

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

SC.14.06 Report on the September 12, 2013 meeting of the Board of Trustees held at the University of Illinois Urbana-Champaign campus

MORNING SESSION

SUMMARY: The beginning of the morning session was delayed while the BOT was in executive session and started at 9:55 am. The meeting began with introductions and with presentations by the three Chancellors, Board of Trustees committee reports, presentation of the budget by Vice President of Academic Affairs Christophe Pierre, and the Hospital dashboard during.

BUDGET REPORT: Vice President for Academic Affairs Christophe Pierre presented the budget. He pointed to the steady decline in state revenues since FY 1990, which today fall below the 1966 level in absolute terms when adjusted for inflation. The proposed budget shows an increase of 1.2% from the prior fiscal year. Tuition is the principal contributor to any unrestricted revenue growth (increased by \$52M). Sponsored research funds are decreasing. As major concerns for the future of the financial strength of the University, he pointed to the urgent need to rebuild and maintain faculty strength, the ongoing decline of general revenue funds (GRF), capital requirements for deferred maintenance and the need to implement a comprehensive funding plan for economic development.

State appropriations to UI are flat. Per student state tax appropriations declining from \$14,000 in 1990 to present \$8,000.

SOME STASTICAL DATA: The following is an abbreviated report.

Freshman class had 33,000 applications and the number of Illinois applicants increased although number of high school grads decreased.

Number 1 students do not come because of high tuition

7330 freshman class increase takes in international 11% out of state, 100 countries 16% out of country.

1000 transfer students from Illinois, 1600 of them first time family to college.

ACT scores up 28.6 (max 35).

Diversity higher in Latino and Afro-american students.

119 faculty members increase, these faculty add to excellence and diversity.

500 new faculty in next 7 years, some to replace lost faculty. Strategic hiring will be used as well as cluster hiring. Humanities social sciences to be emphasized.

Construction on campus - State Farm center. \$500 million deferred maintenance and \$ 370 million for capital projects.

BOT COMMITTEE REPORTS: The Health Care Committee Chair Trustee Koritz reported on the current funding availability from the \$75 million bond issue. He was optimistic that needed improvement would be made in terms of hospital safety and other metrics. Trustee Hasara of the Academic Affairs committee worked on faculty and staff appointments and received a UIUC diversity presentation at their most recent meeting.

APPROVED RESOLUTIONS: Next the Board approved by unanimous voice and/or roll call votes, several items including incentive-based compensation for President Easter, appointments of the Dean of the Veterinary College UIUC and the acting dean of Education at UIC, as well as a number of faculty and staff appointments, security clearance exclusions for University officers and trustees for access to information for research purposes relating to the Illinois Research Park, the FY2014 University budget and several appropriation requests.

All approved resolutions are listed on the agenda website in [1].

DASHBOARD REPORTS: Next the three Chancellors went into detailed cross-campus dashboard reports on faculty hiring, size, representativeness, class size, and salary, measured against standard peer group institutions for each campus. A retention report on faculty receiving firm outside offers was also presented for each campus.

The Faculty to student ratios are slightly under the peer median for UIC, lower at UIS and higher at UIUC. The number of tenure system faculty is larger at UIC than the peer median, about on par for UIS and UIUC. The percentage of faculty from underrepresented groups is higher than the peer median at all three campuses. The average faculty salary at UIC is higher than the peer median and lower at UIS and UIUC (Lower than aspirational peer median at UIC). Percentage of classes with less than 20 students lower than peer median at UIC and UIUC, are on par for UIS. Percentage of classes with more than 50 students is higher than peer median at UIC, less for UIS, and about average at UIUC. UIUC has fewer National Academy members than its peers (59 as compared to a peer average in the 70s). The recent UIC upward movement if continued would put it on or above average.

UIUC Chancellor Wise indicated that the strategic plan for the Urbana campus had been submitted to President Easter and was now available at: <http://strategicplan.illinois.edu/theplan.html>. She also commented on the five year 500 faculty hiring and salary enhancement plans. The 500 represent replacements as well new hires. Entire presentations of UIUC, UIC and UIS dashboards may be seen at [1].

The last dashboard presentation was the UI Hospital. The FY 2013 preliminary expense report comes in about .7% below budget and the financial outcomes for the year were better than expected. Dashboard figures showed improvements in hospital safety and other metrics, although the low rankings relative to other facilities seemed relatively unchanged.

