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MEETING OF THE BOARD OF TRUSTEES
OF THE
UNIVERSITY OF ILLINOIS

July 22, 2015

This meeting of the Board of Trustees of the University of Illinois was held in the Michèle M. Thompson Rooms B and C, Student Center West, Chicago campus, Chicago, Illinois, on Wednesday, July 22, 2015, beginning at 10:05 a.m. Chair Edward L. McMillan called the meeting to order and asked the secretary to call the roll. The following members of the Board were present: Mr. Ramón Cepeda, Mr. Ricardo Estrada, Mr. Patrick J. Fitzgerald, Ms. Karen Hasara, Ms. Patricia Brown Holmes, Dr. Timothy N. Koritz, Mr. Edward L. McMillan, Mr. James D. Montgomery, Ms. Jill B. Smart. Governor Bruce Rauner was absent. Mr. Dominique Wilson, voting student trustee from the Springfield campus, was present. The following nonvoting student trustees were present: Mr. Jaylin D. McClinton, Urbana campus; Mr. Jauwan Hall, Chicago campus. President Timothy L. Killeen was present.

Also present were the officers of the Board: Mr. Lester H. McKeever Jr., treasurer; Mr. Walter K. Knorr, comptroller (and vice president/chief financial officer); Mr. Thomas R. Bearrows, University counsel; and Dr. Susan M. Kies, secretary of the Board and of the University.

The following University officers were also present: Dr. Phyllis M. Wise, chancellor, Urbana campus, and vice president, University of Illinois; Dr. Michael D. Amiridis, chancellor, Chicago campus, and vice president, University of Illinois; Dr. Susan J. Koch, chancellor, Springfield campus, and vice president, University of Illinois; Dr. Christophe Pierre, vice president for academic affairs; and Dr. Lawrence B. Schook, vice president for research.

OPENING REMARKS

Mr. McMillan welcomed everyone to the Board's retreat and asked President Killeen to comment. President Killeen gave an overview of the day's activities and said he anticipates open and inclusive discussion that will contribute to the development of the University's strategic plan. He introduced Mr. Tony Knerr and Mr. John Braunstein from AKA Consulting, who he said were very helpful at the presidential retreat that was held in June.

President Killeen then gave a presentation on the University's strategic planning process. He said that the University's strategic plan will not replace the plans already in place at each campus, and that the goal is to seek synergies going forward. He said that higher education is at a crossroads and emphasized the need to recognize this changing environment. He indicated that while there will be some casualties in this process, public higher education will survive and thrive. President Killeen then presented a formula that showed that impact is the result of excellence multiplied by scale, and he commented that the University must achieve excellence at scale. President Killeen

presented goals for the retreat and discussed the University's mission and vision, noting that this is a good starting point for the strategic planning process. He presented data regarding undergraduate student enrollment, areas of study of degrees awarded, tuition, financial aid, loan indebtedness, revenues, and fundraising. President Killeen commented on the impact of the University and referred to the need to establish a new compact with the State. Lastly, he shared some preliminary thoughts on potential aspects of the strategic plan. He then introduced Dr. James Duderstadt, president emeritus of the University of Michigan.

Dr. Duderstadt commented on the extraordinary impact of great universities, including the University of Illinois. He discussed the establishment of public universities in the United States, which he said were created by the federal government to improve the welfare of the nation, and he referred to a decline in support from the states and business and industry. He described intrusive state regulations combined with devastating cuts to public universities. Dr. Duderstadt discussed recommendations from the study on the future of the American research university from The National Academies of Sciences, Engineering, and Medicine, one of which emphasized the obligation of states to provide greater autonomy to its universities. He then gave comments from a regional perspective and discussed the Great Lakes region and the Committee on Institutional Cooperation and said this coalition and collaboration is a great asset. Next, Dr. Duderstadt discussed the University of Michigan and how it has managed a decline in State support, and he emphasized its constitutional autonomy. He then gave an overview of assets and issues at the University of Illinois. He

commented on the strengths of each campus and the University's Board, which he said is committed and decisive.

At 11:12 a.m., Mr. McMillan thanked Dr. Duderstadt for the presentation and welcomed questions. Ms. Smart inquired about the level of State support, excluding pension contributions, and President Killeen said it is about 13 percent. Ms. Smart also asked about autonomy, and President Killeen referred to a number of mandated reports, regulatory issues, and civil service requirements. He briefly commented on the impact of these regulations and pension issues on faculty recruitment. Additional discussion followed regarding the University's impact and the role of alumni support. Mr. Fitzgerald inquired about the feasibility and structure of the academic medical center, and President Killeen discussed the status, opportunities, and finances of the hospital and changes in health care. Dr. Duderstadt commented on the history of the hospital at the University of Michigan, and Dr. Koritz discussed capitation and the role of the academic medical center as the largest provider of health-care education in the State. President Killeen referred to the opportunities for academic excellence in medical education and mentioned the new medical school at Urbana that is being established. Dr. Amiridis remarked on the benefits to the State of providing both health-care delivery and medical education and commented on the impact of the Affordable Care Act.

