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Senate Meeting, February 17, 2021

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Academic Senate Meeting Minutes
Wednesday, February 17, 2021
Approved

Call to Order

Academic Senate Chairperson Susan Kalter called the meeting to order.

Roll Call

Academic Senate Secretary Martha Horst called the roll and declared a quorum.

Senator Kalter: Good evening. This meeting is being held electronically due to the issued disaster declaration, and because the President has determined that at this time in-person Senate meetings and Senate committee meetings are not prudent, practical, or feasible.

Just a reminder that if you would like to be recognized to speak, you should raise your hand through the Participants function in Zoom or click on either the Yes or the No button if the Raise Hand is not available to you.

Please note that live transcription is now enabled. You may explore your live transcription controls along the bottom of your screen to enlarge the font, hide the transcription if it is distracting to you or display the full transcription along the right-hand side of your screen.

We're going to start tonight with public comment. The Academic Senate of Illinois State University welcomes constructive communications from members of the University community and the citizens of Illinois. Students, faculty, and staff are encouraged to provide information relevant to the academic mission of the University.

The Academic Senate allows up to ten minutes in total for public comments and questions during a public meeting. An individual speaker will be permitted two minutes for their presentation. When a large number of persons wish to speak on a single item, it is recommended they choose one or more persons to speak for them. The Senate accepts copies of the speakers' presentations, questions and other relevant written or visual materials. When appropriate, the Senate may provide a response to a speaker's questions within a reasonable amount of time (usually 24 hours or more) following the speaker's presentation.

Further comment, according to our bylaws, will be carried over to the next Senate meeting; people may also submit written comment tonight and we will distribute it by tomorrow.

A reminder to our public commenters to please keep their presentations to two minutes. And we're starting with Isabel Samuel, who is a graduate teaching assistant, and I believe also a member of the Graduate Workers Union.

Ms. Samuel: Good Evening. My name is Isabel Samuel and I'm speaking in support of the Graduate Workers Union. I do have a graduate teaching assistantship with the School of Theatre and Dance and I have become a member of the GWU since I joined ISU in the Fall of 2020. And tonight I am asking that Senator Dietz and the university not only continue to bargain fairly with us, but bargains generously with the GWU. Graduate teaching assistants produce tremendous

value to ISU both as instructors and students. We deserve a living wage, expanded healthcare, and eliminated fees.

I specifically believe we deserve a living wage because I know I am incredibly fortunate compared to most of my peers, and I am still \$15,000 in credit card debt due to my decision to attend ISU, with no plan or idea as to how I will ever pay it off. Most of this debt is due to living in a pandemic, but that does not belay the fact that I am quickly approaching credit card limits and have no idea how I am going to survive for the next few months. For example, the heat in my car is broken, so with this current cold snap I cannot safely leave my house without risking frostbite, and I just do not have enough money or credit to fix my car at the moment.

The money that we are asking for through raises, increased benefits, and eliminated fees is not money I need to better my outlook, it is money that I need in order to meet basic survival.

ISU can do better than its current offer. Graduate teaching assistants overwhelmingly live in poverty, and that is not an environment I want to continue to teach and work in. This is an essential and important issue, and I urge the President and the University to take it seriously. Thank you so much for your time this evening.

Senator Kalter: Thank you very much, Ms. Samuel. And we'll go next to Steven Lazaroff, also a graduate teaching assistant, and I believe also a member of the Graduate Workers Union.

Mr. Lazaroff: Thank you. Budgets are not laws of nature but reflect real choices by people and institutions that they produce. Right now we live in a university whose choices demonstrate graduate teaching assistants are valued as cheap skilled labor that generate enormous amounts of surplus value for ISU. They don't have to pay us much but they can charge students the same amount as tenured faculty. The budget is made by people like Senator Dietz. However, "people like Senator Dietz" is a non-existent category for he is President Dietz and there is only one of him. People can be judged by their actions which show what they value in the university. Looking at his actions, ISU under Senator/President Dietz values graduate student exploitation. Taking an example of a 1st year English PhD student teaching four sections over their nine-month contract. As the instructor of record for that class, that TA will produce over \$106,000 in revenue, and in exchange they will receive \$15,740 in wages. That is over \$90,000 in surplus value across the year. We can't excuse exploitation just because we live in a system built on exploitation. We should always care about the particular human beings getting hurt. TAs living in poverty and fear, folks going to the food pantry, made by graduate students for graduate students to deal with the rampant poverty produced by working and studying at ISU, and TA's who take on student loan & credit card debt to pay basic needs. That this is normalized, that you went through this too, does not mean you shouldn't act now. Our student-instructor-researchers deserve better, just like you did when you were a TA. Supporting TAs is a moral issue that deserves your commitment.

If there is collective deliberation, if democracy exists at ISU, it exists here, in the Academic Senate, the principal governing body at ISU. So, I ask you today and, in the future, to help graduate teaching assistants in our fight for the recognition of the value of our work, to stop the degradation of our lives, labor, and education. Thank you.

Senator Kalter: Thank you very much Mr. Lazaroff. Let me ask if there are any others who would like to speak at Public Comment? (Pause) All right. It looks like none. So, we will go on. Let me say thank you very much to those giving public comment. We are glad that you are here, and you are welcome to stay to observe the meeting. If we experience disruptions, I will be giving a single warning, and if they continue, we will remove the individual or individuals causing the disruption from the Zoom room, and you'll only be able to watch the rest of the meeting via the YouTube live stream.

Please remember also everybody that in all cases under Roberts Rules of Order only sitting Senators and expert witnesses whom the chair recognizes have speaking privileges. The chair of the meeting has to recognize you from the floor before you're permitted to speak, even if another Senator has invited you to speak. During presentations and Administrator Remarks, I do generally allow our ex-officio administrative Senators to be the chair's proxy in this, but the chair does always reserve the right to take back the floor and to mute microphones on Zoom in order to do so in the absence of a physical gavel.

So, we're now going to move to our second presentation regarding the Engineering Programs Proposal. This night's presentation is going to focus on two aspects of the proposal, beyond the development of the curriculum and the proposed organizational change, which we saw two weeks ago. Senator Dietz is going to start us off, and we'll then introduce Senator Stephens to discuss the major capital project planning, or facilities planning, and the overall budget and funding of the programs start up. So, Dr. Dietz, let me hand that over to you.

Presentation: Engineering Programs proposal (President Dietz/ Vice President for Finance and Planning Dan Stephens)

President Dietz: Thank you very much, Senator Kalter, and good evening everyone. The bulk of the presentation this afternoon is really going to be in the hands of Senator Stephens, but I do have some general introductory remarks.

First of all, with us tonight are our colleagues from Cannon Design who've helped us. They're not going to have a speaking role tonight, but they're available in case we have some questions that are more technical that they are perhaps more qualified to answer. But Charles Smith, the Project Manager, also with us tonight is Trevor Calarco, and also Vin Manno, and we appreciate them being here. In addition, Deans Zosky and McLoda, who've been a part of this from the very beginning, and then one of Senator Stephen's colleagues Sandy Cavi is available tonight as well.

I'm not going over the history that I did the last time that we talked about this and the timeframe. It really began back in 2015 and 2016 and name all the groups that have been involved in the discussions since that whole time, because we covered that the last time. Also, as Senator Kalter mentioned, we're not going to go back into the program development and the curricular aspects of this. Tonight, we'll focus mainly on the facilities space planning, and also the financial part of this.

