IX. **Consent Agenda\*** (Roll Call Vote)
  - A. **For Approval**
    1. Minutes – January 25, 2005 Regular Board Meeting Exhibit IX-A.1
    2. Bills Payable, Payroll for January 21, 2005 and February 4, 2005; Exhibit IX-A.2  
Estimated Payroll for February 18, 2005
    3. Bid Awards Exhibit IX-A.3
    4. Purchase Orders Exhibit IX-A.4
    5. Personnel Action Sheets Exhibit IX-A.5
    6. First Reading on Board Policy Regarding Election Canvass Exhibit IX-A.6
    7. First Reading Relating to Board Policy Regarding 01.25.10 Exhibit IX-A.7  
Organization
    8. First Reading Relating to Board Policy 13.35.03 Political Exhibit IX-A.8  
Events on Campus
    9. Disposal of Obsolete and Unrepairable Personal Property Exhibit IX-A.9  
Owned by the College
  - B. **For Information**
    1. Financial Statements Exhibit IX-B.1
    2. Committee and Liaison Reports Exhibit IX-B.2
    3. Grants and Gifts Status Report Exhibit IX-B.3
    4. Summary of Items Purchased from State Contracts, Consortiums Exhibit IX-B.4  
or Cooperatives

\* At the request of a Board member or the President, an item may be removed from the Consent Agenda for discussion. In addition, certain recurring recommendations may be included in the Consent Agenda at the discretion of the College President.

## X. New Business

- A. RECOMMENDATION: Resolution to Issue \$2,050,000 Limited Tax Funding Bonds Exhibit X-A
- B. RECOMMENDATION: Associate of Arts in Teaching (AAT) Degree Program in Mathematics Exhibit X-B
- C. RECOMMENDATION: Affiliation Agreement Between William Rainey Harper College and Advocate Illinois Masonic Center Exhibit X-C
- D. RECOMMENDATION: Tuition and Fees Exhibit X-D
- E. RECOMMENDATION: Proposed Credit Course Fee Changes for 2005-2006 Academic Year Exhibit X-E
- F. RECOMMENDATION: Second Reading – Board Policy Changes to Incorporate Selected Provisions from the Sarbanes-Oxley Act of 2002 Exhibit X-F
- G. RECOMMENDATION: Board Canvass Meeting Change of Dates Exhibit X-G
- H. RECOMMENDATION: Consideration of Sabbatical Leaves for Faculty Exhibit X-H

## XI. Announcements by the Chair

- A. Communications
- B. Calendar Dates

(Note: \* = Required)

### On-Campus Events

- March 11-12 8:00 p.m. - Harper Ensemble Theatre Company - *The Imaginary Invalid* - Performing Arts Center
- March 13 2:00 p.m. - Harper Ensemble Theatre Company - *The Imaginary Invalid* - Performing Arts Center
- March 18-19 8:00 p.m. - Harper Ensemble Theatre Company - *The Imaginary Invalid* - Performing Arts Center
- March 20 2:00 p.m. - Harper Ensemble Theatre Company - *The Imaginary Invalid* - Performing Arts Center
- March 25 **Reading Day - Classes Not in Session - College Open**
- March 26 **Spring Break - March 26 through April 3 - Classes Resume April 4**
- \*March 29 7:00 p.m. - Regular Board Meeting - Room W214-215
- April 2 7:30 p.m. - Harper Symphony Orchestra - Performing Arts Center
- April 6 7:00 p.m. - Edgar Gabriel's Odyssey - Classical and Rock Violin - Performing Arts Center
- April 8 6:00 p.m. - Doom Machale Indian/Pakistani *Rock the Night* - Bldg. J Theatre
- April 9 7:30 p.m. - Hedwig Dance Company - Performing Arts Center
- April 19 7:30 p.m. - Ralph Votapek, Pianist - Performing Arts Center
- April 22-23 7:30 p.m. - Harper College Dance Company, *Prodigies* - Building J Theatre



**Minutes of the Regular Board Meeting of Tuesday, January 25, 2005**

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WILLIAM RAINEY HARPER COLLEGE  
BOARD OF TRUSTEES OF COMMUNITY COLLEGE DISTRICT #512  
COUNTIES OF COOK, KANE, LAKE AND McHENRY, STATE OF ILLINOIS

Minutes of the Regular Board Meeting of Tuesday, January 25, 2005

CALL TO ORDER: The regular meeting of the Board of Trustees of Community College District No. 512 was called to order by Chair Stone on Tuesday, January 25, 2005 at 7:02 p.m. in the Wojcik Conference Center (Room W214), 1200 W. Algonquin Road, Palatine, Illinois.

ROLL CALL: Present: Members Gillette, Hill, Howard, Kelley, Kolze, Murphy and Stone; Student Member Plazak  
Absent: None

Also present: Robert Breuder, President; Joan Kindle, V.P. Student Affairs and Assistant to the President; David McShane, V.P. Information Technology; Margaret Skold, V.P. Academic Affairs; Judy Thorson, V.P. Administrative Services; Cheryl Kisunzu, Assistant V.P. Diversity/Organizational Development; Linda Kolbusz, Associate V.P. Development, Governmental Relations; Sheila Quirk, Associate V.P. for Strategic Planning and Alliances; Deborah Abbott; Joe Accardi; Mike Alsup; Larry Bielawa; Carol Blotteaux; Arlene Bublick; Phil Burdick; Kathleen Canfield; Daniel Corr; Laura Crane; Rob Dix; Terry Engle; Leslie Evans; Robert Getz; Vickie Gukenberger; Thea Keshavarzi; Laura LaBauve; Jim Ma; Jennifer Mathes; Russ Mills; Michael Nejman; Sheryl Otto; Janie Petersen; Debby Sampson; Diana Sharp; Tom Thompson; Dennis Weeks and Deanna White. Students: Christopher Entwistle; Elisabeth Higgins; Rebeka Risteska and Cassi Vestweber.

Guests: Dick Hoffman, Harper College Educational Foundation; Tim Kane, Chicago Tribune; Mike Puente, Daily Herald; John Bowman, citizen.

Member Kelley led everyone in the Pledge of Allegiance.

Chair Stone announced that James McGrath, President of Harper College from 1978 through 1988, passed away on December 29, 2004. Member Howard, who worked very closely with Mr. McGrath, spoke of his many contributions to the Harper community.

She noted that, as the second President of Harper College, Jim McGrath's goal was to transform Harper into a high-quality college and campus. The faculty loved him because he was a teacher, and he put very high priorities on academics. Back then, the community college movement was very new, and the term "junior college" was used. Many referred to Harper College as "Harper High." Mr. McGrath was determined, with the help of excellent faculty, to transform Harper into an absolutely top-notch academic institution where students could get an excellent education, they could transfer all over, and their credits would transfer.

A recent survey showed that the most important thing people recognized about Harper College was its academic excellence. Member Howard noted that she gives Jim McGrath a lot of credit for setting that academic bar high. Through hard work, succeeding presidents and faculty have been maintaining that. In his efforts to make this look like a college campus, over 500 trees were planted in the former horse pastures, and the first campus-wide plan for developing the campus was designed.

Member Howard noted that Mr. McGrath continued to teach, and he was close to his students. Even though he wanted to work as the President, he never wanted to lose the feel of the classroom. He made a great contribution and left a wonderful legacy in terms of academic excellence. There were several things he did not like: he did not like to raise money, and he did not like to work with politicians and legislature, both of which the College President must do. His heart was in academics and providing a wonderful education for the students. He also did a wonderful job of reaching out to the community, not only in a business sense, but to people who lived here.

Member Kolze noted that Jim McGrath met fairly regularly with all the superintendents in the area, and he was highly respected by all of them. Member Hill noted that Mr. McGrath is one of the big reasons he is here this evening. He reached out to the business community and supported, stimulated and followed-up on the Northwest 2001 program. He was very good for this institution.

Chair Stone noted that Mr. McGrath was very active with business leaders in the region, and many considered him a mentor in a business sense. He is very warmly remembered. She asked for a moment of silence in honor of Jim McGrath.

Chair Stone announced that there would be a closed session at the end of the meeting for the purpose of discussing a personnel issue. She noted that the Board would not be taking a vote as a result of the closed session.

APPROVAL OF AGENDA Member Murphy moved, Member Kelley seconded, approval of the Agenda.

In a voice vote, the motion carried.

## EDUCATIONAL PRESENTATIONS

Dr. Breuder noted that several months ago, the Board asked for information regarding the planning process at Harper. The Board receives a number of publications throughout the year: the Strategic Long-Range Plan (three-year window), the Annual Plan and the Fact Book, which they received tonight. Dr. Breuder asked Sheila Quirk, who heads up planning at Harper College, to give the Board an overview of the planning process.

### Harper's Planning Process

Ms. Quirk explained that the current planning process used at Harper was first brought to the College by Dr. Breuder. Strategic planning was one of the initial requests of the Board when he was hired. The process has been refined and integrated every year. Ms. Quirk described the components of the planning process at Harper College.

**Foundational Statements** - philosophy, vision and mission statements define what the College is to the community, what it will be in the future and how it will deliver services.

Philosophy Statement - defines the way they would like to deliver what they deliver to the community.

Mission Statement - explains "what" is delivered to the community. Five key factors of what Harper College delivers:

- Transfer programs
- Career programs
- Continuing Education and Workforce Development (Corporate Services)
- Developmental Programs
- Co-curricular activities

The Higher Learning Commission will check to see if all of the activities on campus are related to the vision.

Vision Statement - defines a point in the future, something for which Harper is aiming, through its goals and tasks.

Institutional Directions - themes or threads for the institution. They are the uniting factors that go across all goals in terms of what the College is trying to accomplish. Key words include:

- Teaching and learning
- Enhanced campus climate and communication
- Comprehensive strategic enrollment planning
- Learner-centered campus
- Relationships with external constituents
- Technological resources

Ms. Quirk noted that they review the foundational statements every year, but there is not a lot of change over time. There are very few things that would happen to change the mission of an organization like Harper College. On the other hand, the Environmental Scan changes dramatically every year.

**Environmental Scanning** - they take a look at new data to define what the College should be to the community. They produce an environmental scan that takes a look at key changes that have happened politically, economically, socially and demographically within the community. From the data, Harper's strengths, weaknesses, opportunities and threats (SWOT) are developed.

Strengths - an aspect of Harper, something internal, that makes the College unique. Ms. Quirk listed several of Harper's strengths and noted that it was not a comprehensive list.

- Nationally recognized achievements
- Safety and security initiatives
- Relationships and programs with area high schools
- Physical environment
- Commitment to diversity
- Employee professional enrichment and retention
- Growing enrollment
- Technology infusion
- Institution's financial plan

The planning committee is aiming for approximately 12 factors, so they chose those that have the most impact to the organization. There was a time in the planning process where there were over 70 strengths, and it was difficult to plan and take the most advantage of strengths when so

many were listed. She added that there are many wonderful things happening at Harper that are not listed.

Weaknesses - something internal to Harper that has been identified and needs to be given attention. The current ERP system is on the list. That is something the Board paid attention to in December.

- Inability to determine enrollment capacity
- Physical plant and infrastructure
- No model to track student intent
- Institutional, program and course level outcomes
- Institutional climate
- Current ERP system
- Online and blended education programs
- Limited library resources
- Support of at-risk students

Opportunities - situations external to Harper that could bring benefit if we choose to respond, but will not hurt Harper if we choose not to respond. For example: Homeland Security is one of the fastest growing areas - fire, police, EMT. Harper currently has programming in this area. It is an area that should be pursued for possibly improving or increasing the amount of programming, because that could bring increased enrollment. If we choose not to respond, there is really no harm to Harper College.

- College degree employment standard
- Partnering with for-profit educational institutions
- Homeland security
- Community partnering
- Online education
- District employment of nonresidents
- Changing job markets
- Residents employed outside of district
- Trend to provide bachelor's degrees
- Changing district profile

Threats - situations external to Harper that, if we choose not to respond in the correct way, could cause damage to the institution.

- Education as a commodity
- Shrinking external funding
- Outcomes-based curriculum
- Community perceptions of Harper
- Privacy act requirements

Ms. Quirk noted that "community perceptions" will be coming off the threat list for next year. Three community assessments over the last 18 months have shown that Harper is most known for its "academic excellence." Five years ago, the most common response was "I don't know."

**Goals and Tasks** - although goals are reviewed, there are not many changes throughout the years. Tasks, however, are very dynamic - they change frequently. The 13 institutional goals are usually listed as statements; however, for this presentation, they are listed as topics:

- Teaching and learning
- Program vitality
- Student life
- Resource development
- Fiscal management
- Recruitment and retention
- Facilities
- Technology
- Employee enhancement
- Institutional leadership
- Community alliances
- College communications
- Diversity

Ms. Quirk noted that the goals are not listed in order of importance. Each goal has specific tasks associated with it. She added that measurable items are found in the Annual Plan.

Ms. Quirk stated that a question came up at the retreat regarding how they combine the planning process with the budgeting process. For each goal, initiatives will be described that will occur during the fiscal year, along with an explanation of how they will be funded. Within the Educational Fund, over 80 percent of the dollars are in staff salaries. For most of the major initiatives, funding them means reprioritizing existing staff and having them work on the things that will bring the most benefit to the College in that year. There are times when they must put additional money toward an initiative. The budget is cross-referenced back to the strategic plan.

**Three-year Strategic Plan** - this is developed for the Board's approval. The goals last at least three years, but they can last longer.

**Annual Plans** - they outline what will actually happen in measurable ways to support the goals and tasks within the plan.

In order to update the strengths, weaknesses, opportunities and threats, they use institutional research. They complete three major pieces of research on a rotating basis. One year they conduct a community assessment; the next year they conduct a student survey for feedback; and the following year they conduct an employee survey for feedback. The results are fed into the SWOT analysis, thereby impacting the institutional planning.

**Evaluation** - they evaluate through the Outcomes document. They also look at the Annual Plan to evaluate whether or not the tasks and goals were met at the divisional level and the individual administrator or manager level. Finally, they evaluate the entire process.

Ms. Quirk noted that the Institutional Planning Committee gathers data and seeks input from all departments. They also have feedback loops with the Vice President's Council. From the Institutional Planning Committee, documents are taken to the College Assembly for approval, to the College President for approval, and finally to the Board of Trustees for their approval.

Ms. Quirk noted that another question came up at the retreat regarding the difference between this planning versus Outcomes assessment. She noted that they are both based on the mission of the College, but the Outcomes assessment is about what is happening currently, and planning is future focused. Both assessment and planning are integral to the operations of Harper, but they are done for very different purposes. Planning is more of an institutional activity, while assessment meets the needs of a particular program and service.

Dr. Breuder explained that, while not cast in granite, the philosophy, vision and mission are fairly static. They are looked at periodically, but they do not undergo a lot of transformation. For example, if in the final analysis Harper were to offer selected baccalaureate degrees, then there would be a modification of the mission, by broadening it. A sixth building block would be added to serve another constituency in the community.

In response to Member Hill, Ms. Quirk explained that the committee spends the first semester of each academic year working on the environmental scan - working on the SWOT. The committee just finished the threats on Monday. Once that is established, they review and update the goals and tasks, hopefully getting that done by mid-semester.

Chair Stone thanked Sheila Quirk for the outstanding presentation. In response to Chair Stone, Ms. Quirk noted Board members will receive copies of the presentation handouts. Chair Stone noted that Dr. Breuder will be sharing the results of the environmental scan with the Schaumburg Business Association at their February breakfast meeting.

### STUDENT TRUSTEE REPORT

Student Member Plazak distributed a written copy of his report. He invited two student leaders to talk about the plans for the student body: Student Senate Treasurer Christopher Entwhistle and Student Senate President Rebeka Risteska.

Ms. Risteska noted that one of her personal goals for the Student Senate has been to have a group of students who come from different backgrounds and who care for the student body and the community. Overall goals for the 2004-2005 year include: greater visibility and involvement of the Student Senate, collaboration with other clubs and organizations on campus, contribution to Harper College and to the community. Fall semester activities for the Student Senate included:

- Hosted a 9/11/01 remembrance.
- Participated in a campus-wide voter drive.
- Collaborated with the Harper Annuitants Association and the College democrats to host a candidate forum with Melissa Bean.
- Participated in the Phi Theta Kappa Food Drive and a Senate-initiated Coat Drive.
- Looked into student concerns and issues that have been brought to the Senate, such as graduation and the use of social security numbers, and they have addressed the issues with appropriate administrators.

Christopher Entwhistle, Chair of the Care Committee, explained that the main goal is to create a better community at Harper College. Their desire is to create a friendly and welcoming environment where all students treat each other equally and fairly; where people respect the facilities and clean up after themselves; and where students feel

comfortable visiting and socializing. They are launching the RICE (Respect, Integrity, Collaboration and Excellence) campaign, "RICE is essential to a healthy student body." Also, fliers are being placed around campus with the letters RESPECT spelling out some values that they find important: being responsible, encouraging, selfless, productive, enthusiastic, cooperative and trusting. Additionally, they are hoping to combat some of the littering problems on campus with fliers and Target Vision messages: "Throw your trash where it belongs - in the garbage can. Let's keep Harper clean."

In the future, they hope to develop some "Rules of the Room" for the newly renovated Student Center as a way to encourage students to elevate their behavior. They will also work on signage on the foot washing stalls in the Building A second floor bathroom, as many students are unaware of their specific purpose. That is part of the focus on diversity.

Ms. Risteska noted that they are very enthusiastic about the next semester and looking forward to accomplishing their goals and serving the student body. She thanked the Board for everything they do for the students.

Student Member Plazak noted that a highlight of his ICCB meeting in Springfield recently was a discussion on community colleges being allowed to offer four-year degrees. The ICCB and the IBHE are aware of the concern and the situation, but they do not have the information needed to pass a Resolution to the Boards. Student Member Plazak informed the Board that, during the final three months of his term, he will focus on this issue to make sure that the opinions of Illinois students are heard on the higher Boards.

He displayed posters highlighting February's Black History Month. This has been a collaborative effort between Multicultural Learning, BSU, Admissions Outreach, Program Board, and Student Activities. He listed several of the upcoming events. Chair Stone thanked Student Member Plazak for his report.

## PRESIDENT'S REPORT

Dr. Breuder noted that Board members received the Fact Book this evening. It is an evolving document. They started to create it six years ago, and it continues to grow in importance and relevance to the decision-making at Harper College. They are able to incorporate more data each year and have greater confidence in the data. Laura Crane and

Sheila Quirk play leadership roles in that. They are to be commended for the quality of the publication, which has the handprint of many people inside the institution.

#### Enrollment

On Tuesday, January 18, they opened with 8,175 FTE, which was approximately 100 greater than expected. Today, they are at 8,206 FTE. Last year, between the opening day and today, FTE grew approximately 2.34 percent. The numbers for this year are 2.15 percent. They grew by .53 on the headcount side, and today the numbers are .49 percent. Dr. Breuder noted that enrollment is a prime driver of the overall revenue stream. The State cannot be controlled, and the local tax situation cannot be controlled with PTAB and the tax cap. Therefore, any appreciable amount of revenue is drawn from growing enrollment. They must grow at least three percent on the FTE side, which will mean growth of 23 percent over six years. That is incredible in this district. It speaks volumes of the people who work at Harper, and it is affirmed by the academic reputation. Increased enrollment means they are ahead on the revenue side for tuition and fees by \$238,000. That will help if there is a particularly cold winter and NICOR or ComEd bills are higher than anticipated.

#### Awards

Dr. Breuder asked Vice President Joan Kindle to announce several distinguished awards that the College received recently. Vice President Kindle noted that the Harper College Career Center received an Excellence Award at the end of last semester. They are recognized as the Outstanding Professional Counseling Program in the State of Illinois. She asked Kathleen Canfield, Director of the Career Center and Women's Program, to stand and be recognized.

The Center for Access and Disability Services (ADS) was recognized for its excellence by the Chicago Hearing Society for Outstanding Service for the Deaf and Hard of Hearing Community. They were honored at a major function in Chicago. Vice President Kindle asked Debby Sampson, Susan Teplinsky and Leslie Evans to stand and be recognized. Tom Thompson, Director of ADS, is also being recognized in 2005 by ACPA, which is the International College Student Educators Association, as the Outstanding Disabled Student Service Provider. Vice President Kindle noted that it is an honor to be able to work with such great people. In response to Member Howard, Dr. Breuder stated that this has been covered in the press.

Member Howard stated that the Board is obviously delighted that an increase in enrollment gives revenue, but they are more proud of the fact that so many residents are moving their lives forward through Harper College. That is more important than the dollars.

#### ERP System

Dr. Breuder noted that all the contracts have been executed on the ERP and the Chair has signed all the legal documents. Hopefully, within 18-24 months, the Board will see the results of this \$8M expenditure that was authorized.

#### Higher Learning

Maria Coons stated that the Outcomes forms were due from all the instructional and non-instructional areas by January 14. She was pleased to announce that they had a 100 percent return rate. Dr. Breuder commented that tasks get done at the institution by a lot of good people. Chair Stone noted that it is so gratifying to be a part of Harper College. She thanked everyone for their efforts.

In response to Member Hill, Dr. Breuder noted that a lot of this information is found on the website and in many press releases. Phil Burdick called attention to the press clipping book. Many of the stories highlight academic excellence. He noted that they have built up an incredible relationship with the press over the past several years. They spread the good news about what is happening at Harper College. In response to Member Hill, Dr. Breuder suggested that Vice President Colleen Murphy provide information to the Board in February or March regarding the website. Chair Stone suggested that the Board be provided an ongoing list of awards received by Harper College for each academic year. Member Gillette suggested that this could be added to the Fact Book.

#### HARPER EMPLOYEE COMMENTS

There were no employee comments.

#### CITIZEN COMMENTS

There were no citizen comments.

#### CONSENT AGENDA

Member Gillette moved, Member Hill seconded, approval of the minutes for the December 21, 2004 regular Board meeting; bills payable; payroll for December 10, 2004; December 24, 2004 and January 7, 2005; estimated payrolls for January 21, 2005; bid awards; purchase orders; personnel action sheets; student service awards - fall 2004; and for information: financial statements, committee and liaison reports, grants and gifts status report, and summary

of items purchased from state contracts, consortiums or cooperatives, as outlined in Exhibits IX-A.1 through IX-B.4, (attached to the minutes in the Board of Trustees' Official Book of Minutes).

