

On Thursday, September 23rd I attended the University of Illinois Board of Trustees (BOT) meeting in Urbana as the observer for the UIS faculty.

A great deal of the meeting focused on budget and streams of revenue for the university. This is the first time that this Board and President Hogan are proposing a budget. There are some differences relative to previous years that I feel it are important to note.

1. President Hogan was clear that he was basing his budget request for state appropriation on what he feels the University needs. His predecessor, by contrast, always asked for an appropriation based on what he thought the University could get. This represents a clear change in the strategy for how the University will approach the state to request funding.
2. President Hogan made the point repeatedly (and the Board members appear to support this) that it is important to give faculty and staff annual raises. He cited morale, being able to hold on to the best faculty we have, and recruiting the best faculty to come to the University as reasons for making this a budget priority. Often in the past similar initiatives were dropped. Raises often did not fit into a budget where we only requested what we thought we could get from the state or they were one of the first things to get cut if there were cash-flow problems. While it remains to be seen what happens in the actual execution of the budget, the tone and the message have changed this year.
3. President Hogan has a clear vision about where he wants to steer the University of Illinois and confidence that he can do it. The details of his vision have not yet been entirely articulated. My personal impression of this meeting of the Board is that at least some of it was performance intended to communicate how the captain plans to steer the ship. In this respect, I encourage you to carefully read what I heard and consider that at least some of it is meant as a message to us.

The meeting began at 8 am with a closed executive session that ran until 9:55 am. At that time Chairman Kennedy called the public portion of the meeting to order by commemorating the 40th anniversary of the BOT moving to admit women to the University of Illinois. The Board next awarded the Trustees Distinguished Service Medallion to Carl Woese. (action that had been formally approved in March 2009). Trustee Carroll read the citation:

<http://www.uillinois.edu/trustees/agenda/March%2011,%202009/002%20mar%20Medallion%20-%20Woese.pdf>

At 10 am president Hogan introduced the official observers and the University staff present to the Board. This was followed by a welcome to the Urbana Campus by Chancellor Easter (Urbana). A copy of that presentation is here:

<http://www.uillinois.edu/trustees/agenda/September%2023,%202010/presentation-2%20Chancellor%20Easter%20Welcom.pdf>

Next there was a presentation by the President about the US News & World Report Rankings for Urbana. This year Urbana slipped from 8 to 15 in the ranking of US

public universities. The President cited that the rankings are based on a 2-3 year rolling average so he warned that this could be the beginning of a multi-year trend for the Urbana campus. He also cited that the peer rankings (which count for 22.5% of the overall ranking) were conducted last year during the height of the admissions turmoil. He provided a Board with a break-down of the rankings, showing with colored arrows where Urbana had improved or dropped in performance.

Trustee Koritz said that he wanted to see the raw numbers rather than just up or down indications with arrows. Trustee McMillan observed that there appeared to be a correlation between the ranking of public universities and the level of state funding they get. Chairman Kennedy responded that the Board cannot rely on the state to fix the rankings. McMillan agreed but stated that this emphasizes the importance of “reconsidering revenue streams” and cost structure to “re-shape” or “right-size” the university footprint. Chairman Kennedy agreed and added that the University needs to focus on what it does well and “get better” at those things rather than expand. President Hogan summed up these remarks by saying that the University needs a “new shape” that can thrive on the level of state support that it receives. He emphasized the need for new revenue streams to accomplish this.

At 10:45 am the Board received an annual report from the Urbana Senate. That can be found here:

<http://www.uillinois.edu/trustees/agenda/September%2023,%202010/presentation-1%20Urbana%20Senate%20Report.pdf>

The Board had no questions about this report.

At 10:58 am the board heard a report from the Committee on Academic and Student Affairs presented by Trustee Hasara. This was followed by an overview of E-learning at the U of I by Charlie Evans. The presentation outlined the various e-learning initiatives on each of the three campuses. UIS’s accomplishments in this area figured prominently in the presentation. Trustee Montgomery asked what the admissions requirements are to online degree programs. The reply was they are the same as for on-ground. Trustee Montgomery followed up by asking if there was a difference in cost to the students. The answer was that the tuition cost is different from on-ground but when other costs to the students are accounted for, it costs most students about 1/3 to take class online as it would to take on-ground.

Trustee Strobel asked if the e-learning figures into the US News rankings. The answer was that US News does not consider online courses in a separate category and that the gold-standard for evaluation of online programs is the Sloan Consortium, which ranks several U of I programs (including UIS) very highly. Trustee Hasara added that while there is not a separate category for e-learning in the US News rankings that it does positively impact our retention and graduation rate numbers. Chairman Kennedy commented that it seems we should use online to leverage continuing education in medicine and other fields. The answer was that this angle is being aggressively developed on several campuses. Trustee Strobel commented that e-learning also impacts sustainability. Chairman Kennedy asked if

Urbana students can take online classes a UIS. The answer was a qualified “yes” with some explanation that this process was still being streamlined. Chancellor Ringeisen added that a lot of on-campus students take advantage of online and that the most important component of UIS’s success in the area has been that there is one body of faculty who teach both online and on-ground. Chairman Kennedy ended discussion with the comment that this was all impressive but that the committees need to filter what comes to the BOT to help keep the meetings on schedule.

