

**UNIVERSITY OF ILLINOIS
URBANA-CHAMPAIGN SENATE**
Urbana Senate Observer
(Final; Information)

SC.13.10 Report on the November 8, 2012 meeting of the Board of Trustees held at the University of Illinois at Springfield campus.

The open meeting of the Board of Trustees of the University of Illinois was called to order by Chairman Kennedy at 9:45 a.m. The Board had previously met in executive session beginning at 8:00 a.m. Chair Kennedy introduced President Easter who recognized several guests at the meeting, spoke briefly on cost containment measures, and lauded several members of the University of Illinois community for their recent accomplishments. Following, Chair Kennedy recognized University of Illinois Alumni and Student vocalists who sang a creative interpretation of the State song, ILLINOIS, in recognition of the arts.

Chancellor Susan Koch was recognized and welcomed the Board to the Springfield campus. She mentioned that the University of Illinois at Springfield (UIS) takes great pride in a liberal arts foundation and prioritizes growth, talent, and the facilities of its campus. The Student Union building project is underway with a committee of students, faculty and administrators formed and a financing plan prepared. Chancellor Koch said that the core strengths of UIS are: a teaching-focused academic experience; abundance of opportunities; right-sized supportive community; and a tradition of educating public servants. She continued by commenting that UIS is the second ranking public regional university in the Midwest; the campus boasts two Pulitzer Prize Winners: Deb Peterson & Kathy Best; and UIS Tube is live on Youtube at youtube.com/uistube. She finished her presentation with a video on the Emiquon Wildlife Preserve.

Chairman Kennedy recognized Trustee Edward McMillan to report on the Audit, Budget, Finance and Facilities Committee meeting. His report mentioned its minutes were approved without corrections or additions, the Committee was reported to by Vice President Pierre on financial aid, Vice President Knorr on finances, and Vice President Bass on diversity and proposed capital recommendations. Further, the Committee was presented to by vendor suppliers including Fisher Scientific, OfficeMax and US Foods, who, it was remarked, all boast impressive diversity initiatives.

Chair Kennedy recognized Trustee Strobel who presented a report on the Governance, Personal, and Ethics Committee meeting. She spoke regarding Freedom of Information Act (FOIA) Operations over 2012 and concluded that the amount of FOIA requests will continue at a relatively similar pace in the future as it has become a regular part of how media operations. With more recent efforts, there is a much more solid process for timely dealing with FOIA requests, and it is now possible to record all FOIA requests and track trends. The Committee heard a presentation by Maureen Parks on sexual abuse prevention and discussed the university policy on conflict interest.

Chairman Christopher Kennedy welcomed a presentation by Dr. Koritz on the University Healthcare Systems Committee Meeting. Dr. Koritz remarked that the financial and construction plans for the

University medical center in Chicago are on schedule. At the committee meeting, Dr. Garcia and Dean Rush gave an update on College of Medicine in Peoria. Dr. Koritz stressed the need for an increased budget for infrastructure updates at the Hospital in Chicago and discussed a bond funding mechanism for infrastructure updates.

Dr. Koritz spoke concerning the UI Medical Mission Vision and that the election results give us a more clear indication of the future. His opinion is that there will be far reaching changes in medicine in the next two years, much more rapid than in the past. Regulatory requirements are changing and how payments are made and received. He cautioned that we may have to respond with "Greater alacrity... or we risk being swept downstream...must be nimble to adapt to changes in the marketplace." He concluded by remarking that almost 30% of the entire university budget is supporting the University of Illinois' medical operations.

Brief remarks by Kennedy were followed by recognition and a report on the Academic and Student Affairs Committee meeting by Trustee Hasara. Dr. Keyes presented appointments of ICA Staff and faculty staff at the last meeting and several important new hires were made, including Dan Peterson's appointment presented by Chancellor Wise. Trustee Hasara remarked that a priority must be to preserve quality faculty and students in declining revenue and to ensure access from low-income families. Provost Adesida presented to the Committee that student perception and demand for the degree programs are the chief determinant in continuing programs. Six doctoral programs are closing and four are being restructured.

Chair Kennedy concluded the session of reports and moved to voting. Trustee Lawrence Oliver could not attend the meeting and sends his regards. On the Voice Vote Agenda, All items passed unanimously: 1-10. On the Roll Call Agenda, all items passed unanimously except #17, wherein one Trustee abstained.