Operating Fund	\$4,550,030.66
Tuition Refunds	107,874.59

The payroll of December 10, 2004 in the amount of \$2,200,668.49; December 24, 2004 in the amount of \$1,797,445.81; and January 7, 2005 in the amount of \$1,718,811.98; and estimated payroll of January 21, 2005 in the amount of \$1,758,128.89.

#### Bid Awards

There are no bid awards.

#### Purchase Order

Ex. IX-A.4.a      Approve issuance of a purchase order to Tek Systems for continued technical assistance in converting instructional material from analog to digital format, in the amount of \$43,680.

#### Personnel Actions

##### Faculty Appointment

Uriel Buitrago-Suarez, Instructor-Biology, LS/HS, 01/12/05,  
\$41,539/year

##### Supervisory/Confidential Appointments

Paul LeBreck, Assistant Supervisor, Public Safety, PUB  
SAF, 02/07/05, \$50,000/year

Linda Mueller, Manager, Applications Development, IT/AS,  
01/10/05, \$57,443/year

##### Classified Staff Appointment

Katherine Paez, Receptionist, ADM OUT, 01/04/05,  
\$24,400/year

##### Professional/Technical Reclassifications

Matthew Fowler, Local Area Network Specialist-5.4, IT/TS,  
01/01/05, \$71,440/year

Jeffrey Jones, Desktop Integration Analyst/Business  
Information Analyst-3.3, IT/TS, 01/01/05,  
\$51,732/year

Craig Lancaster, Desktop Integration Analyst-4.1, IT/TS,  
01/01/05, \$49,237/year

##### Supervisory/Confidential Reclassification

Bo'Lynne Modzelewski, Manager, Project Management  
Office-7.2, IT/AS, 01/01/05, \$67,742/year

Administrator Retirements

Larry Bielawa, Director, Human Resources, HR, 07/31/05-  
Extended to 07/31/06, including Administrator Benefit  
Program

Robert Getz, Assistant to the Vice President for Construction  
and Special Projects, CM, 06/30/07, 14 years

Supervisory/Confidential Retirement

Darrell Richie, Project Supervisor, CM, 06/30/05, 22 years

Classified Staff Retirement

Susan Witt, Lead Payroll Clerk, ACCT SER, 07/29/05, 21  
years

Professional/Technical Resignation

Cathy Chappell, Business Development Sales Consultant,  
COR SER, 02/28/05, 4 years 3 months

Supervisory/Confidential Resignation

Denise Kavin, Coordinator, D/HH Services, ADS, 12/17/04, 7  
years

Classified Staff Resignations

Sharon Oas, Library Assistant I, p/t, LIB SER, 01/06/05, 4  
years 3 months

Ivette Sitt, Receptionist, ADM OUT, 01/03/05, 1 year

Harper #512 IEA-NEA Resignations

James Archibald, Weekend Custodian, p/t, PHY PLT,  
12/18/04, 8 months

Vallner Schetter, HVAC Mechanic, PHY PLT, 12/09/04, 9  
years 4 months

Approval of the Fall 2004 Student Service Awards in the  
amount of \$5,112.00 from Account No. 0590-858-592.00  
and \$5,005.50 from Account No. 01-90-187-592.00, and  
\$852.00 from Account No. 01-00-039-13916.

Upon roll call on the Consent Agenda, the vote was as  
follows:

Ayes: Members Gillette, Hill, Howard, Kelley, Kolze,  
Murphy and Stone

Nays: None

Motion carried. Student Member Plazak voted aye, but  
abstained from Exhibit IX-A.6, Student Service Awards.

Member Gillette noted that Board members will receive notes via the mail from the ICCTA meeting he recently attended. They pertain to a discussion regarding the different generations: the Silent Generation, the Baby Boomers, Generation X, and Generation Y (the majority of Harper's current students).

Member Gillette noted that, on the legislative agenda, they added the request for elected federal representatives to look into making associate degree holders who are licensed registered nurses and licensed dental technicians eligible for warrant officer status. It is an Illinois State initiative to push in the February Lobby Day in Washington, DC.

#### NEW BUSINESS:

Public BINA Hearing for Issuance of Funding Bonds

Member Kelley moved, Member Murphy seconded, to adjourn the Regular meeting to conduct the Public Bond Issue Notification Act (BINA) Hearing necessary for the issuance of funding bonds in the amount of \$2,500,000, as outlined in Exhibit X-A (attached to the minutes in the Board of Trustees' Official Book of Minutes).

In a voice vote, the motion carried.

Chair Stone called to order the public BINA hearing for issuance of funding bonds at 8:02 p.m.

Vice President Judy Thorson explained that the bonds will be used to fund the purchase part of the ERP software - approximately \$2M for Oracle and approximately \$40,000 to \$50,000 worth of the ancillary software. In response to Member Murphy, Vice President Thorson explained that the bond sale process is three steps, encompassing three separate Board meetings.

- December Board meeting - established the obligation, which was approving the actual contracts with Oracle.
- January Board meeting - conduct the hearing. Prior to the hearing, it was published in the newspaper; there must be 30 days between newspaper publication and the bond sale.
- February Board meeting - complete the actual bond sale. The bids will be opened on the day of the Board meeting. The financial advisor from Kane McKenna will be at the Board meeting to present the results for a final vote to determine the winner for those particular bonds.

In response to Chair Stone, Vice President Thorson noted that this happens every two years. In response to Member

Hill, Vice President Thorson explained that the selection will be based on interest rate. It is a competitive sale. This is the year the College will do a \$2M bond; next time they can do \$3.5M. She noted that she must stay under a certain limit.

In response to Chair Stone, Vice President Thorson explained that bond counsel suggests putting the highest amount it might possibly want to do, so they estimate high; the actual documents that will come to the Board next month are expected to be at \$2M.

Chair Stone asked if there was anyone present who would like to comment. Hearing none, Chair Stone asked for a motion.

Member Gillette moved, Member Howard seconded, to close the hearing and reconvene the Regular meeting.

In a voice vote, the motion carried at 8:07 p.m.

Addendum to Illinois Gas Intergovernmental Cooperative Agreement

Member Howard moved, Member Gillette seconded, adoption of the amendment from the Illinois Gas Cooperative, as outlined in Exhibit X-B (attached to the minutes in the Board of Trustees' Official Book of Minutes).

In a voice vote, the motion carried.

#### ANNOUNCEMENTS BY

##### CHAIR

Communications

There were no communications.

Calendar Dates

Calendar dates are printed on the Agenda for Board information. The next Regular Board meeting is February 22 at 7:00. Chair Stone noted that there will be an election canvass on April 21, and the Board Organization meeting on April 26.

#### OTHER BUSINESS

Member Gillette suggested that administration give the Board a presentation regarding what the College is doing to comply with the requirement (now a law) that when there are minors in the classroom, they are notified and aware if there is a sexual predator on-site. He noted that teachers are screened; however, he is not sure how they would handle students who may be past sexual predators. Harper College has an obligation by law to be concerned about this issue. Member Gillette continued that the symposium in New Orleans provided information that the law requires the

College to keep sexual predators away from minors, those under 18. Some high school students attend classes with other students - perhaps a 21-year-old student with a past history is in a classroom with a 17-year-old. It was noted that younger students are on campus during the summer with the InZone program, as well. It was suggested that they receive a legal opinion on the issue. Member Murphy suggested looking into District 211's and 214's policies. Chair Stone noted that this issue will be entered into Board Requests.

Member Gillette requested an annual report on the Schaumburg property. Vice President Thorson stated they will provide one for the Board.

For information purposes, Members Murphy and Hill updated the Board on their efforts with regard to the Higher Education Review. As part of that process, every area of the College has their responsibilities to report and be approved. They shared their proposal for the Board's intended outcomes, means of assessment and criteria for success, which they put together with the help of Sheila Quirk and Maria Moten. It was noted that a formal approval was not necessary.

Member Hill noted that they originally had five or six items, but they narrowed it down to two. The process will be evolved year by year.

### **Intended outcomes**

1. To further enhance institutional relationships with the community.

#### *Means of assessment and criteria for success:*

- a. Board members will collectively conduct five formal events with legislative elected officials on behalf of the College this fiscal year; and
  - b. Board members will collectively make five key corporate outreach contacts on behalf of the College this fiscal year. Further detail will be given with quantitative action plans to augment a number of other ways they outreach to the community, website, etc.
2. To further strengthen the financial position of Harper College while maintaining an affordable education.

#### *Means of assessment and criteria for success:*

- a. Reaffirm Aaa bond rating by an outside agency.
- b. Ensure actual expenditures and revenues are aligned with the Board approved annual budget.

- c. Continue predictable limited tuition increases provided total tuition revenue does not exceed 25 percent of total per capita cost.

Member Murphy shared his thoughts regarding an alternative statement. He suggested that, rather than saying "to further strengthen the financial position of Harper College," they could say, "maintain the strong financial position of . . ." Since the College has an extremely healthy fund balance right now, to further strengthen would mean to him that they will obligate themselves to continue to add to that fund balance, irrespective of any other financial criteria they might want to consider. He would like the flexibility in a given year to say, "We are not going to increase tuition this year, as opposed to adding another \$1M to our healthy fund balance."

Chair Stone noted that she fully intends to have another retreat as soon as the new Board is seated, at which time they will be able to talk about this in detail. She thanked Members Hill and Murphy for their efforts on behalf of the Board, and she thanked Ms. Quirk and Ms. Moten for their help.

There was discussion as to timing constraints. Ms. Quirk noted that measurements will be taken over the summer, so the events will have to have taken place before the end of the fiscal year. If a decision is held off until April, it will not give the Board much time.

Member Murphy stated that he does not want to hold up the process; he simply wanted to raise the issue. He does not have a problem with leaving the language the way it is, for this specific purpose and for the time being. He suggested that, when the opportunity presents itself in a policy-making setting, they can discuss it in further detail.

Member Hill stated that he would like some background information, because the Aaa bond rating is central to the financial health of the College. He would like to know what it takes to maintain that.

In response to Chair Stone, Ms. Quirk noted that, as long as Board members are agreeing on this, a formal vote is not needed.

Dr. Breuder clarified that Ms. Quirk needs the Board to execute on this. There was discussion regarding what

defined an "event." Chair Stone noted that she will be in touch with Board members to assess their willingness to continue working on some of the tasks.

CLOSED SESSION

Member Kelley moved, Member Hill seconded, that the meeting adjourn into closed session to discuss personnel issues.

In a voice vote, the motion carried at 8:29 p.m.

Following closed session, the Board reconvened the Regular meeting at 9:37 p.m.

ADJOURNMENT

It was moved and seconded that the meeting be adjourned.

In a voice vote, the motion carried at 9:38 p.m.

\_\_\_\_\_  
Chair

\_\_\_\_\_  
Secretary

## BOARD REQUESTS

### JANUARY 25, 2005 REGULAR BOARD MEETING

1. In response to Chair Stone, Ms. Quirk noted that Board members will receive copies of the presentation handouts.
2. In response to Member Hill, Dr. Breuder suggested that Vice President Colleen Murphy provide information to the Board in February or March regarding the website.
3. Chair Stone suggested that the Board be provided an ongoing list of awards received by Harper College for each academic year. Member Gillette suggested that this could be added to the Fact Book.
4. Member Gillette asked the administration to provide information regarding what they are doing to comply with the law which requires the College to keep sexual predators away from minors, those under 18. Board members suggested receiving a legal opinion regarding this issue.
5. Member Gillette requested an annual report on the Schaumburg property. Vice President Thorson stated they will provide one for the Board.
6. Member Hill stated that he would like some background information, because the Aaa bond rating is central to the financial health of the College. He would like to know what it takes to maintain that.

WILLIAM RAINEY HARPER COLLEGE  
DISTRICT #512  
PALATINE, ILLINOIS 60067

FUND EXPENDITURES TO BE APPROVED

I.	BILLS PAYABLE	
	Operating Fund	\$ 3,452,670.39
	Tuition Refunds	\$ 1,645,669.74
II.	PAYROLL	
	01/21/2005	\$ 1,674,095.39
	02/04/2005	2,182,185.26
III.	ESTIMATED PAYROLL	
	02/18/2005	\$ 2,179,371.76

WILLIAM RAINEY HARPER COLLEGE

BOARD MEETING

February 22, 2005

SUMMARY OF BIDS

- Exhibit IX – A.3.a The administration recommends that the Board award bid request Q00404 for the purchase of a modular EMC Clariion data storage array, software and installation services to provide a Storage Area Network (SAN) to Dell Computer Corp., the low bidder meeting specifications, in the amount of \$121,467.58.
- Exhibit IX – A.3.b The administration recommends that the Board award Q00400 for a fixed asset inventory of the College to RCI Appraisal Co. in the amount of \$23,500.
- Exhibit IX – A.3.c The administration recommends that the Board award Q00402 to College Class Schedule Specialists, the low bidder for printing of the Summer 2005 Continuing Education Course Schedule, which is a major publication promoting enrollment, in the amount of \$26,665.50.
- Exhibit IX – A.3.d The administration recommends that the Board award Q00403 to Warner Offset, Inc., the low bidder for printing of the Fall 2005 and Spring and Summer 2006 Credit Course Schedules, which are major publications promoting enrollment, in the amount of \$50,164.

WILLIAM RAINEY HARPER COLLEGE

BOARD ACTION

I. SUBJECT

Recommendation for the award of bid request Q00404 for the purchase of a modular EMC Clariion data storage array, software and installation services to provide a Storage Area Network (SAN) as requested by Information Technology.

II. BUDGET STATUS

Funds in the amount of \$121,467.58 are provided in the 2004/2005 Restricted Purposes Fund budget, under account number 0695-183-585.10.

III. INFORMATION

A legal bid notice was published and twelve bids solicited. Five responses were received. The following is a recap of the bid tab sheet:

StorageTek Corporation	\$ 98,243.05
Dell Computer Corp.	121,467.58
CDW Government, Inc.	125,034.26
Sysix Technologies, Inc.	145,161.00
UniSys Corporation	161,318.00

The SAN will provide a flexible, high-performance managed data storage platform to support the Oracle Enterprise Resource Planning (ERP) system implementation. The storage will be shared among the ERP system servers utilizing existing EMC Connectrix fiber channel switches.

Harper College has standardized on EMC storage technology for all centralized data storage needs. This request is for an EMC CX500

Clariion Fiber Channel data storage array with 4.1 terabytes of raw storage and associated fiber patch cabling, as well as all appropriate management software and installation services.

The bid from StorageTek Corporation was for an alternate that did not meet specifications.

IV.

RECOMMENDATION

The administration recommends that the Board award bid request Q00404 for the purchase of a modular EMC Clariion data storage array, software and installation services to provide a Storage Area Network (SAN) to Dell Computer Corp., the low bidder meeting specifications, in the amount of \$121,467.58.

WILLIAM RAINEY HARPER COLLEGE

BOARD ACTION

I. SUBJECT

Recommendation for the award of request for proposal Q00400 for a fixed asset inventory of the College as requested by Administrative Services.

II. BUDGET STATUS

Funds in the amount of \$23,500 are provided in the 2004/05 Operations and Maintenance Fund budget, under account number 0292-039-539.00.

III. INFORMATION

A legal request for proposal notice was published and seven proposals solicited. Five responses were received. The following is a recap of the proposal tab sheet:

RCI Appraisal Co.	\$ 23,500
Maximus, Inc.	24,900
American Appraisal Associates, Inc.	26,200
Accountable Assets, Inc.	30,100
Environetx KiSP	618,750

The College is required by its auditors, KPMG, to conduct a complete audit of College assets on a regular basis. This inventory will be used to satisfy the reporting requirements of the auditors as well as to identify appropriate limits for the Liability Insurance coverage of the College. This appraisal process will also identify all capital assets over \$5,000.

Proposals were submitted in two parts. One envelope contained recommendations for the audit, without costs. Once those

recommendations had been evaluated using a predetermined rating scale, the vendors that were determined to be most qualified were contacted with additional questions and requests for clarification. After this information was received the second envelopes, containing costs, were opened. RCI Appraisal Co. had been identified as one of two most qualified vendors and also had the lowest cost proposal.

#### RECOMMENDATION

The administration recommends that the Board award Q00400 for a fixed asset inventory of the College to RCI Appraisal Co. in the amount of \$23,500.

WILLIAM RAINEY HARPER COLLEGE

BOARD ACTION

I. SUBJECT

Recommendation for the award of bid request Q00402 for printing of the Summer 2005 Continuing Education Course Schedule, which is a major publication promoting enrollment, as requested by Marketing Services.

II. BUDGET STATUS

Funds in the amount of \$26,665.50 will be provided in the 2005/06 Auxiliary Enterprise Fund budget, under account number 0548-691-547.4.

III. INFORMATION

A legal bid notice was published and 20 bids solicited. Three responses were received. The following is a recap of the bid tab sheet for 150M copies of the 80-page Summer 2005 Continuing Education Course Schedule:

College Class Schedule Specialists	\$26,665.50
Warner Offset, Inc.	27,223.00
Paddock Publications, Inc.	54,444.00

Harper College Course Schedules are sent to households in the College district. Copies are also sent to out of district students, businesses, libraries and individuals upon request. The Course Schedule will list the College Continuing Education class offerings for the Summer 2005 term.

IV. RECOMMENDATION

The administration recommends that the Board award Q00402 to College Class Schedule Specialists, the low bidder for printing of the Summer 2005 Continuing Education Course Schedule, which is a major publication promoting enrollment, in the amount of \$26,665.50.

WILLIAM RAINEY HARPER COLLEGE

BOARD ACTION

I. SUBJECT

Recommendation for the award of bid request Q00403 for printing of the Fall 2005 and the Spring and Summer 2006 Credit Course Schedules, which are major publications promoting enrollment, as requested by Marketing Services.

II. BUDGET STATUS

Funds in the amount of \$50,164 will be provided in the 2005/06 Education Fund budget, under account number 0181-060-542.

III. INFORMATION

A legal bid notice was published and 20 bids solicited. Four responses were received. The following is a recap of the bid tab sheet for 100,000 copies each of the 52-page Fall 2005 and Spring 2006, and the 32-page Summer 2006, Credit Course Schedules:

Warner Offset, Inc.	\$ 50,164
College Class Schedule Specialists	51,943
Precise Printing Network, Inc.	72,197
Workflow	102,463 plus mailing

Harper College Course Schedules are sent to households in the College district. Copies are also sent to out of district students, businesses, libraries and individuals upon request. The Course Schedules will list the College Credit class offerings for the Fall 2005 and Spring and Summer 2006 terms.

IV. RECOMMENDATION

The administration recommends that the Board award Q00403 to Warner Offset, Inc., the low bidder for printing of the Fall 2005 and Spring and Summer 2006 Credit Course Schedules, which are major publications promoting enrollment, in the amount of \$50,164.

WILLIAM RAINEY HARPER COLLEGE

BOARD MEETING

February 22, 2005

SUMMARY OF PURCHASE ORDERS

THERE ARE NO PURCHASE ORDERS THIS MONTH.

WILLIAM RAINEY HARPER COLLEGE

I. SUBJECT

Personnel Actions

II. REASON FOR CONSIDERATION

Board Action is required to ratify and approve personnel actions for all employees.

III. BACKGROUND INFORMATION

- A. Ratification of Faculty Appointments.
- B. Ratification of Professional/Technical Appointment.
- C. Ratification of Classified Staff Appointments.
- D. Ratification of Harper #512 IEA-NEA Appointments.
- E. Ratification of Administrator Retirements.
- F. Ratification of Faculty Retirement.
- G. Ratification of Classified Staff Retirement.
- H. Ratification of Faculty Resignation.
- I. Ratification of Classified Staff Resignations.
- J. Ratification of Harper #512 IEA-NEA Resignations.

IV. RECOMMENDATION

The administration recommends that the Board of Trustees ratify the Faculty, the Professional/Technical, the Classified Staff and the Harper #512 IEA-NEA Appointments; the Administrator, the Faculty and the Classified Staff Retirements; the Faculty, the Classified Staff and the Harper #512 IEA-NEA Resignations; and the Overload and Adjunct Faculty Assignment Summary Sheets.

WILLIAM RAINEY HARPER COLLEGE

BOARD ACTION

I. SUBJECT

***First Reading*** of a modification to Section 01.25.07 on Board of Trustees Election Canvassing.

II. REASON FOR CONSIDERATION

Changes to Board Policy require two readings before they are incorporated into the Board Policy Manual. This is the first reading for a modification to section 01.25.07 on Board of Trustees Election Canvassing.

III. BACKGROUND INFORMATION

The enactment of legislation providing for Provisional Ballots has added 2 weeks to the election time line.

IV. RECOMMENDATION

The administration recommends modification to section 01.25.07 on Board of Trustees Election Canvassing.

WILLIAM RAINEY HARPER COLLEGE  
POLICY STATEMENT

Title: **Canvassing**

No. 01.25.07

Approved:

Revised:

Within ~~seven days~~ **21** days after the election, the Board shall canvass the results of the election, proclaim the winners, and transmit its abstract of votes to the election authority, and the State Board of Elections.

WILLIAM RAINEY HARPER COLLEGE

BOARD ACTION

I. SUBJECT

***First Reading*** of a modification to Section 01.25.10 on Board of Trustees Organizational Meeting.

II. REASON FOR CONSIDERATION

Changes to Board Policy require two readings before they are incorporated into the Board Policy Manual. This is the first reading for a modification to section 01.25.10 on Board of Trustees Organizational Meeting.

III. BACKGROUND INFORMATION

The enactment of legislation providing for Provisional Ballots has added 2 weeks to the election time line.

IV. RECOMMENDATION

The administration recommends modification to section 01.25.10 on Board of Trustees Organizational Meeting.

WILLIAM RAINEY HARPER COLLEGE

POLICY STATEMENT

Title: Organizational **Meeting**

No. 01.25.10

Approved:

Revised:

On or before the 14- ~~28~~**th** day after the election, the chair of the Board shall convene the new Board and conduct the election for chair, vice-chair, and secretary. ~~However, after the 2001 and 2003 elections, this organizational meeting shall be held in November, within 14 days after the day on which the November Consolidated Election would have been held.~~

WILLIAM RAINEY HARPER COLLEGE

BOARD ACTION

I. SUBJECT

***First Reading*** of a modification to Section 13.35.03 on Political Events on Campus.

II. REASON FOR CONSIDERATION

Changes to Board Policy require two readings before they are incorporated into the Board Policy Manual. This is the first reading for a modification to section 13.35.03 on Political Events on Campus.