To me there are two important questions that hopefully the presentation will answer tonight, and I'll answer just briefly, but Senator Stephens will go into a lot more depth about this. The first question is where would a College of Engineering be physically located? And we've been talking

about that for some time, and looked at various sites on the campus. Simply, the footprint for most of the sites that we looked at were not big enough for the College of Engineering as we foresee it in a complete buildout. So, the only place that really is available that we own, which is obviously building on and renovating on land that own is a lot cheaper than going out and buying something. The only place that has that kind of flexibility, in terms of space, is the current John Green facility that's on Gregory Street. It's close to the part of the physical plan, and also fairly close to Cardinal Court. So, it's just north of Gregory Street the plan would be to renovate the current John Green facility and it's less expensive to renovate something that it is typically... and it takes less time to do that, than build new. And so, that would be the starting point for that, and Senator Stephen's will go into more detail about that.

The second big questions I think that most people have is as we proceed on this who's going to pay for it? And that's an important question as well. And so, as we talked about these possibilities back in 2018 with the Board of Trustees at a meeting, that scenario really hasn't changed. There are basically three ways to pay for a project like this.

A terrific way would be for the state to pay for all of this. Well, we've had that experience of waiting for the state to pay for the addition and renovation in the Wonsook Kim College of Fine Arts and that took well over a decade. I am optimistic that the state is now investing in capital improvement projects, and I'll talk more about the future budget in my Administrator Remarks here shortly. But for the first time in a long time we've actually invested in capital and I think that this is something that the state would invest in. So, that's one way.

The second way is to fund this through the student enrollments and the tuition and fees that are generated from the student enrollments, and that's basically the bulk of the way that universities exist now is because the state support has declined to about 14% now, so. The bulk of any university operation comes from the students who are actually paying it through their tuition and their enrollments.

Then the third way would be for some private support. And I have had good conversations with a number of national cooperation's and some have a local presence. And I do think that there will be an opportunity for those private entities to help us with philanthropy, whether that's naming opportunities, or whether that's scholarships for students, or internships, or equipment, etc. I think that will happen but we're pretty early in this process. I think it's really going to be a combination of all three.

But in our planning, we said, well, let's hope that the state helps us, and I think they will. But let's also hope that we get some private support, and I think that will happen. But if neither of those occur, can this be paid for kind of on our own, if you will, through the revenue generated by student enrollments? And I think you'll find that the answer to that is yes. So, as we get additional support from the state, that will be wonderful, if we get additional support from the private sector, that'll be wonderful. But I think we're going to plan in a conservative way that we won't get any help by anybody, we're doing this on our own, and I think you'll see through Senator Stephen's presentation tonight that that'll be evident. So, with that I want to say thanks to everybody who's gotten us to this point, including Senator Tarhule, and a lot of his staff. Senator Stephens and a lot of that staff. And a number of deans, and all the planning groups that

have come together, and our consultants. And with that I'll turn it over to Senator Stephens and then I'll come back at the end of the presentation.

Senator Stephens: Thank you, President Dietz. Thank you, Senator Kalter. I appreciate the opportunity this evening to talk about our facilities space planning and our financial analysis. It's, as President Dietz has alluded to a number of topics that I'll be sharing in a little bit greater detail, but his points are well taken. We've been studying this for a number of years and bringing our colleagues from Cannon Design help us fine tune that has been very important over these last few years. So, hopefully I'll articulate well, not only the space discussion that they've advised us on, but also the financial ability for us to make this commitment.

Colleagues, again, as President Dietz introduced, they've been very helpful in helping us hone the exact kind of space utilization that's necessary in a successful Engineering facility. And so, I appreciate then joining us this evening and providing this information. Some of the slides I'll be sharing with you I've just simply lifted out of their presentations that they've shared before.

Overall, we're going to talk about the general planning analysis, some of the typologies that are unique to engineering spaces. Some visual examples of what was shared in their presentation, and as President Dietz talked a little bit earlier about, the John Green Complex is definitely representing probably our best example of having property that we own today and ability to use that for our highest and best use. And so, I'll show some slides a little bit about how it's being used today, and then based on the analysis that was done by our colleagues from Cannon Design, how we can retrofit that facility to be able to address the enrollment levels for the program.

So, from a space typology, and kind of a recommended allocation metric, our colleagues at Cannon essentially identified this general allocation percentage. Now this is for a general facility itself if it was outfitted entirely in one particular building, but it certainly sets the precedent for we'll have a combination of some of these spaces uniquely in John Green, but we'll also be using some of our existing classroom spaces and labs across campus. But if you start from left to right, essentially a quality Engineering facility is going to have about 15% of this space is in general learning, usually in lecture halls or classrooms. About a third of the space is going to be needed for design labs specific for studio and project spaces, or maker spaces and fabrication shops. Engineering labs allocation is approximately 25%. Those are dedicated to, since we're doing EE and Mechanical Electrical, we'd have instructional labs for each of those, as well as thermal fluids and robotics systems. And then some also important spaces that are needed in a facility are student collaboration space, working not only with their colleagues but also working with faculty. So, there's an allocation necessary for team rooms, quiet spaces, and student club spaces. And then lastly, an allocation for office administration and a forum for some interdisciplinary collaboration.

I won't describe these spaces. They're fairly self-explanatory. But these are some of the pictures around the flexible types of classrooms we certainly would have over at the new facility or in our own campus on the quad to help support some of the Engineering Programs: large lecture halls, small lecture halls. We would certainly utilize the space in John Green, we're going to have to dedicate that space to be more targeted for some of those specific lab spaces. So, in the beginning, as we call phase one of the program, we would probably end up using our campus

facilities for the large lecture rooms and as we started to expand the program in two later facilities, especially with some state support, we'd probably have an opportunity there to build out some large lecture halls on the complex.

Design Studios are definitely necessary for a successful program for students. And then you need project spaces. Some of the equipment, as you can see, is going to actually take larger spaces for the students to work with. Some of the equipment, especially the electrical equipment, tends to need a little bit smaller allocation of space.

Project development space is also very critical in an Engineering Program. If you can see this one example that they used for Rivian, it would be very exciting as we establish our Engineering Program to have kind of a partnership with Rivian as they're developing their electric cars and any other type of product they continue to create. So, having space necessary to see some of that equipment either that they donated to us or potentially project space that some of our students are actually creating some type of mod type of systems that mirrors what they're doing over in their company space.

Maker space/ Fabrication Space. These are obviously examples of where students hone their skills in the particular programs that they're majoring in.

And then, targeted Engineering lab spaces. As you can see in some of these pictures here, some of the unique engineering, especially Electrical Engineering equipment that sits in each of those student spaces we're going to have to have a certain allocations of quality space in this area.

Team rooms are very important for success of the students. Study spaces. And then certainly student club spaces. As I was, over the last couple of years, I've had an opportunity to visit a couple of Engineering schools and one of the things that I noticed when I was visiting their spaces, that each of those schools had competitions that, from a product perspective, that their students would build. I know we have a solar car here. So, I can certainly see our solar car being a student club with the currently it is today, and potentially adding other student programs around for universities to compete with. So, very much would make our program successful having as many student clubs available in this discipline.

And then lastly, this collaborative forum space is typically a space in kind of an open area where a lot of Engineering schools, in their buildings, they love to display what the student work is. And usually it often hangs itself from the second level. And when we start to get to the design of the John Green, we're fortunate it's a two story building that we can renovate. And there's an area that is dedicated that would allow for that display of some of the equipment and models that our students would be working on.

So, now as President Dietz talked about, some of our prime property that we can use to dedicate to the Engineering Program is the John Green site. As many of you well know, here is just an overview of our Quad, the John Green site is literally next to the Cardinal Court, is certainly within walking distance of the Quad today.

