

June 29, 2007

Members of the Board Finance Committee

Keith Sanders, Chair
John Simmons
Roger Tedrick
Stephen Wigginton
Marquita Wiley

Dear Members of the Finance Committee:

There will be a meeting of the Finance Committee on Thursday, July 12, 2007, immediately following the Executive Committee in the Auditorium of the Southern Illinois University School of Medicine, 801 North Rutledge, Springfield, IL. The following items have been suggested for the agenda:

1. Approval of Minutes of the June 14, 2007, meeting (enclosure).
2. Approval of Purchase: US Food Service, SIUE (Board Agenda Item Q).
3. Other business.

Yours truly,

Duane Stucky
Vice President for Financial and Administrative Affairs
and Board Treasurer

DS/lap

Enclosure

cc:	Samuel Goldman	Christine Williams	Vaughn Vandegrift
	Ed Hightower	Glenn Poshard	Constituency Heads
	Megan Pulliam	Fernando Treviño	Other Interested Parties

BOARD OF TRUSTEES

SOUTHERN ILLINOIS UNIVERSITY

Minutes of the Finance Committee Meeting

June 14, 2007

The Finance Committee met at 9:04 a.m. in Ballroom B of the Student Center, Southern Illinois University Carbondale. Present were: Keith Sanders (Chair), John Simmons, Roger Tedrick and Stephen Wigginton. Absent was: Marquita Wiley. Other Board members present were: Samuel Goldman, Christine Guerra, Ed Hightower and Jesse Phelps. Executive Officers present were: President Glenn Poshard; Chancellor Vaughn Vandegrift, SIUE; Interim Chancellor John Dunn, SIUC; Vice President for Academic Affairs John S. Haller, Jr.; and Vice President for Financial and Administrative Affairs and Board Treasurer Duane Stucky.

Minutes

The minutes of the April 12, 2007, meeting were approved as submitted.

Presentation on Differential Tuition.

Vice President Stucky informed the Board that differential tuition for two SIUC colleges, Business and Administration (COBA) and Engineering, had been discussed a few years ago. It was decided not to pursue the concept at that time. President Poshard recently asked that the issue be examined more thoroughly. It is anticipated that tuition and fee proposals will be brought to the Board at the beginning of the 2008 calendar year. Therefore, the general concept of differential tuition is being presented to the Board at this time.

Presentations were given by SIUC College of Business and Administration Dean Dennis Cradit and SIUC College of Engineering Dean William Osborne. Dean Cradit clarified for Dr. Sanders that monies set aside for COBA scholarships would be a combination of needs-based and merit, but slanted to needs-based. In response to a question regarding what the impact might be on enrollment and retention, Dean Cradit expressed the opinion that if the genuine value of the quality of student services and the facilities is successfully delivered and communicated effectively, enrollment will increase. John Simmons asked how peers of SIUC use their tuition, and Dean Cradit responded that faculty lines are a priority. COBA's proposal may be to use the monies in service delivery system enhancements instead of solely for faculty lines. Jesse Phelps expressed his support of differential tuition. John Dunn stated that other institutions that have implemented differential tuition have had a slight dip in enrollment with a quick recovery. Both Deans stated that further input from their colleges' students and faculty would be sought before coming back to the Board. Responding to a question from Chair Tedrick, Dean Osborne stated that this proposal would not be cost effective if it is determined that a 10% drop in enrollment would occur. Dr. Goldman asked for the percentage of Engineering students from northern Illinois, and Dean Osborne estimated the number to be 45%. Dean Osborne stated that part of the information sought before deciding whether to proceed with differential tuition would be whether these students

would continue to come to SIUC instead of Northern Illinois University if this proposal became effective. Dr. Sanders raised the question about whether the 10% drop in Engineering graduate and undergraduate enrollment and retention was specific to SIUC or if it was a broad trend. Dean Osborne responded that the broad trend was a drop in enrollment of 1-2%. He expressed the opinion that a large part of SIUC's drop was due to competition with Northern Illinois University. Both colleges at SIUC had been calling continuing students not enrolled for upcoming semesters to inquiry why.

Approval of Re-Sale Agreement: Apple Computers, SIUE (Board Agenda Item P).

Approval of the matter was recommended and that it be placed on the Board's omnibus motion. The motion was duly seconded and was passed by the Finance Committee.

Operating and Capital RAMP Guidelines for Fiscal Year 2009 (Board Agenda Item Q) (Joint discussion with Architecture and Design Committee).

Vice President Stucky reviewed the Guidelines, which provide rationale for developing our request to the Illinois Board of Higher Education.

Approval of the matter was recommended and that it be placed on the Board's omnibus motion. The motion was duly seconded and was passed by the Finance and Architecture and Design Committees.

Temporary Financial Arrangements for Fiscal Year 2008 (Board Agenda Item R).

Vice President Stucky stated that these temporary financial arrangements are necessary due to the lack of State legislative and gubernatorial action.

Approval of the matter was recommended and that it be placed on the Board's omnibus motion. The motion was duly seconded and was passed by the Finance Committee.

Change of Salary, Southern Illinois University Edwardsville Chancellor.

President Poshard explained that market conditions and Chancellor Vandegrift's admirable service are the reasons why he is recommending a salary of \$260,000 effective with Dr. Vandegrift's July 1, 2007, contract renewal.

Approval of the item was recommended. The motion was duly seconded and was passed by the Finance Committee.

Budget Adjustment Request.

Vice President Stucky explained the budget adjustment requested by the Carbondale campus.

Approval of the item was recommended. The motion was duly seconded and was passed by the Finance Committee.

Investments Report.

Vice President Stucky provided a summary of the University's investments for the third quarter of Fiscal Year 2007.

Third Quarterly Budget Report for FY 2007.

Dr. Stucky distributed to the Board the current fiscal year's income and expenditures. The Appropriated and Income Fund decreased by \$2.3 million. Almost all of this is due to two factors at SIUC: underfunding of the Illinois Veteran Grants Program; and, the declining enrollment of the off-campus military programs due to the conflict in Iraq. The \$1.7 million decline in Grants and Contracts has been primarily due to the reduced expenditures in the SIUC Clean Coal Program. The other significant change is that the Self-Supporting Activities increased by \$1.5 million due to increased clinical income at the School of Medicine. In response to a question by Dr. Sanders regarding the military programs, Chancellor Dunn stated that there has been a reduction in the participants in the off-campus programs due to increased base security after 9/11. However, the off-campus programs are being restructured more into community-based settings.

Other Business

There being no further business, the meeting was adjourned.

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