AFTERNOON SESSION

Dean Tanya Gallagher of the UIUC Applied Health Sciences College presented an overview of the mission and status of the Health Science programs consisting of three departments and 18 degree programs. All are top ten programs and the Disability Resources and Educational Services is nationally ranked as number one. Dean Gallagher indicated that disabled students at UIUC graduate and obtain jobs at the same rate as the population at large—something that is not generally true at other universities nation-wide. She also pointed to innovations such as the Center for Wounded Veterans and the Beckwith Support services to permit residential living on campus for 70 disabled students.

Vice President Larry Schook reported on the development of UI LABS. He called special attention to the bid to receive major funding from the Department of Defense. UI LABS is the lead partner in a consortium that includes other universities and businesses. The grant proposal placed in the funding competition finals. The winning award will be announced by DoD in December 2013.

REVENUE AND EXPENSES REPORTS: 1. In the matter of Quarterly Update of the State Economic Report, Dr. David Merriman offered a somber report on the state of the Illinois economy. He noted in particular the worst unemployment figures in the Midwest (9.2%) and the phase out after 2015 of the tax increase that has bolstered state revenues. The state position improved somewhat this year, but base revenues are down and federal revenues are dropping off with the end of the stimulus programs. He also added that pension reform will not resolve Illinois budgetary woes.

2. Vice President/Chief Financial Officer and Comptroller Walter Knorr reported that (the overall figures are on-line)

-- The problem of delayed state payments persists

-- Moody rating of University finances are the lowest grade among those evaluated in the Big Ten (although the agency notes the relation of state revenue declines to this rating)

-- The endowment met its investment benchmarks

-- Of particular interest might be slide #10 in the presentation on-line consisting of pie charts which show the distribution of student financial aid (percentages of those pay full tuition, less than full tuition, and nothing)

Tom Farrell of the University of Illinois Foundation reported some major gifts (from the Robert Woods Johnson Foundation and the Granger Foundation) and briefly discussed the Foundation's goal setting strategies. The fundraising statistics are on-line.

Loren Taylor of the University of Illinois Alumni Association presented a Score Card (on-line presentation slide 3) designed to reflect the number of alumni and access to them; he reported a high level of capability to locate alumni and high level of contact with them—with the biggest on-line community in the Big Ten. The alumni association is planning a large survey of alumni attitudes, and working to design a History and Traditions program both in the Alumni Center on the Urbana Campus and on a web portal with links to multiple university sites, including historical materials like yearbooks and memoirs—"Our Stories".

FACULTY REPORT: Professor Jorge Villegas introduced himself as this year's chair of the USC, and stressed the need for coherent strategic and tactical interaction between the Trustees, University

Administration and USC. He described the USC committee structure and its design to parallel the activities of the board and develop expertise and partnership on the issues considered by each committee.

PUBLIC COMMENT SESSION: Student Anthony Fiorentino argued that bankruptcy protection is afforded to all federal loans except for student loans and spoke in favor of bankruptcy protection for student loans as well.

Stu Umholtz, a local citizen and prosecutor, expressed continuing concern about what he termed unresolved issues from 2010 about the use of public money for other than public purposes. He was not specific about what those issues were, but rather emphasized the general principle that university resources should not be used for profit-making activity.

Peter Whitney represented a student environmental group concerned about university involvement with the coal industry. He said that the Board had not responded to their earlier initiatives on disinvestment in coal and reinvestment in renewable energy, and that the group therefore planned to buttonhole individual trustees after the meeting. Chair Kennedy said that would not be a good idea.

Tara McCauley spoke on behalf of the 1800-person UIUC ACFsME unions about the growing salary inequalities between higher administration and the lower level work force, offering statistics on the differentials.

Harriet Murav, professor in Russian language and Comparative Literature echoed these concerns, and expressed support and asked respect and greater financial recognition for the lesser paid staff of the university.

In the announcement of future meetings, it was noted that the next BOT retreat will occur in January 2014.

This report is with thanks based on the report by Professor Carol Skalnik Leff, the USC Observer.

REFERENCES

[1] <http://www.trustees.uillinois.edu/trustees/agenda/September-12-2013-BOT/>

Respectfully Submitted by,

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