Here's an aerial visual to give you a perspective for some of you that really haven't been on that part of campus. Here's the U-High high school here, and then across the street from that is the John Green building and the Carter Harris building. Currently today, this is where the facilities team maintains its operations, and this facility as you'll see in the pictures today, is pretty much being used as a warehouse. It used to be our food preparation building years ago before we renovated other facilities. And as you'll see in some pictures the EMDH leadership team has been using the front of John Green for its administrative space, and they're going to be moving over to a newly renovated space in the Bone Center. And one other point to note is if you notice the space here, as President Dietz talks about, our goal is to start the program in this particular facility or on this complex. But as we hopefully grow and especially with support from the state or from private donors, we'd have an opportunity to connect another building to this and to have an even more robust Engineering Program that certainly exceeds our current first phase of about 500 students.

Here's another different aerial view. And I placed this in the slides just to simply show you that it's right next door to Cardinal Court. So, if you think about from a recruiting point of view, our ability for students, especially in their upper classroom level, to actually live with us and live essentially live right next door to their academic facilities would be very important for us. If you talk to any Engineering student, or any person who's majored in Engineering, they'll tell you about all the time that they spend at nights and weekends working in the labs. And so, having housing facilities right next to it is definitely an advantage for us.

Here's an aerial view kind of looking from the ground level. As you can see, it's a two-story building. This is the administrative space here. Here is the existing floor plan. Here is, currently today, some of the interior pictures. In this you'll see in a couple of settings here that it is currently used by facilities and the housing and dining team for storage space. These doors here are actually pretty helpful when you're trying to get large pieces of equipment in and out, so we're fortunate that there's a loading bay area that you have to have in order to work in a quality Engineering Program. Here, again, just some pictures of interior space that is currently being used as warehouse. And then this is the administrative office spaces in the front of that. We would utilize that space for faculty and conference rooms in order to, you know, certainly provide that necessary for the faculty to be working at the complex.

And then the Carter Harris Administration Building, which is on the front, this is another place that we know is we certainly don't have enough room in the administrative offices here to house all of the administrative space, so we would retrofit probably this front area, is already existing as administrative space for facilities, and if you can look in this layout here, as you can see, it's set up fairly nicely for us to come in and do some minimal renovation in order to be able to start the program. But we've already got space allocated for our new faculty and staff that would be joining the university.

Back to our Cannon Design colleagues, they've got programs that allow an institution like ourselves that work with them to help kind of identify using targeted levels of enrollments and the space algorithms that they use, they helped us figure out what types of spacing that the John Green building could be used and retrofitted for to work with our enrollment level that we believe that we can work with, which is listed at about 520 students.

So, when you take that type of space design, this is what they are showing now that that first floor of John Green would look like. So, here is the legend down here of the variety of spaces. And so, they've taken that 80,000 gross square foot building, and from a first-floor perspective, they've attempted to allocate the necessary space to deliver the necessary programs and lab space that would be needed there on the first floor. And then given the fact that we've got a second-floor level in the building to have a mezzanine, this is what we, the second-floor level, would be used. And if you see this "open to below space," that's the area that I spoke to earlier that most schools and facilities love to have an open space to look out over and that's where a lot of those modeled competitive equipment that students work on, you'd typically displayed. So, here is kind of a cool visual of kind of the interior of the John Green building if it was retrofitted based on this space design.

So, if you step back from it, as we talked about phase one and the need to establish the program, working with them, they identified that kind of the John Green building that's kind of allocated in the space that I'm talking about, could serve about 520 students when we're combining some of the classroom and lab usage from the current facilities on campus and targeting this space in order to make sure we maximize the opportunity to have a quality program in Mechanical and Electrical. And if you can see right here, this is the Carter Harris Administration Building that would be tied in to help in this renovation. And as President Dietz talked about a little bit earlier, and as I mentioned, with state support or private donation support the opportunity to actually expand the facilities so that we can grow the program beyond the 520 students is certainly our goal. And thankfully we've got lots of room there, so we can connect the two facilities together. So, as Cannon looked at the space, they also studied the ability for our institution to actually potentially add anywhere from maybe 800 to 1,000 students, depending on how much facility support or capital support we were provided.

So, now I'm going to move the conversation over from space over to finances. I'm going to touch on Program Revenues in the model, Program Expenses, Capital Financing Options. You'll hear me speak a little bit later of renovation cost of the John Green Complex, we're talking about that particular building, as well as Carter Harris, and then needing to spend on the Quad some additional expansion of labs for other non-engineering disciplines. We're looking at a funding request, somewhere around \$44 million. So, I've got three scenarios here that I'll talk to about what would be probably be the best way to fund that, you know, within our own resources. And then a brief mention is essentially what President Dietz said, we do have future growth opportunities. I am optimistic that at the end of the day that the leadership in Springfield, although it is challenged by its budgets, we are beginning to see a renewed commitment in education, and we believe at some point in time in the future our appropriation request that we have for Engineering facility will come through, and we'll be able to actually expand our facilities on the John Green Complex, and be able to do that without any need of capital investment.

From a revenue perspective, some of the key assumptions that we have here, and I'm always going to work with what's referred to as a steady state, or 520 students in this first phase. So, from a tuition point of view, we're starting the model out, essentially with our current tuition rates, both in state and both out of state. We've essentially allocated in the model that 95% of the

students that would be enrolled would be paying either the in-state rate, or again, they'd be from boarder states near us, where we have permission to provide an in-state tuition rate. We have allocated 5% to out-of-state/ international with our INTO program, and with adding Engineering we'd certainly have an opportunity to not only grow that level but certainly recruit a lot more international students.

We are introducing a differentiated tuition under this model. I've got a slide that I'll speak to just in a minute where a lot of universities around the country are utilizing a differentiated tuition level to provide some of the necessary operational and capital needs. As you saw some of that equipment that's identified in these Engineering labs, it's fairly expensive when we've got to constantly budget for that to be maintained and are replaced over a certain number of years. So, we are modeling that we would have 15% differentiated tuition level starting when the program begins, and then as we hit year 10 which is about four years after our accreditation, if you recall from Provost Tarhule's presentation, we believe we can reach accreditation two years beyond the first cohort graduation, which would be year six. So, from a fiscal perspective, given the fact that we've got a strong academic reputation here at ISU, and I know if we added Engineering to it it would simply... that level of quality would carry over into Engineering that our ability to recruit students even with a level of commitment would be achievable.

We've also got enrollment fees, student fees for Academic Enhancement Fees that are direct related to just these enrollments. And then from a financial aid perspective, I spoke with Jana and got kind of an overall average to start in the model. It's simply a placeholder. But she told me to use roughly about \$3,500 per student.

As I said earlier about the competitor competition, this is a list of schools today, both in the state and in boarder states around us, and peer schools that have Engineering Programs and have been using differentiated tuition for a number of years. If you see, one of the highest, number one, sitting up there is actually UIUC where they've got a premium of about 42%. They're an R1 school. Obviously, we're not an R1. We would actually start our program in this R2 area. So, if we established a 15% tuition rate, we'd be competitive with NIU and SIU. And these charts are actually about a year to two years old, I believe. I don't know whether these rates have been changed since that day. But if we go, as I said early, 10 years out and our program is in a much more mature state, we believe, given our academic quality, that we'd actually be able to move our tuition up to probably closer to the UI Chicago level, which is sitting around 23%.

