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MEETING OF THE BOARD OF TRUSTEES
OF THE
UNIVERSITY OF ILLINOIS

July 18, 2012

This meeting of the Board of Trustees of the University of Illinois was held in the Michele M. Thompson Rooms A, B, and C, UIC Student Center West, Chicago Campus, Chicago, Illinois, on Wednesday, July 18, 2012, beginning at 10:06 a.m.

Chair Christopher G. Kennedy called the meeting to order and asked the secretary to call the roll. The following members of the Board were present: Mr. Ricardo Estrada, Ms. Karen Hasara, Ms. Patricia Brown Holmes, Mr. Christopher G. Kennedy, Dr. Timothy N. Koritz, Mr. Edward L. McMillan, Mr. James D. Montgomery, Mr. Lawrence Oliver, Ms. Pamela B. Strobel. Governor Pat Quinn was absent. Mr. John W. Tienken, voting student trustee from the Springfield campus, was present. The following nonvoting student trustees were present: Mr. David Pileski, Urbana campus; Mr. Kenneth M. Thomas, Chicago campus. President Robert A. Easter was present.

Also present were the officers of the Board: Mr. Lester H. McKeever, Jr., treasurer; Mr. Walter K. Knorr, vice president/chief financial officer and comptroller; Mr. Thomas R. Bearrows, University counsel; and Dr. Susan M. Kies, secretary. In addition, the following persons were also in attendance: Ms. Marna K. Fuesting and Ms. C. Ellen

Foran, both assistant secretaries; and Ms. Eileen B. Cable, special assistant to the secretary.

OPENING REMARKS

Mr. Kennedy welcomed everyone to the retreat and acknowledged the contributions of Ms. Strobel, for her vision for the retreat and for planning its execution. Ms. Strobel provided an overview of the schedule for the day.

President Easter thanked Ms. Strobel and Dr. Kies for planning the retreat. He referred to the Morrill Act, which he said brought success, achievement, and benefits to society that may have otherwise been unavailable, and said that providing access to education is an ongoing challenge, particularly at this important juncture in time. He said that the University must move forward and be the kind of institution its legacy demands. He then introduced the three panelists who would be providing comments later in the day: Dr. Larry R. Faulkner, president emeritus, University of Texas at Austin; Dr. James J. Duderstadt, president emeritus, University of Michigan; and Dr. William B. DeLauder, president emeritus, Delaware State University. He then asked the chancellors to discuss challenges and priorities on each campus.

CAMPUS PRIORITIES, URBANA

Dr. Phyllis Wise, vice president of the University of Illinois and chancellor of the Urbana campus, provided a presentation (materials on file with the secretary) on campus

priorities at Urbana and described some of the challenges that exist there. She then discussed strategies, emphasizing the importance of being agile and having a sustainable business plan. She referred to in-depth conversations with faculty, staff, community leaders, alumni, and corporate partners regarding society's greatest challenges and the role of a public research university in addressing these challenges, and described the following four goals that will be areas of focus over the next year: improving the in- and out-of-classroom experience for students; growing the research portfolio; improving advancement; and preparing a financial model to cope with budgetary realities. She concluded her presentation by referring to the land-grant legacy at Urbana and stated that she is proud to be at a land-grant institution.

CAMPUS PRIORITIES, CHICAGO

Next, Dr. Paula Allen-Meares, vice president of the University of Illinois and chancellor of the Chicago campus, provided a presentation on campus priorities at Chicago (materials on file with the secretary). She discussed the mission and vision of the campus, and she described several core values that drive the thinking and motivation there. She presented six overarching goals for growth and success. She also described the campus as an "anchor institution" due to its urban geographic location and stated that this location and its status as an anchor institution give the campus some competitive advantages. She then provided a chart depicting growth of grants and contracts expenditures. She also stated that one goal of the campus is to become a member of the

Association of American Universities (AAU), and highlighted some actions that are being implemented to achieve AAU designation. She discussed challenges and opportunities at Chicago, and she referred briefly to the preliminary results of a survey that was conducted at Chicago on campus priorities. She discussed some initiatives that address these priorities and stated that the Chicago campus is committed to access and excellence.

