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SC.15.09
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UNIVERSITY OF ILLINOIS
URBANA-CHAMPAIGN SENATE
Urbana Senate Observer
(Final; Information)

SC.15.09 Report on the March 12, 2015 meeting of the Board of Trustees of the University of Illinois at the Urbana Campus

After an Executive Session, the meeting formally began at 9:40 with the ceremonial singing of the Illinois state song, performed by Nathan Gunn.

Professor Gunn added some personal comments to the Board and to incoming President Timothy Killeen. He thanked the university leadership for their long support of the arts.

Chairman Ed McMillan, noted that this is the 148th anniversary of the first meeting of the Board of what was then called the Illinois Industrial University.

New Trustee Ramon Cepeda was officially installed as a member of the Board. Jill Smart, the other new Trustee, was not present and will officially join the Board at the May meeting.

Chairman McMillan announced that President Robert Easter will officially retire on May 17, 2015, and President Killeen will officially begin on May 18, 2015. Incoming President Killeen offered some comments about the changing world and the decisions we need to make to address opportunities and challenges facing us in the future. He and the Board will be kicking off a "visioning" process in July to help define this shared future, including opportunities for collaboration among the campuses.

Chairman McMillan announced the newly reconstituted memberships of the four Board committees, as well as Board representatives as members of other Boards (Alumni Association, UI Foundation, etc.)

President Easter offered opening comments and welcomes to the guests and observers at the meeting.

Chancellor Phyllis Wise offered welcoming comments from the Urbana campus, addressing some of the consequences of a decrease in state support for the campus. Campus Advancement has been robust the last two years. Chancellor Wise announced her intentions to double that. She also announced top ranked campus programs in the latest US News rankings. In closing, she thanked the Board for their support of the College of Medicine proposal.

Vice President/CFO Walter Knorr offered a financial report on the University. He addressed the impact of new Executive Orders 08 and 09; reductions on the MAP program; the State Supreme Court's review of the pension law; an upcoming Illinois Senate hearing on executive compensation in the University; and the impact of the Governor's budget proposals – a 31.5% reduction to GRF, but a stable appropriation to the UIC hospital (\$45 million) and to the Prairie Research Institute (\$16.5 million).

This would result in a reduction to the state funding level (in constant dollars) of 1956, when there were 26,000 students at the University. Today there are over 78,000 students. There is also an expectation that the state will require employers to pick up a bigger share of health care costs, as well as retirement costs. Currently the University is owed \$325 million in receivables, about the same as last year at this point.

The University's total endowment puts it at about the middle of the Big Ten, but its growth rate is #3. Total research dollar expenditures are #5 in the Big Ten. Administrative costs as a percentage of total expenditures are very low compared to the rest of the Big Ten (a little over 5%).

The four Board committee chairs gave reports. The most important of these items was the Academic and Student Affairs Committee's preliminary approval of the College of Medicine proposal from Urbana, which the full Board will vote on later today.

Professor Roy Campbell presented the Faculty Report on "Shared Governance, Faculty, and the Budget." He invited the University leadership to join with the faculty in an ongoing cross-campus conversation on budget issues. He provided an overview of the University Senates Conference and its subcommittee on the budget, as well as other university and campus budget committees. He expressed faculty interests in enhancing transparency and consultation in budget matters, especially in a time of reductions and reallocation of priorities.

The Public Comments session featured one presentation, by Professor Jay Rosenstein from the UIUC College of Media. He spoke to the problem of rising tuition and student debt. He called for "fresh, new innovative" ideas. He offered the solution of drawing from the rapidly increasing Big Ten revenue (a solution that admittedly would only help the Urbana campus). Currently that increased revenue is held by the Athletic Department. We can lower tuition, avoid cuts, with no additional state money, he said.

The Board voted to approve the following items affecting this campus:

- Resolutions for outgoing Board members Christopher Kennedy and Pamela Strobel.

- Appointments to the staff, and sabbaticals.

- Establishment of a College of Medicine at Urbana.

- Approving student Health Insurance rates.

- Remodeling costs of the Armory, Urbana campus.

- Leasing of space in the Illini Center in Chicago, by Urbana.

The meeting adjourned at 11:08 a.m.

Reported by Nicholas C. Burbules