

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

SC.13.07 Report on the September 14, 2012 meeting of the Board of Trustees held at the University of Illinois at Urbana-Champaign campus.

The open meeting of the Board of Trustees of the University of Illinois was called to order by Chair Kennedy at 9:45 AM. The Board had previously met in executive session beginning at 8 AM. Chair Kennedy introduced Professor Barrington Coleman of the School of Music (Urbana) who sang the State song, ILLINOIS.

President Robert Easter welcomed the Board and guests to the meeting and introduced faculty and academic professional representatives. President Easter reported that the University has 73,495 students and gave specific statistics about enrollments at the three campuses including an intentional decrease in the Urbana campus freshman class enrollment which had overshot its enrollment last year. He spoke about the diversity of our faculty and student population, our rankings and university giving. President Easter noted specifically an increase in our Latina/Latino as well as multi-racial student population. UIS has had a significant increase in its African American student population while Urbana and Chicago have had a small decrease in the number of African American undergraduate students this year. However, we are seeing an increase in the number of graduate and professional African American students. This is critical for the future faculty pipeline. Dr. Easter said that the university has ranked generally favorable in the rankings and deferred to the Chancellors to offer more specific information about their campuses. He stated that we are interested in other measures of excellence such as the number of Nobel Laureates as well as the impact our graduates make in their fields.

University Vice President/Urbana Chancellor Phyllis Wise welcomed the Board to her campus and showed an entertaining video welcoming new students, faculty and staff to the university noting that everyone was new at some point. She reported that the US News and World Report rankings were released recently and expressed satisfaction that we ranked high - - 13th best public universities. She reiterated that while rankings may be important to parents and students, we have different metrics for measuring excellence.

Chancellor Wise reported that the Urbana campus received 31,454 applications and has an incoming freshman class of 6,932. The Urbana student body includes 76% in state students, 13% international students, 11% out of state students. First generation students comprise 20% of Urbana's student population. She reported that the campus has raised the admission bar and that ACT and SAT scores of the incoming class are higher with a higher percentage of our incoming class coming from the top of their class. Chancellor Wise observed that students' unmet financial need is higher than before. The

Urbana campus is providing \$360 million in undergraduate student financial aid. But, she noted that we may still be unable to close the financial gap for our students.

Chancellor Wise shared four goals for the Urbana campus this year: keep the campus even more agile and nimble; empower our faculty by providing them with the creative environment and the infrastructure to excel and realize their potentials; recruit, retain and graduate a more diverse student body including a larger number of students of color as well as different ethnic, cultural and geographic background and even age diversity; enhance opportunities and increase our research portfolio. She noted that in this battle, there is no finish line and we need to continue to work hard. Chancellor Wise stated that she loves being with people who are smarter than her and that it is not hard to do that on her campus. Chancellor Wise added that just a few days ago Urbana campus recognized seven University Scholars.

Trustee Edward McMillan reported on the September 4, 2012 meeting of the Audit, Budget, Finance and Facilities Committee. Trustee McMillan added that Vice Presidents Knorr presented the FY13 Operating Budget to the Committee; Vice President Pierre presented the FY14 Operating and Capital budget request and University Auditor Julie Zemaitis presented the FY12 University Internal Audit Report. In addition, Mike Bass presented capital items and purchasing recommendations to the Committee. Trustee McMillan reminded the Board that there are nine items from the committee on the Board agenda for their consideration.

Trustee McMillan then introduced Dr. David Merriman, Associate Director of the Institute of Government and Public Affairs (IGPA) who offered the Board a quarterly update as well as state economic report called: Update on Illinois and Fiscal Challenges and Responses. Professor Merriman's [presentation](#) addressed three main areas: IGPA's Recent Activities; State's Economic Overview and Fiscal Overview.

Vice President/Chief Financial Officer and Comptroller Walter Knorr gave a Budget Summary for Operations FY13 [presentation](#) and noted that as of now the State owes us \$325 million including \$187 million from FY12 and \$138 million from FY13. VP Knorr stated that based on inflation adjusted dollars, in 1990 our state appropriation was about \$16,200 per student with about 60,000 students. In contrast, in FY13 we are at about \$8,300 per student of state appropriation with about 75,000 students. Considering the cuts by the state in the University's General Funds appropriation budget, we are now below 1997 level in nominal dollars, and if adjusted for inflation, we are below 1966 level. At the same time, our FY13 Operating Budget reflects a \$155.6 million (3.7%) increase, exclusive of Payments-on-Behalf. The increase in Payments-on-Behalf was \$227.6 million (28.7%). Vice President Knorr stated that tuition and institutional funds were the main drivers of unrestricted revenue growth.

Trustee Pamela Strobel reported on the August 28, 2012 meeting of the Governance, Personnel, and Ethics Committee. At that meeting, the Committee approved and forwarded a number of items to the Board that are on today's agenda for consideration. Trustee Strobel indicated that feedback on the July retreat had been very positive. She also referred to the Board's upcoming self-assessment and encouraged her colleagues to participate with the goal of the Board acting on the recommendations at

its May 2013 meeting. Trustee Strobel also noted that her committee will be undertaking review of the University's governing documents and said that pertinent constituencies will be involved in the discussions. Any changes to these documents will go through the University Senates Conference, the President, the Board's Governance, Personnel, and Ethics Committee and the full Board. The next meeting of the Committee is scheduled for October 25th.

