

WESTERN ILLINOIS UNIVERSITY
BOARD OF TRUSTEES
Minutes of the Meeting
June 28, 2018

The open session of the meeting of the Board of Trustees of Western Illinois University convened at 9:32 a.m. at Macomb Campus in the Grand Ballroom. Chair Cathy Early presided. Trustee Gradle moved to convene to open session. Trustee Savala seconded the motion.

Roll Call

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| Trustee Roger Clawson | Present |
| Trustee Lyneir Cole | Present |
| Trustee Cathy Early | Present |
| Trustee Carolyn Ehlert Fuller | Present |
| Trustee William Gradle | Present |
| Trustee Todd Lester | Present |
| Trustee Yvonne Savala | Present |

Motion carried.

REMOTE ATTENDANCE

Trustee Gradle moved to permit remote attendance. Trustee Savala seconded the motion.

Roll Call

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| Trustee Roger Clawson | Yes |
| Trustee Lyneir Cole | No vote |
| Trustee Cathy Early | Yes |
| Trustee Carolyn Ehlert Fuller | Yes |
| Trustee William Gradle | Yes |
| Trustee Todd Lester | Yes |
| Trustee Yvonne Savala | Yes |

Motion carried.

ATTENDANCE

The following trustees were present:

Trustee Roger Clawson
Trustee Lyneir Cole
Trustee Cathy Early
Trustee Carolyn Ehlert Fuller
Trustee William Gradle
Trustee Todd Lester
Trustee Yvonne Savala

Also present for the open meeting of the Board of Trustees:

President Jack Thomas
Legal Counsel Bruce Biagini
Board Treasurer and Interim Vice President for Administrative Services William Polley

Interim Provost and Academic Vice President Kathy Neumann
Vice President for Student Services Ron Williams
Vice President for Advancement and Public Services Brad Bainter
Vice President for Quad Cities and Planning Joe Rives

PUBLIC COMMENTS

*Bill Thompson UPI Chapter president: Commented that there is no denying that Article 24 says that layoffs can occur if there is a demonstrable enrollment decline. There is a demonstrable enrollment decline. There is also no denying that the faculty and academic staff are not responsible for that decline. And it is also not deniable that the faculty and academic staff are paying the price for the administration/s failure to stop or even stem the enrollment decline these past 12 years. And it's also no denying that this board has failed to address that decline or to hold the administration accountable for that decline. The only people who are being held accountable for the decline in the sense of dollars and cents, since that's what we have been reduced to as a result of the enrollment decline, the only people being held accountable for that are the faculty and academic staff and any other employees that may be laid off. I would ask the board to hold itself and the administration accountable for the decline and demonstrate that accountability to the students, the staff, the community and the state.

*Jeff Laurent, Professor of Psychology: In Psychology we talk about processing situations and I encourage the board of trustees, at their July retreat, think about the negotiation process and how it divided the campus. Do not make the same mistake next time pitting people against each other. Also think about your role (BOT) in dividing the campus.

*Jon Biernbaum, Associate Vice President for Student Services: I've been to this podium before and I just want to reiterate that there are many people out there who understand that the administration and board have difficult decisions to make in unprecedented times in order to preserve the long term success of the university. You need to do what you need to do.

*Patrick McGinty, Associate Professor of Anthropology and Sociology: The board has heard it needs to do something to support its longevity. I am here to offer that same narrative with a different direction. I am asking you not to authorize layoffs because the media, faculty, and staff will consider what that means: You do not have confidence in the very people who offer the product and services for the students, you no longer have confidence in your plan for the institution that you do not believe in us. If you continue to offer a reactionary agenda you will fail us all and you will fail in your mission in the longevity of this institution and keeping the doors open.

*Christopher Pynes, Professor of Mathematics and Philosophy and incoming Chair of the Faculty Senate: I have a comment on process and how these special meetings are run. Historically, the prior two years when I was the chair of the Faculty Senate, the constituency groups had tables where the leadership of those groups were here. Two years ago when you voted to authorize using restricted funds we were at the table. Not inviting leadership groups to the table is inappropriate. If you are going to make decisions about these people you should have them represented. The process matters and you cannot make it less painful without them. You can't force people to do things. It's inappropriate not to have constituency groups at the meetings. The process should be open and everyone should be represented.