Next, Chair Kennedy recognized Chancellor Koch, who presented a Dashboard Report on the status of UIS. She reported on the Student Access Enrollment and Outcomes initiative and that her office examined their relative Peer Group. Enrollment growth is a top institutional priority for UIS, which started admitting a full freshman class in 2006. The Freshman Class size increased 16% in fall, and UIS has strong standards for admission, ahead of its peers. The student body of UIS is increasing in diversity, up 21% for underrepresented groups, but ACT scores are slightly below its peer average. The Chancellor further remarked that UIS is traditionally good with transfer enrollments, but a goals remain to: recruit well-underrepresented transfer students; boost recruitment efforts; further develop living-learning communities. She finally remarked that UIS' higher graduate enrollment than most peers can be attributed to the Computer Science program. Next, Chancellor Koch discussed Tuition and Financial Aid, noting that the percentage of students receiving financial aid is increasing, and their task should be to increase financial aid and deploy aid as strategically as possible and to seek to maintain the percent of student getting Pell grants. Concerning Faculty affairs, the number of tenure system faculty is close to peer median; UIS has a higher percentage of faculty from underrepresented groups than the median while maintaining a lower student to faculty ration than its peer median. However, the average faculty salaries are lower than the peer median, representing a big concern with the administration. Concerning finances, instructional expenses are higher than the peer median, and UIS considers itself in a different advancement peer group because of the number of private institutions in its academic peer group. UIS receives less gift income than the peer median though it did surpass its campus goal in Brilliant Futures Campaign. Alumni give at a rate similarly to the peer median, but there is a smaller

endowment per student. This is attributed to the “young” nature of university and lack of a strong alumni base.

Several questions for Chancellor Koch included:

- a. Why are instructional expenses higher than peers but salaries lower?
- b. How can UIS compete with free/low-cost MOOCs?
- c. Why do some students “Pay upward” to go to a better school?

A discussion on finding a long-term sustainable solution to being great was commenced by Trustee Kennedy with a brief back and forth.

At 11:15 a.m., Chairman Kennedy adjourned open session and moved into Executive Session for lunch.

At 1:04 p.m., the Board of Trustees reconvened after lunch into standard session.

Chairman Kennedy invited a Quartet to briefly perform for the trustees.

Chairman Kennedy welcomed a presentation by Dean Pinky Wassenberg who spoke on the College of Public Affairs and Administration at the Springfield campus. Dean Wassenberg noted that the College is interdisciplinary teaching focused and emphasized UIS’ goal of ensuring that its students learn leadership skills, referencing the “Leadership Learned” initiative. The program’s success is illustrated by Mark Cheiron, ADM vice president; Dana Perino, WH Press Secretary; Gordon Heddell, DOD Inspector General; Robert Moore, US Marshal; Tom Livingston, VP CSX

UIS’ tradition of leadership was emphasized, noting traditional students who exemplify leadership and preparation for leadership in public affairs and practical politics. More graduates of the program include: IL Senators Kimberly Lightford and Mike Jacobs; Ann Schneider, IDOT Secretary; Director of IDNR, Marc Miller; and Trustee Karen Hasara. More graduates are enrolled than undergrads in the college of public affairs and administration and teaching, scholarship and service remain the College’s main goals.

Chairman Kennedy welcomed Ms. Maureen Parks, Executive Director and Associate Vice President for Human Resources to report on the Policies for a comprehensive sexual harassment and protection of minors program. Ms. Parks explained the Task Force’s priorities included the following:

1. Draft and distribute U wide communication.
2. Compile inventory of all laws and procedures.
3. Conduct substantive review of applicable laws, policies and procedures.
4. Identify special situations needing additional attention.

She explained the policy development process and how the Task Force worked with many other groups, including: the University Ethics Office, Office of Equal Opportunity and Access, Campus Human Resources, Student Affairs, University Legal Counsel, and others.

A brief overview of the policy:

Updated statement on relating policies which were made more comprehensive. Educational programs were developed, and the following salient points were noted:

1. **Each campus will broadly maintain and disseminate a program.**
2. **Every employee will participate in an education program every 3 years.**
3. **All incoming and transfer students will participate in an education program each fall.**

Concerning the protection of minors, our new policy meets the requirements of Abused and Neglected Child Reporting Act (ANCRA) and mandates the completion of a mandatory reporting awareness program, which used to only apply to select employees, but now everyone. This program requires background and sex offender registry checks, requires campuses to maintain detailed reports of activities and programs that involve minors, and limits minors' exposure to areas which may be hazardous, while requiring the documentation of health and safety considerations.

Moreover, the Task Force recommended updates to Whistleblower Protection, which clarifies the intention and scope is well beyond financial matters and applicable. It was further noted that many other campus policies will be reviewed related to the review of this policy.

The Next Steps for the task force include reviewing consistency with University wide policy and developing a policy communication plan. An ANCRA Awareness Program begins in March 2013.

Trustee Kennedy welcomed the University of Illinois Foundation (UIF) Report by Dr. Sidney Micek. Dr. Micek spoke concerning Access Illinois, a Presidential Scholarship initiative which raised 57% of the \$100 million goal, totaling \$57 million. The UIF is receiving commitments at a rate indicating overall goal completion ahead of schedule. FY2012 was a terrific year for the UIF, with funding productivity increasing and \$250 million annually in new business. Concerning cash flow, the UIF considers to be included outright gifts made in cash and realized deferred gifts. This metric was stressed as very important as it is an indicator compared across universities. A brief word on the Active Endowment was offered before speaking on Dr. Micek's successor. Furthermore, the UIF is in the process of hiring new CIO and under consideration are three new, impressive candidates.

