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**UNIVERSITY OF ILLINOIS  
URBANA-CHAMPAIGN SENATE**

Urbana Senate Observer

(Final; Information)

**SC.18.09** Report on the on the March 15, 2018 meeting of the Board of Trustees of the University of Illinois System held at UIUC (UI at Urbana Champaign).

The meeting was formally called to order at 9:30 am by BOT Chair Tim Koritz after an executive session which ran until about 9:20 a.m.

The UI school song was played on the trumpet by Prof. Charles Daval.

UI BOT Chair Tim Koritz opening remarks:

- Trey Shawn re-elected to BOT from UIUC student Senate.
- Recognition for Patricia Holmes for her service on the BOT.
- Joseph White will moderate the BOT retreat this summer; White authored book: Boards that Excel. Retreat date: July 20, 2018 at Allerton Park.

UI President Tim Killeen – remarks:

- recap on framework; make the UI system the pinnacle of education:
  - enrollment up – target 93,000 by 2021
  - tuition held steady
  - system wide retention and graduation rates ahead of national norms
  - lower debt of graduates than national norms
  - new partnership with IL to maintain ability to serve IL in the future; IPAC progress continues
- DPI and IIN – will deliver high-powered jolt to innovation infrastructure and provide great opportunities for faculty and students; key engine of economic growth; will work on most pressing research problems of our day.
  - DPI will be home to hundreds of faculty and thousands of students and thru IIN will connect with hubs around the state – Rockville, Carbondale, Peoria and Champaign. Innovation is key. DPI and IIN are ways to stem the tide that has been moving away from IL. Governor hopes the legislature will provide funding to make this happen.
- UI System will keep its guiding principles intact. Must not tolerate discrimination and we pride ourselves in commitment to diversity; commit to social justice which drives us to study and provide solutions to our most complex problems.

Illinois Chancellor Robert Jones shared experiences and comments:

Key messages:

1. new 5 year agreement with GEO resolves the remaining issues that had separated them for the past many months;
  - a. gives guarantees on tuition waivers, salaries, and health insurance
  - b. gives faculty ability to provide innovative programs;
  - c. Thanks to John Wilkin for the 9 months that he worked on the negotiations
  - d. Thanks to Andreas Cangellaris for bringing the bargaining agreement to close; agreement allows UIUC to treat graduate students fairly and to protect graduate education at UIUC.
  - e. many moving parts and all learned a lot which will shape future negotiations.
  - f. differences were never indicative of lack of graduate student importance
2. graduating class
  - a. first destination survey of graduates – 70% of graduates responded

- i. 9/10 accepted a job within 6 months of graduation;
  - ii. starting salary – 70% were at \$60K or more;
  - iii. 7/10 of the first jobs were within state of Illinois.
- 3. Carle Illinois COM
  - a. final phase of moving COM to accreditation by LCMI
  - b. yesterday COM started to extend offers to the first 32 students – the results from more than 1,100 applications.
- 4. Critical Conversations begin on:
  - a. April 10 – focused on use of Native American cultures/people in sports;
  - b. April 17 – focused on free speech on campus.
- 5. UIUC International Agenda:
  - a. South Africa – every place he visited in a recent trip to SA knows about UIUC and glad we (Jones' group) were there.
  - b. over next 30-50 years, African continent will continue with major population growth; tremendous opportunity to help with capacity building in Africa and improve education there.
  - c. Malawi – feed the future initiative – excited about advancing this initiative there.

Report by Avijit Gosh – financial health of university:

- 1. Hospital Financial Performance:
  - a. very robust year
  - b. total revenue grew by more than 5% - \$622 M; operating expense \$610 M; operating margin: \$11+M
  - c. days cash on hand increased from 94 days (end of 2017) to 110 days at end of Jan 2018.
- 2. Pension Costs and Cost Shift discussions
  - a. three pension programs:
    - i. Tier 1 – defined benefit (DB) plan – our legacy program – stopped on Jan 1 2011; 40% of beneficiaries here.
    - ii. Tier 2 – defined contribution (DC) plan – 30% beneficiaries here; benefit is capped at \$112,000.
    - iii. Tier 3 – self managed plan – 20% of beneficiaries here;
    - iv. Tier 1 and 2 differences;
      - 1. cost shift focuses on normal costs
      - 2. Present Value of annual incremental increase in future pension liability; SURS normal cost is ~20% of pensionable earnings; employer share ~12% of pensionable earnings.
    - v. since July of last year, the university will be required to fund normal cost that exceed governors salary (\$177,500);
      - 1. annual estimated cost to university is \$2.6 - \$3.8 million; and the University will need to assume this cost beginning next fiscal year. State will still handle costs below \$177,500.
    - vi. new plan proposal
      - 1. combine DB and DC – hybrid plan
      - 2. all new employees
      - 3. current tier 2 employees may switch
      - 4. proposed employer contribution
        - a. employer portion of DB normal cost
        - b. 2-6% employee salary for DC portion

- c. future unfunded liability
- d. right now SURS is not working on this; no current plan
- vii. governor's budget proposal
  - 1. shift 25% of employer normal cost each of next four years
  - 2. shift of limited health benefit costs
  - 3. no legislative action yet and many question if this is feasible
  - 4. would cost us \$45-50 million annual costs
- 3. Working capital and general university financial health
  - a. operating pool layers
    - i. primary liquidity – 41%
    - ii. liquid core
  - b. operating pool performance for permanent core funds – slightly above 4% return on investment
  - c. University endowment – (Jan 1, 2008 – Dec 31, 2017)
    - i. \$376.6 million ending Dec 31, 2017
    - ii. \$191 M reinvestment; spending was \$151.4 million and additions of \$136.5 million;
  - d. University endowment pool performance: permanent core \$713 million
    - i. 15% last year – higher performance than other recent years.
    - ii. one year ending June 30, 2017 – 12.1%
    - iii. three year return – 4.6%
    - iv. total income distribution about \$60 M