So, now from a modeling perspective, I'm just going to show some high-level charts. I'm not going to walk through these in detail, I'll just cover the highlights. From the Revenues that I just spoke to, the overall revenue when you hit the steady state, which is essentially year six or fall 2027, at 520 students, that net revenue area of tuition, differentiated tuition fees, AEF, and financial aid kind of peaks at around \$6.4 million, and then it will grow at about a 2% rate. I apologize for not mentioning that from the past slide. What we've done for the modeling out cost increases is we just simply selected a higher industry index (CPI index) of 2% and applied that to all factors whether it's revenue or our operating expenses, both in compensation or facility support. Now the reason you see here year one and year two at not having any kind of revenue is those first two years, you'll see in a couple of minutes, is actually where we're bringing on the dean and we're bringing on the dean's office, and the starting faculty designed to help us get the

program going. And then, so our first cohort starts at this date, at 130 students and then maxes out four years later at 520.

From a personnel perspective, I thought it was probably easy just to pick kind of a single point in time, which is at what we're, again, referring to as steady state or year six when the 520 students are here. It's where we're recruiting and maintaining our program at. So, here is the personnel from both a faculty and staff model and perspective, when working with Provost Tarhule. This is kind of the breakdown of how much particular faculty support and staff support we've got embedded in the model. So, if you look over here on the left hand side, you'll see the dean's office is projected to have the founding dean, an associate dean, and then a chair assigned to Mechanical and Electrical and then an executive administrator. And then these are placeholders as the estimated salary associated with those positions. And as we move into hiring the teaching faculty, we utilize a ratio of 24 to 1, and utilizing that gave us essentially an even mixture of Mechanical and Electrical faculty of around 9 each or roughly 18 in total. And from a compensation prospective, working with Provost Tarhule, we essentially blended assistant, associate, and full professors as they were added into the program, and when you blended the average compensation in the mixture that we had, it blended out to be an overall average of roughly around \$100,000. From a staff perspective, we utilize the ratio of around 50 to 1 which gave us staff of around 11. And the general average compensation for each of those staff members was around \$50,000.

And then for the instructional support that we know is definitely going to be needed in the other non-Engineering disciplines across campus, pretty much in the Chemistry, Physics, Mathematics, English, IT, and probably the Library area. The way we decided to model that is, in talking with Provost Tarhule, we essentially said that it would be, since it's an element of sections that would be needed and not necessarily having to get into the complexity of the workload requirements in each of those disciplines, that we essentially said, why don't we provide for the equivalency of six tenure track positions at an average compensation of about \$90,000, was essentially gives a funding source to provide for these disciplines, around \$540,000. Now one of the important points to make in this is this just is a place holder. We certainly aren't trying to indicate that this is a perfect model, but the commitment I will promise to you that I know Provost Tarhule and President Dietz will support is that as we add Engineering Program, and as those disciplines occur, and our need for instructional support in each of these disciplines that are impacted by it, we're going to provide whatever the necessary funding is in order to adequately provide that instructional support in each of the disciplines that are impacted. So, don't get necessarily hung up on this just being an allocated amount. It was just a way of placing a balance in there.

This is kind of a visual to see a little bit about how the enrollments and faculty and staff are in alignment. Again, as I said earlier, this is when the dean's office, before we have enrollments, two years ahead of the plan. Here is the first-year cohorts. Students start to come on campus. Engineering faculty and staff are hired. The green level here is the staffing that we talked about earlier for other departments. And then as it moves up to the, again, we call the steady state at 520 students, that is that listing of those 18 faculty member, of the 11 staff, and the other instructional disciplines that we have to stay, essentially, at a steady state.

From a personnel and operating budget support, and facility support we decided to model in essentially some placeholders for obviously starting with office computer equipment at \$2,500 per person, and then rotating that out every five years. Other operation support, in general around \$2,500 per person. And this is, when we talk about per person, that's every individual. There's about 40 in total. When you look back, right here, at a steady state there's a total of 40 faculty and staff.

So, as we modeled out kind of a general operating budget (without getting too much into the weeds) the budget allocates about \$2,500 per person to help in operating support. Then we included library subscriptions for the Engineering Program, of about \$100,000 a year. And then from facilities and lab operating support, we've got utilities that we've based our rates off of the Science Lab buildings, and then we've got lab and office equipment replacement kind of budgeting about a \$40,000 a year, with a 10-year life-cycle. And then, facility cleaning and maintenance cost running about \$100,000 a year, which is about on average on campus we're anywhere from \$2-\$3 a foot, and this facility is (from a finished state) about 50,000 square feet.

So, when you throw all of that expenses together, the compensation and the supporting cost, this is generally what this chart shows you. When you hit a steady of about 520 students, that operating expenses is about \$4.5 million. And if you want to look later (I'll send these charts), you'll be able to see how it grows from when we start in this particular area with having to fund for the startup cost of the dean's office and then as each of the instructional staff support comes in place.

When you combine the two revenues and expenses together, before we start talking about the need for capital funding. The overall net revenue tuition, differential tuition, financial aid, academic fee, it averages out (when you look at steady state in that first year where we've got all 520 students), it rounds out to be about \$6.4 million. And then, the compensation cost runs (I was showing earlier) about \$3.9 million. The facilities support modeled out about \$235,000 a year. And then, the facility operating cost and budgets for laboratory equipment and replacement and cleaning are about \$340,000. So in total, the expenses are running at that steady state of about \$4.5 million. So, when you net from an operating margin perspective, that's 6.3 in that number, you get a projected net operating margin (before we have to cover any debt payments) of approximately \$1.9 million.

So, now I want to move the conversation into an area of how do we fund this? As President Dietz talked about earlier, we'd love for the opportunity for the state to provide this capital. But unfortunately we may be waiting far longer than we need to. So, we've decided to attempt to try to provide these resources within our own means. So, within the financial model, as President Dietz spoke, we didn't not assume any state support or private donation support. So, as any of that matures over time, at any point in time we can adjust the model to reflect that, but this would be the most conservative way of looking at it.

So, from a facilities and a capital perspective, kind of the overall capital needed for the renovation of that facility and to get this project going, is roughly \$44 million. Where that's coming from, in working with our colleagues from Cannon, kind of the renovation costs of the John Green facility by itself (excluding the equipment) is roughly about \$38 million. Then on top

of that we've got to acquire the engineering laboratory equipment, about \$3 million. And then for those teaching labs that are on campus that would have to expand in order for the other disciplines, there's an allocation that they recommended of about \$1.7 million. And then we're going to certainly need some faculty office space renovation, you know, on campus, we've got an allocation there of \$500,000. And then to round this up to a nice easy number, I just threw in "other" another half a million dollars just to get it up to a point to model out, kind of those small things that we hadn't necessarily planned for.

One point, so when you'll see in the financial model, I decided to borrow these funds. What I chose to not do, in talking with the President, and it was the relocation cost. We're certainly going to have to relocate some of the storage facilities that we have going on at John Green, and some of that administrative space. So, from a budgeting perspective that we would support through central reserves, kind of estimated a number anywhere between \$5 to \$8 million to have those facilities and personnel relocated to different locations.

So, how would we go about handling that \$44 million capital commitment? I've got three scenarios here that I wanted to talk through. As you can see from this chart up here, I've got one of them (and I'm not recommending) but I've figured I would share it, because it is an option, it's just not a wise one. That's to fund 100% of that \$44 million from our central reserves. That would not be very wise on our part to do so. That's too substantial of an amount to draw down our reserves for this. One of the important things to note, unlike what each of us can do individually at our homes, we can decide pretty much at any time with our house with our mortgage, if we wanted to refinance our house and provide some of that capital back into our bank account, you're permitted to do that from a personal asset perspective. But from the State of Illinois they don't permit public universities from refinancing any of its instructional facilities, or even our AFS facilities. So, the idea of putting \$44 million into the program with our own reserves is not smart. And lastly, our credit rating agencies (if we chose to do this) would likely view that as "negative" and that would negatively impact our current rating, which is currently an A- in S&P. And that's important that we want to stay at that credit level because that's what keeps our interests rates as we borrow funds as a lowest rate possible.