*Kim Rice, Associate Professor of Political Science: This is a difficult time for the university. I started my career here and would very much like to finish it here. We love Macomb, my husband is a small business owner, we love the community and we love the university. I don't take any of this personally, I probably should, and I know that this could potentially happen. I am newer faculty and I work my butt off, but I know this could happen. I implore you to wait because of the new Admissions Director. We need some

peace since two years of no budgets, votes of no confidence, layoffs, potential strikes. More crisis on top of crisis is not going to inspire confidence in students that want to come here or who are thinking about coming here. I know there are concerns of not making payroll in 2019. I would implore you to wait. Let us all work together to rebuild trust and good will because I know you are not out to get me and I am certainly not out to get you. Wait to see what the enrollment numbers are and re-evaluate. Right now this does not have to happen, right now. Some peace would be great for everybody involved.

Resolution No. 18.6/15: Staff Reduction Authorization

Chair Early announced the resolution as presented.

A motion was made by Trustee Ehlert Fuller to approve. Trustee Lester seconded the motion.

Discussion was as follows:

VICE PRESIDENT RIVES' REMARKS

Good Morning. These comments are designed to provide an institutional and statewide context to empirically inform you on decisions that you will be voting on later this morning.

To begin, Western Illinois University has used its Higher Values in Higher Education Strategic Planning process to advance our institutional vision of being a leader in quality, opportunity, and affordability since 2004. In 2016, we introduced annual Strategic Planning supplements to address unforeseen challenges and opportunities at the time of writing long-term strategic plans and we introduced the President's Executive Institute to place even greater emphasis on increased external revenue generation to become less reliant upon state funding.

Despite all of the University's many documented accomplishments and national recognitions and rankings, Western Illinois University and Illinois public higher education are not immune to the state's ongoing fiscal status and the aftermath of the two year historic and unprecedented statewide budget impasse.

As indicated at the April 2018 House Budget Testimony by the Illinois Board of Higher Education, Illinois public higher education is the only major sector in the state budget that received less state funding in Fiscal Year 2018 than it did in Fiscal Year 2002.

In FY02 Illinois public higher education received \$1,496,839,500 compared to \$1,092,685,100 in FY18. This represents a decline of \$404,154,400 or 27%. In FY02 Western Illinois University received \$64,306,700 compared to in \$51,465,200 in FY18. This represents a decline of \$12,841,500 or 20.0%.

Between Fiscal Years 2003 and 2015, annual state appropriations were reduced 7 times over 13 fiscal years, held constant for 2 fiscal years, and increased 4 fiscal years, with the last being a 1.2% increase in Fiscal Year 2014, which does not equate to larger annual reductions including an 8.2% reduction in FY04, 6.2% reduction in FY11, and another 6.1% reduction in FY13.

But it is not just a decrease in state appropriated revenue that is of concern in the aftermath of the statewide budget impasse, other factors exist.

First, Western Illinois University and the Illinois public universities face reduced purchasing power. Adjusting for inflation and unfunded mandates, the Illinois Board of Higher Education demonstrated that the Illinois public universities buying power is only 49.0% of what it was in Fiscal Year 2002 dollars.

Second, while we are grateful for a second year of funding, as the state incrementally works towards the restoration of fair and predictable funding for Illinois public higher education, a closer look at the data shows that FY18 Illinois Public Universities state appropriations were 10% less than the amount received in FY15. FY19's 2% increase in appropriated funding over FY18 for Illinois public universities represents a value 8% lower than what was received in FY15, and a 18% cumulative reduction for the past two fiscal years.

Third is the fact that the Illinois public universities did not receive retroactive funding for FY16 and FY17 after the statewide budget impasse was resolved. During the two years prior to the statewide budget impasse and using Western Illinois University as an example, the University received a combined \$104.1 million from the State during Fiscal Years 2014 and 2015. During the two years of the statewide budget impasse, the University received \$74.7 million. The University lost \$29.4 million in funding that was not repaid by the state.

Fourth, is the new fiscal reality for the Illinois public universities. In the two years since the statewide budget impasse, Fiscal Years 2018 and 2019, and again using Western Illinois University as an example, the University was appropriated \$93.5 million, \$10.6 million lower than the immediate two fiscal years before the statewide budget impasse.

Fifth, is the continued enrollment decline within Illinois public higher education. Many factors contribute to this decline, included lower numbers of high school graduates, the State's status as a lead exporter of high school graduates, the crisis of confidence caused by the statewide budget impasse, and increased competition from out-of-state and online institutions.

To be clear, these are factors contributing to enrollment decline. They are not excuses. We need to have premier programs to draw students, faculty, and staff to Western Illinois University. And there are fiscal realities. Where annual University Income Fund operations costs were \$71.5 million in FY13, they were \$52.9 million in FY17. In fall 2013, the University enrolled 11,707 students, and had a Full Time Equivalent enrollment of 10,207. In fall 2017, enrollment was 9,441 students, with a Full Time Equivalent enrollment of 8,134.