At 11:30 am Trustee Koritz presented the Hospital Committee report including a presentation on the Hospital Safety Program. See here for a copy of the presentation:

<http://www.uillinois.edu/trustees/agenda/September%2023,%202010/presentation-4%20Hospital.pdf>

The Board had no questions.

At 11:55 Trustee Strobel made a report from the Governance Committee. She highlighted a new Conflict of Interest and Commitment policy that is currently working through the campus governance structure and a proposed revision to the ethics manual that would be voted on at the meeting.

At noon the Board broke on schedule for a working lunch and executive session.

At 1:30 pm the meeting resumed with a report from the Audit, Budget, and Finance Committee given by Trustee McMillan. This report was in five parts: a presentation on the Illinois economy, a presentation on the state budget, two presentations on the current financial state of the University, and the annual auditor’s report.

Prof. David Merriman (UIC, Department Head of Economics, the Institute for Government and Public Affairs) gave an academically oriented presentation on the state of the economy in Illinois. That presentation can be found here:

<http://www.uillinois.edu/trustees/agenda/September%2023,%202010/presentation-6%20IGPA.pdf>

He emphasized that even without the current recession that the state of Illinois would currently be in a budget crisis. There is a structural deficit built into the state budget that cannot be sustained much longer.

R. Eden Martin (President of the Commercial Club of Chicago) followed with a professionally produced presentation entitled “Illinois Is Broke.” A copy of that presentation is here:

<http://www.uillinois.edu/trustees/agenda/September%2023,%202010/presentation-5%20Eden%20Martin-Illinois%20is%20Broke.pdf>

The Commercial Club of Chicago advocates modifying the state pension system before raising taxes. The basic point of this presentation was to show how the pension system has encumbered the state and argue against raising taxes because

according to some sources Illinois is “unfriendly” to business. A majority of the negative examples provided were from Chicago municipal government.

At the end of Mr. Martin’s presentation, Trustee Carroll asked for an example of the kind of pension reform that he advocated. He answered that it would help the state’s structural budget deficit if state employees could be shifted to a defined benefit plan with “less generous terms.”

Vice President Knor followed with reports on the 2011 and 2012 University budgets:

<http://www.uillinois.edu/trustees/agenda/September%2023,%202010/presentation-7%20BUDGET%20FY%202011.pdf>

<http://www.uillinois.edu/trustees/agenda/September%2023,%202010/presentation-8%20BUDGET%20FY%202012.pdf>

The start of FY 2011 was August 1, 2010. As of September 21, 2010, the state still owed the University \$40 million from the FY 2010 appropriation as well as \$205 million from the FY 2011. The proposal for FY 2012 is built around what we need. Under the last president the University asked only for what it thought it could get. The FY 2012 request for appropriation is \$65.2 million, including \$32.7 million for faculty and staff merit raises and \$20 million for “Recruitment, Retention, and Compression.”

At the conclusion of the VP’s report Chairman Kennedy commented that the salaries of faculty at the University have to remain competitive. We need annual raises. We need to be able to make competitive offers to recruit new faculty. And we need funds to combat poaching of our best faculty by other institutions. He told the board that doing this is a top priority and that the University needs to seek the appropriations from the state to make it happen as well as raising tuition at a rate that keeps that income stream “inflation neutral.”

Julie Zemaitis presented an annual report for the office of University audits.

<http://www.uillinois.edu/trustees/agenda/September%2023,%202010/presentation-9%20Audits.pdf>

Chairman Kennedy asked if there is a review of audit recommendations that are withdrawn. Trustee McMillan replied yes, there is.

At 2:35 pm the Board heard a presentation by Associate Vice President Michael Bass about a program to increase the diversity among contractors doing capital improvements for the University.

<http://www.uillinois.edu/trustees/agenda/September%2023,%202010/r-FY10%20MAFBE.pdf>

The Board has decided to set goals for Minority and Female Business Enterprise (MAFBE) participation in university construction projects that are above those mandated by law. The percent goals are not quotas. Selection of low bids via a blind bidding process will still occur. But those placing bids must show at least a certified good faith effort to have included MAFBE firms at the percentage goals set for each

campus. This proposal is part of a process that was begun several months ago when several Board members questioned the University's effort to include MAFBE firms in on-going construction projects.

Trustee Carroll commented that this was a "lofty presentation" and asked how the University is going to make these goals. Bass replied that rejecting bids that do not meet the University's goals will send a message to all contractors. Trustee Carroll commented that she thought the University already did that. Bass replied that the University has never held firms to their pre-bid promises before.

Trustee Koritz asked if state or federal law mandates MAFBE participation and which minorities are included. Bass replied it is a state law and read the relevant portion of the law defining a minority.

Chairman Kennedy publically thanked Bass for being responsive to the Board. Trustee Oliver asked when the percent goals are set. Bass replied that percent participation goals are set on the call for bids. He says that if the University is aware that a higher percent is possible in an area that the University can try to raise the bar on a call-by-call basis in those areas. Oliver followed up by asking when the program starts. Bass replied "tomorrow" with the first report to the Board coming in January 2011.