Chairman Kennedy then presented a Proclamation honoring Dr. Micek. President Easter offered remarks on the accomplishments and retirement of Dr. Micek.

Chairman Kennedy welcomed a presentation by Loren Taylor, chief of the University of Illinois Alumni Association. Mr. Taylor spoke concerning University advancement metrics, notably: Gift income, Annual giving rate, and Endowment assets per FTE Enrollment. The gentleman noted further alumni relations metrics that are less easy to quantify and utilize but have much potential, including: Data, Loyalty, Engagement, Advocacy and Leadership. Mr. Taylor spoke on the history of the Association, remarking that the organization is non-profit with a 30 member board of directors. Illinois Connection is the advocacy arm of the Association with Strategic Priorities including: Leadership, Advocacy, Scalable IT, Mass Marketing and Communications, Self-governing Alumni Forum, the UI Alumni Network (akin to Facebook; represented as "THE place to go" to connect with other alumni), and the Brand and Image of Illinois.

Next, Chairman Kennedy welcomed a presentation by Mr. Walter Knorr, VP/CFO and Comptroller on Financial Indicators. At present, Vice President Knorr remarked that Nearly \$8 billion from FY2012 remains unpaid by the State of Illinois. There was a 39% drop in constant dollars from GRF of the Great State of Illinois. The State will have to carry unfunded pension obligations on our books in 2 years, presenting a challenge for the accounting team. At the moment, the number to be added to our books totals \$7.7 billion. Vice President Knorr further spoke on the disparity between the utility budget vs. actual expense, attributed to energy efficiency and mild winters. The University of Illinois Hospital's net income finished roughly 2 million in profit. Mr. Knorr remarked for some time on the University of Illinois credit rating, currently at Aa2 vs. state at A2. (Both Moody's). Further, Mr. Knorr explained Moody's comments of the University of Illinois' creditworthiness, explaining that positive comments

included: the University of Illinois is a “Premier Public University,” strong student demand, fundraising successes, and excellent cash position. He spoke on Moody’s negative comments including the University’s reliance on the State of Illinois, substantial delays in state funding, no financial cushion, its exposure to variable-rate debt and exposure to the healthcare sector. The University of Illinois currently has on its books \$1.6 billion in total debt, which is well above public and BigTen median. The Board of Trustees approved \$85 million in hospital renovations.

Next, Chairman Kennedy welcomed UC Senate Chairman Matt Wheeler to offer a Presentation on Faculty Research. Mr. Wheeler emphasized an increase in research activity, noting that the University facilitated \$685 million in externally funded research. The gentleman referenced National Research Council data, inferring that 40% of researchers’ time is spent doing compliance activities and discussed topics of concern to faculty, including:

1. Differences in agency requirements;
2. Audit fears;
3. Federal regulations;
4. Safety; and
5. Export controls.

Mr. Wheeler posed the question, “What is under University control?” He further opined that several institutional requirements are directly under our control, including pre- and post- award, OTM and hiring processes. Further, technology or the lack thereof and administrative expectations of time and effort available were aspects of research under administrative control. In addressing the challenges, Mr. Wheeler remarked that Huron Consulting conducted analysis of research administration in Spring 2011, focusing on the Research Administration Application Suite, which is software and integration for proposal development, award tracking, dashboard, conflict of interest compliance, and animal care compliance. The status of the project is that the RFP was released in December, 2011 and that ratings have been collected but extra efforts are underway to engage faculty feedback. Mr. Wheeler strongly stressed the need for further procurement reform. As a final thought, Mr. Wheeler offered that some hiring processes have been streamlined; reducing paperwork, but pension issues and the issue of academic vs. civil service employees remain markedly salient.

Chairman Kennedy welcomed Springfield Senate Chair Lynn Fisher’s Presentation on the UIS Campus Senate. Springfield’s student/faculty governance organization includes 20 members, 5 of whom are students. Further, the Senate is supported by standing committees and tasked to represent faculty, students, staff, and administrators. The executive arm is a Senate Executive Committee, constituted of four faculty officers and the student body president.

Finally, Chairman Kennedy made Announcements of future Board meetings and stated that the next meeting will be held on Wednesday and Thursday, January 23 and 24, 2013 in Chicago for a Board retreat and meeting; on Thursday, March 7 2013 in Urbana; and on Thursday, May 23, 2013 in Chicago.

The meeting of the Board was adjourned at 3:20 p.m.

Respectfully Submitted,

Brock Gebhardt
Student Body President