CAMPUS PRIORITIES, SPRINGFIELD

Dr. Susan Koch, vice president of the University of Illinois and chancellor of the Springfield campus, provided a presentation on the campus priorities at Springfield (materials on file with the secretary). Dr. Koch shared the vision of the Springfield campus and discussed its core strengths, which she said include a student-centered environment; a “right-sized” and supportive community; opportunities for student collaboration; and a tradition of educating public servants and leaders. She provided an overview of priorities and discussed efforts to increase access and affordability, add to the number of academic programs available, continue embracing opportunities available through online education, and to build a student union. She also discussed the need to improve and streamline hiring, to recruit and retain high quality faculty, and to improve diversity among faculty and staff. She stated that renovating facilities is also a priority, and she briefly discussed renovation needs at the Brookens Library, the benefits that a student union would bring to the campus, and construction that will soon be underway for

a public safety building, noting that much of the land at Springfield is not developed.

Lastly, she highlighted prominent faculty and discussed some features of the campus, and said she is confident that Springfield will be known as a premier institution.

OPPORTUNITIES FOR COLLABORATION

At 11:13 a.m., President Easter introduced a presentation (materials on file with the secretary) on opportunities for collaboration across the three campuses and asked the chancellors to report on this topic. Vice President/Chancellor Koch provided an overview of initiatives and programs at each campus and throughout the University that work toward increasing access to excellence and improving student success. Vice President/Chancellor Allen-Meares discussed efforts to increase diversity at each campus, noting that there may be some opportunity for collaboration and sharing of best practices across the campuses, and she described opportunities related to globalization. Vice President/Chancellor Wise addressed the creation of new knowledge and highlighted the UILabs initiative, which she said provides an opportunity for collaborative research.

Mr. Kennedy thanked the chancellors for their presentations and suggested a short break at 11:36 a.m.

PANEL PRESENTATIONS

The meeting resumed at 11:46 a.m., with all Board members previously recorded as present in attendance.

President Easter welcomed and introduced the three panelists: Dr. James Duderstadt, Dr. Larry Faulkner, and Dr. William DeLauder. He then invited them to make comments.

Dr. Duderstadt commented on the need for greater investment in higher education and said that education is the foundation of a knowledge economy. He stated that the loss of state support of higher education has made universities vulnerable across the country, and said that higher education is vital to the welfare of the nation. He then discussed the Great Lakes area and said that regions are now anchored by urban areas, stating that Chicago and Toronto are the economic engines of the Great Lakes region. He explained that high-skilled labor is needed and that Midwestern universities play a critical role in developing this workforce. He then referred to the collective power of the Committee on Institutional Cooperation (CIC). He stated that Illinois could support at least two AAU-class research universities, and that Urbana is the crown jewel of the University and needs support rather than interference. He indicated that the development of the Chicago campus as a world-class public research institution should be an area of focus for the Board, suggesting that Urbana may be able to assist in its progress. He advocated for an approach to the University where interactions at each campus enhance and support the evolution of the others.

Next, Dr. Faulkner spoke and focused on the topic of governance. He referred to a passage from Dr. Clark Kerr's book, *The Uses of the University*, which he said conveys confidence in the mission of the university and the method by which

universities are governed. He discussed challenges in higher education and said it is a time of invention, and he described shared governance as a timeless and indispensable arrangement. He provided reasons for this, and said that the university is unlike other forms of human organization, including most for-profit businesses, adding that shared governance is essential to the healthy and optimal operation of a university. He stated that balance between the delegated authority of the faculty, officers, and trustees is needed, and he provided the following eight principles as a guide: clear understanding of the university's mission and purpose; integrity throughout the governance structure; a commitment to the university's best interest; faculty oversight of academic matters and advisory rights on other matters; satisfaction with the mechanism of shared governance; clear responsibility among officers for institutional policies and operation; careful listening; timely decision-making.

Dr. DeLauder then provided comments, and he commended the Board for holding a timely retreat. He referred to an analogy of a lighthouse in a board room, where the chief operating officer steers the ship, and the board keeps the ship off the rocks. He focused on the topic of access and stated that more work is needed to recruit, admit, and graduate a more diverse student body. He said it is the right thing to do and is needed in light of shifting demographics. He referred to the land-grant mission, stating that these institutions were created to educate the children of the working class and provide broad access, and said that many land-grant institutions have become more selective, with other universities filling this role. He discussed the importance of an

inclusive environment for underrepresented minority students, and emphasized that greater diversity among faculty and staff is needed. He said that the use of standardized test scores is a deterrent to increasing access, and he suggested that the University consider making bold changes in its evaluation of prospective students, noting that some institutions consider alternative means of evaluation and retain a high-quality student body. He mentioned the impact on rankings, which rely partially on the standardized test scores of incoming students, and said that increasing access in a broad way will not lower the academic quality of the University and will instead reflect a recommitment to the Morrill Act.