Trustee Montgomery asked if there were plans to expand the MAFBE program beyond capital projects. Bass replied that these are two very different procurement processes but it would be possible to implement a similar program for non-capital procurement. Chairman Kennedy acknowledged that members of the Board want to see a similar process administered for professional services. Bass added that there was a 20% participation goal for non-capital bidding last year but that the Board should be deliberate about how they go about making that a requirement.

At 3:22 pm Trustee Carroll read regular agenda item #1 (<http://www.uillinois.edu/trustees/agenda/September%202023,%202010/001%20sep%20Ringeisen%20Resolution.pdf>) to thank Chancellor Ringeisen for his service on his retirement. The Chancellor thanked everyone who made possible the things that he is given credit for in that resolution.

At 3:28 pm the Regular Agenda was called. Trustee Kennedy made a publicized statement (http://www.msnbc.msn.com/id/39340313/ns/us_news-life/, <http://cbs2chicago.com/local/Ayers.Kennedy.emeritus.2.1929105.html>) in which he voiced his intention to vote against granting emeritus status to Bill Ayres (Prof. UIC, retired). The full text of his statement was reported here as a letter to the Sun Times: <http://www.suntimes.com/news/metro/2741578,CST-NWS-ayers24letter.article>
The Boards action on this issue has become a controversial topic on the UIC campus. Elements of the faculty on the UIC campus object to the Board overturning what they consider a well-reasoned and deliberate recommendation made by the UIC

faculty. Trustee McMillan moved to conduct the vote on the regular agenda as a roll call. All but one of the trustees voted “aye” on all the items except the portion of item #6 granting emeritus to Ayers, on which they each voted “no.” Trustee Carroll was the one exception. She voted “aye” to all items except for the emeritus status of Ayers, on which she elected to abstain.

At 3:38 the Board considered the Roll Call Agenda. All members of the Board voted affirmative on all items.

At 3:41 President Hogan made remarks about a proposal he is putting forward for the administrative reorganization of the University. The changes he is proposing are in summary:

1. Title “realignment” of the Chancellors so that they will be Vice Presidents of the University.
2. Expansion of the portfolio of the Vice President for Technology and Economic Development (VPTED) to include research.
3. A new Vice President for medical affairs to coordinate efforts in this area across the campuses.

The president acknowledged the role of the Senates and University Senate’s Conference (USC) in reviewing changes to the University Statutes and asked the Board to propose these changes to the USC and Senates for a timely review.

Chairman Kennedy replied that the Board has discussed these changes and he directed the President to draft changes and deliver them to the BOT, USC, and Senates for consideration. He also stated that the BOT is putting all top level hires (including the UIS Chancellor search) on hold until the changes in title and job descriptions for those positions are resolved. President Hogan replied that the USC had agreed to expedite the review process.

There was one unscripted moment during the President’s presentation when a student from the gallery approached chairman Kennedy and tapped him on the shoulder. The student was intercepted by Marnie Fuesting (Assistant Secretary to the Board of Trustees) and rapidly escorted from the room by uniformed security. President Hogan did not miss a beat in his presentation while this was occurring. A few minutes later the student was allowed to return to their seat.

Starting at about quarter to 3 pm students dressed mostly in t-shirts began to fill empty seats in the gallery. It became clear during and after public comment that those students were present in support of a protest that occurred at the end of the meeting.

At 3:52 the Board commenced public comment. The first speaker was a PhD student in Urban Planning at Urbana and chair of the campus sustainability organization. He thanked the Board for increasing the sustainability fee and advocated the end of coal burning to generate steam on the Urbana Campus.

An alumna, Tricia Tan, rose to address the board about the firing of a professor in the Department of Religious studies at Urbana. She questioned if the University had acted in good faith in dissolving its relationship with the Neumann Center that allowed that center to propose the candidates for instructors that teach courses about Catholicism at Urbana. She clearly disagreed with the administrations' decision to terminate the professor and dissolve the special relationship with the Neumann Center.

Four more students rose in succession (including the one who had been escorted from the room for tapping Chairman Kennedy on the shoulder) to speak against perceived injustice on the part of the university related to tuition increases. They covered a spectrum of different speaking styles and means of presenting themselves but each was to their own ends confrontational and determined to use their full time. Several of them demanded that the Board answer their questions. One went as far as to quote the bylaws of the Board that set the rules for public comment. Chairman Kennedy would not engage them directly but made it clear that the reference to "time for questions" in the public comment section was intended for the Board to ask the speakers questions and not vice-versa. He also reported that he had attended a meeting of the Urbana Student Government Association the night before and he had stayed at that meeting and answered questions until there were no more. When the Board called an end to public comment without directly addressing the speakers, the students in the gallery began to shout and protest.

The Board adjourned at 4:30 pm. People exiting the room were forced to run a short gauntlet of uniformed campus security and disgruntled students.

Submitted by John Martin on October 4, 2010.