III. BACKGROUND INFORMATION

Update Board Policy to conform to the Model Ethics Ordinance adopted last year.

IV. RECOMMENDATION

The administration recommends modification to section 13.35.03 on Political Events on Campus.

WILLIAM RAINEY HARPER COLLEGE

POLICY STATEMENT

Title: **Political Events on Campus** No. 13.35.03

Approved:

Revised:

Political Events on Campus

The ~~Board of Trustees~~ **State law** expressly prohibits the use of public funds to urge electors to vote for or against any candidate or public question (Illinois Compiled Statutes, 10 ILCS 5/9-25.1). Candidates for public office and individuals who support or oppose propositions before the electorate must be advised by the sponsoring College groups that: (1) a speech or appearance on College premises does not constitute an endorsement by the College of a candidate or the advocacy by the College of a position on a public question; (2) no direct solicitation of funds or distribution of campaign fund raising literature is permitted on College premises; and (3) no campaign materials which state or imply that the College supports or opposes a candidate or a public proposition may be distributed on College premises or elsewhere.

**All provisions of the Model Ethics Ordinance found in 13.05.00 apply to this section.**

WILLIAM RAINEY HARPER COLLEGE

BOARD ACTION

I. SUBJECT

Disposal of obsolete and unrepairable personal property owned by the College.

II. REASON FOR CONSIDERATION

Under the Illinois Public Community College Act, the Board of Trustees has the authority to sell personal property and must approve the sale or disposal of all such property.

III. BACKGROUND INFORMATION

An inventory has been taken of College property that is obsolete or beyond economical repair. According to the procedures for disposal of College property, it is recommended that:

- A. Donations be made to nonprofit institutions unable to purchase equipment needed to carry out their missions.
- B. The public be notified, through a public notice in the newspaper, of the intent to accept sealed bids for the remaining personal property. Bids will be accepted from anyone, except the College Board of Trustees.
- C. Items not disposed of by donation or the bid process be advertised as available for sale to the public, except the College Board of Trustees. This can be accomplished either through a direct sale handled by the College or by an auction; whichever best fits the needs of the College.
- D. Items that are left over can be offered for sale to a scrap dealer.

- E. Items not purchased by the scrap dealer be disposed of in the most appropriate manner.

Per Board Policy the College has made donations of furniture and equipment where a need has been identified. The remainder of the surplus furniture and equipment will be put into an auction. The detailed list of all of the furniture and equipment is dynamic. Pieces are continually being identified that can be used to replace older pieces somewhere else in the College. The older piece then goes into the auction. The complete detailed list of all items that will be auctioned will be available after the sale.

IV. RECOMMENDATION

The administration recommends that the Board approve the disposal of obsolete and unrepairable personal property owned by the College through donation, a sealed bid sale, an open sale or an auction, sale to a scrap dealer, or other appropriate means for disposal of the property.

WILLIAM RAINEY HARPER COLLEGE  
Preliminary Schedule of Investments  
As of January 31, 2005

Consent Agenda  
Exhibit IX-B.1  
February 22, 2005

	Outstanding Investments	FY05 Budget	Planned To Date	Earned To Date
EDUCATION FUND	\$ 31,980,041	315,000	183,750	262,890
OPERATIONS, & MAINT. FUND	9,121,502	140,000	81,667	95,893
OPERATIONS, & MAINT. FUND (Restricted)	2,863,041	50,000	29,167	30,876
BOND & INTEREST	1,998,264	55,000	32,083	34,236
AUXILIARY ENTERPRISES	2,572,140	35,000	20,417	22,191
RESTRICTED FUNDS	4,097,429	55,000	32,083	68,849
WORKING CASH FUND	13,041,120	185,000	107,917	140,635
AUDIT FUND	239,623	2,500	1,458	2,363
LIABILITY, PROTECTION & SETTLEMENT	6,612	5,000	2,917	1,338
Total	\$ 65,919,772	842,500	491,458	659,272

**WILLIAM RAINEY HARPER COLLEGE**  
**FY2004/2005 BUDGET AND EXPENDITURES**  
**January 31, 2005**

Feb. 22, 2005  
Exhibit IX-B.1

**EDUCATION FUND**

<b>DIVISION</b>	<b>BUDGET</b>	<b>BUDGET YTD</b>	<b>EXPENDITURES YEAR TO DATE</b>	<b>FUTURE COMMITMENTS</b>	<b>% PAID OR COMMITTED</b>	<b>UNCOMMITTED BALANCE</b>
<b>Institutional</b>						
Admin Services	11,157,773.00	5,424,909.23	4,011,015.58	88,134.41	36.74%	7,058,623.01
<b>Sub-Total</b>	<b>\$11,157,773.00</b>	<b>\$5,424,909.23</b>	<b>\$4,011,015.58</b>	<b>\$88,134.41</b>	<b>36.74%</b>	<b>\$7,058,623.01</b>
<b>President</b>						
Development Office	413,728.00	201,154.55	247,003.85	150,120.30	95.99%	16,603.85
Pres/Brd of Trustees	341,971.00	166,266.30	202,965.12	118,142.97	93.90%	20,862.91
Strategic Alliance	182,528.00	88,745.11	94,439.63	50,070.10	79.17%	38,018.27
Assoc VP Development	186,814.00	90,828.97	105,251.09	71,318.06	94.52%	10,244.85
<b>Sub-Total</b>	<b>\$1,125,041.00</b>	<b>\$546,994.93</b>	<b>\$649,659.69</b>	<b>\$389,651.43</b>	<b>92.38%</b>	<b>\$85,729.88</b>
<b>Student Affairs</b>						
Student Activities	431,240.00	209,668.89	214,434.06	137,699.73	81.66%	79,106.21
Student Development	3,704,090.00	1,800,928.56	1,955,589.18	1,068,335.91	81.64%	680,164.91
Wellns/Human Perform	1,795,692.00	873,065.45	903,215.73	499,078.37	78.09%	393,397.90
<b>Sub-Total</b>	<b>\$5,931,022.00</b>	<b>\$2,883,662.90</b>	<b>\$3,073,238.97</b>	<b>\$1,705,114.01</b>	<b>80.57%</b>	<b>\$1,152,669.02</b>
<b>VP Academic Affairs</b>						
Acad Enrich/Lang Std	4,313,424.00	2,097,186.75	2,111,079.26	1,237,183.85	77.62%	965,160.89
Academic Affairs	937,108.00	455,621.91	151,593.95	75,980.41	24.28%	709,533.64
Assoc VP Aca Affairs	321,992.00	156,552.51	159,505.83	105,694.71	82.36%	56,791.46
Bus/Social Sciences	5,475,167.00	2,662,026.20	2,704,765.45	1,302,281.95	73.19%	1,468,119.60
Dean of Cont Educ	507,295.00	246,646.83	250,307.19	160,769.87	81.03%	96,217.94
Liberal Arts	5,672,278.00	2,757,861.56	2,831,357.90	1,436,598.13	75.24%	1,404,321.97
Life Sci/Hum Services	4,513,908.00	2,194,662.07	2,201,376.67	1,262,775.94	76.74%	1,049,755.39
Resource for Learning	2,145,024.00	1,042,910.67	1,152,481.43	566,819.72	80.15%	425,722.85
Tech/Math & Phy Sci	4,730,859.00	2,300,143.65	2,437,468.21	1,213,205.49	77.17%	1,080,185.30

**EDUCATION FUND**

<b>DIVISION</b>	<b>BUDGET</b>	<b>BUDGET YTD</b>	<b>EXPENDITURES YEAR TO DATE</b>	<b>FUTURE COMMITMENTS</b>	<b>% PAID OR COMMITTED</b>	<b>UNCOMMITTED BALANCE</b>
VP Aca Affairs	274,157.00	133,295.13	136,973.87	80,830.20	79.45%	56,352.93
<b>Sub-Total</b>	<b>\$28,891,212.00</b>	<b>\$14,046,907.27</b>	<b>\$14,136,909.76</b>	<b>\$7,442,140.27</b>	<b>74.69%</b>	<b>\$7,312,161.97</b>
<b>VP Admin Services</b>						
Admin Services	1,676,502.00	815,115.27	897,126.44	616,304.97	90.27%	163,070.59
<b>Sub-Total</b>	<b>\$1,676,502.00</b>	<b>\$815,115.27</b>	<b>\$897,126.44</b>	<b>\$616,304.97</b>	<b>90.27%</b>	<b>\$163,070.59</b>
<b>VP Diversity/Org Dev</b>						
Human Res/Int. Affairs	495,016.00	240,676.78	191,972.75	0.00	38.78%	303,043.25
Asst VP Diversity/Org	579,686.00	281,843.33	328,641.23	202,706.01	91.66%	48,338.76
<b>Sub-Total</b>	<b>\$1,074,702.00</b>	<b>\$522,520.11</b>	<b>\$520,613.98</b>	<b>\$202,706.01</b>	<b>67.30%</b>	<b>\$351,382.01</b>
<b>VP Info Technology</b>						
Info Technology	5,683,085.00	2,763,115.93	2,943,758.78	1,711,371.57	81.91%	1,027,954.65
<b>Sub-Total</b>	<b>\$5,683,085.00</b>	<b>\$2,763,115.93</b>	<b>\$2,943,758.78</b>	<b>\$1,711,371.57</b>	<b>81.91%</b>	<b>\$1,027,954.65</b>
<b>VP Mktg &amp; Advancement</b>						
VP Enroll/Marketing	1,895,974.00	921,822.56	1,138,323.43	606,449.28	92.03%	151,201.29
Enrollment Svcs	1,566,321.00	761,545.27	906,204.24	469,208.20	87.81%	190,908.56
Pub/Comm Services	1,459,871.00	709,789.28	764,128.04	456,954.38	83.64%	238,788.58
<b>Sub-Total</b>	<b>\$4,922,166.00</b>	<b>\$2,393,157.11</b>	<b>\$2,808,655.71</b>	<b>\$1,532,611.86</b>	<b>88.20%</b>	<b>\$580,898.43</b>
<b>Grand Total:</b>	<b>\$60,461,503.00</b>	<b>\$29,396,382.76</b>	<b>\$29,040,978.91</b>	<b>\$13,688,034.53</b>	<b>70.67%</b>	<b>\$17,732,489.56</b>

Note: Future salary costs for all full-time and regular faculty and staff are encumbered as future commitments. Future commitments include salaries for adjunct faculty and overload only when these expenses enter the payroll system (which occurs during the Fall, Spring and Summer semesters). Salaries are not encumbered in future commitments for temporary employees (part-time and full-time) and student aids.

WILLIAM RAINEY HARPER COLLEGE

BOARD INFORMATION

I. SUBJECT

Board Committee and Liaison Reports

II. REASON FOR CONSIDERATION

Reports from liaison officers are provided as part of the Consent Agenda.

III. INFORMATION

- ICCTA Report - Richard Gillette
- Legislative Report - Richard Gillette

WILLIAM RAINEY HARPER COLLEGE

BOARD INFORMATION

I. SUBJECT

Grants and gifts status report.

II. REASON FOR CONSIDERATION

The Board is provided with a monthly update of grants and gifts.

III. BACKGROUND INFORMATION

The attachment reports the current status of operational public and private grants to the College, and status of cash donations and in-kind gifts to the Educational Foundation.

**HARPER COLLEGE**  
 Listing of  
**GRANT PROGRAMS**  
 July 1, 2004 – June 30, 2005

**NOTE: CHANGES ARE IN BOLD**

**Reported: February 22, 2005**

GRANT NAME DIVISION/DEPARTMENT MANAGER	BRIEF DESCRIPTION	FUNDING SOURCE AWARD AMOUNT	DATES STARTS-ENDS
<u>EXTENDED</u> ACHA Building Healthy Campus Community Project Health Wellness D. Evans	Cultural competency demonstration site	ACHA/CDC \$12,200	09/01/01 04/30/05
<u>NEW</u> Scholar-in-Residence International Studies CML D. Sharp	Dr. Ederson Augusto Zanetti from Cuiaba, Brazil.  Matching funds required	CIES \$11,600*	01/01/05 05/30/05
<u>CONTINUATION</u> Northern Illinois Regional Consortium ETIP GRANT Corporate Services C. McClement	Awarded through Employer Training Investment Program (ETIP) Small/Mid-sized Company component, grant is to be used to upgrade skills of workers. (Received additional funds - \$22,738)	DCEO \$212,578	07/01/03 12/31/04
<u>NEW</u> <b>Northern Illinois Reginal Consortium ETIP Grant Corporate Services C. McClement</b>	<b>Awarded through Employer Training Investment Program (ETIP) Large Company component, grant is to be used to upgrade skills of workers.</b>	<b>DCEO \$306,323</b>	<b>07/01/04 06/01/05</b>
<u>NEW</u> Academic Success Programming for Underrepresented Minority Students Center for Multicultural Learning L. LaBauve-Maher	To ensure that undergraduate students have access to programming and support that will better ensure their academic successes.	HECA \$45,500	08/26/04 08/31/05
<u>NEW</u> Nontraditional Scholarship Grant Career Programs J. Hennig	Tuition assistance to students entering non- traditional occupations.	ICCB \$6,250	07/01/04 06/30/05

<b>GRANT NAME DIVISION/DEPARTMENT MANAGER</b>	<b>BRIEF DESCRIPTION</b>	<b>FUNDING SOURCE AWARD AMOUNT</b>	<b>DATES STARTS-ENDS</b>
<u>RENEWAL</u> Business/Industry Workforce Preparation Corporate Services L. Danaher	State Allocation Grant to assist with local economic development efforts within Business & Industry Centers.	ICCB \$90,202	07/01/04 06/30/05
<u>RENEWAL</u> P-16 Initiative Career Programs J. Hennig	State Allocation Grant to pay for tuition for high school students taking college credit.	ICCB \$75,682	07/01/04 06/30/05
<u>RENEWAL</u> Perkins III Career Programs J. Hennig	Career and Technical education	ICCB \$303,004	07/01/04 06/30/05
<u>RENEWAL</u> Program Improvement Grant Career Programs J. Hennig	Supports improvement in career and technical educational programs.	ICCB \$31,566	07/01/04 06/30/05
<u>CONTINUATION</u> ICCB Adult Education Leadership Grant AE/LS D. Corr	Improve instruction, develop effective and appropriate curriculum, improve professional dev., and disseminate innovative practices that lead to improvement of instruction in local Adult Education and Family Literacy programs in Illinois.	ICCB \$48,145	11/01/03 12/31/04
<u>CONTINUATION</u> FY05 Adult Education and Family Literacy Grant AE/LS D. Corr	Supports Adult Education Development Programs (State Basic \$149,681 State Performance 109,808 State Public Assistance 21,130 Federal Basic 156,725 EL/Civics 38,144)	ICCB \$475,488	07/01/04 06/30/05
<u>NEW</u> Paraprofessional Test Prep Course Continuing Education R. Mills/N. Nerstrom	To assist paraprofessionals in reviewing basic skills in reading, writing, and mathematics; learning test taking strategies geared toward standardized tests, in compliance with the No Child Left Behind Act.	ICCB \$13,200	07/01/04 06/30/05

<b>GRANT NAME DIVISION/DEPARTMENT MANAGER</b>	<b>BRIEF DESCRIPTION</b>	<b>FUNDING SOURCE AWARD AMOUNT</b>	<b>DATES STARTS –ENDS</b>
<u>NEW</u> Postsecondary Career and Technical Education - Continuous Quality Improvement Grant Career Programs J. Hennig	To develop, enhance or implement a process and/or system that provides regular and systematic program evaluation and improvement related to career and technical education administration, programs and services.	ICCB \$10,000	10/30/04 06/30/05
<u>NEW</u> Career and Technical Education – Performance Enhancement Grant Career Programs J. Hennig	To develop, implement and improve computerized automated degree and certificate audit systems to Recognize and promote student success.	ICCB \$10,000	10/30/04 06/30/05
<u>NEW</u> Tech Prep Support Grant Career Programs J. Hennig	To fund innovative activities initiated by Illinois community colleges in support of goals and objectives of Tech Prep.	ICCB \$47,143	07/01/04 06/30/05
<u>NEW</u> Healthcare Innovation Pilot AE/LS D. Corr	For the development and implementation of “bridge programs” to transition AED and ESL students into healthcare occupations.	ICCB \$68,500	07/01/04 06/30/05
<u>CONTINUATION</u> Lighting Upgrade Project Physical Plant J. Ma	Improve building energy efficiency for Bldgs. A., C and L, and reduce the operating costs for the College.	ICECF \$35,539	11/01/03 10/31/04
<u>RENEWAL</u> Disabled Student Project Access & Disability Services T. Thompson	To provide services to students with disabilities.	IDHS \$134,754	07/01/04 06/30/05
<u>RENEWAL</u> Displaced Homemakers Women’s Program K. Canfield	Career, educational and personal support for Women’s Program participants.	IDOL \$58,410	07/01/04 06/30/05
<u>CONTINUATION</u> Scholarships for Success TMPS/Marketing Services S. Griffith/D. Loprieno	Scholarship assistance to support Math, Science, Engineering & Computer Science students.	NSF \$39,926	07/01/04 06/30/05

<b>GRANT NAME DIVISION/DEPARTMENT MANAGER</b>	<b>BRIEF DESCRIPTION</b>	<b>FUNDING SOURCE AWARD AMOUNT</b>	<b>DATES STARTS –ENDS</b>
<u>RENEWAL</u> Midwest Center of Post- Secondary Outreach Access & Disability Services T. Thompson/D. Gavin	Provides technical assistance to A & D Service Programs	USDE/St. Paul Technical \$42,000	07/01/04 06/30/05
<u>CONTINUATION</u> COPS Public Safety M. Alsup	Universal Hiring Program Hire 3 full time officers (Full grant is \$225,000 spread over three years – 08/01/02 – 07/31/05)	USDJ \$88,740  (\$42,043 per officer x 3)	07/01/04 06/30/05

**Total as of February 22, 2005**

**\$2,244,250**

**\*NOTE 1: Harper and the College of Lake County are partnering again in a Fulbright Scholar-in-Residence program. \$11,600 has been awarded, and will go directly to the Fulbright Scholar, who is Dr. Zanetti from Brazil. Harper and CLC will each contribute \$10,600 toward this program.**

**NOTE 2: The Northwest Suburban Education to Careers Partnership has been transferred to School District 214, and won't be in the FY05 grants awarded. The FY04 total for this Partnership equaled: \$1,749,533.**

*DESCRIPTION OF ABBREVIATIONS*

ACHA American College Health Association  
 AE/LS Academic Enrichment and Language Studies  
 CIES Council for International Exchange Scholars  
 COPS Community Oriented Policing Services  
 DCEO Department of Commerce & Economic Opportunity  
 HECA Higher Education Cooperation Act  
 ICCB Illinois Community College Board  
 ICECF Illinois Clean Energy Community Foundation  
 IDHS Illinois Department of Human Services  
 IDOL Illinois Department of Labor  
 NSF National Science Foundation  
 TMPS Technology, Math & Physical Science  
 USDE United States Department of Education  
 USDJ United States Department of Justice

**Harper College Educational Foundation  
January Fundraising Report FY05**

<b>Description</b>	<b>No. Gifts</b>	<b>Cash</b>	<b>Pledges/Stocks</b>	<b>In-Kind Gifts</b>	<b>Other</b>	<b>Total</b>
Jim McGuire Golf Open	28	\$2,268.00	\$0.00	\$0.00	\$0.00	\$2,268.00
Memorial	14	\$3,050.00	\$0.00	\$0.00	\$0.00	\$3,050.00
Personal Solicitation	1	\$0.00	\$10,000.00	\$0.00	\$0.00	\$10,000.00
Special Initiatives	2	\$435.00	\$0.00	\$0.00	\$0.00	\$435.00
Stewardship	1	\$100.00	\$0.00	\$0.00	\$0.00	\$100.00
Theatre Seat Campaign	1	\$1,000.00	\$0.00	\$0.00	\$0.00	\$1,000.00
Unsolicited	4	\$800.00	\$0.00	\$0.00	\$0.00	\$800.00
Calendar Year-End Direct Mail FY05	13	\$1,635.00	\$0.00	\$0.00	\$0.00	\$1,635.00
<b>Grand Total</b>	<b>64</b>	<b>\$9,288.00</b>	<b>\$10,000.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$19,288.00</b>

**Harper College Educational Foundation  
Year to Date Fundraising Report (as of 1/31/05)**

Description	No. Gifts	Cash	Pledges/Stocks	In-Kind Gifts	Other	Total
Board Solicited	1	\$95.29	\$0.00	\$0.00	\$0.00	\$95.29
Golf Open 2004	1	\$100.00	\$0.00	\$0.00	\$0.00	\$100.00
Harper Symphony Orchestra	4	\$375.00	\$0.00	\$0.00	\$0.00	\$375.00
Harper Quest Celebration Events	29	\$6,367.33	\$74,450.00	\$22,000.00	\$0.00	\$102,817.33
Jim McGuire Golf Open	28	\$2,268.00	\$0.00	\$0.00	\$0.00	\$2,268.00
Memorial	52	\$8,150.00	\$550.00	\$0.00	\$0.00	\$8,650.00
Margaret Scott	60	\$1,708.22	\$0.00	\$0.00	\$0.00	\$1,708.22
Personal Solicitation	14	\$13,000.00	\$61,500.00	\$0.00	\$200,000.00	\$274,500.00
Proposal	5	\$12,500.00	\$2,000.00	\$0.00	\$0.00	\$14,500.00
Pacesetter Campaign FY05	27	\$18,022.70	\$7,366.20	\$0.00	\$0.00	\$25,388.90
Resources for Excellence Employee Campaign FY04	60	\$145.00	\$20.00	\$0.00	\$0.00	\$165.00
Jeremy Rifkin Event	15	\$174.00	\$0.00	\$0.00	\$0.00	\$174.00
Scholarship Stewardship Reports	17	\$37,174.00	\$0.00	\$0.00	\$0.00	\$37,174.00
Special Initiatives	6	\$4,951.42	\$0.00	\$0.00	\$0.00	\$4,951.42
Stewardship	10	\$9,758.00	\$0.00	\$0.00	\$0.00	\$9,758.00
Tradition of Excellence 2003	1	\$520.00	\$0.00	\$0.00	\$0.00	\$520.00
Theatre Seat Campaign	1	\$1,000.00	\$0.00	\$0.00	\$0.00	\$1,000.00
Unsolicited	13	\$7,625.00	\$0.00	\$718.22	\$0.00	\$8,343.22
Calendar Year-End Direct Mail FY05	70	\$13,405.00	\$0.00	\$0.00	\$0.00	\$13,405.00
<b>Grand Total</b>	<b>414</b>	<b>\$137,338.96</b>	<b>\$145,886.20</b>	<b>\$22,718.22</b>	<b>\$200,000.00</b>	<b>\$505,943.38</b>

WILLIAM RAINEY HARPER COLLEGE

BOARD INFORMATION

I. SUBJECT

Consortium, Cooperative and the State of Illinois Contracts purchasing status report.

