MINUTES

Special Meeting of the Board of Trustees
Illinois State University
May 30, 2015

The Board of Trustees convened at 11:00 a.m. on Saturday, May 30, 2015, in the Founders Suite of the Bone Student Center, Illinois State University, Normal. Chairperson Donahue called the meeting to order. Before we officially take the roll call the Board Counsel Jane Denes is going to make a quick announcement.

Denes: Unfortunately our two new trustees have not been read into the record by the Senate. Therefore, pursuant to the statute which requires that they both be appointed by the Governor and with the advice and consent of the Senate, they are not voting Trustees as of the date of this meeting. Therefore, the number of Trustees remains at six; however, we do have a quorum of Trustees here today with five as required by the bylaws.

Donahue: Any votes that we would take today in order to be confirmed, would it need five votes, or just the majority of the six?

Denes: We need five.

Trustee Davis called the roll. The following members were present:

Trustee Bergman

Trustee Churney (via phone)

Trustee Davis

Trustee Dobski

Trustee Donahue

Trustee Kinser

Trustee Louderback

Trustee Schumacher

Denes: I apologize – I made an error earlier when I stated that we need five votes – we need a majority of four.

Bergman: Let me ask – I am not sure that someone on the phone votes count, nor do they count towards the quorum. If that is the case perhaps it is three of the five here or is it four of the six including the person on the phone?

Denes: The person on the phone can participate provided that we go through the process that is contained in the Board documents, which they provide a reason why they can’t attend and the majority of the quorum present in person votes to allow them to participate by telephone.

Bergman: Then does their vote count also?

Denes: Yes, their vote does count.

Donahue: According to statute, a quorum of the Board is five voting members who are physically present and we have that today. Also according to statute once a quorum is established the Board may allow a member to attend the meeting by other means if the member is prevented from physically attending because of illness or disability, business reasons or family emergency.

Trustee Churney is attending by telephone today. Trustee Churney, what is the nature of your need to attend by telephone?

Churney: For business purposes.

Donahue: I will now ask for a motion and a second to allow Trustee Churney to participate by telephone. Trustee Davis so moved and was seconded by Trustee Schumacher. Motion made, seconded and vote recorded as all members present voting aye.

**APPROVAL OF AGENDA**You have before you the Agenda of the meeting. Do I have a motion to approve the Agenda? Trustee Schumacher so moved and was seconded by Trustee Kinser. Motion made, seconded and vote recorded as all members voting aye.

**CHAIRPERSON REMARKS**

Good morning and thank you for taking the time to attend this special meeting of the Board of Trustees of Illinois State University. I note for the record that notice of today’s meeting was posted in accordance with the Illinois Open Meetings Act and that the public has been notified of the date, time and location of this meeting.

The purpose of today’s meeting is the consideration of one resolution: Tuition, fees, room and board rates for the 2015-2016 academic year at Illinois State University. I will now turn the meeting over to President Larry Dietz to present the resolution.

**PRESIDENT’S REMARKS**

Thank you Trustee Donahue and good morning everyone. I want to begin by thanking our Trustees for taking time away from their busy schedules for this special meeting.

As I indicated at our May 8 meeting, the University was reluctant to bring the Board a recommendation for FY2016 tuition, fees, room and board due to the uncertainty over state appropriations for the coming year.

Today, the state picture has yet to come into complete focus, but we do expect a significant cut to our FY2016 state appropriation. We do not believe the reduction will reach the 31.5 percent level as proposed by Governor Rauner. It is also unlikely it will be as low as the 6.5 percent level approved in the Illinois House.

As we told the Board during the May quarterly meeting and in a previous work session—the brunt of any substantial appropriation reduction will be borne through internal spending reductions at the University. Those cuts will be drawn from many operational areas of the University—including cuts to personnel, which we hope can be handled through attrition, certain construction and deferred maintenance projects, equipment purchases, travel and in other areas.

In addition to internal spending cuts, we are today recommending a very modest increase in tuition and fee rates, with no increase in room and board rates. You might remember that last year, the Board approved a total FY2015 package that was just 1.9 percent higher than the FY2014 rates.

At that time, it represented the second lowest increase among Illinois public universities. For this year, in the face of a substantial appropriation cutback, we are asking for an increase total tuition, fees and room and board package increase of a modest 1.6 percent in total cost compared to last year.