A second option we would do would be finance that \$44 million over a 10-year horizon. That's available under our existing COPS rules within the State of Illinois. That would require an annual debt payment of about \$4.9 million. It would certainly spread out the need of central reserves over 10 years, and we can't refinance that COPS Debt, it's not permitted, even after that timeframe. And the credit agencies would likely view a 10-year debt instrument, if we chose that we'd neutral potentially the negative.

Their preference, when universities are taking on this type of capital commitment, their preference from a mitigating cash flow and reserve risk is to try to stretch your debt instruments out at least to a 30 year option, which is what I'm recommending here in this column. If we borrow these funds under this type of an arrangement, which we've been talking with Bank of America, some of our financial advisors with them, our financial advisors with Blue Rose. We've had conversations with JP Morgan about this. They are very positive this is a common event that's occurring in Higher Education space; that universities are now having to (for instructional space not just AFS system type of facilities) that they're seeing universities begin

now to borrow to either renovate or expand their academic space. So, we would be entering into that market that's actually got an element of maturity so far. So, if we model this debt (you'll see in a minute) at 30 years it would obviously lower our debt payment to about \$2.8 million a year.

And one last point that I'd like to mention is that under a 30 year debt structure, typically what happens is you end up setting a credit environment to where after about 10 years you're given an opportunity to refinance what you have remaining, and often times when you do that it lowers the future interest payments. So, we would be seeking what's called a 10 year call option that we do on our AFS facilities. That's been successful and allow us to reduce our debt payments over time.

So, here's visually how that financing looks like. As I was saying earlier, under a 10 year environment, it'd be about \$4.9 million. On a 30 year environment, it's about \$2.8 million. And I'd like to point out here a little bit of nuance in lending. If you notice here, the principle and interest payment is around \$2 million for the first five years and then it starts to climb. That's intentional. What most CFOs do, and most credit underwriters advise, is when you're starting a new program or initiative (like what we're doing) is you can get the lenders to actually accept an interest only payment for the first five years to give you an opportunity to minimize what your cash flow needs are, and then over time you just amortize the principle, or the remaining balance. So, the reason we would want to secure this type of environment is to certainly minimize the amount of central reserve support we will need in order to help the program out until the revenues cover not only the operating expenses but the debt.

I'm not going to walk through the details of this, but at the end of the day, here's the 30 year model for the first 10 years of the revenues and expenses. And I'll highlight here what this grey area here is, this is the central support at the early stages, and I've got a slide here in a couple of minutes I'll show you it's a little bit clearer. In the early stages as the programs beginning develop and to mature we're going to have to provide kind of an annual central support to essentially help to cover some of the extra debt payments that are occurring that can't be supported by tuition and fees. And so, when you model that out it takes an amount each, for probably the first 14 years of support. It starts out as a larger amount in the early years and then it gets smaller. Then around year 15 is when the program actually produces enough operating margin to not only cover its expenses but also cover the debt from that point out. Year 21-30, that numbers always positive.

Here is a slide that will help a little bit in explaining what I was just saying earlier about some of the annual central funding support, and then what I'm calling the repayment back. Because we're having to borrow these funds, or choosing to borrow these funds rather than use our reserves, in the first few years of the program (basically the first half of the year) there's an annual commitment from a cash flow perspective that the central budget would have to help support the program. So, it peaks in kind of year 3, which if you remember it's around \$3 million in that particular year and then it decreases itself. And what this blue area up here represents is when you get beyond starting in year 15, the program actually generates a positive margin. And what we would be doing is essentially be paying back the commitment that was made in the first half of the program. So, the largest amount in any one particular year is a little over \$3 million, and the reason that's in year 3 is that's when we've got just the first cohort, we've already obviously

in order to have the program we've got to have the building already built, so we've got to begin paying on that, and year 3 is when our first cohort comes in, and we've also got the extra cost of the administration of getting the program started. So, that is the peak area, unfortunately, it's only sitting a little over \$3 million and it quickly starts to lower itself over time.

From a, what I refer to as a Phase 2 Future Program Growth and Potential, this is essentially what President Dietz was talking about earlier is, here is an opportunity. We're fortunate in this part of the country to have a number of major industries around us that employ Mechanical and Electrical students, and then likely would be excited to participate in partnership opportunities with ISU and potentially provide financial funding for either student scholarships, fund some of those competition projects I spoke of earlier, to provide faculty endowment positions, provide commitment for lab equipment replacement. There would also be opportunities for facility naming or college naming. I know at the end of the day we don't have any Engineering graduates of ISU at this time, but that doesn't mean, in talking with Vice President Vickerman, that there are opportunities out there where individuals who like to support education and especially Engineering Programs, love to, even though they're not graduates of those schools have an opportunity to get their name placed, especially on a founding school like what we're attempting to do here.

From a state support perspective, which President Dietz was referring to earlier, at this extra space that we're talking about, we do have as our number one capital appropriation request that we've had for the last couple of years is earmarked for our Engineering Programs. So, at some point in time in the future, we certainly can't predict when, but we should be able to expect the state to support that particular capital request, and when they do, the benefit to us is we have the opportunity then to expand our enrollments likely anywhere from between 800 to 1,000 students, build this extended facility here, connect it to the John Green Complex. And the difference is from a financial point of view, is we don't have to borrow for any of those kind of funds. So, it would certainly be a financial benefit for us to have those funds donated by the state, or potentially donated by a private donor.

So, in closing, I lifted this from Provost Tarhule's slide, there's very much a strong compelling case for this program. As he spoke to earlier, there's lots of strong student enrollment demand. A lot of the universities in the State of Illinois are not meeting that demand. As you know many of the students that do start in Engineering, some of the students don't stay in Engineering. And so, the advantage for the remaining programs on campus is they're not going to leave ISU. These are smart kids they're just simply going to change their major to one of our other disciplines that we have. So, that will certainly help with enrollment challenges that we might have especially as we get some of these demographic cliffs from the high schools over the next few years. So, it's going to help with new enrollment opportunities. As the President and the Provost have mentioned, this definitely creates our university as a more comprehensive university. And then from international recruiting, if our colleagues from INTO were on the call here they would say that our ability to recruit international students definitely is stronger in an environment when we have an Engineering Program on our campus.

So, last note, this was also a slide that Provost Tarhule had mentioned in his last presentation, we are facing continued competition and there could be a challenge in the future, especially with the high school demographics starting to definitely go into decline, that we could end up with lower

student enrollments here. So, we do have to ask the question, have we reached a point where going into the future can we not afford to add Engineering to our portfolio of programs?

So, lately, as I look at this from a financial point of view, I definitely see a future College of Engineering at Illinois State as a strategic investment in our future. That is the end of my presentation, and I hope I did it in less than an hour.

Senator Kalter: It was less than an hour, Senator Stephens. Thank you very much. And we're going to go to question and answer. I am going to issue my first warning. I did see a hand up from somebody who is not a Senator. If I see that again, that person or people are going to get booted from the meeting, and they'll have to watch through YouTube. So, that's the first and only warning.

So, do we have Senators who would like to ask questions of Senator Stephens?