II. REASON FOR CONSIDERATION

The Board is provided with a monthly update of purchases from consortiums, cooperatives or the State of Illinois Contracts.

III. BACKGROUND INFORMATION

The attached report is a summary of current purchases from consortiums, cooperatives or the State of Illinois Contracts.

WILLIAM RAINEY HARPER COLLEGE

BOARD ACTION

I. SUBJECT

Resolution to Issue \$2,050,000 Limited Tax Funding Bonds, Series 2005 and for Levy of Tax to Pay Principal and Interest on bonds.

II. REASON FOR CONSIDERATION

Recent state legislation permits local governments to issue limited tax bonds. Series 2005 Limited tax bonds will be secured by a 1995 non-referendum bond debt service extension base. The base amount for each local government will become available as existing non-referendum general obligation bonds are paid or retired.

The College has retired bonds recently. The retirement of these bonds creates bond capacity, up to the debt service extension base, to finance Funding Bonds for Series 2005.

The College has obligations which can be met through the issuance of Funding Bonds. The College has a legal budget which was presented to the Board of Trustees on September, 2004. This bond sale will enable the College to meet its educational objectives, and meet its financial obligations. This can be accomplished without increasing the tax levy on the property owners of the district.

III. BACKGROUND INFORMATION

The College Board of Trustees has made a commitment in the past which now needs to be funded. The commitment is to updating technology. These items qualify as obligations which may be satisfied through the Funding Bonds portion of a General Obligation Limited Tax Bond sale.

IV. RECOMMENDATION

The Administration recommends that the Board approve the Resolution to Issue Limited Tax Bonds and to pay all associated costs of issuance.

MINUTES of a regular meeting of the Board of Trustees of Community College District No. 512, Counties of Cook, Kane, Lake and McHenry and State of Illinois, held at the Student and Administration Building, 1200 West Algonquin Road, Palatine, Illinois, in said Community College District at 7:00 o'clock P.M., on the 22nd day of February, 2005.

\* \* \*

The meeting was called to order by the Chairman, and upon the roll being called, Laurie Stone, the Chairman, and the following members of the Board of Trustees at said location answered present: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

The following members were absent: \_\_\_\_\_

\_\_\_\_\_

The Chairman announced that the District had received bids for the purchase of the District's general obligation limited bonds to be issued by the District for funding purposes pursuant to the provisions of Article 3A of the Public Community College Act of the State of Illinois, as amended, and Section 15.01 of the Local Government Debt Reform Act of the State of Illinois, as amended, and that the Board of Trustees would consider the adoption of a resolution providing for the issue of said bonds and the levy of a direct annual tax to pay the principal and interest thereon. The Chairman also identified the best bidder and the details of the best bid.

Whereupon Trustee \_\_\_\_\_ presented and the Secretary read in full a resolution as follows:

RESOLUTION providing for the issue of \$2,040,000 General Obligation Limited Tax Bonds, Series 2005, of Community College District No. 512, Counties of Cook, Kane, Lake and McHenry and State of Illinois, and for the levy of a direct annual tax to pay the principal and interest on said bonds.

\* \* \*

WHEREAS, pursuant to the authority of Article 3A of the Public Community College Act of the State of Illinois, as amended (the “*Act*”), and Section 5 of the Local Government Debt Reform Act of the State of Illinois, as amended (the “*Debt Reform Act*”), the Board of Trustees (the “*Board*”) of Community College District No. 512, Counties of Cook, Kane, Lake and McHenry and State of Illinois (the “*District*”), by resolution (the “*Resolution of Intent*”), did declare its intention to avail of the provisions of said Article of the Act and issue bonds of the District in the aggregate amount of \$2,500,000 as therein provided; and

WHEREAS, notice of the intention to issue said bonds pursuant to the provisions of said Article of the Act was published in the *Daily Herald*, the same being a newspaper of general circulation in the District, an affidavit evidencing the publication of such notice of intention, together with a newspaper clipping of such notice as published attached thereto, having heretofore been presented to the Board and made a part of the permanent records of the Board; and

WHEREAS, at least thirty (30) days have expired since the date of the publishing of such notice of intention to issue said bonds, and no petition with the requisite number of valid signatures thereon has been filed with the Secretary of the Board requesting that the proposition to issue said bonds be submitted to the legal voters of the District; and

WHEREAS, the Board is now authorized to issue said bonds for the payment of outstanding and unpaid claims against the District (the “*Claims*”), and to levy taxes to pay the principal of and interest on such bonds; and

WHEREAS, there are now outstanding and unpaid Claims and costs of issuing said bonds in not less than the aggregate amount of \$2,040,000; and

WHEREAS, the Claims are presently outstanding and unpaid, and there are no funds on hand and available to apply toward the payment of any part of the Claims or the costs of issuance in the aggregate amount of \$2,040,000; and

WHEREAS, pursuant to the Act and the Debt Reform Act, the District is now authorized to provide for the issue of bonds in the aggregate amount of \$2,040,000 to pay the Claims and the costs of issuance of said bonds; and

WHEREAS, the Board deems it advisable, necessary and for the best interests of the District that \$2,040,000 of the bonds so authorized be issued at this time; and

WHEREAS, pursuant to and in accordance with the provisions of the Bond Issue Notification Act of the State of Illinois, as amended, the Board adopted a resolution calling a public hearing (the "*Hearing*") for the 25th day of January, 2005, concerning the intent of the Board to sell said bonds; and

WHEREAS, notice of the Hearing was given by publication at least once not less than 7 nor more than 30 days before the date of the Hearing in the *Daily Herald*, the same being a newspaper of general circulation in the District, and was posted at least 48 hours before the Hearing at the principal office of the Board; and

WHEREAS, the Hearing was held on the 25th day of January, 2005, and at the Hearing, the Board explained the reasons for the proposed bond issue and permitted persons desiring to be heard an opportunity to present written or oral testimony within reasonable time limits; and

WHEREAS, the Hearing was finally adjourned on the 25th day of January, 2005; and

WHEREAS, the bonds so authorized shall be issued as limited bonds under the provisions of Section 15.01 of the Debt Reform Act, and as such it is not necessary to submit the proposition of the issuance of the bonds to the voters of the District for approval:

NOW, THEREFORE, Be It and It Is Hereby Resolved by the Board of Trustees of Community College District No. 512, Counties of Cook, Kane, Lake and McHenry and State of Illinois, as follows:

*Section 1. Incorporation of Preambles.* The Board hereby finds that all of the recitals contained in the preambles to this resolution are full, true and correct and does incorporate them into this resolution by this reference.

*Section 2. Authorization.* It is hereby found and determined that the Board has been authorized by law to borrow the sum of \$2,500,000 upon the credit of the District and as evidence of such indebtedness to issue bonds of the District in said amount for the purposes referenced in the preambles hereof, and it is necessary and for the best interests of the District that there be issued at this time \$2,040,000 of the bonds so authorized.

*Section 3. Bond Details.* There be borrowed on the credit of and for and on behalf of the District the sum of \$2,040,000 for the purpose aforesaid; that bonds of the District (the “Bonds”) shall be issued in said amount and shall be designated “General Obligation Limited Tax Bonds, Series 2005.” The Bonds shall be dated February 15, 2005, shall also bear the date of authentication, shall be in fully registered form, shall be in denominations of \$5,000 each and authorized integral multiples thereof (but no single Bond shall represent installments of principal maturing on more than one date), shall be numbered 1 and upward. The Bonds shall become due and payable serially (without option of prior redemption) on December 1 of each of the years and in the amounts and bearing interest per annum as follows:

YEAR OF MATURITY	PRINCIPAL AMOUNT	RATE OF INTEREST
2005	\$ 140,000	2.25%
2006	250,000	2.35%
2007	1,650,000	2.55%

The Bonds shall bear interest from their date or from the most recent interest payment date to which interest has been paid or duly provided for, until the principal amount of the Bonds is paid, such interest (computed upon the basis of a 360 day year of twelve 30-day months) being payable on the first days of June and December of each year, commencing on December 1, 2005. Interest on each Bond shall be paid by check or draft of Amalgamated Bank of Chicago, Chicago, Illinois (the "*Bond Registrar*"), payable upon presentation in lawful money of the United States of America, to the person in whose name such Bond is registered at the close of business on the 15th day of the month next preceding the interest payment date. The principal of the Bonds shall be payable in lawful money of the United States of America at the principal corporate trust office of the Bond Registrar.

The Bonds shall be signed by the Chairman and Secretary of the Board, and shall be registered, numbered and countersigned by the Treasurer of the Board, and in case any officer whose signature shall appear on any Bond shall cease to be such officer before the delivery of such Bond, such signature shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until delivery.

The Bonds shall have thereon a certificate of authentication substantially in the form hereinafter set forth duly executed by the Bond Registrar, as authenticating agent of the District and showing the date of authentication. No Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit under this resolution unless and until such certificate of authentication shall have been duly executed by the Bond Registrar by manual signature, and such certificate of authentication upon any such Bond shall be conclusive evidence that such

Bond has been authenticated and delivered under this resolution. The certificate of authentication on any Bond shall be deemed to have been executed by the Bond Registrar if signed by an authorized officer of the Bond Registrar, but it shall not be necessary that the same officer sign the certificate of authentication on all of the Bonds issued hereunder.

*Section 4. Registration of Bonds; Persons Treated as Owners. (a) General.* The District shall cause books (the “*Bond Register*”) for the registration and for the transfer of the Bonds as provided in this resolution to be kept at the principal corporate trust office of the Bond Registrar, which is hereby constituted and appointed the registrar of the District. The District is authorized to prepare, and the Bond Registrar shall keep custody of, multiple Bond blanks executed by the District for use in the transfer and exchange of Bonds.

Upon surrender for transfer of any Bond at the principal corporate trust office of the Bond Registrar, duly endorsed by, or accompanied by a written instrument or instruments of transfer in form satisfactory to the Bond Registrar and duly executed by, the registered owner or his attorney duly authorized in writing, the District shall execute and the Bond Registrar shall authenticate, date and deliver in the name of the transferee or transferees a new fully registered Bond or Bonds of the same maturity of authorized denominations, for a like aggregate principal amount. Any fully registered Bond or Bonds may be exchanged at said office of the Bond Registrar for a like aggregate principal amount of Bond or Bonds of the same maturity of other authorized denominations. The execution by the District of any fully registered Bond shall constitute full and due authorization of such Bond and the Bond Registrar shall thereby be authorized to authenticate, date and deliver such Bond, *provided, however*, the principal amount of outstanding Bonds of each maturity authenticated by the Bond Registrar shall not exceed the authorized principal amount of Bonds for such maturity less previous retirements.

The Bond Registrar shall not be required to transfer or exchange any Bond during the period beginning at the close of business on the 15th day of the month next preceding any interest payment date on such Bond and ending on such interest payment date.

The person in whose name any Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of the principal of or interest on any Bond shall be made only to or upon the order of the registered owner thereof or his legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

No service charge shall be made for any transfer or exchange of Bonds, but the District or the Bond Registrar may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Bonds.

(b) *Global Book-Entry System.* The Bonds shall be initially issued in the form of a separate single fully registered Bond for each of the maturities of the Bonds determined as described in Section 3 hereof. Upon initial issuance, the ownership of each such Bond shall be registered in the Bond Register in the name of Cede & Co., or any successor thereto (“*Cede*”), as nominee of The Depository Trust Company, New York, New York, and its successors and assigns (“*DTC*”). All of the outstanding Bonds shall be registered in the Bond Register in the name of Cede, as nominee of DTC, except as hereinafter provided. The Chairman and Secretary of the Board and the Bond Registrar are each authorized to execute and deliver, on behalf of the District, such letters to or agreements with DTC as shall be necessary to effectuate such book-entry system (any such letter or agreement being referred to herein as the “*Representation Letter*”), which Representation Letter may provide for the payment of principal of or interest on the Bonds by wire transfer.

With respect to Bonds registered in the Bond Register in the name of Cede, as nominee of DTC, the District and the Bond Registrar shall have no responsibility or obligation to any broker-dealer, bank or other financial institution for which DTC holds Bonds from time to time as securities depository (each such broker-dealer, bank or other financial institution being referred to herein as a “*DTC Participant*”) or to any person on behalf of whom such a DTC Participant holds an interest in the Bonds. Without limiting the immediately preceding sentence, the District and the Bond Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede or any DTC Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any DTC Participant or any other person, other than a registered owner of a Bond as shown in the Bond Register, of any notice with respect to the Bonds, including any notice of redemption, or (iii) the payment to any DTC Participant or any other person, other than a registered owner of a Bond as shown in the Bond Register, of any amount with respect to the principal of or interest on the Bonds. The District and the Bond Registrar may treat and consider the person in whose name each Bond is registered in the Bond Register as the holder and absolute owner of such Bond for the purpose of payment of principal and interest with respect to such Bond, for the purpose of giving notices of redemption and other matters with respect to such Bond, for the purpose of registering transfers with respect to such Bond, and for all other purposes whatsoever. The Bond Registrar shall pay all principal of and interest on the Bonds only to or upon the order of the respective registered owners of the Bonds, as shown in the Bond Register, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the District’s obligations with respect to payment of the principal of and interest on the Bonds to the extent of the sum or sums so paid. No person other than a registered owner of a Bond as shown in the Bond Register, shall receive a Bond evidencing the obligation of the

District to make payments of principal and interest with respect to any Bond. Upon delivery by DTC to the Bond Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede, and subject to the provisions in Section 3 hereof with respect to the payment of interest to the registered owners of Bonds at the close of business on the 15th day of the month next preceding the applicable interest payment date, the name "Cede" in this resolution shall refer to such new nominee of DTC.

In the event that (i) the District determines that DTC is incapable of discharging its responsibilities described herein and in the Representation Letter, (ii) the agreement among the District, the Bond Registrar and DTC evidenced by the Representation Letter shall be terminated for any reason or (iii) the District determines that it is in the best interests of the beneficial owners of the Bonds that they be able to obtain certificated Bonds, the District shall notify DTC and DTC Participants of the availability through DTC of certificated Bonds and the Bonds shall no longer be restricted to being registered in the Bond Register in the name of Cede, as nominee of DTC. At that time, the District may determine that the Bonds shall be registered in the name of and deposited with such other depository operating a universal book-entry system, as may be acceptable to the District, or such depository's agent or designee, and if the District does not select such alternate universal book-entry system, then the Bonds may be registered in whatever name or names registered owners of Bonds transferring or exchanging Bonds shall designate, in accordance with the provisions of Section 4(a) hereof.

Notwithstanding any other provisions of this resolution to the contrary, so long as any Bond is registered in the name of Cede, as nominee of DTC, all payments with respect to principal of and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, in the name provided in the Representation Letter.

*Section 5. Form of Bond.* The Bonds shall be in substantially the following form; *provided, however,* that if the text of the Bond is to be printed in its entirety on the front side of the Bond, then paragraph [2] and the legend, “See Reverse Side for Additional Provisions”, shall be omitted and paragraphs [6] through [9] shall be inserted immediately after paragraph [1]:

(Form of Bond - Front Side)

REGISTERED  
NO. \_\_\_\_\_

\$ \_\_\_\_\_

UNITED STATES OF AMERICA

STATE OF ILLINOIS

COUNTIES OF COOK, KANE, LAKE AND MCHENRY

COMMUNITY COLLEGE DISTRICT NO. 512

GENERAL OBLIGATION LIMITED TAX BOND, SERIES 2005

See Reverse Side for  
Additional Provisions

Interest \_\_\_\_\_ Maturity \_\_\_\_\_ Dated \_\_\_\_\_  
Rate: \_\_\_\_\_% Date: December 1, 200\_\_ Date: February 15, 2005 CUSIP \_\_\_\_\_

Registered Owner:

Principal Amount:

[1] KNOW ALL PERSONS BY THESE PRESENTS, that Community College District No. 512, Counties of Cook, Kane, Lake and McHenry and State of Illinois (the “District”), hereby acknowledges itself to owe and for value received promises to pay to the Registered Owner identified above, or registered assigns as hereinafter provided, on the Maturity Date identified above, the Principal Amount identified above and to pay interest (computed on the basis of a 360-day year of twelve 30-day months) on such Principal Amount from the date of this Bond or from the most recent interest payment annum set forth above on June 1 and December 1 of each year, commencing December 1, 2005, until said Principal Amount is paid. Principal of this Bond is payable in lawful money of the United States of America at the principal corporate trust of the Amalgamated Bank of Chicago, Chicago, Illinois, as paying agent and bond registrar (the “Bond Registrar”). Payment of the installments of interest shall be made to the Registered Owner hereof as shown on the registration books of the District maintained by the Bond Registrar at the close of business on the 15th day of the month next preceding each interest

payment date and shall be paid by check or draft of the Bond Registrar, payable upon presentation in lawful money of the United States of America, mailed to the address of such Registered Owner as it appears on such registration books or at such other address furnished in writing by such Registered Owner to the Bond Registrar.

[2] Reference is hereby made to the further provisions of this Bond set forth on the reverse hereof and such further provisions shall for all purposes have the same effect as if set forth at this place.

[3] It is hereby certified and recited that all conditions, acts and things required by law to exist or to be done precedent to and in the issuance of this Bond did exist, have happened, been done and performed in regular and due form and time as required by law; that the indebtedness of the District, including the issue of bonds of which this is one, does not exceed any limitation imposed by law; and that provision has been made for the collection of a direct annual tax to pay the interest thereon as it falls due and also to pay and discharge the principal hereof at maturity. Although this Bond constitutes a general obligation of the District and no limit exists on the rate of said direct annual tax, the amount of said tax is limited by the provisions of the Property Tax Extension Limitation Law of the State of Illinois, as amended (the "*Law*"). The Law provides that the annual amount of the taxes to be extended to pay the issue of Bonds of which this Bond is one and all other limited bonds (as defined in the Local Government Debt Reform Act of the State of Illinois, as amended) heretofore or hereafter issued by the District shall not exceed the debt service extension base (as defined in the Law) of the District (the "*Base*"). Payments on the Bonds from the Base will be made on a parity with the payments on the outstanding limited bonds heretofore issued by the District. The District is authorized to issue from time to time additional limited bonds payable from the Base, as permitted by law, and to determine the lien priority of payments to be made from the Base to pay the District's limited bonds.

[4] This Bond shall not be valid or become obligatory for any purpose until the certificate of authentication hereon shall have been signed by the Bond Registrar.

[5] IN WITNESS WHEREOF, said Community College District No. 512, Counties of Cook, Kane, Lake and McHenry and State of Illinois, by its Board of Trustees, has caused this bond to be signed by the Chairman and Secretary of said Board of Trustees, and to be registered, numbered and countersigned by the Treasurer of said Board of Trustees, all as of the Dated Date identified above.

Chairman, Board of Trustees

Secretary, Board of Trustees

Registered, Numbered and Countersigned:

\_\_\_\_\_  
Treasurer, Board of Trustees

Date of Authentication: \_\_\_\_\_, 200\_\_

CERTIFICATE  
OF  
AUTHENTICATION

Bond Registrar and Paying Agent:  
Amalgamated Bank of Chicago,  
Chicago, Illinois

This Bond is one of the Bonds described in the within mentioned resolution and is one of the General Obligation Limited Tax Bonds, Series 2005, of Community College District No. 512, Counties of Cook, Kane, Lake and McHenry and State of Illinois.

AMALGAMATED BANK OF CHICAGO,  
as Bond Registrar

By \_\_\_\_\_  
Authorized Officer

[Form of Bond - Reverse Side]

**COMMUNITY COLLEGE DISTRICT NO. 512**

**COUNTIES OF COOK, KANE, LAKE AND MCHENRY  
AND STATE OF ILLINOIS**

**GENERAL OBLIGATION LIMITED TAX BOND, SERIES 2005**

[6] This bond is one of a series of bonds issued by the District for the payment of outstanding and unpaid claims against the District, in full compliance with and as authorized by the provisions of the Public Community College Act of the State of Illinois, and the Local Government Debt Reform Act of the State of Illinois, and all laws amendatory thereof and supplementary thereto, and is authorized by said Board of Trustees by a resolution duly and properly adopted for that purpose, in all respects as provided by law.

[7] This Bond is transferable by the registered holder hereof in person or by his attorney duly authorized in writing at the principal corporate trust office of the Bond Registrar in Chicago, Illinois, but only in the manner, subject to the limitations and upon payment of the charges provided in the authorizing resolution, and upon surrender and cancellation of this Bond. Upon such transfer a new Bond or Bonds of authorized denominations of the same maturity and for the same aggregate principal amount will be issued to the transferee in exchange therefor.

[8] The Bonds are issued in fully registered form in the denomination of \$5,000 each or authorized integral multiples thereof. This Bond may be exchanged at the principal corporate trust office of the Bond Registrar for a like aggregate principal amount of Bonds of the same maturity of other authorized denominations, upon the terms set forth in the authorizing resolution. The Bond Registrar shall not be required to transfer or exchange any Bond during the period beginning at the close of business on the 15th day of the month next preceding any interest payment date on such Bond and ending on such interest payment date.

[9] The District and the Bond Registrar may deem and treat the registered holder hereof as the absolute owner hereof for the purpose of receiving payment of or on account of principal hereof and interest due hereon and for all other purposes and neither the District nor the Bond Registrar shall be affected by any notice to the contrary.

(ASSIGNMENT)

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto \_\_\_\_\_

\_\_\_\_\_

(Name and Address of Assignee)

the within Bond and does hereby irrevocably constitute and appoint \_\_\_\_\_

\_\_\_\_\_

or its successor as Bond Registrar to transfer the said Bond on the books kept for registration thereof with full power of substitution in the premises.