Resolution 2015.05/19: FY2016 Student Tuition, Fees and Room and Board Rates.

As you know, tuition and fees are among the most important factors affecting access to and affordability of higher education. Illinois State is very sensitive to students’ and their families’ investment in a college education, and we continue to work with state and national leaders to provide affordable access to our institution despite the lack of state financial support.

I want to remind you that for 70 percent of our students, tuition will not increase at all, because of the four-year guaranteed tuition rate for undergraduate students.

I also note that tuition and taxpayer funds are not used in projects such as the Bone Student Center remodeling project you approved on May 8. In that particular project—most of the funding for the project is already in-hand through reserves in the Division of Student Affairs coming mainly from the dining in the student center areas specifically.

In proposing tuition rates for new students in FY2016 we have followed Board policy to ensure our rates are competitive with other senior public universities. We also provided three budget cutting scenarios at 31.5%, 20% and 10% reduction and two revenue enhancement scenarios at a 4% and 6% tuition enhancement with no increase in room and board representing a 2.1% and 2.3% increase overall. However, based upon previous discussions, we are now recommending a 3% tuition increase.

For new in-state undergraduate students, we are recommending $359.47 per semester credit-hour for the 2015-2016 academic year. This rate is $10.47 or 3 percent more per semester credit-hour than was charged new in-state students in 2014-2015. Over a four-year academic period, this equates to an annual increase of .74 percent.

For new out-of-state undergraduate students, we are recommending $620 per semester credit-hour for the 2015-2016 academic year. This rate is $18 more per semester credit hour than was charged new out-of-state undergraduates for the 2014-2015 year.

However, under the Enrollment Competitiveness Program that you approved during a previous meeting, selected high-achieving or talented out-of-state students or students residing in states contiguous to Illinois would be eligible to pay the in-state rates.

For in-state graduate students, we seek your approval for $374 per semester credit-hour for the 2015-2016 academic year. This rate is $14 more than semester credit-hour rates for 2014-2015. The four-year guarantee does not apply to graduate tuition rates. For out-of-state graduate students, we seek a charge of $777 per semester credit-hour for the 2015-2016 academic year. This represents a $30 increase over 2014-2015 rates.

For mandatory fees, the University requests authority to charge mandatory fees to all new students, including new and continuing graduate students, of $79.46 per semester credit hour. This rate is $.80 more per semester credit-hour than was charged students new to the University in fall 2014.

The University also requests authority to increase the off-campus outreach fee assessed for courses offered off-campus to $79.46, an increase of $.80 per semester credit-hour.

For room and board, the University requests no increase for the 2015-2016 academic year.

As you can see on the table included in your materials—for Illinois State, this represents an overall increase of $370 per year or just 1.6 percent. I believe this is a reasonable figure given the state’s continuing economic circumstances and its inability to increase support for public higher education.

Under our projected costs, this also places us below the costs of all University of Illinois campuses and Northern Illinois University, among the 10 public universities that offer room and board packages. I ask your approval of this resolution.

Donahue: Do I have a motion to approve this resolution? Trustee Davis so moved and was seconded by Trustee Kinser. Any discussion?

Bergman: I have a question. We talked about the percentage increase in fees – 1%, percentage increase in tuition – 3%, and no increase in room and board rates. We are told this is a blended rate increase of 1.6 %, but the majority of our students do not live in dorms. What would be the percentage of increase just incorporating the tuition increase and the fee increase? That is what most of our students would pay.

Donahue: I think since the tuition remains flat for non-freshmen, so this would only apply for incoming freshmen.

Bergman: I understand, but during their period of time – this is going to be the same for four years – the majority of the time they will not be in a dorm.

Alt: Give me a moment and I can come up with that figure.

Donahue: As Greg works on that number are there any discussion or comments from any of the other trustees?

Churney: All I would like to say is to reiterate that I want to thank all of our Board members as well as University staff – we started reviewing this process last September at a special meeting and I believe we have had two other meetings to review and continue to monitor the state and the University and we are really taking this seriously for the past seven or eight months, so I just want to thank everyone that has been involved in the whole process.