Trustee Timothy Koritz reported on the University Healthcare Systems Committee. He mentioned that his committee had met the day before the Board meeting and discussed the Supreme Court's decision on the Affordable Care Act and its implications on the University. The concern is that if the Act is goes forward, the number of Medicaid enrollees may increase by about 800,000. He added that the understanding is that the federal government pays for these enrollees from 2014 after which the payments become the obligation of the states. Given the state's current fiscal situation, it is likely that the Act will negatively affect Medicaid payments and thus adversely affect the University. Trustee Koritz also spoke about the university's [Illinois Provider Access Line](#) (IPAL), a free phone service available to any physician in the state of Illinois to call in for free expert advice on complicated patient issues. He said this is analogous to the university's agricultural extension program. Finally, trustee Koritz stated that the combination of the Chicago and Urbana campuses have the second highest number of MD/Ph.D. students in the nation after University of Washington in St. Louis.

Trustee Karen Hasara reported that the Academic and Student Affairs Committee had met the previous day and has forwarded two items to the Board for consideration: recommendations for new appointments of faculty, administrative and professional staff and intercollegiate athletic staff; recommendation by Vice President Lawrence Schook to appoint 11 members to the reconstituted Board of Managers of the Illinois Ventures. Both items enjoy the support of the Committee. The Committee received two presentations. First presentation was by Vice President for Academic Affairs Christophe Pierre on faculty renewal process which addressed reductions in the size of the faculty due to a recent wave of retirements as well as increase in student enrollments which is an unsustainable situation. Vice President Pierre recommended to the Committee that we begin to re-build faculty now. Urbana Vice Chancellor for Student Affairs Renée Romano presented to the Committee on programs to enhance student diversity and ways to recruit, retain and graduate more under-represented students. The next meeting of the Committee is on November 7 at the Springfield campus. During Q/A session, trustee Ricardo Estrada referred to Vice President Pierre's presentation to the Committee noting that relative to 10 years ago, we have 13% fewer tenure stream faculty, 13% more students while bringing in 27% more research dollars. He noted that the faculty are very productive and a valuable assets to this university.

The Board conducted a voice vote and a roll call vote of items listed on the Board's agenda.

Chancellor Wise gave a Dashboard Indicators [presentation](#) to the Board with extensive statistics about student access, enrollment and outcomes; degrees granted; tuition and financial aid; faculty and scholarship; research performance; financial indicators as well as advancement peer groups.

After lunch break and an executive session, the Board meeting began with a performance by the Varsity Men's Glee Club. Following this performance, Urbana College of Business dean, Larry DeBrock gave a

[presentation](#) to the Board on the history and the current status of the College of Business including faculty and student accomplishments, alumni and corporate partners.

Vice President Walter Knorr gave a [presentation](#) on the University's financial indicators including a financial summary of appropriations and benefits; appropriations and tuition; state appropriation revenue; income (tuition) revenue as well as comparison of some of these figures to our Big Ten peers.

Senior Advisor to the President, Avijit Ghosh, offered an [update](#) to the Board on the Administrative Review and Restructuring (ARR) initiative. He spoke about the guiding principles; broad-based emphasis on efficiency; significant savings and strategic procurement services. Dr. Ghosh specifically spoke about the Unified Communication System; shared services centers for improved and economical services. He reported an annual savings of over \$50 million through ARR.

Professor Nick Burbules, University Senates Conference (USC) Chair, [addressed](#) the Board and stated that despite rough times last year, shared governance at Illinois is very strong. He credited the Board for its openness and commitment to shared governance for a healthier environment and better communications between the Board and the faculty. He reported that USC has approved changes in its bylaws that would allow the group to conduct its business more effectively on issue that are before the Conference this year as well a in the future. USC has formed four subcommittees similar to those of the Board. In the future, chairs of the USC subcommittees will attend the open meetings of the Board committees. Professor Burbules expressed hope that at some point, USC will have membership on the Board committees and not just liaisons. He then referred to the university leaders' retreat in July as a milestone at which the question of "one university" was discussed. He was pleased with the common understanding that we have three strong campuses with significant potentials for collaboration amongst them.

Professor Matthew Wheeler, Chair of the Urbana Senate Executive Committee offered his senate's [annual report](#). He noted that the Urbana Academic Senate debates and offers advice on a multitude of issues only one of which is curriculum proposals. He shared with the Board sample activities of the Urbana Academic Senate over the last year.

Professor Harriet Murav spoke during the Public Comments portion of the Board meeting and urged positive and constructive atmosphere among faculty as well as non-academic staff.

It was announced that the Board's upcoming meeting schedule includes November 8, 2012 at UIS; January 23-24, 2013 at UIC and March 7, 2013 at UIUC. The meeting of the Board was adjourned at 2:40 PM.

Respectfully Submitted,

Abbas Aminmansour