Dated: \_\_\_\_\_

Signature guaranteed: \_\_\_\_\_

NOTICE: The signature to this assignment must correspond with the name of the registered owner as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

*Section 6. Sale of Bonds.* The Bonds hereby authorized shall be executed as in this resolution provided as soon after the passage hereof as may be, and thereupon be deposited with the Treasurer who receives the taxes of the District, and said Treasurer shall deliver the Bonds to J.P. Morgan Securities Inc., Chicago, Illinois (the "*Purchaser*"), upon receipt of the purchase price therefor, the same being \$2,037,923.39, plus accrued interest to date of delivery; the contract for the sale of the Bonds heretofore entered into (the "*Purchase Contract*") are in all respects ratified, approved and confirmed, it being hereby found and determined that the

Purchase Contract is in the best interests of the District and that no person holding an office of the District, either by election or appointment, is in any manner financially interested directly in his or her own name or indirectly in the name of any other person, association, trust or corporation, in the Purchase Contract; and the Bonds before being issued shall be registered, numbered and countersigned by said Treasurer, such registration being made in a book provided for that purpose, in which shall be entered the record of the resolution authorizing the Board to borrow said money and a description of the Bonds issued, including the number, date, to whom issued, amount, rate of interest and when due.

The use by the Purchaser of any Preliminary Official Statement and any final Official Statement relating to the Bonds and before the Board at the time of the adoption hereof is hereby ratified, approved and authorized; the execution and delivery of said final Official Statement is hereby authorized; and the officers of the Board are hereby authorized to take any action as may be required on the part of the District to consummate the transactions contemplated by the Purchase Contract, this Resolution, said Preliminary Official Statement, said final Official Statement and the Bonds.

*Section 7. Tax Levy; Limitation on Extension; General Obligation Pledge; Additional Obligations.* In order to provide for the collection of a direct annual tax to pay the interest on the Bonds as it falls due, and also to pay and discharge the principal thereof at maturity, there be and there is hereby levied upon all the taxable property within the District a direct annual tax for each of the years while the Bonds or any of them are outstanding, and that there be and there is hereby levied upon all of the taxable property in the District, the following direct annual tax, to-wit:

FOR THE YEAR	A TAX TO PRODUCE THE SUM OF:	
2004	\$ 180,596.11	for interest and principal up to and including December 1, 2005
2005	\$ 297,950.00	for interest and principal
2006	\$1,692,075.00	for interest and principal

Principal or interest maturing at any time when there are not sufficient funds on hand from the foregoing tax levy to pay the same shall be paid from the general funds of the District, and the fund from which such payment was made shall be reimbursed out of the taxes hereby levied when the same shall be collected.

The District covenants and agrees with the purchasers and the holders of the Bonds that so long as any of the Bonds remain outstanding, the District will take no action or fail to take any action which in any way would adversely affect the ability of the District to levy and collect the foregoing tax levy and the District and its officers will comply with all present and future applicable laws in order to assure that the foregoing taxes will be levied, extended and collected as provided herein and deposited in the fund established to pay the principal of and interest on the Bonds.

Notwithstanding any other provision of this resolution, the annual amount of the taxes to be extended by the County Clerks of Cook, Kane, Lake and McHenry Counties, Illinois (the "*County Clerks*"), to pay the Bonds and all other limited bonds (as defined in the Debt Reform Act) heretofore or hereafter issued by the District shall not exceed the debt service extension base (as defined in the Property Tax Extension Limitation Law of the State of Illinois, as amended) of the District (the "*Base*").

No limit, however, exists on the rate of the direct annual tax levied herein, and the Bonds shall constitute a general obligation of the District.

Payments on the Bonds from the Base will be made on a parity with the payments on the District's outstanding Limited Tax Bonds, Series 1996, dated November 1, 1996, and General Obligation Limited Tax Bonds, Series 2003B, dated March 1, 2003. The District is authorized to issue from time to time additional limited bonds payable from the Base, as permitted by law, and to determine the lien priority of payments to be made from the Base to pay the District's limited bonds.

*Section 8. Filing of Resolution.* Forthwith upon the passage of this resolution, the Secretary of the Board is hereby directed to file a certified copy of this resolution with the County Clerks, and it shall be the duty of the County Clerks annually in and for each of the years 2004 to 2006, inclusive, to ascertain the rate necessary to produce the tax herein levied, and extend the same for collection on the tax books against all of the taxable property within the District in connection with other taxes levied in each of said years for community college purposes, in order to raise the respective amounts aforesaid and in each of said years such annual tax shall be computed, extended and collected in the same manner as now or hereafter provided by law for the computation, extension and collection of taxes for general community college purposes of the District, and when collected, the taxes hereby levied shall be placed to the credit of a special fund to be designated "Limited Tax Bond and Interest Fund of 2005" (the "*Bond Fund*"), which taxes are hereby irrevocably pledged to and shall be used only for the purpose of paying the principal of and interest on the Bonds; and a certified copy of this resolution shall also be filed with the Treasurer who receives the taxes of the District.

*Section 9. Use of Bond Proceeds.* Accrued interest received on the delivery of the Bonds is hereby appropriated for the purpose of paying first interest due on the Bonds and is hereby ordered deposited into the Bond Fund. The principal proceeds and the premium received from the sale of the Bonds are hereby appropriated to pay the Claims and the costs of issuance of

the Bonds. That portion of the principal proceeds and premium necessary to pay such costs of issuance shall be used for such purpose at the time of the issuance of the Bonds. Simultaneous with the issuance of the Bonds, the balance of the principal proceeds and the premium shall be deposited into a fund or funds of the District created for the purpose of paying the Claims (the “*Project Fund*”) in order to pay the Claims.

*Section 10. Non-Arbitrage and Tax-Exemption.* One purpose of this Section is to set forth various facts regarding the Bonds and to establish the expectations of the Board and the District as to future events regarding the Bonds and the use of Bond proceeds. The certifications, covenants and representations contained herein and at the time of the Closing are made on behalf of the District for the benefit of the owners from time to time of the Bonds. In addition to providing the certifications, covenants and representations contained herein, the District hereby covenants that it will not take any action, omit to take any action or permit the taking or omission of any action within its control (including, without limitation, making or permitting any use of the proceeds of the Bonds) if taking, permitting or omitting to take such action would cause any of the Bonds to be an arbitrage bond or a private activity bond within the meaning of the Code or would otherwise cause the interest on the Bonds to be included in the gross income of the recipients thereof for federal income tax purposes. The District acknowledges that, in the event of an examination by the Internal Revenue Service of the exemption from federal income taxation for interest paid on the Bonds, under present rules, the District is treated as the “taxpayer” in such examination and agrees that it will respond in a commercially reasonable manner to any inquiries from the Internal Revenue Service in connection with such an examination. The Board and the District certify, covenant and represent as follows:

*1.1. Definitions.* In addition to such other words and terms used and defined in this Resolution, the following words and terms used in this Section shall have the following meanings unless, in either case, the context or use clearly indicates another or different meaning is intended:

“*Bond Counsel*” means Chapman and Cutler or any other nationally recognized firm of attorneys experienced in the field of municipal bonds whose opinions are generally accepted by purchasers of municipal bonds.

“*Claims Proceeds*” means amounts, if any, actually or constructively received from the Claims, including (a) amounts used to pay underwriters’ discount or compensation and accrued interest, other than accrued interest for a period not greater than one year before the Claims were issued but only if it is to be paid within one year after the Claims were issued and (b) amounts derived from the sale of any right that is part of the terms of a Claim or is otherwise associated with a Claim (*e.g.*, a redemption right).

“*Closing*” means the first date on which the District is receiving the purchase price for the Bonds.

“*Code*” means the Internal Revenue Code of 1986, as amended.

“*Commingled Fund*” means any fund or account containing both Gross Proceeds and an amount in excess of \$25,000 that are not Gross Proceeds if the amounts in the fund or account are invested and accounted for, collectively, without regard to the source of funds deposited in the fund or account. An open-ended regulated investment company under Section 851 of the Code is not a Commingled Fund.

“*Control*” means the possession, directly or indirectly through others, of either of the following discretionary and non-ministerial rights or powers over another entity:

- (a) to approve and to remove without cause a controlling portion of the governing body of a Controlled Entity; or
- (b) to require the use of funds or assets of a Controlled Entity for any purpose.

“*Controlled Entity*” means any entity or one of a group of entities that is subject to Control by a Controlling Entity or group of Controlling Entities.

“*Controlled Group*” means a group of entities directly or indirectly subject to Control by the same entity or group of entities, including the entity that has Control of the other entities.

“*Controlling Entity*” means any entity or one of a group of entities directly or indirectly having Control of any entities or group of entities.

“*Costs of Issuance*” means the costs of issuing the Bonds, including underwriters’ discount and legal fees.

*“De minimis Amount of Original Issue Discount or Premium”* means with respect to an obligation (a) any original issue discount or premium that does not exceed two percent of the stated redemption price at maturity of the Bonds plus (b) any original issue premium that is attributable exclusively to reasonable underwriter’s compensation.

*“External Commingled Fund”* means a Commingled Fund in which the District and all members of the same Controlled Group as the District own, in the aggregate, not more than ten percent of the beneficial interests.

*“GIC”* means (a) any investment that has specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate and (b) any agreement to supply investments on two or more future dates (*e.g.*, a forward supply contract).

*“Gross Proceeds”* means amounts in the Bond Fund and amounts used to pay and cancel the Claims.

*“Net Sale Proceeds”* means amounts actually or constructively received from the sale of the Bonds reduced by any such amounts that are deposited in a reasonably required reserve or replacement fund for the Bonds.

*“Person”* means any entity with standing to be sued or to sue, including any natural person, corporation, body politic, governmental unit, agency, authority, partnership, trust, estate, association, company, or group of any of the above.

*“Placed-in-Service”* means the date on which, based on all facts and circumstances (a) a facility has reached a degree of completion that would permit its operation at substantially its design level and (b) the facility is, in fact, in operation at such level.

*“Private Business Use”* means any use of the Project by any Person other than a state or local government unit, including as a result of (i) ownership, (ii) actual or beneficial use pursuant to a lease or a management, service, incentive payment, research or output contract or (iii) any other similar arrangement, agreement or understanding, whether written or oral, except for use of the Project on the same basis as the general public. Private Business Use includes any formal or informal arrangement with any person other than a state or local governmental unit that conveys special legal entitlements to any portion of the Project that is available for use by the general public or that conveys to any person other than a state or local governmental unit any special economic benefit with respect to any portion of the Project that is not available for use by the general public.

*“Project”* means the facilities financed, directly or indirectly with the proceeds of the Claims.

*“Qualified Administrative Costs of Investments”* means (a) reasonable, direct administrative costs (other than carrying costs) such as separately stated brokerage or

selling commissions (other than a broker's commission paid on behalf of either the District or the provider of a GIC to the extent such commission exceeds the lesser of a reasonable amount or the present value of annual payments equal to 0.05 percent of the weighted average amount reasonably expected to be invested each year of the term of the GIC (for this purpose, present value is computed using the yield on the GIC), but not legal and accounting fees, recordkeeping, custody and similar costs; or (b) all reasonable administrative costs, direct or indirect, incurred by a publicly offered regulated investment company or an External Commingled Fund.

*"Qualified Tax Exempt Obligations"* means (a) any obligation described in Section 103(a) of the Code, the interest on which is excludable from gross income of the owner thereof for federal income tax purposes and is not an item of tax preference for purposes of the alternative minimum tax imposed by Section 55 of the Code; (b) an interest in a regulated investment company to the extent that at least ninety-five percent of the income to the holder of the interest is interest which is excludable from gross income under Section 103 of the Code of any owner thereof for federal income tax purposes and is not an item of tax preference for purposes of the alternative minimum tax imposed by Section 55 of the Code; and (c) certificates of indebtedness issued by the United States Treasury pursuant to the Demand Deposit State and Local Government Series program described in 31 C.F.R. part 344.

*"Rebate Fund"* means the fund, if any, identified and defined in paragraph 4.2 herein.

*"Rebate Provisions"* means the rebate requirements contained in Section 148(f) of the Code and in the Regulations.

*"Regulations"* means United States Treasury Regulations dealing with the tax-exempt bond provisions of the Code.

*"Reimbursed Expenditures"* means expenditures of the District paid prior to Closing to which Sale Proceeds or investment earnings thereon are or will be allocated.

*"Sale Proceeds"* means amounts actually or constructively received from the sale of the Bonds, including (a) amounts used to pay underwriters' discount or compensation and accrued interest, other than accrued interest for a period not greater than one year before Closing but only if it is to be paid within one year after Closing and (b) amounts derived from the sale of any right that is part of the terms of a Bond or is otherwise associated with a Bond (e.g., a redemption right).

*"Transferred Proceeds"* means amounts actually or constructively received from the sale of the Claims, plus investment earnings thereon, which have not been spent prior to the date principal on the Claims is discharged by the Bonds.

*"Yield"* means that discount rate which when used in computing the present value of all payments of principal and interest paid and to be paid on an obligation (using

semiannual compounding on the basis of a 360-day year) produces an amount equal to the obligation's purchase price (or in the case of the Bonds, the issue price as established in paragraph 5.1 hereof), including accrued interest.

*"Yield Reduction Payment"* means a rebate payment or any other amount paid to the United States in the same manner as rebate amounts are required to be paid or at such other time or in such manner as the Internal Revenue Service may prescribe that will be treated as a reduction in Yield of an investment under the Regulations.

2.1. *Purpose of the Bonds.* The Bonds are being issued solely and exclusively to pay the Claims in a prudent manner consistent with the revenue needs of the District. A breakdown of the sources and uses of funds is set forth in the preceding Section of this Resolution. Except for any accrued interest on the Bonds used to pay first interest due on the Bonds, no proceeds of the Bonds will be used more than 30 days after the date of issue of the Bonds for the purpose of paying the Claims or any principal or interest on any issue of bonds, notes, certificates or warrants or on any installment contract or other obligation of the District or for the purpose of replacing any funds of the District used for such purpose.

2.2. *Bond Fund Investment.* The investment earnings on the Bond Fund will be spent to pay interest on the Bonds, or to the extent permitted by law, investment earnings on amounts in the Bond Fund will be commingled with substantial revenues from the governmental operations of the District, and the earnings are reasonably expected to be spent for governmental purposes within six months of the date earned. Interest earnings on the Bond Fund have not been earmarked or restricted by the Board for a designated purpose.

2.3. *Reimbursement.* None of the Sale Proceeds or investment earnings thereon will be used for Reimbursed Expenditures.

2.4. *Working Capital.* All Sale Proceeds and investment earnings thereon will be used, directly or indirectly, to pay principal of, interest on and redemption premium on (if any) of the Claims, other than the following:

(a) payments of interest on the Bonds for the period commencing at Closing and ending on the date one year after the date on which the Project is Placed-in-Service;

(b) Costs of Issuance and Qualified Administrative Costs of Investments;

(c) payments of rebate or Yield Reduction Payments made to the United States under the Regulations;

(d) principal of or interest on the Bonds paid from unexpected excess Sale Proceeds and investment earnings thereon;

(e) fees for a qualified guarantee within the meaning of Treas. Reg. Section 1.148-4(f); and

(f) investment earnings that are commingled with substantial other revenues and are expected to be allocated to expenditures within six months.

No Gross Proceeds may be spent for non-capital purposes pursuant to Section 2.4 hereof if the expenditure merely substitutes Gross Proceeds for other amounts that would have been used to make expenditures in a manner that gives rise to Replacement Proceeds.

2.5. *Consequences of Contrary Expenditure.* The District acknowledges that if Sale Proceeds and investment earnings thereon are spent other than as permitted by paragraph 2.4 hereof, a like amount of then available funds of the District will be treated as unspent Sale Proceeds.

2.6. *Investment of Bond Proceeds.* No portion of the Bonds is being issued solely for the purpose of investing a portion of Sale Proceeds or investment earnings thereon at a Yield higher than the Yield on the Bonds.

2.7. *No Grants.* None of the Sale Proceeds or investment earnings thereon will be used to make grants to any person.

2.8. *Hedges.* Neither the District nor any member of the same Controlled Group as the District has entered into or expects to enter into any hedge (*e.g.*, an interest rate swap, interest rate cap, futures contract, forward contract or an option) with respect to the Bonds or the Claims. The District acknowledges that any such hedge could affect, among other things, the calculation of Bond Yield under the Regulations. The Internal Revenue Service could recalculate Bond Yield if the failure to account for the hedge fails to clearly reflect the economic substance of the transaction.

2.9. *Internal Revenue Service Audits.* The District represents that the Internal Revenue Service has not contacted the District regarding the Claims or any other obligations issued by or on behalf of the District.

2.10. *Abusive Transactions.* Neither the District nor any member of the same Controlled Group as the District has employed a device or entered into any arrangements or understandings in connection with the issuance of the Bonds or the payment of the Claims, or in connection with any transaction or series of transactions related to the issuance of the Bonds or the payment of the Claims, to obtain a material financial advantage based on arbitrage. Neither the District nor any member of the same Controlled Group as the District will realize any material financial advantage based on arbitrage in connection with the issuance of the Bonds or the payment of the Claims, or in connection with any transaction or series of transactions related to the issuance of the Bonds or the payment of the Claims. In particular, neither the District nor any member of the same Controlled Group as the District will receive a rebate or credit resulting from

any payments having been made in connection with the issuance of the Bonds or the payment of the Claims.

3.1. *Use of Proceeds.* (a) The use of the Sale Proceeds and investment earnings thereon and the funds held under this Resolution at the time of Closing are described in the preceding Section of this Resolution. No Sale Proceeds will be used to pre-pay for services or goods prior to the date such services or goods are to be received.

(b) Only the funds and accounts described in said Section will be funded at Closing. There are no other funds or accounts created under this Resolution, other than the Rebate Fund if it is created as provided in paragraph 4.2 hereof.

(c) Principal of and interest on the Bonds will be paid from the Bond Fund.

(d) Any Costs of Issuance incurred in connection with the issuance of the Bonds to be paid by the District will be paid at the time of Closing.

3.2. *Purpose of Bond Fund.* The Bond Fund will be used primarily to achieve a proper matching of revenues and earnings with principal and interest payments on the Bonds in each bond year. It is expected that the Bond Fund will be depleted at least once a year, except for a reasonable carry over amount not to exceed the greater of (a) the earnings on the investment of moneys in the Bond Fund for the immediately preceding bond year or (b) 1/12th of the principal and interest payments on the Bonds for the immediately preceding bond year.

3.3. *The Claims.* (a) At the time the Claims were issued, the District reasonably expected to spend at least 85% of the proceeds (including investment earnings) of the Claims to be used for non-refunding purposes for such purposes within three years of the date the Claims were issued and such proceeds were so spent. Not more than 50% of the proceeds of the Claims to be used for non-refunding purposes was invested in investments having a substantially guaranteed Yield for four years or more.

(b) The Claims do not include, directly or indirectly in a series, any advance refunding obligations.

(c) The District has not been notified that the Claims are under examination by the Internal Revenue Service, and to the best of the District's knowledge the Claims are not under examination by the Internal Revenue Service.

3.4. *No Other Gross Proceeds.* (a) Except for the Bond Fund and except for investment earnings that have been commingled as described in paragraph 2.2 and any credit enhancement or liquidity device related to the Bonds, after the issuance of the Bonds, neither the District nor any member of the same Controlled Group as the District has or will have any property, including cash, securities or any other property held as a passive vehicle for the production of income or for investment purposes, that constitutes:

(i) Sale Proceeds;

(ii) amounts in any fund and account with respect to the Bonds (other than the Rebate Fund);

(iii) Transferred Proceeds;

(iv) amounts that have a sufficiently direct nexus to the Bonds or to the governmental purpose of the Bonds to conclude that the amounts would have been used for that governmental purpose if the Bonds were not used or to be used for that governmental purpose (the mere availability or preliminary earmarking of such amounts for a governmental purpose, however, does not itself establish such a sufficient nexus);

(v) amounts in a debt service fund, redemption fund, reserve fund, replacement fund or any similar fund to the extent reasonably expected to be used directly or indirectly to pay principal of or interest on the Bonds or any amounts for which there is provided, directly or indirectly, a reasonable assurance that the amount will be available to pay principal of or interest on the Bonds or any obligations under any credit enhancement or liquidity device with respect to the Bonds, even if the District encounters financial difficulties;

(vi) any amounts held pursuant to any agreement (such as an agreement to maintain certain levels of types of assets) made for the benefit of the Bondholders or any credit enhancement provider, including any liquidity device or negative pledge (*e.g.*, any amount pledged to pay principal of or interest on an issue held under an agreement to maintain the amount at a particular level for the direct or indirect benefit of holders of the Bonds or a guarantor of the bonds); or

(vii) amounts actually or constructively received from the investment and reinvestment of the amounts described in (i) or (ii) above.

(b) No compensating balance, liquidity account, negative pledge of property held for investment purposes required to be maintained at least at a particular level or similar arrangement exists with respect to, in any way, the Bonds or any credit enhancement or liquidity device related to the Bonds.

(c) The term of the Bonds is not longer than is reasonably necessary for the governmental purposes of the Bonds. The average reasonably expected remaining economic life of the Project is at least 5 years. The weighted average maturity of the Bonds does not exceed 3 years and does not exceed 120 percent of the average reasonably expected economic life of the Project. The maturity schedule of the Bonds (the "*Principal Payment Schedule*") is based on an analysis of revenues expected to be available to pay debt service on the Bonds. The Principal Payment Schedule is not more rapid (*i.e.*, having a lower average maturity) because a more rapid schedule would place an undue burden on tax rates and cause such rates to be increased beyond prudent levels,

and would be inconsistent with the governmental purpose of the Bonds as set forth in paragraph 2.1 hereof.

4.1. *Compliance with Rebate Provisions.* The District covenants to take such actions and make, or cause to be made, all calculations, transfers and payments that may be necessary to comply with the Rebate Provisions applicable to the Bonds. The District will make, or cause to be made, rebate payments with respect to the Bonds in accordance with law.

4.2. *Rebate Fund.* The District is hereby authorized to create and establish a special fund to be known as the Rebate Fund (the "*Rebate Fund*"), which, if created, shall be continuously held, invested, expended and accounted for in accordance with this Resolution. Moneys in the Rebate Fund shall not be considered moneys held for the benefit of the owners of the Bonds. Except as provided in the Regulations, moneys in the Rebate Fund (including earnings and deposits therein) shall be held in trust for payment to the United States as required by the Rebate Provisions and by the Regulations and as contemplated under the provisions of this Resolution.