Senator Lucey: So, my question relates to the financing assumptions. Could you please let us know what the interest rate assumptions are associated with the different plans? And then given that we're in a historically low environment for interest rates, is there a difference between having the call option and having an option with no call, the 30 year financing? You know, given, again, that we're in an environment of low interest rates and the future would indicate that interest rates would be increased in the long term, especially given the concern about the federal stimulus package that's being discussed, is there a difference between a 30 year financing option with no call option, and a 30 year option commitment with a call option? And then, you know, many of us have 15 year mortgages rather than 30 year mortgages because 15 year mortgage provides lower interest rate and lower amount of interest paid overall. So, how does that factor in to the interest rate assumptions between the different financing options? And then, finally, my last question has nothing to do with finance, I'm sorry to say. In terms of Cardinal Court, we're talking about the proximity to Cardinal Court to the new Engineering Complex. Would there be a plan to specifically house the Engineering students in Cardinal Court and make that area a unit specifically for people who are studying in the College of Engineering?

Senator Stephens: Okay. I'm going to try to answer some of your questions, and I'll probably call on my colleague, Vice President Johnson to help on the question about Cardinal Court students. But from an interest rate perspective, thank you for asking that question, I apologize for not listing the interest rates. When we were talking with our financial advisors, we actually had (over the last couple weeks) phone calls with Bank of America and JP Morgan. And what they recommended that we use, not only looking out today but looking out into the future if we were financing this in two to three years, they said that given our university credit here, and our academic quality, and our current credit rating that they would recommend that we would use a rate around 4.25% in a 30 year environment. We actually financed (just to give you a context) we financed the Cardinal Court project about two to three years ago, which was about a \$60 million project, we financed that just right at 4.1%, actually a little but north of 4%. So, using that 4% range they actually said our credit and the ability of the demand associated with Engineering would actually draw a lot of interest into this particular deal.

From a tenure rate environment, I used 2.25%. Just to let you know, I was probably being a little bit conservative there. At the Friday Board meeting we are refinancing 10 year debt, which is some existing COPS Debt that we have. And actually we've got some tentative commitments from banks actually sitting at 1.2%. So, the fact that I used 2.25% is being a little bit conservative, considering the amount.

So, your question about call options, typically in an environment when you're asking for a call option around 10 years, that's kind of expected. So, most lenders don't price a premium in for that. About the only way we price in a premium, require a premium, which would raise the rate, was if we ask for a call option of about 5 years. So, a 10 year call option is very common, and is actually encouraged by a lot of the lenders. A lot of times most of them don't even want to carry that debt out that far.

With respect to the students, you know, being dedicated to Cardinal Court, perhaps Vice President Johnson here can help.

Senator Johnson: Yeah. I think that's something that we would take a look at. We would probably want to at least consider having a critical mass of engineering students there. But, again, when it comes to our housing and housing environments, we pay particular attention to gender make up, race and ethnicity and diversity make up of areas, not that we target and can have full control over those, but we want to make sure that whatever we put in place is sensitive to trying to create diverse environments and not just specifically areas that are geared towards one type of background with our students. But it would make sense to have at least some type of a critical mass of students within that area devoted towards engineering.

Senator Kalter: Senator Lucey, does that address all of your questions?

Senator Lucey: Yes, thank you.

Senator Kalter: All right. Terrific. I think I saw Senator Blum next.

Senator Blum: Yes. Just as a point of clarity, I wasn't sure if you were talking about the debt being borrowed from individual banks or whether you were talking about bond issuance as debt. I just... can you answer the question?

Senator Stephens: Sure. Thank you for asking that. Typically, when you're doing a 10 year debt instrument, most banks usually don't want to put 30 year debt on their balance sheet. But the debts that we've issued around ISU over the last few years, and including this one we've got coming up this Friday, banks actually love to stay in a 10 year duration. And so, anytime you're going out 30 years you are going to go either to institutional lenders, you can go to pension plans. And, actually, the 30 year environment you bring in a lot more capital, you actually bring in some mutual funds that are interest and that have a social educational support aspect to them that gear their lending toward opportunities just like this. So, we would gain the lowest interest rate and the highest interest by going to the public markets for this, rather than just simply going to even a bank like Bank of America or JP Morgan.

Senator Kalter: All right. Thank you. And Senator Blum do you have anything else?

Senator Blum: No. No.

Senator Kalter: All right. We'll go to Senator Horst.

Senator Horst: I have two sort of quick questions. The first one is in one of your last diagrams about Phase 2 you said the new building would allow you to expand for an extra 800-1,000 students.

Senator Stephens: Right.

Senator Horst: And I'm wondering if the total number of students would be 1,000, or 1,000 plus the 520? And then, my second question, or more of a comment, is that when we worked on the naming policy a few years ago, I did get a chance to look at the U of I naming policy and they had very set parameters for how much they would expect for funds for naming a college or naming a facility. And I did know that ISU does not have those kind of parameters. And I was just wondering if you're exploring setting, maybe with the Board, some sort of benchmarks for how much you would expect for naming of a college, for instance?

Senator Stephens: Yes. We actually, Vice President... with respect to your last question, Vice President Vickerman has been very much working in that space. From a naming perspective in higher education, there's traditionally a certain level amount that's needed in order to actually have either a facility itself or a college. If you can remember when Wonsook Kim, when she provided some of that funding for that, there's a certain element of level, and of course we would certainly entertain that for any individuals who wanted to consider that kind of case.

And as I said earlier, your question, I appreciate your asking that. When I was looking at what would... how much space, you know, what a \$100 million, how much potential enrollments, when I looked at the John Green renovation, with about 500 students, at about \$45-\$50 million, it's not rounded \$100,000 per student. So, if you've got \$100 million project using that simple math, you essentially looking at, you know, probably the upper end of about 1,000 students. So, \$100 million facility depending on how it gets, you know, positioned, we could easily hit 800 to 1,000. So, our program would grow from 520 up to maybe 1,300, maybe as high as 1,500.

Senator Kalter: All right. Now, Senator Otto.

Senator Otto: Thank you. And thank you for the presentation. I think faculty are very interested in how the institution is going to grow and the facilities that you presented are really beautiful. I think we'd all like to work in facilities that are that modern and that beautiful. But it seems like to me and for my colleagues that, you know, this is a big financial outlay and that we have a lot of business that we need to take care of that we are already are doing. We're not supporting the programs that we have. We can't hire faculty. We're not getting merit increases this year. We're not paying grad students or many staff members' living wages. We have a massive salary compression problem that has, you know, there's no plan to address. So, I'm interested in, and my colleagues are interested in hearing how we're going to fix some of the financial problems

that we already have? And one other quick thing, I did not see a line item for the considerable costs for individual faculty lab startup money. And I'll take my question.

Senator Stephens: Okay. And I'll try to answer some of this, and actually invite Provost Tarhule and President Dietz if they choose to answer some of this as well. Thank you for bringing up the question of the existing space. I'm glad you did because as I was developing this fiscal model and talking with Provost Tarhule and the President and the cabinet, we've got to invest in our existing facilities. What are the things that we have earmarked? If you've noticed in the last couple of years we've dedicated some of our fee increases to AEF. That AEF fund is new. It's only a couple of years old. And that is producing fee revenue that is designed and only designed to support instructional space. And so, we have it, as you may not have remembered, but last July we had a couple of academic spaces that we were asking the Board to go ahead and approve, and those were going to be dedicated by AEF fees. That was the Student Success Center as well as, I believe it was the Greenhouse. Unfortunately, when we hit the pandemic they asked us to place a lot of our capital needs on hold.

