

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

SC.18.15 Report on the on the July 19, 2018 meeting of the Board of Trustees of the University of Illinois System

This meeting preceded the annual Board of Trustees retreat, and therefore was scheduled for the afternoon rather than the morning.

Chair Koritz opened the meeting by saying that the Killeens had provided zucchini bread for the meeting, which was made with zucchini from their large garden. He also noted that the annual retreat would take place the next day at Allerton Park and that transportation was available for participants who preferred not to drive themselves. He further commented that the Retreat moderators were well-known in corporate and non-profit management, and included Kevin Riley, President emeritus of the University of Wisconsin. Chair Koritz also praised the progress made in instituting DPI, the Discovery Partners Institute.

President Killeen reported that Executive Vice President Seidel is in the Middle East, negotiating with potential partners for DPI. The University System finds itself with a budget for the 2nd year, suggesting a return to civility in state government, and to an investment in education by the state. He emphasized that the budget resulted from the concerted efforts of many people, who pointed out the successes of the university and the risks of decreased funding. Those efforts included individuals who wrote letters and called their legislators, as well as university officials who spent many hours in meetings, resulting in a 2% increase, and \$500 million for the DPI; Killeen forecast that DPI would serve as "Silicon Valley 3.0", with benefits to every part of the state, supporting the Land Grant Mission. He mentioned items of DPI's progress: partnerships with Tel Aviv University as well as with the University of Chicago and Northwestern; an agreement to work with Peoria-based OSF Healthcare. Negotiations with other international universities, including several in Mexico, are in progress.

Within the System, there have been 7 hires under the system-wide Distinguished Faculty hiring program. A plan to hire 100 assistant professors is underway; President Killeen characterized these junior hires as a way "to grow our own superstars".

With respect to tuition, Killeen wants to hold tuition flat for another year, a plan for which he says there is unanimous support. The System will also provide an additional \$2 million for the Arts and Humanities, distributed between the 3 universities, with a request for applications expected to go out in August. Trustee McMillan added the comment that several startups from ACES that have been sold very advantageously.

Chancellor Jones of UIUC reported that the inaugural class of the new Carle-Illinois College of Medicine began classes on 2 July. There are 32 students in the class, half of whom are women. They come from 27 different universities, and from 19 states.

In addition, UIUC expects that the class entering in August will include approximately 7500 freshmen, with 5507 being residents of Illinois. There is a "summer bridge" residential program for students

needing help in transitioning to UIUC; a bill to expand this program is before governor Rauner. Chancellor Jones noted also that Professor Gene Robinson of UIUC won the 2018 Wolf prize for Agriculture for his work in bee genomics. Finally, Jones noted that UIUC must find ways to remain rooted in Urbana-Champaign while also developing a strategic presence in populous areas like Chicago, which becomes possible through critical hubs such as DPI and the Illinois Innovation Network.

Avijit Ghosh, who was about to be confirmed as vice president and CFO of the System, reported on the budget for the coming year. He stated that it was the first time in 10 years that there had been no cuts to funding for higher education; that MAP funding was supported at \$400 million, while "Aim High", a scholarship program not based on financial need, was funded at \$25 million. In addition, \$29 million in capital funds was approved, which includes money for a Bioprocessing Laboratory at UIUC. He noted, however, that actual funding depends on financing through bond sales.

The governor's proposal to shift 25% of their pension costs to universities was not passed by the legislature, but a "3% rule" for calculating SURS obligations was. This "3% rule" means that, if an employee receives a greater than 3% raise in the years immediately before retirement, the university must pay the increase in pension. Ghosh noted specifically that this rule does not disadvantage the employee, but obligates the university. Ghosh also noted that, all the good news notwithstanding, the State still owes the University money at the end of every fiscal year, including this year.

He outlined a 10 year capital plan for physical structures that entails expenditures of \$6 billion for 510 projects. (Notwithstanding the large number of projects, the bulk of the money will go to a relatively small number of projects that each cost over \$25 million). Public/private partnerships will be used to leverage available funding to cover more projects: but this is still debt, and must be recognized as such. At present the System has \$13,000,000 debt, of which 50% will be paid off in the next 10 years. Ghosh estimates that the System can afford an additional \$400,000,000 debt over this period.

Trustee Sanford Perl asked how the priorities of the individual universities are integrated at System level. Ghosh said that the University's and System's ability to pay the debt is considered; the chancellors then work out details. Killeen added that the Board of Trustees monitors the ability to repay debt; in response to a further question from trustee Donald Edwards, Ghosh added that before a project is approved, costs are analyzed to be sure the debt can be repaid.

Chancellor Michael Amiridis of UIC reported on the ongoing process of the merger between UIC and the John Marshall School of Law (which the Board of Trustees approved later at this meeting). Amiridis noted that it is a highly appropriate merger, since the city of Chicago has no public law school, and UIC also lacks a law school: the acquisition of John Marshall will remedy both deficits. He noted that there is an opportunity to emphasize "public lawyering" (which builds on John Marshall's reputation), as well as integrating both health and engineering with legal studies. UIC hopes that the merger will lead to diversification of the legal profession in Chicago. Assuming the Board of Trustees approved the merger (as it did later in the meeting), the accreditation process will begin; it should be completed in time for the 1st class of the new UIC John Marshall Law School to begin classes in fall of 2019. Both faculty and students of the current John Marshall Law School will retain their positions and funding. Property, cash, etc. will transfer to the new entity, subject to the agreement. It is estimated that 5 years will suffice to wind down separate funds, etc. There will be no payments to the current entity, nor will new state funds be requested for the law school.

Following Chancellor Amiridis' presentation, the Board of Trustees unanimously approved acquisition of John Marshall Law School.

Meena Rao, outgoing chair of University Senates Conference, presented a summary of USC's activity during her tenure. There were no questions.

Chair Koritz presented Dr. Rao with a gift, and read a commendation.

Committee reports were read, and the new trustees were honored. Shaina Humphrey, the UIS student trustee, is the student trustee with a vote.

The meeting adjourned at 4:35.

Respectfully submitted by Bettina Francis, Chair, Senate Executive Committee