

**BOARD OF TRUSTEES
MEETING MINUTES
March 13, 2002**

All members were present except for Governor Ryan (*ex officio*).

1. Public Comments (10:30 a.m.):

- L. Comy, AP, for 6 years spoke in support of senate resolution on same-sex domestic partners insurance and benefits. Equated equality with entitlement to benefits.
- K. Cronic, AP, for 4 years at WILL criticized fairness of same-sex domestic partner. 1) Refers to senate resolution. 2) Non-discrimination clause/policy.
- S. Harjoe, Professional Writer. resident of Washington, originally from Oklahoma, spoke on genocide and divisiveness for American Indians of the Illini symbol.
- D. Rodger, UIUC spoke against the use of the chief mascot.
- K. Lange, Junior in Engineering spoke for PRC (Progressive Resource Council) and spoke against keeping chief as a mascot. Maintained will change now or later and emphasized the view of other institutions.
- S. Kaufman, UIUC for 28 years spoke against keeping chief as a symbol for the University.

2. Trustee Comments (11:00 a.m.):

- Trustee Shea: introduced Trustee Plummer and the background of the report. 1) No public? Board only. 2) No vote taken today but will be discussed by the board in the near future.
- Trustee Plummer: no rehash of pro and con positions and opinions. Recognized emotional content by suggested "dialogue process" did not accomplish much. Goal was to determine if any compromise exists.
 1. Compromises available: what acceptable resolutions are available? **None** that would be okay for a majority of people.
 2. Resolutions that some find acceptable. Many note distinction between honorable history and current divisiveness.
- Principles used in outlining alternatives:
 1. Must be in the best interest of the University.
 2. Be consistent with University values.
 3. Be acceptable to the majority of the board.
 4. Be final.
 5. Have a compelling rationale.
 6. Not ignore history.
 7. Begin healing.
 8. Produce no winners.

- Alternatives:
 1. Remove:
 2. Keep
- Variations on Course of Action:
 1. Chief “entails” several symbols including “Illini”, dance and graphics. But clearly the chief and the names are distinct.
 2. Use of “Illini” and “Fighting Illini” terminology applied to students in 1874 to reflect state of origin, long before athletic team uses, when student newspaper changed its name. Only later (50 years) was used in sports.
 3. Other institutional experience. No two were the same. Questions from board were minimal at this time.
- Meeting Adjourned until 1:00 p.m. for luncheon.

3. North Campus Parking Redesign (1:00 p.m. meeting reconvened):

- Could not find tenants forcing redesign. Will have ability for future renovation on the north side to commercial or office. Designed so south elevators (where campus is) open onto retail space, not outside. About 1600 spaces.
- Approved UIC NMR facility – Funded by UIC and a NSF grant. This is a 1-story 12,000 sq ft. facility. Concern was expressed about the value of real estate for a 1-story building.

4. Meeting on Hospital and Clinics (2:00 p.m.):

- Annual Quality Improvement Report detailed a number of places where quality of care has gone up. This may also translate into reduced costs. Affiliation with VA hospital in Chicago: This VA has been on the list of hospitals planned to be closed for a number of years but this probably will not happen in the near future.

5. General Discussion:

- UIS is instituting an application fee similar to UIC and UIUC.
- Retroactive Economics Ph.D. degree name change at UIC to more accurately reflect what degree was.
- Change to University statues regarding economic development.
- The Graduate College.
- Discussed the “executive privilege” of economic development and research boards.

Respectfully submitted,

Jan Novakofski
Urbana Senate Observer

Meeting of the Board of Trustees 8:30- 9:25 a.m., March 14

The Board altered the agenda to begin with its formal business meeting. Chancellors from the three campuses made brief reports. Chancellor Cantor noted that UIUC led all universities in amount of dollars from the National Science Foundation last year. UIC Chancellor Manning noted the anxiety caused by the budget situation in terms of impact on program quality and concerns about minority representation on their faculty. Both noted the success of the basketball teams. The Springfield Chancellor reported that former Governor James Thompson will be the commencement speaker; they are changing to a single outdoor commencement ceremony; enrollment this semester is up 10% with fall applications up 100% for the capital scholars program and other applications up 50%.