And so, we continue to identify the variety of improvement needs around the campus. We continue to seek funding from the state. As you know, the College of Fine Arts finally received their \$62 million appropriation. We are actually working through the relocation and the planning for that. We try to plan in our fiscal models to renovate that space, and now that we've got the AEF fee and the ability to do that (we didn't have that before), we're hoping to get the Board to help us, allow us to begin to invest in our campus facilities.

So, you're right, at the end of the day, this is a new and renovated facility and, you know, if you can recall as I was doing the financial analysis, it does produce an operating margin of tuition minus costs. Unfortunately, we've got to build the building. So, once it reaches beyond that date it provides those resources. But we've definitely have got in the model the need to expand laboratories. If you saw in there, it was some of our non-engineering labs, we had \$1.8 million dedicated to that. If you're talking about other labs that aren't related to this program, that's what our AEF analysis is all about. So, I would recommend you continue to pose those questions through the Provost office, and he and I work very closely together with the President, trying to identify these capital needs and invest where we can, based on the resources that we have. So, we're hoping that the Board, as we exit this pandemic, that they're going to allow us to start to make some of those campus investments. Provost Tarhule, would you like to step in and add some more comments in this area?

Provost Tarhule: Thank you so much, Stacy, for that question. I think, as Vice President Stephens has said, the AEF has actually give us a tremendous amount of opportunity to renovate and update some of our existing facilities. This is something we didn't have before. We are actually entering a new environment. 20 years ago, an institution thinking about creating a whole new college like this on its own resources was probably unheard of. But this is the situation we find ourselves in, because the state is no longer providing public funding. And so, this is an innovation to keep going because of that situation, something which renovating facilities ideally these facilities existing facilities were built by the state, they have a responsibility to renovate them, but we know they are not doing that, and they're not likely to do that soon. And so, the AEF allows us to do that. And I think that (today in fact) Dan Elkins in my office distributed \$1

million from the AEF fund to different colleges that had asked for funding, including space renovation.

Next year, we'll look into doing something like \$3 million of additional space, academic space renovation and upgrades. And so, those requests are going from your department through your deans, and we're really looking to be able to do more. On top of that, Vice President Dan Stephens and I have identified some major projects that we'd like to do very quickly, as soon as the Board allows us to do so. One of those is the rotunda, which I'm sure you're familiar. We're really looking forward to renovate that. The Greenhouse is something that is very high on our agenda to renovate. The Student Success Center on the first floor of Milner is something we've planned to renovate. So, we have a lineup of these kind of renovations, including major projects like that, but also annually a lot of spaces as you identified and goes through your deans. So, I think that in a few years, as things get back to normal, you're likely to see a major impact, a major change on the campus because of the facilities we have.

A couple of, very quickly, you mentioned some of the existing problems that we have with compression, salaries and so on. This is very true. This is very real. Unfortunately, you can't borrow money to do those things. You realize from the presentation that we just had, we're borrowing money and then we're paying back that money as the program brings in money, makes money from tuition. We can't borrow money to fix things like salary compression, or some of those other things that you have mentioned. So, they're real, but in fact as we do some of these other things hopefully it give us the margin to begin to address some of those things as we free up some money.

Finally, I should say also, keep in mind we're talking here about growth. But part of this growth may just be replenishment because everyone, as you know, is concerned about the enrollment crash. So, we have projected everything as though these additional 520 students are going to increase our current enrollment. In reality that may not happen. It may be that as we lose enrollment in some places that the students are replacing those. So, if we were theoretically to not do this and also suffer the enrollment crisis, that's the last slide that you saw Dan Stephens put on, you then will be in a situation where we are losing money with no opportunity of making it up. On the other hand, if we did this, once the debt is paid off, notice we have a \$2 million net operating budget, once the debt is paid off, that's money that can go to supporting the rest of the university. It doesn't have to be in Engineering, and in fact, if we were to get to Phase 2 ongoing half way through the project, that comes so much faster and that means all the additional revenue that is generated from engineering then goes to support the rest of the university. That's why the question, you know, can we afford not to do this is really important. Because it may look like it's expensive but in the long run it's strategically really important and the wiser thing to do.

Senator Kalter: Thank you. Senator Otto, does that address your questions?

Senator Otto: Yes. I do want to point out though that President Bowman had an aggressive faculty salary decompression initiative that went on for years, and we should definitely look to that history to solve this problem. And I also urge you to negotiate in good faith with the Graduate Workers Union. Thank you.

President Dietz: Senator Kalter, if I might, I would underscore everything that Senator Stephens and Senator Tarhule said. I would add one additional thing. It appears that the current Governor and hopefully the General Assembly are more interested in protecting higher education than has been the case in the last several years. They've demonstrated that by, today, and I'll talk a little bit about the budget in my Administrator Remarks. But there's more of an appetite for capital renewal funds and maintenance funds from the state than there has been in the last decade. And so, what's happened... to address maintenance issues and recurring maintenance issues, money to fix that has had to come out of the general operating dollars. If in fact, the state is able to come up with some capital renewal money and some money for some general maintenance, that's money that we can save in the operating dollars to address some of the issues, Senator Otto, that you just brought up. I couldn't agree more. We need a better plan, but we also need a plan to generate the revenue to help with that. So, if the state can help us on the capital renewal side and the maintenance side that will help us also free up some dollars to address the issue you just brought up.

Senator Kalter: Thank you, Senator Dietz. And we'll go to Senator Nichols.

Senator Nichols: So, I had a question on the phasing in to steady state numbers. To start with, national attrition rates at about 50% in engineering, would you envision that the first class would be 130, then the second year's admission that number would bring the total up to 260? Or would it... we would just try 130 for a few years and see what number we hit steady state? Or would we frontload by bringing in potentially 185 students in with 30% and 10% and 10% attritions over the next few years hit a steady state of about 520? And I think all of those are viable depending on you balancing the initial cost. If you bring in larger beginning classes then you need more than the six faculty members. But also, balancing out wanting to have strong graduating classes the first few years that they're in there. I just was curious how you envisioned reaching steady state in 4 years. Is it a slow even thing or is it just going to be we adjust every year to hit our steady state number?

Senator Stephens: Thank you for asking that question. Actually, you are correct. This models out those students that stay in the program. And so, in order to get 130 students or 520, we're going to have to recruit those a larger number than that. Now, what I said earlier is what Provost Tarhule alluded to, is that we've got enrollment challenges that we're going to be facing, so our ability with an Engineering program to recruit highly qualified students. If they choose as they get into the program to end up not either enjoying engineering or being able to handle a certain... those higher levels of math and sciences, they're not going to quit school. They're not going to go transfer to another Engineering school. What they're going to do is they're going to pick another discipline on ISU's campus. And so that actually, at the end of the day, ends up helping us from an enrollment point of view. We can't certainly predict where they would go, but in talking with Jana, that number of recruiting to get 130 that stay in the program, you're probably certainly going to be in the north 150 -171-180, but that's kind of a way of making sure... I wanted to make sure I modeled in, you know, the proper allocation of those that are going to stay in the program. But I'm very confident that the students themselves, that when they... those that choose to stay in the program, we've got that fiscally modeled properly. What we have is a cushion for those students who choose to come in, we'll provide whatever the instructional resources and space resources for everywhere those students who choose to leave that and go to

another discipline, wherever they go, that need will surface, and then we'll immediately respond with it. But we've got higher enrollments and that's, at the end of the day, what will help us in every discipline they stay in.

Senator Kalter: Senator Nichols, it looks like that response to your question, yes?

