

July 1, 2011

Members of the Board Finance Committee

John Simmons
Marquita Wiley

Dear Members of the Finance Committee:

There will be a meeting of the Finance Committee immediately following the Academic Matters Committee on Thursday, July 14, 2011, in Ballroom B in the Student Center, Southern Illinois University Carbondale, Carbondale, IL.

The following items have been suggested for the agenda:

1. Approval of Minutes of the May 12, 2011, meeting (enclosure).
2. Salary Increase Plan for Fiscal Year 2011 (Board Agenda Item L).
3. Name Change of Student Medical Benefit Fees and Correction of Summer 2012 SMB Extended Care Fee, SIUC [Amendment to 4 Policies of the Board Appendix A-6 and A-12] (Board Agenda Item M).
4. Other business.

Yours truly,

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

DS/lap

Enclosure

cc: Michelle Hook Dewey
Jeff Harrison
Roger Herrin
Ed Hightower

Mark Hinrichs
Don Lowery
Donna Manering
Glenn Poshard

Rita Cheng
Vaughn Vandegriff
Constituency Heads
Other Interested Parties

BOARD OF TRUSTEES
SOUTHERN ILLINOIS UNIVERSITY

Minutes of the Finance Committee Meeting

May 12, 2011

The Finance Committee met following the Academic Matters Committee in the Conference Center of the Delyte W. Morris University Center, Southern Illinois University Edwardsville, Edwardsville, IL. Present were: Marquita Wiley (Chair Pro Tem) and John Simmons. Other Board members present were: Roger Herrin, Ed Hightower, Mark Hinrichs, Donald Lowery, Donna Manering and Alex Vansaghi. Absent was: Jeff Harrison. Executive Officers present were: President Glenn Poshard; Chancellor Rita Cheng, SIUC; Chancellor Vaughn Vandegrift, SIUE; Vice President for Academic Affairs Paul Sarvela; and Senior Vice President for Financial and Administrative Affairs and Board Treasurer Duane Stucky.

Minutes

John Simmons recommended approval of the minutes of the April 14, 2011, meeting as submitted. The motion was seconded by Marquita Wiley and passed by the Committee.

SIUC Fee Items:

Proposed Increase: Facilities Maintenance Fee, Carbondale Campus, SIUC [Amendment to 4 Policies of the Board Appendix A-6] (Board Agenda Item J).

Proposed Increase: Flight Training Charges, SIUC [Amendment to 4 Policies of the Board Appendix A-4] (Board Agenda Item K).

Proposed Increase: Intercollegiate Athletic Fee, SIUC [Amendment to 4 Policies of the Board Appendix A-6] (Board Agenda Item L).

Proposed Increase: Residence Hall Rates and Apartment Rentals, SIUC [Amendment to 4 Policies of the Board Appendix A-18] (Board Agenda Item M).

Proposed Increase: Student Center Fee, SIUC [Amendment to 4 Policies of the Board Appendix A-6] (Board Agenda Item N).

Proposed Increase: Student Medical Benefit (SMB): Extended Care Fee and Change in the Name of the SMB Extended Care Fee, SIUC [Amendments to 4 Policies of the Board Appendix A-6] (Board Agenda Item O).

Proposed Increase: Student Recreation Fee, SIUC [Amendment to 4 Policies of the Board Appendix A-6] (Board Agenda Item P).

Proposed Increase: Information Technology Fee, SIUC [Amendment to 4 Policies of the Board Appendix A-6] (Board Agenda Item Q).

Chancellor Cheng reviewed the proposed fee matters.

John Simmons recommended approval of the matters and that they be placed on the Board's omnibus motion. The motion was duly seconded by Marquita Wiley and was passed by the Finance Committee.

SIUE Fee Items

Proposed Increase: Athletic Fee, SIUE [Amendment to 4 Policies of the Board Appendix B-4] (Board Agenda Item R).

Proposed Increase: Facilities Fee, SIUE [Amendment to 4 Policies of the Board Appendix B-4] (Board Agenda Item S).

Proposed Increase: Information Technology Fee, SIUE [Amendment to 4 Policies of the Board Appendix B-4] (Board Agenda Item T).

Proposed Increase: Student Fitness Center Fee, SIUE [Amendment to 4 Policies of the Board Appendix B-4] (Board Agenda Item U).