Trustees serving as liaisons to various groups reported. Trustee Schmidt gave an extended report on his meeting with the University Senates Conference. He will meet quarterly with the Conference to discuss means for self-assessment of the quality of campus programs. He noted efficiency should not be separated from the issue of quality. Every Big Ten institution is facing a shortage of funds and responding with 0 to 42% tuition increases.

The regular agenda included a resolution honoring the 25 years of service of Craig Bazzani, 20 of those as Vice President for Business and Finance. He received a hearty, standing ovation. The Board approved the appointment of Fellows and Associates in the Center for Advanced Study; Sabbatical leaves; new student fees, health insurance and housing rates; and the amendment to the *Statutes* dealing with the Research Board. Student fees at UIUC will rise to \$560 per semester, an increase of 4.3%, health insurance increase 2% and student housing and meal charges 5%. (Orchard Downs and Goodwin-Green will rise 3.8% with three minor variations of .1%.) The University tax-deferred retirement plan was amended to match the enhanced benefits allowed in the recent amendment to Internal Revenue Code.

The next Trustee meeting is May 15-16 in Chicago and the tentatively scheduled July 17-18 meeting in Urbana may be moved.

Meeting of the Committee on Finance and Audit 9:40-10:00 a.m.

The review for the quarter ending Dec 31, 2001 showed a 1% gain for the endowment pool, a turnaround after two years of negative news. There will be recommendations relative to a change of investment policy and possibly a manager at a future meeting.

Report of the Student Tuition Committee 10:00- 10:35 a.m.

Student Trustees described their hearings and the solicitation of comments on the proposed tuition increase: a total of 57 students responded on the three campuses. Two main themes emerged: the danger of pricing education out of the reach of middle-class students and the need to protect the quality of education available to students. The impact of debt for those in professional schools was noted with the concern that they could not enter low-paying public service positions due to the debt burden. The chancellors described the processes they employed to gain student input. The Board will vote in May on the additional tuition increase beyond that already approved. President Stukel observed that it takes a long time to build quality but it can be lost very quickly.

Meeting of the Board as a Committee of the Whole 10:47-11:55 a.m.

Vice-President Gardner reviewed the response to the mid-year budget cut this year. (All that follows is University-wide, not the campus.) Of the \$34M cut, \$13M was met from campus reserves and the remaining parts by \$3.3M from university administration, \$7M from campus administrative units including the hospital, and \$10.6M from campus academic units. The budget cut for next year in the Governor's budget is \$50.4M with unavoidable expenses at \$14.56M for a total shortfall of \$64.9M. Adjusting for the \$7.1M of the already approved tuition increase leaves a balance of \$57.8 needed.

Given the budget cuts absorbed on a recurring basis this year, the necessary new budget cuts are estimated to be \$36.8M. Personnel are 80% of our budget and 9% is in fixed expenditures. For all personnel the average salary is \$55K, for faculty taken as a class it is \$80K. To protect personnel, cuts are apportioned at 72% to staff, 28% to expenses. Without the tuition increase there will be 740 positions cut: 275 faculty, 145 administrative/ professional, 235 support staff, 85 assistants and residents. As part of the cuts, classroom renovations will be stopped or slowed, LAN upgrades for UI-Integrate cut for over 100 buildings, UIUC Commerce College will reduce course enrollments by 400, in LAS fewer sections in business and professional writing and communication, for example. Demand is up: the UIUC campus expects a growth of 200 students.

If the special tuition increase is approved the net after financial aid deductions will only meet 19% of the problem. Students currently pay about 25% of their educational cost; recommendation by a national commission is about 33%. (Illinois was a low tuition state; it is now near the average.) The tuition increase would save 85 faculty positions, 13 administrative/professional, 19 support staff and 8 assistants and residents, a total of 125. This would still leave 615 positions to be cut. The increased tuition will also be used to protect "New Opportunities in a New Century Legacy."

Two Trustees specifically questioned whether the proposed increase was adequate and whether an additional surcharge might be needed. State revenue projected for the current year is still declining. Also, the federal budget cuts substantially the dollars coming to the state for programs already in place and needing continued funding. The discussion also involved issues of the role of the Trustees as establishing policy and not micromanaging and a public policy issue: how much of the cost of education should the student bear given the higher lifetime income tied to a college education? There is a distinct possibility we will be forced to make further cuts once the state budget is known, presumably in May.

Ken Andersen
Senate Observer

N.B. Materials from the Thursday meeting including a copy of the slides used in the budget presentation are on file at the Senate Office.