

Board of Trustees Meeting
September 23, 2010
Report by Alexander Scheeline and Joyce Tolliver

Carl Woese was honored by the Board with the Trustees Distinguished Service Medallion for his identification of *Archae* in 1977. As he accepted the award, Prof. Woese commented on the importance of retaining top faculty members, and warned against the "brain drain" the University is experiencing. He stressed the need to "bring back hopefulness," and expressed a tentative sense that the University was beginning to head in the right direction again.

The chair of the Urbana Senate Executive Committee presented the Senate report for 2009-2010.

Interim Chancellor Easter reported on savings in energy (over \$100,00 per year at the Krannert Center alone, thanks to LED lighting. LEDs were invented by Nick Holonyak on our campus). Stewarding Excellence at Illinois is progressing towards implementation during this academic year. The campus is focusing on strategic faculty retention. We lost 25 faculty last academic year. Average salary of those departing was \$106,000, while they accepted offers averaging \$160,000.

President Mike Hogan spoke about the need to do a better job soliciting donations from alumni. He noted our rankings in *U. S. News and World Report* have slipped, in part because of faculty compensation. Because additional resources from the State are unlikely, means to increase compensation will have to be found within the University.

Charlie Evans, Assistant Vice President of Academic Affairs and Director of University Outreach and Public Services, presented a report on e-learning on the three campuses. The transition from Global Campus to Online Illinois (its successor) is going smoothly. Because physical location cannot be determined for on-line students, tuition at UIS is higher for on-line than for residential students, but below out-of-state rates. Two-thirds of UIS faculty teach hybrid or on-line courses. GSLIS's on-line Masters was cited as a national example of excellence. Rankings of on-line programs are not well-developed, and it is expected that as blended or hybrid courses proliferate that on-line rankings and campus rankings will be the same.

The Chicago medical complex is solvent and has well-regarded programs in patient safety and ophthalmology, among others. Hospital admissions dropped 10% in FY10; ambulatory head-count dropped 1%. Improved cash flow comes from hiring only when current staff are saturated. Conversion to electronic records is proceeding well.

Internal audit projects are rising in number (and are being delayed in completion due to budget constraints). Audits are focused on transactional accountability, compliance with Federal and State rules, and efficiency. Not stated at the meeting (and conspicuous by its absence) was the comment from one Stewarding Illinois report of the need for strategic accountability.

Illinois' structural budget deficit was explained by David Merriman from the UIUC College of Business. Closing the current accounts gap, if done only by raising the income tax, would require a rate of 8%. This would not address the cumulative future obligations that come to over \$100 billion (some say \$200 billion). Eden Martin, President of the Commercial Club of Chicago, laid out the long-term implications of years of underfunding the pension and elder-care health systems. Because of the arguments used to put retirement systems into the constitution, retirees may one day find themselves entitled to "claims on an empty bag;" their equity is in the retirement system, not in the benefits attributed to that system if it were solvent.

Walt Knorr presented the state of current payments from Springfield (in arrears by ~ \$270 million), noting that \$78 million was paid by the State to the University within 72 hours ahead of the Board of Trustees meeting.

Mike Bass explained how future contracts would be let in a manner to increase participation by minority and women-owned businesses.

At the urging of Chair Kennedy, all appointments were approved, save one. William Ayers was denied emeritus status.

Two proposals have been sent via Senates Conference to the campuses: an update to the Conflict of Interest and Conflict of Commitment policies, and a proposal to restructure the highest levels of the administration. Details of changes at the vice-presidential and Chancellor level are consistent will be before our respective Senates shortly, and details can be debated at that time.

The public comment period was filled with students, many GEO members, advocating accelerated funding of sustainability, a tuition freeze, return of fee waivers e.g. in Fine and Applied Arts, more aggressive marketing of financial aid to build a more diverse student body, and a reduction in privatization/corporatization. At adjournment, the GEO and sympathizers were lustily chanting their demands.