

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

SC.15.07 Report on the January 15, 2015 meeting of the Board of Trustees of the University of Illinois at the Chicago campus

Mr. Edward McMillan convened the meeting of Wolcott, Wood and Taylor with Board Secretary Susan Kies calling the Roll.

The BOT entered Executive Session.

Open Session resumed following the Executive Session.

Mr. McMillan introduced Ms. Mary Gale Tan who sang the State song Illinois accompanied on the piano by Ms. Marlena Keller, IUC.

President Easter introduced various participants at today's BOT meeting.

Mr. McMillan welcomed new President Killeen.

Mr. McMillan recognized the January meeting as the annual meeting which means certain activities occur at only this meeting, including electing BOT officers.

Mr. Edward McMillan was elected to Chair the BOT. He continued to chair the meeting.

Mr. Jim Montgomery was elected to the BOT Executive Committee.

Ms. Karen Hasara was elected to the BOT Executive Committee.

Susan Kies, Walter Knorr, Lester McKeever, and Thomas Bearrows were re-elected into their positions of Board of Trustees Secretary, Comptroller, Treasurer, and University Counsel respectively.

UIC Interim Chancellor and Interim Vice Chancellor for Academic Affairs and Provost Gislason welcomed BOT members and meeting attendees to the UIC campus. Chancellor Gislason shared information about awards and grants received by UIC.

Vice President Walter Knorr gave a financial report, highlighting the Legislative Audit Commission accepting the 2013 Audit; IBHE cautions public universities to plan for probable budget reductions in FY 2015 and 2016; the State legislature has taken no action on the income tax extension and it has lapsed; Sangamon County Court ruled that the pension changes were unconstitutional. The Governor will make his budget address on Feb 18, 2015. Seeing the end of stimulus grants. We had a successful NSF grant audit and so no dollars to recover. Nominal increases in NSF and NIH funding anticipated. Continue to adjust to the Affordable Care Act. Substantial drop off in the last 10 years of Department of Defense grant funding. So we anticipate that grant funding will be even more competitive. Anticipated \$4-5 billion loss from the loss of the tax revenue. State backlog of bills has increased and is estimated at \$6.5 billion. We have seen reduced Medicare reimbursement rates. SURS unfunded liability exceeds \$20

billion estimated at June 30, 2014. U of I share of estimated unfunded pension obligation for SURS is estimated at \$8.2 billion. As of Jan 5, 2015, the State of Illinois owes the University of Illinois \$357 million. In 2015, current revenues are estimates as Tuition of \$1,098 million and General Tax Funds \$643 million. Deferred maintenance continues to be a major concern, and hovers near \$1.7 billion. University Federal Grants and Contracts for FY2014 just over \$675 million.

Chairman McMillan called for Committee reports:

BOT committee reports:

- Chairman and Trustee McMillan: Presented the items handled by the Audit, Budget, Finance and Facilities Committee.
- Trustee Hasara: Academic and Student Affairs Committee.
 - Vice President, Christophe Pierre shared:
 - Tuition – no increase in base rate of undergraduate tuition for 2015-16 academic year. Inflation related increases for graduate, professional and non-resident students and for fees.
 - So this means that for Urbana, the base rate is \$12,036, plus student fees of 3,018 (\$34 increase – 1.1%). Health insurance fee of \$582. So total is \$15,636 for tuition and fees.
 - First zero% increase in tuition in more than 20 years at UI. Follows two years of consecutive increases of 1.7% which were themselves the lowest tuition rate increases in nearly two decades.
 - Comment from Trustee Koritz – by state law, our tuition is guaranteed for the 4 years while a student is here; that is different than for most other competing institutions. This makes UI more competitive because it helps families plan a budget.
 - Comment from Trustee Estrada – this information makes us need to work harder with our State legislature to make sure they understand the value of UI education.
 - Trustee Hasara: Academic and Student Affairs Committee. Trustee Hasara gave the basics of items 4-16 on the BOT agenda, plus highlights of some presentations given to the ASAC meeting including how academic and the combatting of sexual violence.
- Trustee Koritz: University Healthcare Systems Committee. Addressing nursing shortage will be a collaboration between UI- Chicago and UI-Springfield. Safety standards falling short causing a decrease in Medicare payments of 1-2% which is substantial. UI-Chicago hospital has made substantial improvements in areas such as decreased central-line infections in patients. Trying to limit UI financial risks associated with the UI hospital.
 - Comment from Chancellor Koch at Springfield about the new nursing school collaborations. This is very important because health care is now the number one employer in Springfield now. Illinois students now have a new opportunity to earn a degree.
 - Question from Trustee Montgomery – how to mitigate Medicare losses? Dr. Jerry Bauman responded that they anticipate increased funding this spring. These payments will have to come from the State of Illinois and also from the Affordable Care Act.

Public Comment was received from:

Angelica Alfaro:

- She is excited to be a part of improving the relationships with the Latino/a populations of Chicago and UI. She attended Nobel Elementary school in Chicago, a part of the Chicago public schools system. She also attended and is a UI graduate. Currently there are over 500 Nobel students attending UI. The Pritzker Foundation and The Pritzker Traubert Family Foundation have provided \$3 million in scholarship endowments. They are funding \$12,000 per student annually for four years, and asking the state to match their scholarships. They have relationships with many universities and colleges in the State committed to the work, and they look forward to developing more fully UI relationships.

The BOT approved by voice vote the BOT regular agenda items 01 through 16. All passed with no discussion and no dissenting and no abstention votes.

The BOT approved the BOT roll call agenda items 17 through 25. All passed by roll call vote with some abstention votes, and with no dissenting votes.

Comments from President Killeen: He was very interested in item 4 of the regular agenda which was "Election of Timothy L. Killeen as Twentieth President, University of Illinois". He is happy to use the word 'We' in relation to the UI. We can succeed and we can be good stewards and wonderful advocates for higher education. We have a chance to reinvent public higher education. He will take all hands on the tiller. He expressed sincere thank you for the BOT confidence in hiring him.

BOT had no old or new business.

The BOT meeting was adjourned at 11:25 am.

Details of the meeting can be found at: <http://www.bot.uillinois.edu/multimedia> and at: <http://www.trustees.uillinois.edu/trustees/agenda/January-15-2015/0000-UIBOT-January-15-2015-meeting-notice.pdf>

The next BOT will be on Thursday, March 12, 2015, in Urbana.

Respectfully yours,

Gay Y. Miller