Proposed Increase, Consolidation of Sub Fees and Sub Fee Name Change: Student Welfare and Activity Fee, SIUE [Amendment to 4 Policies of the Board Appendix B-4] (Board Agenda Item V).

Proposed Increase: University Housing Occupancy Fee Rates, SIUE [Amendment to 4 Policies of the Board Appendix B-11] (Board Agenda Item W).

Alternate Tuition Rate: Doctorate of Nursing Practice Degree, SIUE [Addition to 4 Policies of the Board Appendix B, 1 Note 7] (Board Agenda Item X).

Alternate Tuition Rate: International Students, SIUE [Addition to 4 Policies of the Board Appendix B, 1 Note 6] (Board Agenda Item Y).

Alternate Tuition Rate: Istanbul Technical University, SIUE [Addition to 4 Policies of the Board Appendix B, 1 Note 4] (Board Agenda Item Z).

Chancellor Vandegrift presented an overview of the process for SIUE fee increase proposals and reviewed the proposed fee matters.

John Simmons recommended approval of the matters and that they be placed on the Board's omnibus motion. The motion was duly seconded by Marquita Wiley and was passed by the Finance Committee.

Proposed Tuition Rates for FY 2012 [Amendments to 4 Policies of the Board Appendices A and B] (Board Agenda Item AA).

President Poshard presented the proposed FY 12 tuition rates, which were lowered from the notice matter presented at the April meeting. He stated:

- The appropriations from the State have decreased from FY 02 from \$247 million to FY 11 to \$220 million. One bill before the Legislature will decrease the FY 12 funding to \$214 million. That represents a \$33 million decrease annually in the funding since 2002.
- The State's delay in reimbursements is slightly in excess of \$100 million. The November payroll has just been paid by the State, five and a half months late. Cuts and efficiencies have enabled the University to stay fiscally sound.
- SIU has been the most competitive university in the State with respect to tuition, with a limited increase in FY 10 and no increase in FY 11. Any increase must be guaranteed for a period of four years. Among the major universities in the State, SIUE is last in tuition. Among the five largest institutions, SIUC is near the bottom in tuition. The SIU mission focuses on students from middle to low income families.
- The State has only two systems: U of I and SIU. SIU has multiple campuses and professional schools which are expensive to operate. There is a broad research mission on both campuses. SIU has followed the lead from the only other State university with similar professional schools; the University of Illinois is proposing a 6.9% increase in tuition.

President Poshard stated that he understood the difficulty in supporting a tuition increase, particularly for the new members at their first meeting. However, he feels the request is justified.

Ed Hightower reviewed for the new Board members the rationale behind the 0% tuition increase last year and the request to lower the initial tuition increase proposed at the April meeting. He expressed his support of this tuition increase recommendation.

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

Temporary Financial Arrangements for Fiscal Year 2012 (Board Agenda Item BB).

Proposed Board of Trustees Identity Protection Policy [Creation of 7 Policies of the Board H] (Board Agenda Item CC).

Dr. Stucky stated that the temporary financial arrangements are necessary due to the lack of an approved FY12 State budget.

He informed the Board that the Legislature passed an Identity Protection Act last year which required the University to examine its administrative practices and ensure the confidentiality of social security numbers. It also required the University to adopt an Identity Protection Policy by June 1, 2011, and this is the policy presented for approval.

John Simmons recommended approval of the matters and that they be placed on the Board's omnibus motion. The motion was duly seconded by Marquita Wiley and was passed by the Finance Committee.

Approval of Purchase: Bus Services, Carbondale Campus, SIUC (Board Agenda Item GG).

Approval of Purchase: Fish Meal Derived From Asian Carp, SIUC (Board Agenda Item HH).

Approval of Purchase: Marketing Communications Services, Carbondale Campus, SIUC (Board Agenda Item II).

Chancellor Cheng reviewed the proposed purchases. Dr. Stucky clarified for Roger Herrin the process for Board approvals on the purchase matters.

John Simmons recommended approval of the matters and that they be placed on the Board's omnibus motion. The motion was duly seconded by Marquita Wiley and was passed by the Finance Committee.

Other Business.

There being no further business, the meeting was adjourned.

DS/lap