Bergman: I have a comment. It is unfortunate that we do have to increase tuition, but I certainly understand the reason that we need to do so. I would just hope that in the future that the powers that be down in Springfield – they are increasing aid to K-12 in the amount of about $300 million. I don’t have a problem with that. They are decreasing aid to higher education by a significant amount not known at this time. In the future jobs 60% of the jobs that will be coming on-line will require post-secondary education. However, by decreasing the amount of funding for the state is decreasing the amount of students that are going to get a post-secondary education and I would just hope that some point in time the powers that be in Springfield will understand that an investment in higher education is an investment for the future of the state and our citizens.

Alt: To address Trustee Bergman’s question, what is the increase of just tuition and fees excluding housing – it is 2.8% increase.

Bergman: Okay, thank you.

Kinser: I just want to thank everyone that got information to us – it was very enlightening and very helpful to know all the data – so I just wanted to say thank you.

Donahue: I would like to reiterate some of the comments that President Dietz and Trustee Bergman stated. These are uncharted waters as it relates to what is going on in Springfield. I don’t believe the University has ever faced such a potential decrease of funding. And as Trustee Bergman said, the other side of that coin is the affordability of education and sometimes those worlds collide and they are not easy to balance. I can tell you as a parent who sent four of my children to college, at the end of the day I looked at what I was going to pay out of the checkbook. I didn’t allocate tuition is “x”, room and board is “x”, it was what is this total check have to be and so I commend that staff and the Board at 1.6% I believe is fair. We want to keep the cost as low as we can for students and families coming here, but we also recognize we are faced potentially with some challenges.

So I thank you President Dietz and the entire staff for the hard work that has been done. I hope that the families and the students can see that we have tried to come up with a number here that we believe is reasonable. I would urge a positive vote on this.

Kinser: I think raising tuition is really important because in the past we spent maybe $2 for a loaf of bread and today we spend $5 for that loaf of bread – it’s the same bread but it has to maintain the same quality. So, therefore, the students that maybe pay more than they did five years ago are getting the same quality that we had then. If we don’t keep that quality we are going to diminish all the different kinds of strengths that we have at Illinois State. And in the last ten years I have seen it really improve. ISU used to be known as the Kmart of education – it is no longer known as that.

Donahue: Thank you – any other comments?

Davis: I understand your remarks Betty in terms of quality at the same time making sure that the University makes it affordable for the students. And that is a challenge. The challenge is one unfortunately that we did not create. But in trying to address it so that it is fair to not only to the students, but to all parties involved, there has to be some increase. What that number should be, not knowing at this point what the General Assembly is going to do, makes it even more difficult. But in an effort to try to keep the quality as well as keep our finances as stable as they have been, we are increasing the tuition. Whether or not the number is the reasonable number, in the eyes of some that may not be the case, but from our perspective I think we are doing and making the best decision at this time with the information that we have.

Kinser: Well also, we not only make the decision for the best of the students, it’s for the best of the whole campus and parties involved. The students are an important part, but everyone else is also. When I started thinking about administrators and the comments that we have too many, that is not fair because that includes Passages, it includes Preview – all of those positions are AP and administrative positions. So therefore we have quality there and we don’t want to lose all that quality.

Davis: I am not disagreeing with that at all. When I say the University – it is all inclusive – it’s students, its administration. But at the end of the day when we talk about quality – it is about the students and their education. That is what the quality is and it is provided by our instructors and others that are involved in that whole process.

Donahue: Motion made, seconded and vote recorded as all members present voting aye.

That completes our business for today. Thank you President Dietz and for the record there were no requests for public comment for this special meeting.

I would now entertain a motion to move into Executive Session for the purpose of considering the appointment, employment, compensation, discipline, performance, or dismissal of specific employees pursuant to 5ILCS, Section 120/2 (c)(1); collective negotiating matters between the University and its employees, 5ILCS, Section 120/2 (c)(2); litigation which has been filed and is pending before a court or administrative tribunal, as allowed in 5ILCS, Section 120/2 (c)(11); and the purchase or lease of real property as allowed in 5ILCS, Section 120/2 (c)(5).

Is there a motion? Trustee Davis so moved and was seconded by Trustee Schumacher. Motion made, seconded and vote recorded as all members present voting aye.

We will now move into Executive Session. At the close of Executive Session, the Board will reconvene in public session only for the purpose to adjourn. Thank you all for coming today.