Ed Siedel – VP for Economic Development and Innovation

- UIUC Research Park (UIRP). LLC
  - engine for economic development
  - capitalized \$1B
  - 2000 staff including 650 students; roughly 1200 of the employees are private/company employees and these have very high salaries comparatively that are contributing to the C/U community
  - incubator activity has attracted \$900 million to these companies
  - Board of Managers for UIRP – chaired by Ed McMillan
  - how to launch and support companies
    - UROs – University Related Organizations
      - IllinoisVENTURES
      - UIRP
        - UI Incubator Network
        - BOT is the sole member and owns UIRP
        - governed by a Board of Managers and Ed Seidel represents the BOT
        - Laura Frerichs – Director for Enterprise Works and Research Park
        - established in 2000 with 200 acres allocated for development; presently 115+ companies.
        - math PhDs who are affiliated with UIRP finish their PhDs faster than nonaffiliated math PhD students
        - 17 buildings; 98% occupancy; 790,000 SF of constructed space; building out at 120,000 SF per year.
        - start-ups raised \$920M, and earned more than \$100M in SBIR (small business innovation research) grants.
        - 190+ planned free events for clients each year.

- future development
  - graduation space for incubator companies
  - node in DPI - IIN

**BOT Committee Reports:**

- Audit, Budget, Finance and Facilities Committee; Trustee Ramon Cepeda, Chair
  - agenda items 19-25 for today were reviewed;
  - fund raising for CI-COM is falling short of that desired; requested report at next meeting
- University Healthcare System Committee, Trustee Stuart King, Chair
  - agenda items 17, 18 and 25 for today were reviewed;
- Governance, Personnel, and Ethics Committee, Trustee Patrick Fitzgerald, Chair
  - agenda items 1-3 were reviewed
  - training for sexual misconduct and implications were reviewed
  - report from Jennifer Creasey which includes IPAC and DPI funding coming out of Governor's Budget;
  - pension costs were reviewed with implications
  - report from Office of University Relations including FOIA requests
- Academic and Student Affairs Committee, Trustee Jill Smart, Chair
  - Agenda items 3-17 were reviewed
  - sabbaticals and student health insurance rates were discussed
    - student health insurance rates – report from VP Barb Wilson
    - report from University of Illinois press

**USC Report:**

Research in the Humanities: Bill Maher introduced the presentation

UIC Rachel Havreloch: UIC Freshwater Lab: How the Humanities Can Help Us to Understand the Past and Possible Futures of Water.

- Lab at UIUC run by Antoinette Burton
- Prof. Havreloch's work began with working with UIUC lab
- equity, sources, distribution, contamination, governance, water pricing, conservation and research are included
- received a Humanities without walls grant; attracted foundation funding
- freshwater resources are part of our public commons
  - brought together mayors from cities who share freshwater resources
  - great lakes freshwater initiatives; Palestine and Israel included in first summit
  - policies related to lead pipe replacement
  - facts are crucially important; but hard to change behavior with facts. Start with shared knowledge, but journey into the unknown and find connections, thru shared experiences, emotions, and move to new actions and stories. Created Freshwater Stories website; <https://freshwaterstories.com>
  - place for economic consequences of great lakes protection; only Lake Superior received a passing quality grade; and a shared resource of Great Lakes with Canada.

Public Comment section: allowed five minutes each and BOT listens without comment:

1. Rose Meechum – representing UIUC – she is first year PhD student in data and data science; internal student code – educate individuals while protecting the security of the institution; University Statutes affirmed the governance system; she did a poll of students highlighting ways to improve the system:

- a. harassment, bullying or sexism – 65% of students responding said yes they had experienced; 33% gave Title 9 office a 1 (lowest); ?% gave Title 9 office a 5 (best)
  - b. 34% of students said no when asked if they received the support they needed;
  - c. 56% reported conflict resolution and 60% said that their report wasn't handled adequately.
2. Tony Henson – Fighting Illini name – in the original stadium campaign, name was associated with veterans and with Fighting Illini; Fighting Illini athletics have no identity; UI is in a very exclusive club in the NCAA to have an actual tribal affiliation; only 8 have this history; open hostility of administration against Native American affiliation; two possible futures: 1) complete eradication; fan resentment will never end; 2) proudly associate with veterans and the tribes as new and with authentic approval; get the tribe involved and the tribe alone can provide for authentic Native American culture; never any justification for discrimination. Let the Illini nation be a part.
  3. Amber Blatt – UIC; proud that UI committed to equal opportunity of all applicants. Questions for admissions are invasive and sends message that students with a record shouldn't apply; students from poor communities are more likely to have a record and so our application now discriminates. UIC recently removed these questions from graduate student applications; now need to do so for all applications. These questions have a chilling effect and they want ALL students to apply. Several others attended and held up signs supporting the statements made.

Consideration of Agenda Items and Voting: See details of the agenda items for the meeting at:

<http://www.trustees.uillinois.edu/trustees/agenda/March-15-2018/> with agenda items approved:

<https://www.bot.uillinois.edu/meetings/agendas>

A request was made for any Old Business – none stated.

New Business: Next BOT meeting will be in Springfield on May 17, 2018.

Tim Killeen – parting remarks; thanks for dealing with challenges.

Chair Koritz announced that the BOT would move to executive session over lunch, but when they return it will just be to adjourn.

The BOT Meeting was adjourned to Executive Session at ~12:00 pm.

Respectfully submitted by Gay Miller, Chair, Senate Committee for Educational Policy and University Senates Conference