Mr. Estrada then asked what steps would need to be taken to help the Chicago campus reach a higher level of greatness. President Killeen stated that the campus has a bright future, noting that it can be even better than it is today. He then addressed a question from Mr. Estrada on the six-year graduation rate. He referred to an

arrangement at the State University of New York University at Buffalo where the university assumed the risk if a student could not graduate in four years due to reasons that were outside the student's responsibility. Ms. Hasara commented on the importance of communicating the University's contributions to the State's economic development, and President Killeen agreed that this needs to be better communicated. He discussed some potential initiatives in this area. Mr. McMillan referred to business incubators and the research park, and President Killeen asked Dr. Wise to comment on the potential to increase the University's economic impact on the State. Dr. Wise described ways in which the University could provide greater assistance in economic development and referred to a proposal developed in collaboration between the Urbana campus, University of Chicago, and National Labs. President Killeen noted that economic development is also beneficial for the student population. Dr. Amiridis then commented on funds generated through patents at the Chicago campus and discussed its contributions to economic development, particularly in Cook County.

Discussion followed regarding the University's role in the preparation of K-12 students. Dr. Duderstadt referred to the recommendation from The National Academies that all research universities be actively involved in K-12 education. Mr. Montgomery commented on issues that have an impact on K-12 students, such as poverty and crime, and Ms. Holmes discussed the impact of drugs and alcohol.

Next, Mr. Knerr gave a presentation on the strategic planning process (materials on file with the secretary), which he said is divided into three phases over the course of a 10-month period. He described the three phases and presented activities that

will take place during each phase. Mr. Knerr said that the process is as important as the end result, and he emphasized inclusivity. He stated that the development of the strategic plan will be anchored in analysis and that a strategic mode of thinking will be incorporated into goals and objectives. Mr. Braunstein gave an overview of the day's activities and said that retreat participants would now break into groups for discussion. He explained that each group had been assigned a discussion leader and a reporter. Dr. Donald A. Chambers, professor, Department of Physiology and Biophysics, Chicago; Mr. Knorr; Dr. Koch; Dr. Pierre; Dr. Schook; Dr. Dick W. Simpson, professor, Department of Political Science, Chicago; and Dr. Jorge Villegas, associate professor, business administration, Springfield, were discussion leaders. Dr. Karen J. Colley, dean of the Graduate College, Chicago; Dr. Tanya M. Gallagher, dean, College of Applied Health Sciences, Urbana; Dr. Barbara Henley, vice chancellor for student affairs, Chicago; Dr. Michele Mariscalco, regional dean of the University of Illinois College of Medicine at Urbana; Ms. Donna S. McNeely, executive director of ethics and compliance; Dr. Janet S. Slater, dean of the College of Media, Urbana; and Dr. Joyce L. Tolliver, associate professor and associate head, Department of Spanish, Italian, and Portuguese, Urbana, were reporters. Mr. Braunstein encouraged forward thinking and collegiality in the discussions. Mr. McMillan thanked Mr. Knerr and Mr. Braunstein and said this is an opportunity to focus on big ideas for the future. At 12:13 p.m., the meeting recessed.

At 2:32 p.m., the meeting resumed, with all Board members previously recorded as being present in attendance. One member from each group reported on the discussions held during the breakout sessions, and these summaries were also added to

slides that were projected throughout the session (materials on file with the secretary). After the groups presented their summaries, Mr. Knerr noted some commonalities and asked for comments. Ms. Hasara observed that most groups highlighted involvement in K-12 preparation as a strategic initiative for the University and said that this may be the most important and most difficult goal. Discussion regarding potential areas of impact in K-12 education followed. Retreat participants also commented on the hospital, civic engagement, and potential for collaboration. Dr. Amiridis remarked on the importance of student-focused initiatives, and Mr. Wilson discussed the importance of student services. Mr. McMillan commented on the importance of the University of Illinois Foundation and said there may be a lack of awareness of the services it provides. Retreat participants shared additional observations from the discussions, and Mr. Knerr said that he saw a confidence about the future of the University throughout the discussions. Groups then presented six-word stories that highlighted aspects of the discussions that took place throughout the day.

At 3:41 p.m., President Killeen gave some closing remarks and referred to the good discussions that occurred during the retreat. He highlighted some emerging themes and challenged those in attendance from the campuses to help define the University's strategic priorities going forward. President Killeen encouraged student leaders and other stakeholders to take ownership of this process, and he described some activities that are planned for gathering additional feedback. He encouraged all to be aspirational and ambitious.

Mr. McMillan commented on the strategic plan development process and said he appreciated President Killeen's challenge to student leaders to become involved in this process. He referred to the importance of listening and gathering input to assist in the development of a strategic plan for the University. He thanked all in attendance for their passion and candor in the day's discussions.

MOTION TO ADJOURN

At 3:50 p.m., Chair McMillan requested a motion to adjourn the meeting. On motion of Mr. Montgomery, seconded by Mr. Cepeda, the meeting adjourned. There were no "nay" votes.

SUSAN M. KIES
Secretary

EDWARD L. MCMILLAN
Chair