4.3. *Records.* The District agrees to keep and retain or cause to be kept and retained until six years (three years for the records required by paragraph 4.4(c) hereof) after the Bonds are paid in full adequate records with respect to the investment of all Gross Proceeds and amounts in the Rebate Fund. Such records shall include: (a) purchase price; (b) purchase date; (c) type of investment; (d) accrued interest paid; (e) interest rate; (f) principal amount; (g) maturity date; (h) interest payment date; (i) date of liquidation; and (j) receipt upon liquidation.

If any investment becomes Gross Proceeds on a date other than the date such investment is purchased, the records required to be kept shall include the fair market value of such investment on the date it becomes Gross Proceeds. If any investment is retained after the date the last Bond is retired, the records required to be kept shall include the fair market value of such investment on the date the last Bond is retired. Amounts or investments will be segregated whenever necessary to maintain these records.

4.4. *Fair Market Value; Certificates of Deposit and Investment Agreements.* The District will continuously invest all amounts on deposit in the Rebate Fund, together with the amounts, if any, to be transferred to the Rebate Fund, in any investment permitted under this Resolution. The District shall take into account prudent investment standards and the date on which such moneys may be needed. Except as provided in the next sentence, all amounts that constitute Gross Proceeds and all amounts in the Rebate Fund shall be invested at all times to the greatest extent practicable, and no amounts may be held as cash or be invested in zero yield investments other than obligations of the United States purchased directly from the United States. In the event moneys cannot be invested, other than as provided in this sentence due to the denomination, price or availability of investments, the amounts shall be invested in an interest bearing deposit of

a bank with a yield not less than that paid to the general public or held uninvested to the minimum extent necessary.

Gross Proceeds and any amounts in the Rebate Fund that are invested in certificates of deposit or in guaranteed investment contracts (“GICs”) shall be invested only in accordance with the following provisions:

(a) Investments in certificates of deposit of banks or savings and loan associations that have a fixed interest rate, fixed payment schedules and substantial penalties for early withdrawal shall be made only if either (i) the Yield on the certificate of deposit (A) is not less than the Yield on reasonably comparable direct obligations of the United States and (B) is not less than the highest Yield that is published or posted by the provider to be currently available from the provider on reasonably comparable certificates of deposit offered to the public or (ii) the investment is an investment in a GIC and qualifies under paragraph (b) below.

(b) Investments in GICs shall be made only if

(i) the bid specifications are in writing, include all material terms of the bid and are timely forwarded to potential providers (a term is material if it may directly or indirectly affect the yield on the GIC);

(ii) the terms of the bid specifications are commercially reasonable (a term is commercially reasonable if there is a legitimate business purpose for the term other than to reduce the yield on the GIC);

(iii) all bidders for the GIC have equal opportunity to bid so that, for example, no bidder is given the opportunity to review others bids (a last look) before bidding;

(iv) any agent used to conduct the bidding for the GIC does not bid to provide the GIC;

(v) at least three of the providers solicited for bids for the GIC are reasonably competitive providers of investments of the type purchased (*i.e.*, providers that have established industry reputations as competitive providers of the type of investments being purchased);

(vi) at least three of the entities that submit a bid do not have a financial interest in the Bonds;

(vii) at least one of the entities that provided a bid is a reasonably competitive provider that does not have a financial interest in the Bonds;

(viii) the bid specifications include a statement notifying potential providers that submission of a bid is a representation that the potential provider did not consult with any other provider about its bid, that the bid was determined without regard to any other formal or informal agreement that the potential provider has with the District or any other person (whether or not in connection with the Bonds) and that the bid is not being submitted solely as a courtesy to the District or any other person for purposes of satisfying the federal income tax requirements relating to the bidding for the GIC;

(ix) the determination of the terms of the GIC takes into account the reasonably expected deposit and drawdown schedule for the amounts to be invested;

(x) the highest-yielding GIC for which a qualifying bid is made (determined net of broker's fees) is in fact purchased; and

(xi) the obligor on the GIC certifies the administrative costs that it is paying or expects to pay to third parties in connection with the GIC.

(c) If a GIC is purchased, the District will retain the following records with its bond documents until three years after the Bonds are redeemed in their entirety:

(i) a copy of the GIC;

(ii) the receipt or other record of the amount actually paid for the GIC, including a record of any administrative costs paid, and the certification under subparagraph (b)(xi) of this paragraph;

(iii) for each bid that is submitted, the name of the person and entity submitting the bid, the time and date of the bid, and the bid results; and

(iv) the bid solicitation form and, if the terms of the GIC deviated from the bid solicitation form or a submitted bid is modified, a brief statement explaining the deviation and stating the purpose for the deviation.

Moneys to be rebated to the United States shall be invested to mature on or prior to the anticipated rebate payment date. All investments made with Gross Proceeds or amounts in the Rebate Fund shall be bought and sold at fair market value. The fair market value of an investment is the price at which a willing buyer would purchase the investment from a willing seller in a bona fide, arm's length transaction. Except for investments specifically described in this Section and United States Treasury obligations that are purchased directly from the United States Treasury, only investments that are traded on an established securities market, within the meaning of regulations promulgated

under Section 1273 of the Code, will be purchased with Gross Proceeds. In general, an “established securities market” includes: (i) property that is listed on a national securities exchange, an interdealer quotation system or certain foreign exchanges; (ii) property that is traded on a Commodities Futures Trading Commission designated board of trade or an interbank market; (iii) property that appears on a quotation medium; and (iv) property for which price quotations are readily available from dealers and brokers. A debt instrument is not treated as traded on an established market solely because it is convertible into property which is so traded.

An investment of Gross Proceeds in an External Commingled Fund shall be made only to the extent that such investment is made without an intent to reduce the amount to be rebated to the United States Government or to create a smaller profit or a larger loss than would have resulted if the transaction had been at arm’s length and had the rebate or Yield restriction requirements not been relevant to the District. An investment of Gross Proceeds shall be made in a Commingled Fund other than an External Commingled Fund only if the investments made by such Commingled Fund satisfy the provisions of this paragraph.

A single investment, or multiple investments awarded to a provider based on a single bid may not be used for funds subject to different rules relating to rebate or yield restriction.

The foregoing provisions of this paragraph satisfy various safe harbors set forth in the Regulations relating to the valuation of certain types of investments. The safe harbor provisions of this paragraph are contained herein for the protection of the District, who has covenanted not to take any action to adversely affect the tax-exempt status of the interest on the Bonds. The District will contact Bond Counsel if it does not wish to comply with the provisions of this paragraph and forego the protection provided by the safe harbors provided herein.

*4.5. Arbitrage Elections.* The President and Secretary of the Board and the School Treasurer of the District are both hereby authorized to execute one or more elections regarding certain matters with respect to arbitrage.

*4.6. Small Issuer Exception.* The District is a governmental unit that has the power to impose a tax or to cause another entity to impose a tax of general applicability that, when collected, may be used for the governmental purposes of the District. The power to impose such tax is not contingent on approval by another governmental unit; a tax of general applicability is one that is not limited to a small number of persons. The District is not subject to Control by any other governmental unit or political subdivision. None of the Claims or the Bonds is or will be a “private activity bond” (as defined in Section 141 of the Code). Ninety-five percent or more of the Claims Proceeds and the Sale Proceeds will be used for local governmental activities of the District. Neither the District, any entity that issues tax-exempt bonds on behalf of the District nor any entity subject to Control by the District will issue, during the calendar year 2005, any tax-exempt bonds in an aggregate face amount in excess of the *maximum aggregate face*

*amount* (as hereinafter defined). As used herein, (a) “*tax-exempt bonds*” means obligations of any kind, the interest on which is excludable from gross income of the holders or owners thereof for federal income tax purposes pursuant to Section 103 of the Code but not including “private activity bonds” (as defined in Section 141 of the Code), (b) “*aggregate face amount*” means, if an issue has more than a De minimis Amount of Original Issue Discount or Premium, the issue price of the issue and otherwise means the face amount of the issue and (c) “*maximum aggregate face amount*” means, the sum of (i) \$5,000,000 and (ii) the aggregate face amount of bonds issued during the calendar year that are allocable to financing construction expenditures for public school facilities, but in no event can the *maximum aggregate face amount* exceed \$15,000,000. As of the date hereof, no tax-exempt bonds or other obligations (other than the Bonds and the Claims) have been issued by the District, any entity that issues tax-exempt bonds on behalf of the District or any entity subject to Control by the District during the calendar year 2005. The District does not reasonably expect that it, any entity that issues tax-exempt bonds on behalf of the District or any entity subject to Control by the District (including but not limited to the District) will issue any such tax-exempt bonds or other obligations within calendar year 2005. Therefore, subject to compliance with all the terms and provisions hereof, the District is excepted from the required rebate of arbitrage profits on the Bonds under Section 148(f)(4)(D) of the Code and from the terms and provisions of this Resolution that need only be complied with if the District is subject to the arbitrage rebate requirement.

5.1. *Issue Price.* For purposes of determining the Yield on the Bonds, the purchase price of the Bonds is equal to the first offering price (including accrued interest) at which the Purchaser sold at least ten percent of the principal amount of each maturity of the Bonds to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). All of the Bonds have been the subject of a bona fide initial offering to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers) at prices equal to those set forth in the Official Statement. Based upon prevailing market conditions, such prices are not less than the fair market value of each Bond as of the sale date for the Bonds.

5.2. *Yield Limits.* (a) Except as provided in paragraph (b) or (c), all Gross Proceeds shall be invested at market prices and at a Yield (after taking into account any Yield Reduction Payments) not in excess of the Yield on the Bonds.

The following may be invested without Yield restriction:

(b) (i) amounts on deposit in the Bond Fund (except for capitalized interest) that have not been on deposit under the Resolution for more than 13 months, so long as the Bond Fund continues to qualify as a bona fide debt service fund as described in paragraph 3.2 hereof;

(ii) amounts that are reasonably expected to be used to pay the Claims for 30 days after Closing;

(c) (i) An amount not to exceed the lesser of \$100,000 or five percent of the Sale Proceeds;

(ii) amounts invested in Qualified Tax Exempt Obligations (to the extent permitted by law and this Resolution);

(iii) amounts in the Rebate Fund;

(iv) all amounts other than Sale Proceeds for the first 30 days after they become Gross Proceeds; and

(v) all amounts derived from the investment of Sale Proceeds or investment earnings thereon for a period of one year from the date received.

5.3. *Yield Limits on Claim Proceeds.* Except for an amount not to exceed the lesser of \$100,000 or five percent of Claims Proceeds, the District acknowledges that all Claims Proceeds must be invested at market prices and at a Yield not in excess of the Yield on the Bonds.

5.4. *Continuing Nature of Yield Limits.* Except as provided in paragraph 7.9 hereof, once moneys are subject to the Yield limits of paragraph 5.2 hereof, such moneys remain Yield restricted until they cease to be Gross Proceeds.

5.5. *Federal Guarantees.* Except for investments meeting the requirements of paragraph 5.2(b) hereof, investments of Gross Proceeds shall not be made in (a) investments constituting obligations of or guaranteed, directly or indirectly, by the United States (except obligations of the United States Treasury or investments in obligations issued pursuant to Section 21B(d)(3) of the Federal Home Loan Bank, as amended (*e.g.*, Refcorp Strips)); or (b) federally insured deposits or accounts (as defined in Section 149(b)(4)(B) of the Code). Except as otherwise permitted in the immediately prior sentence and in the Regulations, no portion of the payment of principal or interest on the Bonds or any credit enhancement or liquidity device relating to the foregoing is or will be guaranteed, directly or indirectly (in whole or in part), by the United States (or any agency or instrumentality thereof), including a lease, incentive payment, research or output contract or any similar arrangement, agreement or understanding with the United States or any agency or instrumentality thereof. No portion of the Gross Proceeds has been or will be used to make loans the payment of principal or interest with respect to which is or will be guaranteed (in whole or in part) by the United States (or any agency or instrumentality thereof). Neither this paragraph nor paragraph 5.5 hereof applies to any guarantee by the Federal Housing Administration, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Government National Mortgage Association, the Student Loan Marketing Association or the Bonneville Power Administration pursuant to the Northwest Power Act (16 U.S.C. 839d) as in effect on the date of enactment of the Tax Reform Act of 1984.

5.6. *Investments After the Expiration of Temporary Periods, Etc.* After the expiration of the temporary period set forth in paragraph 5.2(b)(ii) hereof, amounts to be used to pay Claims may not be invested in (i) federally insured deposits or accounts (as defined in Section 149(b)(4)(B) of the Code or (ii) investments constituting obligations of or guaranteed, directly or indirectly, by the United States (except obligations of the United States Treasury or investments in obligations issued pursuant to Section 21B(d)(3) of the Federal Home Loan Bank Act, as amended (*e.g.*, Refcorp Strips). Any other amounts that are subject to the yield limitation in paragraph 5.2(a) hereof because paragraph 5.2(b) hereof is not applicable and amounts not subject to yield restriction only because they are described in paragraph 5.2(c) hereof, are also subject to the limitation set forth in the preceding sentence.

6.1. *Payment and Use Tests.* (a) No more than five percent of the proceeds of each issue of the Claims and investment earnings thereon were used, directly or indirectly, in whole or in part, in any Private Business Use. The District acknowledges that, for purposes of the preceding sentence, Gross Proceeds used to pay costs of issuance and other common costs (such as capitalized interest and fees paid for a qualified guarantee or qualified hedge) or invested in a reserve or replacement fund must be ratably allocated among all the purposes for which Gross Proceeds are being used.

(b) The payment of more than five percent of the principal of or the interest on the Bonds or on each issue of the Claims considered separately will not be, directly or indirectly (i) secured by any interest in (A) property used or to be used in any Private Business Use or (B) payments in respect of such property or (ii) on a present value basis, derived from payments (whether or not to the District or a member of the same Controlled Group as the District) in respect of property, or borrowed money, used or to be used in any Private Business Use.

(c) No more than the lesser of \$5,000,000 or five percent of the sum of the proceeds of each issue of the Claims and investment earnings thereon were used, and no more than the lesser of \$5,000,000 or five percent of the sum of the Sale Proceeds and investment earnings thereon will be used, directly or indirectly, to make or finance loans to any persons. The District acknowledges that, for purposes of the preceding sentence, Gross Proceeds used to pay costs of issuance and other common costs (such as capitalized interest and fees paid for a qualified guarantee or qualified hedge) or invested in a reserve or replacement fund must be ratably allocated among all the purposes for which Gross Proceeds are being used.

(d) No user of the Project other than a state or local governmental unit will use more than five percent of such facilities, considered separately, on any basis other than the same basis as the general public.

(e) No more than the lesser of five percent of each issue of the Claims or \$5,000,000 of the proceeds of each issue of the Claims were used or will be used to provide professional sports facilities. For purposes of this paragraph, the term “professional sports facilities” (i) means real property or related improvements used for

professional sports exhibitions, games or training, regardless of whether the admission of the public or press is allowed or paid and (ii) includes any use of a facility that generates a direct or indirect monetary benefit (other than reimbursement for out-of-pocket expenses) for a person who uses such facilities for professional sport exhibitions, games or training.

6.2. *I.R.S. Form 8038-G.* The information contained in the Information Return for Tax-Exempt Governmental Obligations, Form 8038-G, is true and complete. The District will file Form 8038-G (and all other required information reporting forms) in a timely manner.

6.3. *Bank Qualification.* (a) The District hereby designates each of the Bonds as a “qualified tax-exempt obligation” for the purposes and within the meaning of Section 265(b)(3) of the Code. In support of such designation, the District hereby certifies that (i) none of the Bonds will be at anytime a “private activity bond” (as defined in Section 141 of the Code) other than a “qualified 501(c)(3) bond” (as defined in Section 145 of the Code), (ii) as of the date hereof in calendar year 2005, the District has not issued any tax-exempt obligations of any kind other than the Bonds and the Claims nor have any tax-exempt obligations of any kind been issued on behalf of the District and (iii) not more than \$10,000,000 of obligations of any kind (including the Bonds and the Claims) issued by or on behalf of the District during calendar year 2005 will be designated for purposes of Section 265(b)(3) of the Code.

(b) The District is not subject to Control by any entity, and there are no entities subject to Control by the District.

(c) On the date hereof, the District does not reasonably anticipate that for calendar year 2005 it will issue any Section 265 Tax-Exempt Obligations (other than the Bonds and the Claims), or that any Section 265 Tax-Exempt Obligations will be issued on behalf of it. “*Section 265 Tax-Exempt Obligations*” are obligations the interest on which is excludable from gross income of the owners thereof under Section 103 of the Code, *except for* private activity bonds other than qualified 501(c)(3) bonds, both as defined in Section 141 of the Code. The District will not issue or permit the issuance on behalf of it or by any entity subject to Control by the District (which may hereafter come into existence) of Section 265 Tax-Exempt Obligations (including the Bonds and the Claims) that exceed the aggregate amount of \$10,000,000 during calendar year 2005 unless it first obtains an opinion of Bond Counsel to the effect that such issuance will not adversely affect the treatment of the Bonds as “qualified tax-exempt obligations” for the purposes and within the meaning of Section 265(b)(3) of the Code.

7.1. *Termination; Interest of District in Rebate Fund.* The terms and provisions set forth in this Section shall terminate at the later of (a) 75 days after the Bonds have been fully paid and retired or (b) the date on which all amounts remaining on deposit in the Rebate Fund, if any, shall have been paid to or upon the order of the United States and any other payments required to satisfy the Rebate Provisions of the Code have been made to the United States. Notwithstanding the foregoing, the provisions of

paragraph 4.3 hereof shall not terminate until the sixth anniversary of the date the Bonds are fully paid and retired, and the provisions of paragraph 4.4(c) hereof shall not terminate until the third anniversary of the date the Bonds are fully paid and retired.

7.2. *No Common Plan of Financing.* Since a date that is 15 days prior to the date of sale of the Bonds by the District to the Purchaser, neither the District nor any member of the same Controlled Group as the District has sold or delivered any obligations other than the Bonds that are reasonably expected to be paid out of substantially the same source of funds as the Bonds. Neither the District nor any member of the same Controlled Group as the District will sell or deliver within 15 days after the date hereof any obligations other than the Bonds that are reasonably expected to be paid out of substantially the same source of funds as the Bonds.

7.3. *No Sale of the Project.* (a) Other than as provided in the next sentence, neither the Project nor any portion thereof has been, is expected to be, or will be sold or otherwise disposed of, in whole or in part, prior to the earlier of (i) the last date of the reasonably expected economic life to the District of the property (determined on the date of issuance of the Bonds) or (ii) the last maturity date of the Bonds. The District may dispose of personal property in the ordinary course of an established government program prior to the earlier of (i) the last date of the reasonably expected economic life to the District of the property (determined on the date of issuance of the Bonds) or (ii) the last maturity of the Bonds, provided: (A) the weighted average maturity of the Bonds financing the personal property is not greater than 120 percent of the reasonably expected actual use of that property for governmental purposes; (B) the District reasonably expects on the issue date that the fair market value of that property on the date of disposition will be not greater than 25 percent of its cost; (C) the property is no longer suitable for its governmental purposes on the date of disposition; and (D) the District deposits amounts received from the disposition in a commingled fund with substantial tax or other governmental revenues and the District reasonably expects to spend the amounts on governmental programs within six months from the date of the commingling.

(b) The District acknowledges that if property financed with the Claims is sold or otherwise disposed of in a manner contrary to (a) above, such sale or disposition may constitute a “deliberate action” within the meaning of the Regulations that may require remedial actions to prevent the Bonds from becoming private activity bonds. The District shall promptly contact Bond Counsel if a sale or other disposition of Bond-financed property is considered by the District.

7.4. *Purchase of Bonds by District.* The District will not purchase any of the Bonds except to cancel such Bonds.

7.5. *Final Maturity.* The final maturity of the Bonds is not more than 10-1/2 years after the Closing.

7.6. *Registered Form.* The District recognizes that Section 149(a) of the Code requires the Bonds to be issued and to remain in fully registered form in order that

interest thereon be exempt from federal income taxation under laws in force at the time the Bonds are delivered. The District agrees that it will not take any action to permit the Bonds to be issued in, or converted into, bearer or coupon form.

7.7. *First Amendment.* The District acknowledges and agrees that it will not use, or allow the Project to be used, in a manner which is prohibited by the Establishment of Religion Clause of the First Amendment to the Constitution of the United States of America or by any comparable provisions of the Constitution of the State of Illinois.

7.8. *Future Events.* The District acknowledges that any changes in facts or expectations from those set forth herein may result in different Yield restrictions or rebate requirements from those set forth herein. The District shall promptly contact Bond Counsel if such changes do occur.

7.9. *Permitted Changes; Opinion of Bond Counsel.* The Yield restrictions contained in paragraph 5.2 hereof or any other restriction or covenant contained herein need not be observed or may be changed if such nonobservance or change will not result in the loss of any exemption for the purpose of federal income taxation to which interest on the Bonds is otherwise entitled and the District receives an opinion of Bond Counsel to such effect.

7.10. *Excess Proceeds.* Gross Proceeds of the Bonds and investment earnings thereon and all unspent Claims Proceeds as of the date of Closing and investment earnings thereon do not exceed by more than one percent of the Sale Proceeds of the Bonds the amount that will be used for:

- (i) payment of principal of or interest or call premium on the Claims;
- (ii) payment of pre-issuance accrued interest on the Bonds and interest on the Bonds that accrues for a period up to the completion date of any capital project for which the prior issue was issued, plus one year;
- (iii) payment of cost of issuance of the Bonds;
- (iv) payment of administrative costs allocable to repaying the Claims, carrying and repaying the Bonds or investments of the Bonds;
- (v) Claims Proceeds that will be used or maintained for the governmental purpose of the Claims;
- (vi) interest on purpose investments; and
- (vii) amounts that will be used or maintained for the governmental purpose of the Bonds.

7.11. *Successors and Assigns.* The terms, provisions, covenants and conditions of this Section shall bind and inure to the benefit of the respective successors and assigns of the Board and the District.

7.12. *Expectations.* The Board has reviewed the facts, estimates and circumstances in existence on the date of issuance of the Bonds. Such facts, estimates and circumstances, together with the expectations of the District as to future events, are set forth in summary form in this Section. Such facts and estimates are true and are not incomplete in any material respect. On the basis of the facts and estimates contained herein, the District has adopted the expectations contained herein. On the basis of such facts, estimates, circumstances and expectations, it is not expected that Sale Proceeds, investment earnings thereon or any other moneys or property will be used in a manner that will cause the Bonds to be arbitrage bonds within the meaning of the Rebate Provisions and the Regulations. Such expectations are reasonable and there are no other facts, estimates and circumstances that would materially change such expectations.

