A regular meeting of the Senate Executive Committee (SEC) was called to order at 3:14 pm on Monday, Monday, February 3, 2014 in 232 English Building, with Chair Campbell presiding.

1. **Introductions**
   Guests were introduced.

2. **Approval of Minutes**
   The minutes from January 13, 2014 were approved as written.

3. **Chair’s Remarks (R. Campbell)**
   No remarks.

4. **Chancellor’s Remarks (P. Wise)**
   No remarks.

5. **Weather, Social Media, and Intolerance (R. Campbell)**
   Campbell noted this agenda item is in reference to the email sent to the Senate listserv on 1/30/2014 with the subject: Weather, Social Media, and Intolerance. Campbell wanted to include this item in the event that there might be more comments.

   Wise added that she was thankful for the outpouring of support from colleagues, students, and unknown others.

6. **Update on Budget Presentation (M. Sandretto)**
   Chair of the Senate Committee on the Budget Michael Sandretto distributed presentation materials*. Sandretto discussed budgets, pensions, financial statements, and transfer pricing.

   The University of Illinois budget is approved by the legislature, but not until September which is past the July 1 start of the fiscal year. The University prepares two budget documents, The Budget Request for Operating and Capital Funds and The Budget Summary for Operations. These documents are lengthy and detailed, but are summaries of an incredibly complex operation.

   The University of Illinois, and many other Illinois Universities, pension is managed by the State Universities Retirement System (SURS). Pension accounting is complex, unintuitive, and controversial. SURS is significantly underfunded. Under the prior pension plan, the State was unable to fund future pension obligations. Kindt added that the general accounting rules changed approximately four years ago. The pension plan will reduce liability, but could produce weak financial statements.

   Financial income statements for the University for fiscal year 2013 showed a surplus and an increase in net assets. Economic depreciation is the decline in value of the buildings and equipment
each year. If the buildings are not maintained at current levels, the difference becomes deferred
maintenance which is already very high. The proposed supplemental pension plan would offset the
effect of revised pension rules, but will be an added cost to the University.

Separate audits for each of the three campuses cannot be done. The three campuses are legally
combined in several ways. The University has outstanding bonds that are guaranteed by tuition and
housing revenue from each campus. University Administration costs apply to all three campuses
and the University is self-insured.

A transfer price is the price one unit in an organization charges another unit in an organization for a
good or service. Transfer prices are important because they influence how organizations use scarce
economic resources. Tuition revenue is allocated to colleges at $2500 for every new student plus
$110 per credit unit. This allocation method was set many years ago and Sandretto expressed his
opinion that the University should consider revisiting the allocation of tuition.

7. **Transparency** (J. Tolliver)
   Tolliver requested this item be postponed.

8. **Setting of the Senate Agenda**
The Senate agenda for was February 10, 2014 approved as amended.

   Item SP.14.10 and the Budget presentation will be postponed to the March 10, 2014 Senate
   agenda.

9. **Urbana Senate Observer**
   Campbell will serve as the Urbana Senate Observer at the March 6, 2014 Board of Trustees meeting
   in Urbana.

10. **Current Benefits Issues**
    Chair of the Senate Committee on Faculty and Academic Staff Benefits Kindt noted that there is
    now a fourth court case and an anticipated fifth case suing to block the state of Illinois’ new
    pension law. If the bill is ruled unconstitutional, the old rules would be reinstated.

    Kindt reminded those present that if an individual chooses to contact a representative regarding an
    issue, University resources cannot be used in support of any political activities and any political
    activities must not interfere with employment obligations to the University.

11. **New Business**
    No new business.

12. **Announcements**
    Wheeler announced that the preliminary report from the State Universities Civil Service System
    (SUCSS) is under review. This report includes audits of numerous academic professional position to
determine if the positions are properly classified or is the position should be reclassified as civil
service positions. The University has the right to object to any of the findings.

    Aminmansour announced that the Seventh Senate Review Commission plans to submit a report to
    the SEC by the end of March 2014.

13. **Adjournment**
The meeting was adjourned at 4:40 pm.

    Jenny Roether
    Clerk of the Senate

    *Filed with the Office of the Senate and incorporated by reference in these minutes.*