Next, President Easter presented the three panelists with the first of three questions:

You all are familiar with the University of Illinois, our three campuses and their distinct missions, and also our recent crises in leadership turnover and a still relatively new board of trustees. What suggestions would you have for creating a better University that retains the missions of the three campuses but capitalizes on the strengths that exist through being part of a greater whole?

Dr. Duderstadt responded that the three campuses at the University are diverse, and that welding the three campuses together erodes the character of each. Dr. Faulkner stated that a clear understanding of the mission of each campus is needed, and that changes in funding and teaching provide an opportunity for invention and experimentation. Dr. DeLauder agreed, and stated that the work and missions of the three campuses can be complimentary, noting that communication and transparency are important.

Dr. Easter then presented the second question:

What is the best way for the three campuses to communicate to maintain a balance between three separately-accredited campuses but still generate strength through collaboration?

Dr. Faulkner stated that it is important to bring people together, particularly those with common interests. Dr. Duderstadt commented that these types of communications should not be forced, and he referred to the collaborative relationships of peer institutions and the power of the CIC. Dr. DeLauder stated that while some opportunities for collaboration are already in place, these could also be enhanced.

Dr. Easter then asked the third question:

The State's financial situation has hurt faculty morale. What can be done internally to sustain and encourage faculty enthusiasm about the future of the University?

Dr. Faulkner stated that most universities have faced difficult times throughout history and that most are dealing with substantial challenges today. He said that many states are reducing their support for their flagship institutions because of short-term financial pressures, such as the cost of health care, and expressed confidence that the issues in Illinois will be resolved. He said that faculty and the Board should be proud of the University and all it has accomplished. Dr. Duderstadt stated that higher education has never been more important than it is today, but it has also never been more challenging. He referred to the public's concern regarding the ability to control costs in higher education, and he stated that universities need to better communicate the importance of higher education to the public. Dr. DeLauder commented that higher education is often considered a discretionary cost, making universities vulnerable. He advocated for the

importance of good communication and transparency, and he mentioned the University of North Carolina's mandate to provide education at a low cost.

This concluded the panel discussion, which was followed by a round of applause. Ms. Strobel explained that after a short break, participants would divide into groups for breakout sessions to discuss questions current issues in higher education and at the University. These questions were as follows:

What comments/reactions do you have to the panelists' presentations? (What did you learn that was most beneficial?)

What do you see as the University's (three campuses) major priorities? What do you see as the major priorities at your campus?

What can be done internally to sustain and encourage faculty enthusiasm about the future of the University?

How do you envision the three campuses working together to make the University stronger?

The Board then recessed at 1:00 p.m.

The Board meeting resumed at 2:38 p.m., with all Board members previously recorded as present in attendance. Ms. Strobel explained that one member from each group would now report on the discussions held during the breakout sessions, and she asked that these reports be limited to no more than five minutes. These summaries were also added to slides that were projected throughout the session (materials on file with the secretary).

The following individuals had been selected to record and provide a summary of the discussions that were held in groups during the breakout sessions: Dr. Terri E. Weaver, dean, College of Nursing, Chicago; Ms. Mary Case, University librarian and professor, Chicago; Dr. Matthew Wheeler, professor, animal sciences, College of Agricultural, Consumer, and Environmental Sciences, Urbana, and chair of the senate executive committee, Urbana; Dr. C. Renee Romano, vice chancellor of student affairs, Urbana; Dr. Debasish Dutta, dean, Graduate College, Urbana; Dr. Bruce S. Graham, dean, College of Dentistry, Chicago; and Dr. Jorge Villegas, associate professor, business administration, College of Business and Management, Springfield. These individuals provided summaries of their group's responses to the questions listed above. This concluded at 3:21 p.m.

Mr. Kennedy thanked all in attendance for their participation in the retreat and said he gained a richer understanding of the University.

MOTION TO ADJOURN

With no additional questions or comments, Chair Kennedy asked for a motion to adjourn the meeting. On motion of Mr. Montgomery, seconded by Mr. McMillan, the meeting adjourned at 3:23 p.m. There were no "nay" votes.

SUSAN M. KIES
Secretary

CHRISTOPHER G. KENNEDY
Chair