The District also agrees and covenants with the purchasers and holders of the Bonds from time to time outstanding that, to the extent possible under Illinois law, it will comply with whatever federal tax law is adopted in the future which applies to the Bonds and affects the tax-exempt status of the Bonds.

The Board hereby authorizes the officials of the District responsible for issuing the Bonds, the same being the President and Secretary of the Board and the School Treasurer who receives the taxes of the District, to make such further covenants and certifications as may be necessary to assure that the use thereof will not cause the Bonds to be arbitrage bonds and to assure that the interest in the Bonds will be exempt from federal income taxation. In connection therewith, the District and the Board further agree: (a) through their officers, to make such further specific covenants, representations as shall be truthful, and assurances as may be necessary or advisable; (b) to consult with counsel approving the Bonds and to comply with such advice as may be given; (c) to pay to the United States, as necessary, such sums of money representing required rebates of excess arbitrage profits relating to the Bonds; (d) to file such forms, statements, and supporting documents as may be required and in a timely manner; and

(e) if deemed necessary or advisable by their officers, to employ and pay fiscal agents, financial advisors, attorneys, and other persons to assist the District in such compliance.

*Section 11. List of Bondholders.* The Bond Registrar shall maintain a list of the names and addresses of the holders of all Bonds and upon any transfer shall add the name and address of the new Bondholder and eliminate the name and address of the transferor Bondholder.

*Section 12. Duties of Bond Registrar.* If requested by the Bond Registrar, the Chairman and Secretary of the Board are authorized to execute the Bond Registrar's standard form of agreement between the District and the Bond Registrar with respect to the obligations and duties of the Bond Registrar hereunder which may include the following:

(a) to act as bond registrar, authenticating agent, paying agent and transfer agent as provided herein;

(b) to maintain a list of Bondholders as set forth herein and to furnish such list to the District upon request, but otherwise to keep such list confidential;

(c) to cancel and/or destroy Bonds which have been paid at maturity or upon earlier redemption or submitted for exchange or transfer;

(d) to furnish the District at least annually a certificate with respect to Bonds cancelled and/or destroyed; and

(e) to furnish the District at least annually an audit confirmation of Bonds paid, Bonds outstanding and payments made with respect to interest on the Bonds.

*Section 13. Continuing Disclosure Undertaking.* The Chairman of the Board is hereby authorized, empowered and directed to execute and deliver a Continuing Disclosure Undertaking (the "*Continuing Disclosure Undertaking*") in connection with the issuance of the Bonds, with such provisions therein as he or she shall approve, his or her execution thereof to constitute conclusive evidence of his or her approval of such provisions. When the Continuing Disclosure Undertaking is executed and delivered on behalf of the District as herein provided, the Continuing Disclosure Undertaking will be binding on the District and the officers, employees

and agents of the District, and the officers, employees and agents of the District are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Continuing Disclosure Undertaking as executed. Notwithstanding any other provision of this resolution, the sole remedies for failure to comply with the Continuing Disclosure Undertaking shall be the ability of the beneficial owner of any Bond to seek mandamus or specific performance by court order, to cause the District to comply with its obligations under the Continuing Disclosure Undertaking.

*Section 14. Severability.* If any section, paragraph or provision of this resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this resolution.

*Section 15. Repeal.* All resolutions or parts thereof in conflict herewith be and the same are hereby repealed and this resolution shall be in full force and effect forthwith upon its adoption.

Adopted February 22, 2005.

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Chairman, Board of Trustees

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Secretary, Board of Trustees

Trustee \_\_\_\_\_ moved and Trustee \_\_\_\_\_  
seconded the motion that said resolution as presented be adopted.

After a full discussion thereof, the Chairman directed that the roll be called for a vote upon the motion to adopt said resolution.

Upon the roll being called, the following Trustees voted AYE: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

NAY: \_\_\_\_\_

Whereupon the Chairman declared the motion carried and said resolution adopted, approved and signed the same in open meeting and directed the Secretary to record the same in the records of the Board of Trustees of Community College District No. 512, Counties of Cook, Kane, Lake and McHenry and State of Illinois, which was done.

Other business not pertinent to the adoption of said resolution was duly transacted at the meeting.

Upon motion duly made, seconded and carried, the meeting was adjourned.

\_\_\_\_\_  
Secretary, Board of Trustees

STATE OF ILLINOIS    )  
                                  ) SS  
COUNTY OF COOK     )

**CERTIFICATION OF MINUTES**

I, the undersigned, do hereby certify that I am the duly qualified and acting Secretary of the Board of Trustees of Community College District No. 512, Counties of Cook, Kane, Lake and McHenry and State of Illinois (the “Board”), and as such official I am the keeper of the records and files of the Board.

I do further certify that the foregoing constitutes a full, true and complete transcript of the minutes of the meeting of the Board held on the 22nd day of February, 2005, insofar as same relates to the adoption of a resolution entitled:

RESOLUTION providing for the issue of \$2,040,000 General Obligation Limited Tax Bonds, Series 2005, of Community College District No. 512, Counties of Cook, Kane, Lake and McHenry and State of Illinois, and for the levy of a direct annual tax to pay the principal and interest on said bonds.

a true, correct and complete copy of which said resolution as adopted at said meeting appears in the foregoing transcript of the minutes of said meeting.

I do further certify that the deliberations of the Board on the adoption of said resolution were conducted openly, that the vote on the adoption of said resolution was taken openly, that said meeting was called and held at a specified time and place convenient to the public, that notice of said meeting was duly given to all of the news media requesting such notice, that an agenda for said meeting was posted at the location where said meeting was held and at the principal office of the Board at least 96 hours in advance of the holding of said meeting, that said agenda contained a separate specific item concerning the proposed adoption of said resolution, that said meeting was called and held in strict compliance with the provisions of the Open Meetings Act of the State of Illinois, as amended, the Public Community College Act of the State of Illinois, as amended, at the Local Government Debt Reform Act of the State of Illinois, as amended, and that the Board has complied with all of the provisions of said Acts and with all of the procedural rules of the Board.

IN WITNESS WHEREOF, I hereunto affix my official signature, this 22nd day of February, 2005.

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Secretary, Board of Trustees

STATE OF ILLINOIS    )  
                                  ) SS  
COUNTY OF COOK     )

**FILING CERTIFICATE**

I, the undersigned, do hereby certify that I am the duly qualified and acting County Clerk of The County of Cook, Illinois, and as such official I do further certify that on the \_\_\_\_\_ day of February, 2005, there was filed in my office a duly certified copy of a resolution entitled:

RESOLUTION providing for the issue of \$2,040,000 General Obligation Limited Tax Bonds, Series 2005, of Community College District No. 512, Counties of Cook, Kane, Lake and McHenry and State of Illinois, and for the levy of a direct annual tax to pay the principal and interest on said bonds.

duly adopted by the Board of Trustees of Community College District No. 512, Counties of Cook, Kane, Lake and McHenry and State of Illinois, on the 22nd day of February, 2005, and that the same has been deposited in the official files and records of my office.

IN WITNESS WHEREOF, I hereunto affix my official signature and the seal of said County, this \_\_\_\_\_ day of February, 2005.

---

County Clerk of The County of  
Cook, Illinois

(SEAL)

STATE OF ILLINOIS    )  
                                  ) SS  
COUNTY OF KANE     )

**FILING CERTIFICATE**

I, the undersigned, do hereby certify that I am the duly qualified and acting County Clerk of The County of Kane, Illinois, and as such official I do further certify that on the \_\_\_\_ day of February, 2005, there was filed in my office a duly certified copy of a resolution entitled:

RESOLUTION providing for the issue of \$2,040,000 General Obligation Limited Tax Bonds, Series 2005, of Community College District No. 512, Counties of Cook, Kane, Lake and McHenry and State of Illinois, and for the levy of a direct annual tax to pay the principal and interest on said bonds.

duly adopted by the Board of Trustees of Community College District No. 512, Counties of Cook, Kane, Lake and McHenry and State of Illinois, on the 22nd day of February, 2005, and that the same has been deposited in the official files and records of my office.

IN WITNESS WHEREOF, I hereunto affix my official signature and the seal of said County, this \_\_\_\_ day of February, 2005.

---

County Clerk of The County of  
Kane, Illinois

(SEAL)

STATE OF ILLINOIS    )  
                                  ) SS  
COUNTY OF LAKE     )

**FILING CERTIFICATE**

I, the undersigned, do hereby certify that I am the duly qualified and acting County Clerk of The County of Lake, Illinois, and as such official I do further certify that on the \_\_\_\_\_ day of February, 2005, there was filed in my office a duly certified copy of a resolution entitled:

RESOLUTION providing for the issue of \$2,040,000 General Obligation Limited Tax Bonds, Series 2005, of Community College District No. 512, Counties of Cook, Kane, Lake and McHenry and State of Illinois, and for the levy of a direct annual tax to pay the principal and interest on said bonds.

duly adopted by the Board of Trustees of Community College District No. 512, Counties of Cook, Kane, Lake and McHenry and State of Illinois, on the 22nd day of February, 2005, and that the same has been deposited in the official files and records of my office.

IN WITNESS WHEREOF, I hereunto affix my official signature and the seal of said County, this \_\_\_\_ day of February, 2005.

\_\_\_\_\_  
County Clerk of The County of  
Lake, Illinois

(SEAL)

STATE OF ILLINOIS        )  
                                      ) SS  
COUNTY OF MCHENRY    )

**FILING CERTIFICATE**

I, the undersigned, do hereby certify that I am the duly qualified and acting County Clerk of The County of McHenry, Illinois, and as such official I do further certify that on the \_\_\_\_\_ day of February, 2005, there was filed in my office a duly certified copy of a resolution entitled:

RESOLUTION providing for the issue of \$2,040,000 General Obligation Limited Tax Bonds, Series 2005, of Community College District No. 512, Counties of Cook, Kane, Lake and McHenry and State of Illinois, and for the levy of a direct annual tax to pay the principal and interest on said bonds.

duly adopted by the Board of Trustees of Community College District No. 512, Counties of Cook, Kane, Lake and McHenry and State of Illinois, on the 22nd day of February, 2005, and that the same has been deposited in the official files and records of my office.

IN WITNESS WHEREOF, I hereunto affix my official signature and the seal of said County, this \_\_\_\_\_ day of February, 2005.

---

County Clerk of The County of  
McHenry, Illinois

(SEAL)

STATE OF ILLINOIS    )  
                                  ) SS  
COUNTY OF COOK     )

**FILING CERTIFICATE**

I, the undersigned, do hereby certify that I am the duly qualified and acting Treasurer who receives the taxes of Community College District No. 512, Counties of Cook, Kane, Lake and McHenry and State of Illinois, and as such official I do further certify that on the \_\_\_\_ day of February, 2005, there was filed in my office a duly certified copy of a resolution entitled:

RESOLUTION providing for the issue of \$2,040,000 General Obligation Limited Tax Bonds, Series 2005, of Community College District No. 512, Counties of Cook, Kane, Lake and McHenry and State of Illinois, and for the levy of a direct annual tax to pay the principal and interest on said bonds.

duly adopted by the Board of Trustees of said Community College District on the 22nd day of February, 2005, and that the same has been deposited in the official files and records of my office.

IN WITNESS WHEREOF, I hereunto affix my official signature, this \_\_\_\_ day of February, 2005.

---

Treasurer, Board of Trustees

WILLIAM RAINEY HARPER COLLEGE

BOARD ACTION

I. SUBJECT

New Associate of Arts in Teaching (AAT) degree program in Secondary Mathematics (Education Department)

II. REASON FOR CONSIDERATION

The Illinois Community College Board requires the Board to approve new certificate and degree programs.

III. BACKGROUND INFORMATION

The AAT – Secondary Mathematics degree program is in direct response to the shortage of secondary mathematics teachers both in the State of Illinois and nationwide. The degree has been designed based on the AAT General Principles, which in turn have been based on the state and national teaching standards for mathematics.

This degree enables a student to complete the necessary math major courses at the community college in order to facilitate a smooth transfer into a secondary mathematics teacher education program at the university level. Students who complete the AAT – Secondary Mathematics Degree should be able to enter a teacher education program at the junior level, having equal status with students who began their studies at that university.

IV. RECOMMENDATION

The administration and the curriculum committee recommend that the Board approve the new AAT degree program in Secondary Mathematics for implementation in Fall 2005.

WILLIAM RAINEY HARPER COLLEGE

BOARD ACTION

I. SUBJECT

Affiliation Agreements between clinical agencies and Harper College are used for students in the Health Career Programs. The Affiliation Agreement between Harper College and *Advocate Illinois Masonic Medical Center* for the Cardiac Technology Program is presented for Board review.

II. REASON FOR CONSIDERATION

An Affiliation Agreement is required between Harper College and affiliating agencies to provide for the clinical education of students in health career programs. In an effort to standardize and streamline the entire process related to developing affiliations with the many agencies in our service area the Harper Board approved a Master Affiliation Agreement in July 2003 to be used with all agencies. However, several affiliating agencies have initiated their own clinical affiliation agreement, *Advocate Illinois Masonic Medical Center*, whereby they require Board or appointed designee signature.

III. BACKGROUND INFORMATION

The facilities and educational opportunities available at *Advocate Illinois Masonic Medical Center* are consistent with the clinical objectives of the Harper College Health Career Programs.

IV. RECOMMENDATION

The administration recommends that the Affiliation Agreements between Harper College and *Advocate Illinois Masonic Medical Center* be approved as submitted and authorize the Dean of Life Science and Human Services to sign all of the above.

WILLIAM RAINEY HARPER COLLEGE

BOARD ACTION

I. SUBJECT

Proposed Tuition and Renovation Fee and Technology Fee Increases for FY 2005-2006.

II. REASON FOR CONSIDERATION

The Board is to establish tuition per section 05.05.00 of the Board Policy Manual.

The College is currently facing a deficit of \$1,180,000 for FY06 assuming no increase in tuition and no increase in state appropriation. The deficit is due largely to four consecutive years of funding cuts from the State and continuing loss of revenue from successful commercial property tax appeals (PTAB).

From FY03 through FY06 projections, state funding for the College will have been cut by 29.4%, costing the College **\$2.9 million in revenue**.

Additionally, the College projects revenue loss from successful commercial property tax appeals (PTAB) will cost \$1.3 million in FY06. This follows PTAB losses of \$1.47 million in FY03 and \$1.27 loss in FY 04 a projected PTAB loss of \$1.3 million in FY05, for a total **four-year loss of \$5.34 million**.

Despite funding cuts, and adding a significant number of new square feet to the campus, the College has been able to maintain a balanced budget though moderate increases in tuition, institutional reductions totaling \$1.8 million over the past few years and, most importantly, increasing efficiency so that staffing levels have remain essentially unchanged despite increasing FTE enrollment 23% since 1998.

The explosive enrollment growth, while welcome in terms of additional revenue, also contributes additional strain on our aging facilities, resulting in increasing costs for renovation, repair and utilities.

Although the campus has added new buildings, significant repairs are still needed for the rest of the campus buildings. Deferred maintenance grants by the state, which totaled a very modest \$136,000 in FY 02 and nearly \$119,000 in FY03 have been eliminated for FY04 and FY05 and FY 06. Also, a \$4.25 million grant for infrastructure improvements, which has been approved by the legislature, has been frozen by the Governor's office.

The College feels an increase in tuition and fees is necessary to continue the College's commitment to provide high quality instruction and facilities to a growing student population and to honor the Board's commitment to a balanced budget.

### III. BACKGROUND INFORMATION

#### **District Residents**

The State has capped tuition at community colleges at 33% of its per capita cost. For FY06, this is projected to be \$~~120~~113 per credit hour, compared to our proposed tuition rate of \$75 per credit hour (currently \$71 per credit hour).

This year presents an unusual situation posed by the state's continuing financial crisis and an expanding physical plant. The proposed IBHE FY06 budget calls for a 1.7% reduction for Harper. The College has not had an increase from the state since FY02. This would make the loss over a four-year period (FY03 to FY06) 29.4%. This translates into an expected loss of state funds of \$2.9 million. A number of the grants provided to the College will remain at FY 2003 levels, and three significant grants will be eliminated. were eliminated in FY04 and FY 05, and the remaining grants may see significant reductions or be eliminated in FY06.

The Board, in its Board Budget Guidelines, states that District Resident tuition should not be more than 25% of per capita cost (~~\$90~~86 in FY06~~3~~). Tuition has been about 19% of per capita cost since 1998, despite raising tuition by \$4 per credit hour for the each of those years. (See attached chart.)

The proposed FY06 increase to \$75 per credit hour would increase the student per capita cost to 21.8%. Tuition has been increased at the rate of \$4 per credit hour per year (with the exception for FY04 when it rose \$5) because the Board felt it was not fair to increase tuition to the 25% guideline all in one year. A steady and predictable increase created a good planning tool for both the administration and students. Tuition and fees is the only revenue stream that is directly controlled by the Board. A \$1 per credit hour increase in tuition generates about \$250295,000 in revenue.

The College currently has a Renovation Fee of \$5 per credit hour, and is proposing that this fee be increased to \$7 per credit hour to accommodate additional facilities and ensure the proper maintenance and repair of aging facilities in the wake of cuts in deferred maintenance grants by the state.

The College also has a Technology fee of \$5 per credit hour and is proposing the fee be increased to \$7 per credit hour. The College is implementing a new web based, self service ERP system for students and staff. Bonds are paying for the purchase and implementation of the system and this increase in fee would be used to cover the annual maintenance agreement on this software.

~~The College has cut over \$1.8 million in costs over the last two years, is instituting a series of cost efficiency measures and is not increasing overall staffing levels in the education fund, despite record enrollment growth.~~

~~The first of the three grants is for \$210,000. This grant provides student support services to special populations (i.e. Tutoring, Math & Writing Lab Assistance.) It has been eliminated. (Last year this grant was reduced by \$134,000 from \$342,152 to \$210,099.) The second grant is for \$289,000 to assist business and industry to train their workers. These funds are being transferred to another state agency. The final set of grants totals \$336,000 and provides dollars for technology to the academic divisions. These funds are also being transferred to another state agency. (See attached chart for details.) There is no guarantee that Harper will receive any of the transferred funds. They will be distributed through a competitive process, instead of a direct grant, and a much larger universe of agencies will be vying for these funds. The final state appropriations will not be known until the legislative session ends. It is not expected that the legislative branch will provide more funding than requested by the Governor in these difficult economic times.~~

~~The College has three main revenue sources: tuition and fees, state appropriations and property taxes. These three sources are interrelated and when one or more experience a decrease, it has an impact on the others. Recalling that a \$1 per credit hour increase in tuition generates about \$250,000 in revenue, the state cut equates to about \$3.30 per credit hour in tuition. In order to retain vital programs to students and to maintain high technology standards at Harper, the administration is making a multilevel tuition and technology fee recommendation.~~

~~The administration is recommending that since we have not reached the 25% guideline, tuition for FY 04 be increased by \$5.00 per credit hour. This increase would cover the standard \$4.00 per credit hour increase, plus \$1.00 to cover some of the loss of the special populations grant. In addition, the administration is recommending that the technology fee increase by \$1.00 from \$4.00 to \$5 per credit hour to cover some of the loss of the technology grants. The extra \$2 (above the standard \$4 per credit hour) being recommended by the administration will generate~~

~~\$500,000 and make up for 60% of the \$835,000 expected in state funds loss for FY 2004.~~

~~Finally, the College is operating under a tax cap for many years. In recent years a change in assessment appeals, referred to as Property Tax Appeals Board (PTAB), has been having an ever-increasing impact on the College. (See attached graph, which is for all funds.) The impact on the Education Fund alone is about \$900,000 per year, which is equivalent to \$3.50 per credit hour. The administration is recommending that the Board discuss and consider increasing the tuition by an additional \$1.00 per credit hour or more to cover some or all of the losses due to PTAB.~~

### **Non-Resident**

The College uses the state formula for chargeback purposes to determine the base of non-resident tuition, and then adds the resident rate. The base for FY 2005~~3~~-06~~4~~ would be \$20~~03~~ plus the resident rate per credit hour.

*Example:*

If the tuition for District Residents were raised from \$71~~2~~ to \$7~~569~~, then Non- Resident would be \$21~~3~~~~200~~ plus \$6~~9~~~~75~~ or \$28~~2~~~~275~~ per credit hour.

### **Out-of-State**

There is a formula provided by the state to calculate per capita costs. The per capita costs are used as the Out-of-State tuition and this would change to \$36~~0~~~~344~~ per credit hour, which is our most current per capita rate.

### **International Student**

The administration is recommending International Student tuition be set at ~~\$320~~the per capita rate of \$344 per credit hour for FY 2006.~~4~~

## IV. RECOMMENDATION

The administration is recommending a **District Resident** tuition increase of \$4~~5~~ per credit hour from \$7~~12~~ to \$7~~567~~ per credit hour and an \$1.~~00~~ increase in the ~~Technology~~-renovation fee from \$4.~~005~~.00 to \$5.~~00~~\$7.00 and an increase in the technology free from \$5.00 to \$7.00 per credit hour for FY 2005~~3~~-2006~~4~~ effective summer 2005~~3~~.

The administration is recommending that the **Non-Resident** rate be set at the formula plus the **District Resident** rate per credit hour or \$275 per credit hour for FY 2003~~04~~-5-0~~6~~ effective summer 2005~~3~~.

The administration recommends the **Out-of-State** rate be set at the per capita formula of \$36~~0~~~~344~~ per credit hour for FY 2003~~200~~5-2004-200~~6~~ effective summer 2003~~200~~5.

The administration recommends the **International Student** rate be set at the per capita rate of ~~\$320-344~~ per credit hour for FY 2005~~3~~-2006~~4~~ effective summer 2005~~3~~.

*This recommendation* is based on the following losses sustained in the last four years FY2003 to FY 2006:

State Funding	\$2,900,000
PTAB	\$5,340,000
Deferred Maintenance	\$ 119,000
Total Losses	\$8,359,000

**And**, a 23% enrollment increase since 1998;

**And**, minimal or no funding for facilities maintenance and renovation from the state;

**And**, the ongoing impact of a tax cap that does not reflect real costs borne by community colleges.

Over the past four years, the College has been challenged to meet growing enrollment and demand for new programs, services and facilities, while enduring substantial cuts in state revenue, PTAB losses and funding limits imposed by the tax cap.