Similar to all other Illinois public universities, Western Illinois University has taken many measures to address declining revenue and delayed and decreased state appropriations.

To compensate for reduced and delayed appropriations between FY11 and 15, University actions included, but were not limited to:

- Restricting across the board spending and limiting replacement hiring.
- Negotiating delayed salary increases with collective bargaining units.
- Cancelling salary increases for non-negotiated personnel.
- Increasing university reserves and carefully monitoring cash balances.
- Introducing retirement incentives.
- Implementing zero-based budgeting within Academic Affairs.
- Consolidating 18 academic departments/units into 10, and four technology units into one.
- Holding at least 25% of annual General Revenue Fund departmental operating budgets,

Results from these actions reduced state appropriated budgets by \$14.2 million in personnel services and \$2.7 million in operating, totaling a \$16.9 million cost savings and avoidance to the University. The size of the University workforce (headcount) decreased by 163 employees (52 faculty and 111 staff) during this time. The academic core was protected by engaging in 2:1 staff-to-faculty reductions. There were only three layoffs and no furloughs during this time.

Providing further evidence of protecting the academic core and engaging in mission-driven spending, Western Illinois University maintained 66% of all institutional expenditures on academics and academic support during the period of delayed and reduced appropriations.

Employee and budget reductions could have been deeper had the University not maintained historic efficiency through conservative, mission-driven fiscal management. The University consistently places below the statewide average on instructional and administrative costs per credit hour. In FY16, Western's values were third and second lowest of the 12 Illinois public universities on these measures. Instructional costs were 11.7% below the statewide average. Administrative costs 18.4% were below the statewide average.

Between Fiscal Years 2016 and 2018, and as documented in quarterly statewide budget updates to the Board and university community, the University engaged in an eight point plan in addition to the aforementioned cost savings and containment measures.

1. We worked on creating a reinvestment pool by holding 25% of appropriated operating budgets across the University. Actual FY17 appropriated funds operating expenses were 20.7% of appropriated funds expenditures (and are budgeted at 22.5% for FY18). We continue to evaluate replacement hires with regard to priority need.
2. Academic Affairs implemented 10 new educational opportunities to draw students to the University, including a new degree in cybersecurity, 5 new online degree opportunities, and three hybrid programs serving working professionals.
3. Student Services continues to enhance and build upon recruitment initiatives. Soon Admissions will implement a new Customer Relationship Management software to further increase timely and customized communication with prospective students and we now honor and validate self-reported standardized test scores.
4. Across the University, we continue to work on institutional strategies to increase student retention. And preliminary fall 2018 year to date comparisons shows that we are experiencing increases in the percentages of eligible students re-enrolling at the University.
5. We continue to work on increasing revenue. Advancement and Public Services is preparing for the next comprehensive fundraising campaign, President Thomas is working closely with Springfield on the restoration of fair and predictable funding, and we are implementing goals and priorities of the President's Executive Institute.
6. The University continues with cost savings and containment measures discussed earlier in these remarks, in addition there was a furlough program for non-negotiated employees and salary concessions by negotiated groups.
7. The University continues to monitor and enhance efficiency as tracked by Cost Study data.
8. And we continue to take an all funds budgeting approach.

Even with these actions, state appropriations and university income fund revenue continues to decline. The University's Fiscal Year 2017 personnel services expenditures were 80% of all expenditures from appropriated funds. The University has taken measures to protect and minimize reductions in force to current employees since appropriated funds reductions started occurring 15 fiscal years ago.

However, the fiscal reality, accentuated by the statewide budget impasse, is that additional fiscal measures must be taken, and this is part of the context for the authorization of layoffs that you are considering today. However, it is not without careful consideration, and deliberation that layoffs will occur. President Thomas and the Leadership Team have established the following guiding principles that will be followed if the Board approves layoffs.

1. We will continue to be guided by the University's Vision, Mission, and Values articulated in *Higher Values in Higher Education*.
2. We will base the University's academic portfolio on institutional areas of strength: Science and Technology, Business, Education and Community Service, and Regional Need.
3. We will align university resources with enrollment and finances.
4. Students' academic experiences will not be compromised:
 - a. Students on both campuses and online will have access to courses needed for General Education and degree requirements
 - b. We will provide four-year undergraduate experiences and graduate programs in Macomb, Quad Cities, and through distance education.
5. We will minimize the number of tenured faculty layoffs
6. We will strategically reduce expenses in order to reinvest in high-need and growth areas.
7. We will demonstrate strict adherence to the Higher Learning Commission's and discipline-specific criteria for accreditation.