Unfortunately, these trends show no sign of abating and, in fact, are likely to worsen in the years ahead creating additional budget deficits. Without careful and prudent financial management, the College will have no choice but to draw down our reserves as other public institutions have been forced to do.

The danger of doing that is obvious, as state and federal governments have learned. We must not repeat their mistakes. This Board must continue to embrace wise and forward looking financial planning and have the strength and resolve to, at times, make difficult decisions to make sure Harper can serve our community with the very best programs and services.

The Board's wise and conservative financial management has been noted by Moody's Investors Service in their reaffirmation of the College's exceptional Aaa bond rating. On February 8, 2005 they wrote:

"The district's strong financial operations are evidenced by historically conservative budgeting practices and the accumulation of sizeable operating reserves, which Moody's believes will remain healthy given a strong management team. Assignment of the highest quality rating reflects the district's substantial and economically diverse tax base; consistently sound financial operations supported by healthy reserves; and a favorable debt profile."

### HISTORY OF PERCENTAGE OF PER CAPITA COST

Year	Tuition	State Apportionment	All Other Revenue	Per Capita * Cost
1967-68	14.5%	20.9%	64.5%	100%
1968-69	14.8	21.3	63.9	100
1969-70	18.1	26.0	55.9	100
1970-71	20.8	32.3	46.9	100
1971-72	24.3	31.4	44.3	100
1972-73	23.4	32.1	44.5	100
1973-74	26.4	34.9	38.7	100
1974-75	28.4	36.7	34.9	100
1975-76	26.5	33.3	40.2	100
1976-77	26.2	33.9	39.8	100
1977-78	23.3	31.9	44.8	100
1978-79	25.8	32.4	41.8	100
1979-80	26.5	34.9	38.7	100
1980-81	27.8	36.8	35.4	100
1981-82	31.7	37.9	30.4	100
1982-83	26.6	27.6	45.8	100
1983-84	29.5	25.7	44.8	100
1984-85	30.3	24.2	45.5	100
1985-86	25.3	22.7	52.0	100
1986-87	21.8	18.6	59.6	100
1987-88	20.0	20.2	59.8	100
1988-89	20.8	19.8	59.4	100
1989-90	20.6	20.4	59.0	100
1990-91	19.8	21.3	58.9	100
1991-92	17.6	20.2	62.2	100
1992-93	17.8	15.1	67.0	100
1993-94	18.9	14.4	66.7	100
1994-95	18.6	14.5	66.9	100
1995-96	18.5	13.3	68.2	100
1996-97	18.2	12.8	69.0	100
1997-98	19.2	14.0	66.8	100
1998-99	19.0	13.6	67.4	100
1999-00	19.7	13.4	66.9	100
2000-01	19.5	14.1	66.4	100
2001-02	19.4	14.0	66.5	100
2002-03	17.2	11.0	71.7	100
2003-04	19.2	9.2	71.6	100
2004-05	20.7	8.4	70.9	100
Projected 2005-06	21.8	7.7	70.6	100

\* Does NOT include non-capital State and Grant funds per semester hour.

WILLIAM RAINEY HARPER COLLEGE

BOARD ACTION

I. SUBJECT

Proposed Credit Course Fee Changes for the 2005-06 Academic Year.

II. REASON FOR CONSIDERATION

The Board is to establish a fee schedule per section 05.05.00 of the Board Policy Manual. These fees are to cover various costs beyond those covered by the regular tuition.

III. BACKGROUND INFORMATION

These fee changes will be incorporated into the College's registration system. Therefore, fee changes must be acted upon prior to February 24, 2005 when early registration begins for the Summer 2006 semester.

IV. RECOMMENDATION

The administration recommends approval of the Proposed Fee Changes for 2005-06, effective with the 2005 Summer semester.

## Proposed Credit Lab Fee Changes

2005 -2006

DIV	DEPT	COURSE		2004-05	PROPOSED		Status	
		#	TITLE		2005-06	Increase/Decrease		
AELS	ESL	087	ESL: Advanced Vocabulary II	\$20.00	\$0.00	(\$20.00)	Reduction in software used.	
BUS/SS	CAS	110	Core Microsoft Office Specialist Certification: Word	\$55.00	\$65.00	\$10.00	Add'l work formatting removable hard drives & proctor pay.	
BUS/SS	CAS	120	Core Microsoft Office Specialist Certification: Excel	\$55.00	\$65.00	\$10.00	Add'l work formatting removable hard drives & proctor pay.	
BUS/SS	CAS	130	Core Microsoft Office Specialist Certification: Access	\$55.00	\$65.00	\$10.00	Add'l work formatting removable hard drives & proctor pay.	
BUS/SS	CAS	140	Core Microsoft Office Specialist Certification: PowerPoint	\$55.00	\$65.00	\$10.00	Add'l work formatting removable hard drives & proctor pay.	
BUS/SS	CAS	150	Core Microsoft Office Specialist Certification: Outlook	\$55.00	\$65.00	\$10.00	Add'l work formatting removable hard drives & proctor pay.	
BUS/SS	CAS	210	Expert Microsoft Office Specialist Certification: Word	\$55.00	\$65.00	\$10.00	Add'l work formatting removable hard drives & proctor pay.	
BUS/SS	CAS	220	Expert Microsoft Office Specialist Certification: Excel	\$55.00	\$65.00	\$10.00	Add'l work formatting removable hard drives & proctor pay.	
BUS/SS	CIS	102	NetPrep Networking Fundamentals	\$20.00	\$25.00	\$5.00	Networking class increases expendable items.	
BUS/SS	CIS	203	Systems Analysis and Design I	\$10.00	\$25.00	\$15.00	Added lab components to course.	
BUS/SS	CIS	204	Systems Analysis and Design II	\$10.00	\$25.00	\$15.00	Added lab components to course.	
BUS/SS	CIS	249	Computer Forensics		\$50.00	\$50.00	New course; effective Fall 2004.	
BUS/SS	CIS	250	Network Security Fundamentals	\$25.00	\$50.00	\$25.00	Networking class increases expendable items.	
BUS/SS	CIS	251	Networking Systems Security		\$50.00	\$50.00	New course; effective Fall 2005.	
BUS/SS	CIS	252	Network Defense and Countermeasures		\$50.00	\$50.00	New course; effective Fall 2005.	
BUS/SS	CIS	259	Network Implementation and Troubleshooting	\$25.00	\$50.00	\$25.00	Networking class increases expendable items.	
BUS/SS	MGT	115	Introduction to International Business	\$30.00	*	\$0.00	(\$30.00)	On-line course only.
BUS/SS	MKT	190	Export Documentation	\$30.00	*	\$0.00	(\$30.00)	On-line course only.
BUS/SS	MKT	260	International Marketing	\$30.00	*	\$0.00	(\$30.00)	On-line course only.
LIBARTS	FAS	100	Industrial Sewing Methods		\$25.00	\$25.00	New course; effective Fall 2005.	
LIBARTS	FAS	113	Advanced Industrial Sewing Methods		\$25.00	\$25.00	New course; effective Fall 2005.	
LSHS	CTE	106	Ultrasound Physics and Instrumentation	\$25.00	\$0.00	(\$25.00)	Text book now purchased in the bookstore, not reproduced in-house.	
LSHS	DHY	100	Pre-Clinic	\$65.00	\$80.00	\$15.00	Increased product costs.	
LSHS	DHY	101	Clinical Dental Hygiene I	\$90.00	\$105.00	\$15.00	Increased product costs.	
LSHS	DHY	111	Dental Radiology	\$105.00	\$125.00	\$20.00	Increased product costs.	
LSHS	DHY	151	Clinical Dental Hygiene II	\$70.00	\$85.00	\$15.00	Increased product costs.	
LSHS	DHY	161	Dental Anatomy	\$35.00	\$50.00	\$15.00	Increased product costs.	
LSHS	DHY	202	Radiology I	\$80.00	\$100.00	\$20.00	Increased product costs.	
LSHS	DHY	203	Radiology II	\$80.00	\$100.00	\$20.00	Increased product costs.	

## Proposed Credit Lab Fee Changes

2005 -2006

DIV	DEPT	COURSE		2004-05	PROPOSED		Status
		#	TITLE		2005-06	Increase/Decrease	
LSHS	DHY	250	Clinical Dental Hygiene III	\$160.00	\$175.00	\$15.00	Increased product costs.
LSHS	DHY	251	Clinical Dental Hygiene IV	\$160.00	\$175.00	\$15.00	Increased product costs.
LSHS	DHY	270	Dental Materials Laboratory Techniques	\$60.00	\$80.00	\$20.00	Increased product costs.
LSHS	PKM	140	Grounds Equipment and Shop Operation	\$75.00	\$90.00	\$15.00	Increase in replacement parts.
LSHS	PKM	210	Drainage and Irrigation	\$25.00	\$40.00	\$15.00	Increased product costs.
LSHS	PKM	213	Landscape Graphics	\$40.00	\$50.00	\$10.00	Increased cost of materials and copier expense.
LSHS	PKM	214	Landscape Design I	\$40.00	\$50.00	\$10.00	Increased cost of materials and copier expense.
LSHS	PKM	215	Landscape Design II	\$40.00	\$50.00	\$10.00	Increased cost of materials and copier expense.
LSHS	PKM	216	Landscape Construction Process and Materials	\$75.00	\$90.00	\$15.00	Increased product costs.
LSHS	PKM	220	Arboriculture	\$75.00	\$90.00	\$15.00	Increased rental equipment.
LSHS	PST	102	Plant Diseases and Pests	\$35.00	\$50.00	\$15.00	Increased cost of parishable materials.
LSHS	PST	105	Indoor Plants	\$35.00	\$50.00	\$15.00	Increased product costs.
LSHS	PST	110	Soil Science	\$45.00	\$50.00	\$5.00	Increased product costs.
LSHS	PST	212	Turfgrass Science	\$35.00	\$50.00	\$15.00	Increased product costs.
LSHS	RAD	203	Advanced Radiologic Principles	\$50.00	\$0.00	(\$50.00)	Not a lab course; removed lab fees
LSHS	RAD	209	Radiologic Special Procedures	\$37.50	\$0.00	(\$37.50)	Not a lab course; removed lab fees
TMPS	AST	101	Introductory Astronomy	\$25.00	\$35.00	\$10.00	
TMPS	AST	201	Advanced Astronomy	\$25.00	\$35.00	\$10.00	
TMPS	FIS	100	Fundamentals of Fire Protection	\$20.00	\$25.00	\$5.00	Increased cost of equipment and supplies.
TMPS	FIS	102	Fire Service Management I	\$20.00	\$25.00	\$5.00	Increased cost of equipment and supplies.
TMPS	FIS	103	Fire Strategies and Tactics I	\$20.00	\$25.00	\$5.00	Increased cost of equipment and supplies.
TMPS	FIS	121	Fire Behavior and Combustion	\$20.00	\$25.00	\$5.00	Increased cost of equipment and supplies.
TMPS	FIS	122	Introduction to Fire Prevention Principles	\$20.00	\$25.00	\$5.00	Increased cost of equipment and supplies.
TMPS	FIS	123	Advanced Fire Protection Principles	\$20.00	\$25.00	\$5.00	Increased cost of equipment and supplies.
TMPS	FIS	132	Hazardous Materials I	\$20.00	\$25.00	\$5.00	Increased cost of equipment and supplies.
TMPS	FIS	133	Hazardous Materials II	\$20.00	\$25.00	\$5.00	Increased cost of equipment and supplies.
TMPS	FIS	145	Fire and Emergency Services Instructor I	\$20.00	\$25.00	\$5.00	Increased cost of equipment and supplies.
TMPS	FIS	200	Fire Service Internship	\$20.00	\$25.00	\$5.00	Increased cost of equipment and supplies.
TMPS	FIS	202	Fire Service Management II	\$20.00	\$25.00	\$5.00	Increased cost of equipment and supplies.

## Proposed Credit Lab Fee Changes

2005 -2006

DIV	DEPT	COURSE		2004-05	PROPOSED		Status
		#	TITLE		2005-06	Increase/Decrease	
TMPS	FIS	203	Fire Strategies and Tactics II	\$20.00	\$25.00	\$5.00	Increased cost of equipment and supplies.
TMPS	FIS	212	Fire Protection Systems	\$20.00	\$25.00	\$5.00	Increased cost of equipment and supplies.
TMPS	FIS	220	Fire and Emergency Services Instructor II	\$20.00	\$25.00	\$5.00	Increased cost of equipment and supplies.
TMPS	FIS	230	Fire and Emergency Services Law		\$25.00	\$25.00	New course: effective Spring 2005
TMPS	GEO	101	Physical Geology	\$30.00	\$35.00	\$5.00	Increased cost of field trip transportation.
TMPS	GEO	102	Historical Geology	\$30.00	\$35.00	\$5.00	Increased cost of field trip transportation.
TMPS	GEO	201	Rocks and Minerals	\$30.00	\$35.00	\$5.00	Increased cost of field trip transportation.
TMPS	GEO	202	Paleontology	\$30.00	\$35.00	\$5.00	Increased cost of field trip transportation.
TMPS	MNT	125	Basic Plumbing	\$30.00	\$40.00	\$10.00	Increased cost of equipment and supplies.
TMPS	MNT	225	Commercial Plumbing	\$30.00	\$40.00	\$10.00	Increased cost of equipment and supplies.
TMPS	PHS	105	Energy and Society	\$25.00	\$35.00	\$10.00	Increased cost of field trip transportation.
TMPS	PHS	111	Introduction to Physical Science	\$25.00	\$35.00	\$10.00	Increased cost of field trip transportation.
TMPS	PHS	112	Exploring the Earth and Universe	\$25.00	\$35.00	\$10.00	Increased cost of field trip transportation.
TMPS	PHY	121	Introductory Physics I	\$30.00	\$35.00	\$5.00	Increased cost of field trip transportation.
TMPS	PHY	122	Introductory Physics II	\$30.00	\$35.00	\$5.00	Increased cost of field trip transportation.
TMPS	PHY	201	General Physics I - Mechanics	\$30.00	\$35.00	\$5.00	Increased cost of field trip transportation.
TMPS	PHY	202	General Physics II - Heat Electricity and Magnetism	\$30.00	\$35.00	\$5.00	Increased cost of field trip transportation.
TMPS	PHY	203	General Physics III - Thermal and Quantum Physics	\$30.00	\$35.00	\$5.00	Increased cost of field trip transportation.

\* = variable rate

WILLIAM RAINEY HARPER COLLEGE

BOARD ACTION

I. SUBJECT

***Second Reading*** - Board Policy Changes to incorporate selected provisions from the Sarbanes-Oxley Act of 2002.

II. REASON FOR CONSIDERATION

Modifications to Board Policy require two readings before they are incorporated into the Board Policy Manual. This is the second reading for a new section on Audit 07.01.19 and a revision to 13.01.00 Code of Ethics.

III. BACKGROUND INFORMATION

The American Competitiveness and Corporate Accountability Act of 2002, generally known as the Sarbanes-Oxley Act, was enacted in the wake of the Enron and other corporate accounting scandals. The major purpose of Sarbanes-Oxley is to broaden federal rules governing the oversight responsibility of boards of publicly traded companies.

While the majority of the provisions of Sarbanes-Oxley apply only to for-profit companies, non-profit leaders acknowledge that the door may have been opened for closer scrutiny of non-profit governing boards. In response to this concern, several prominent higher education and non-profit organizations have issued advisories and other forms of guidance as a service to the non-profit community.

Harper College staff has reviewed the advisories from National Association of College and University Business Officers (NACUBO) and Association for Community College Trustees (ACCT), as well as policies from other educational institutions.











WILLIAM RAINEY HARPER COLLEGE

BOARD ACTION

I. SUBJECT

Board Canvass Meeting Change of Dates

II. REASON FOR CONSIDERATION

The Board Canvass Date was scheduled for April 21, 2005.

III. BACKGROUND INFORMATION

Since the establishment of the Board Canvass Meeting there has been training by Cook County Election office. They have informed us that Cook County will now provide detailed election results on line at [www.voterinfonet.com](http://www.voterinfonet.com). This means that both election night and Board Canvass nights can be streamlined through the use of a download capability from Cook County. The staff will do all the preparatory work prior to the Canvass Meeting and can present the results of the Canvass to the Board for adoption. This means that the Canvass Meeting should not take more than 15 minutes and can be combined with the Organizational meeting and the Regular Board meeting on April 26, 2005.

IV. RECOMMENDATION

The administration recommends that the Board change its April meeting date for the Election Canvass from April 21, 2005 at 6 p.m. to Tuesday, April 26, 2005 at 7 p.m. The Election Canvass Meeting will be followed by the Organizational Meeting which will then be followed by the Regular Board Meeting.

WILLIAM RAINEY HARPER COLLEGE

BOARD ACTION

SUBJECT

Consideration of sabbatical leaves for faculty, beginning Fall term of the 2005-06 academic year.

REASON FOR CONSIDERATION

Article IV-J of the Collective Bargaining Agreement provides for sabbatical leaves to be given upon approval by the Board of Trustees provided such leaves would add to the effectiveness of the faculty member and benefit the College.

BACKGROUND INFORMATION

Sabbatical Leave applications were reviewed by the Sabbatical Leave Committee, the appropriate dean and vice president, and President.

RECOMMENDATION

It is the recommendation of the President that the following faculty members be granted a sabbatical leave for the requested time period:

Karen Lustig	LSHS	Fall 2005	\$44,715
Elizabeth Minicz	AELS	Fall 2005	37,488
Peggy Kazkaz	AELS	Fall 05 and Spring 06 (1/2 salary)	46,146
			*\$128,349

\*In addition to these costs, the College will hire part-time faculty at a cost of approximately \$46,810 to teach, in the absence of the faculty on leave.

## SUMMATION OF SABBATICAL REQUEST

**Karen Lustig** -- A sabbatical leave will provide a semester needed to explore potential laboratory activities, and assemble them in a published laboratory book for Biology 120, General Botany. I plan to use my sabbatical to research, write, and revise over 20 labs and photograph and edit over 60 digital photographs and illustrations for this book. Once the labs are completed, I will need to prepare the book for publication.

Having this book available will provide General Botany students a lab book that corresponds to the length of the laboratory period and matches the lecture topics in the course. The lab book will be much more student friendly, with hands-on activities and experiments in each lab, as well as computer oriented materials. I believe Harper students deserve the best possible educational materials and I look forward to accomplishing this goal.

Value to the Institution - With the opening of the Avanté Center, there are many technological changes that need to be addressed within the curriculum. Karen Lustig has been aware for some time of the need to create an appropriate set of laboratory activities for the General Botany classes. In order to create these activities, she wants to expand her knowledge in Botany and then produce a product to be used by the students. The new classroom and laboratory technology provides both opportunities and challenges to the faculty who teach in the Botany area. This sabbatical application describes opportunity for the faculty member to grow within the discipline, for the students to have improved educational experiences, for the College and the Department to benefit by improved teaching materials, and for increased student scholarships. This application also describes outcomes that expand the use of technology to enhance student learning.

**Elizabeth Minicz** -- The Non-Native Literacy (NNL) program in which I am a faculty member is open entry/open enrollment and serves students with less than nine years of education in their native countries. In fiscal year 2004, 54% of NNL students had less than six or fewer years of education and 45% had between seven and nine. Not only do the majority of NNL students lack formal education, they are inexperienced in identifying and applying appropriate language learning strategies. Recruitment and retention are key areas of concern in adult education, and my sabbatical leave project would enable the AED department to satisfy state and federal requirements for program improvement in those areas. In addition, developing an orientation program using technology would allow my colleagues and me to engage in action research. Our hypothesis is that if students had better learning strategies, they would learn more (as measured by federally mandated achievement tests) and stick with the program longer. An orientation to NNL and language learning CD would enable us to test our hypothesis.

Value to the Institution -- With the changing demographics of the William Rainey Harper College District, more and more residents are in need of acquiring American English skills. The Non-native Literacy program is very flexible in helping residents meet this need by providing open enrollment so that students can be served almost on demand. Additionally, the Federal guidelines for serving these immigrant students require that progress is measured and documented. Balancing the on demand nature of

the offerings with the Federal guidelines is a challenge. Ms. Minicz has done significant research and has formulated the hypothesis that better orientation to the learning processes whenever a student starts the program will increase student success. Assuming the hypothesis is correct, this sabbatical application would allow the program to maintain its flexible schedule of offerings while assisting the students in more quickly achieving the skills essential to their retention.

The products from this sabbatical will enhance the faculty member's ability to consistently orient students to the NNL classroom, will expand the resources of the department and the College in serving the students, and will provide students with strategies for success during the orientation and throughout the program.

**Peggy Kazkaz** -- Currently I am developing an ESL Bridge to Health Careers course as part of the Bridge to Success in Health Care Careers Grant Program/Northeast Region Community College Healthcare Consortium. During my sabbatical, I would like to explore other certificate and career programs at Harper for possible bridge programs, research future trends in the labor market, survey the interest of students currently enrolled in Harper's Academic ESL Program, and examine the feasibility of linking additional English for Specific Purposes (ESP) courses with appropriate career programs at Harper. Such bridge courses would increase ESL students' awareness of the career programs at Harper, better prepare them to successfully transition into the career programs at Harper which could increase the enrollment in the selected career programs and also improve the students' chances of successful completion of the programs. In addition, I would like to research what is currently happening in this area in other ESL programs at community colleges across the United States.

Value to the Institution -- William Rainey Harper College is experiencing many challenges with the changing demographics of the district and with the world changes since 9/11/2001. The demands on the English as a Second Language Department are changing. The department used to experience a significant demand for a rigorous pre-collegiate ESL program to students who intended to enroll in English 101 and degree programs. Now the College is experiencing a demand by students from other countries to be able to 'bridge' into career and skills programs in order to be employable. Also, language skills development is essential for students who may hold degrees from their native countries but who lack the language and culture skills to be employable in the US.

This application acknowledges the need for a deliberately designed language program which provides ESL instruction not only to students who already hold degrees, but also for students who wish to pursue career programs and enter the workforce. To accomplish this goal, the applicant needs to become more knowledgeable about current career programs and then work to design the bridge courses for career-bound ESL students.

This sabbatical application would benefit the faculty member by expanding her knowledge and skills about needs of students in career programs would benefit the students by helping them to smoothly transition from language acquisition to skills training and employment, and would benefit the College by increasing its ability to respond to an identified community need.