These remarks provide the institutional context for your decision regarding the authorization of layoffs to occur. It is not an easy decision, but we want your decision to be based on an empirical evaluation of the institutional and statewide data and trends as Western Illinois University engages in university planning. Thank you.

CHAIRPERSON'S REMARKS

Making decisions that affect our employees are incredibly difficult. This directive we are putting forth to University leadership is not a decision we have made lightly, and we realize at a later date there may be other employee groups affected by layoffs. The Board directs the University administration to make the decisions necessary.

Higher education institutions must continually reevaluate their methods of delivery and recalibrate to meet the ever-changing challenges and opportunities. We are making these decisions to reposition Western for future growth, viability and sustainability, while remaining fiscally responsible to our students and taxpayers.

Faculty, staff, students, alumni, community members and University advisory board members have asked what the University is doing to meet the changing nature of higher education. We are realigning resources to further build upon Western's programs that are highly sought after by our students and employers.

Throughout the institution's history, Western has readjusted according to the times. The current realities facing public higher education call for realignment.

While Western Illinois University can no longer be all things to all people, Western's mission and students' academic progress are not compromised by the decisions to realign the educational opportunities.

It's a difficult day, it's not a day that anyone has looked forward to. Our responsibility is for the future and based on the fiscal realities of everything that Vice President Rives has laid out, that is the information we are using to move forward.

PRESIDENT'S REMARKS

The President's Remarks were as follows:

These are very difficult decisions that have to be made based on the information Joe Rives stated: dwindling resources, not having a budget for two consecutive years, and after we got a budget, we had decreases. Difficult decisions have to be made here today and we know that these are unpopular decisions. The Board of Trustees has charged the University leadership with implementing a plan that positions Western for growth and viability by aligning our resources with enrollment and state funding.

Western is adapting to the changes facing public higher education. Changing the University's personnel structure is a difficult decision, and adapting to the new higher education landscape means revising, making difficult decisions. An announcement will be made on July 16 regarding the investments in academic programs that will keep Western on the leading edge and prepare our institution for growth.

As the state returns to what we hope is an era of fair and predictable funding, Western is making greater investments in high demand programs. As I stated, these are difficult decisions but decisions have to be made to move our university forward. To all of us I apologize for the decisions that we do have to make, but it is in the best interest of Western Illinois University. I yield to the Provost.

INTERIM PROVOST NEUMANN'S REMARKS

I will echo Chair Early and President Thomas in that these are difficult decisions today. Per the directive of WIU's Board of Trustees to align our resources with our enrollment, Academic Affairs will be eliminating 62 positions that are or will be open due to retirements and resignations. Additionally, pending approval of Resolution 18.2/15, notification of layoff effective at the conclusion of the Spring 2019 semester, will be sent tomorrow to 24 faculty, 7 of which hold tenure, 2 non-faculty members within Academic Affairs will also receive notification of layoff.

Trustee Lester's Comment:

For those who will receive layoff notices I am extremely sorry. Frankly, sorry is not good enough and we can do better. We can all do better and we will. I want everyone to know that nothing at the moment at this university is off the table from analysis. I'm going to repeat that: Nothing at the university is off the table from analysis. Nothing is so sacred to analyze to see if we need it, can do it better or more efficiently or in a more cost effective manner. We will see that the university will be analyzed from top to bottom and will make the appropriate recommendations to move us forward. No one person has all of the answers.

Trustee Clawson's Comment:

I concur.

Roll Call

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| Trustee Roger Clawson | Yes |
| Trustee Lyneir Cole | Yes |
| Trustee Cathy Early | Yes |
| Trustee Ehlert Fuller | Yes |

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| Trustee William Gradle | Yes |
| Trustee Todd Lester | Yes |
| Trustee Yvonne Savala | Yes |

Motion carried.

OLD BUSINESS

There was no old business discussed.

NEW BUSINESS

There was no new business discussed.

NEXT MEETINGS

The Board retreat will be held July 12-13, 2018 on the QC campus; and the next Board meeting will be held September 27-28, 2018 on the Macomb campus.

ADJOURN ACTION

Chair Early called for a motion to adjourn the meeting of the Board at 10:07 a.m. A motion was made by Trustee Savala and seconded by Trustee Ehlert Fuller. All were in favor and none opposed.

Cathy Early, Chair
Kerry McBride, Business Administrative Associate to the Board

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