Senator Nichols: So, just a quick follow up. So, then if we're envisioning recruiting more students, then do we need to frontload our faculty hires a little bit more to hit the ratio that we want? So, instead of the six the first couple of years, maybe consider eight the first two years.

Senator Stephens: Right. Yeah. That's a good point. I can adjust. I can work with Provost Tarhule and talk a little bit more about that. But, yes, we would just be providing more instructional support in wherever that is. But the resources would certainly be there to maintain the current faculty to student ratio we have today.

Senator Nichols: Okay. Thank you.

Senator Kalter: All right. I have a couple of questions but because we've gone for about an hour and ten minutes now on Engineering, I think probably the best thing will be for me to lay out the questions but not have you answer them this evening, and maybe carry them over to the first March meeting. The other thing I was just going to say, obviously, you didn't have the ability to send us the numbers in advance. I think we did that last year but wasn't able to do that this year. So, I would kind of like to study some of those numbers that you played out and perhaps have our two budget and finance committees just take a look at that, because we do look at the financial implications of programs if they're coming through the regular sort of curricular process. I was kind of concerned about the margin. A \$2 million margin may seem like a lot to people, but I know that that's less than the budget of my own department. And so that concerned me, especially with the \$2.8 million per year layout compared to a \$1.9 million sort of margin there. So, Senator Stephens, it may be that I'll want to kind of have a one-on-one with you so you can kind of go over that with me at some point.

The questions that I had, one of them is related to Senator Nichols' question. I'm wondering what the course load assumptions were for the faculty that were coming in there, and sort of what, you know, different sort of models there, how those would adjust those numbers and make a difference in the margin.

I'm wondering if there are any anticipated hidden costs if the programs were to actually increase our overall undergraduate enrollment at ISU rather than keeping it stable, and where those hidden costs might fall. You know, sort of what sectors would they be in? What departments? Would it be in housing and dining? You know, where exactly would those fall? And would they be cost or would they be actually additional revenues?

The one that I think might take some time would be to go over some of the reasons why the other seven possible sites for the building were thrown out. And so, again, I'm not going to have you answer that one tonight.

I've also been wondering about how these plans might impel us to change our cross campus transportation, sort of our pedestrian mall infrastructures. Whether we would need to have bridges or tunnels over or under Main Street with the traffic. And whether we might need to change our course scheduling models, you know, those kinds of things.

And I think that's it, because the other one that I had has already been answered. So, if there are no other questions on Engineering, let me just give a second or two... Ah, yes. Senator Lucey, go ahead.

Senator Lucey: So, my question is more clarification than question to make sure I understood the financing. When you were talking about financing with the two banks, what you're talking about there is a direct loan from one of those institutions, is that correct? And my question is, if that's the case, was any consideration given to going to the market and issuing bonds and that process?

Senator Stephens: Yeah. Actually, the 30-year scenario would likely end up probably as kind of a public market. It could end up in a... chances are there would not be... although, you know \$45 million to some banks, you know, the size of Bank of America or JP Morgan is kind of small, but we would probably... we would get advice obviously from our underwriters and our financial advisors, where's the best interest rate environment, what are the best terms and conditions. And so, we believe likely those terms and conditions are going to occur as we say from some type of bond market setting as opposed to just one individual type bank. But it doesn't say, at the end of the day, I've done in my career that sometimes these underwriters will actually reach out to pension plans. And pension plans sometime will take on and be the single investor, and use that as an opportunity to invest. And so, \$44 million in some pension plans that are several billion dollars, we could end up actually having that being our primary lender that's provided through research done by our underwriters.

Provost Tarhule: I just wanted to add that we want to develop an FAQ associated with this program. So, those who haven't had an opportunity to ask their questions, or if you haven't had them adequately addressed, please send them to Senator Kalter, and through her to me. We've already got some questions, and we've already started working on those. We probably can't post those until we have some sense of direction from the BoT about how we're going. But as soon as we get those, we'll be posting those questions, and we actually want to get as many questions as you can, and the group will, behind the scenes, spend time to provide detailed responses to make sure that all your questions are addressed.

Senator Kalter: All right. That's wonderful. Senator Tarhule just did the proverbial stealing of my thunder. I was just about to ask for people to email questions. So, that's wonderful. And by the way, the Board of Trustees meeting about this will be on Friday, as I understand it. This Friday morning, and that one live streams as well, so if people are interested they can watch it. So, what I was going to say was, you know, if you do have any questions that you didn't think about on the spot but that do come up after this evening, please do email those to our Senators, in other words, to the Senate office right, acsenate@ilstu.edu. I think I meant our two Senators, Dr. Dietz and Dr. Stephens, and then also Dr. Tarhule. And we like to kind of keep those for the historical record as well, especially, you know, given that if this goes forwards, this is a pretty important step in ISU's history.

The other thing I was going to say was that the Executive Committee on Monday is going to discuss whether we are ready to bring the four action items that would be associated with this program proposal forward for next time. That would be basically the approval of the program concept and curricular model, the approval of the proposed organizational change (which would be the creation of an eighth college at ISU), the approval of the capital plan (facilities, siting, and budget), and then the fourth one would be the approval of the overall financial plan. All right.

We're going to go now from here back to Senator Stephens, and also perhaps to Assistant Vice President Sandy Cavi, and Budget Director Amanda Hendrix. We're going to have a presentation about the state of our university finances during the pandemic.

Before we start that I just want to say thank you to the consultants for being here to field questions. I think this was the second night that you were here without having to field any questions, but you know what our questions are, so you'll be able to help us answer those.

Presentation: Pandemic Budget Update (Vice President for Finance and Planning Dan Stephens, Assistant Vice President for Budgeting and Planning Sandy Cavi, Budget Office Director Amanda Hendrix)

Senator Kalter: So, you might recall back in the fall that we had hoped to schedule these presentations during the pandemic just after the 10th day Census. Senator Stephens has obviously been busy and has many other obligations, so we weren't able to do this one at the last Senate meeting, so we're doing it at this Senate meeting. And, Senator Stephens, why don't you take that back away.

Senator Stephens: Thank you, Senator Kalter, for this. I appreciate the opportunity to bring an update. What I will say in the beginning of this, the pandemic has definitely been a fiscal challenge to us, and in the fall we had a pretty substantial number. We still have that, but what you're going to hear tonight is that numbers been lessened quite a bit by some federal grants that you'll be hearing on the national news that we've recently received. So, if you don't mind, what I'm doing is I'm going to actually share the information that was provided in the fall and then show where we are standing in the spring.

Okay. But before I get into the numbers, I want to talk about what has happened from a federal and state legislative support. If you remember back in the fall what the pandemic occurred the CARES Act was initiated. That CARES Act provided essentially two funding supports: one for student emergency aid (a little over \$8 million) and then a matching amount of \$8 million. We obviously used that both in the spring and in the fall covering for student needs, as well as for some of those student refunds that we offered last spring. There's also, the Governor's office released some funds identified as GEER. It was predominantly used to close what they call a digital equity gap. It was about \$2 million. That has been used to provide laptops and support for students, especially since we had to go to a more online teaching environment. So, those funds were helpful. Those were released last fall. But what just got released recently that we're just now beginning to work through the grant process is, they changed it from CARES, and they call it CRRSAA. It's actually the part that's dedicated (this was awarded back on January 17) the part that's dedicated to higher education is called HEERF II. It still carries the same amount of

student aid from the first CARES Act, same exact number. And the team, Jana and the financial aid team, are working on trying to get information out to students so they can begin to secure some of those resources. But from a university support perspective, we were fortunate that the institutional amount that they provided this time is almost \$17 million. And so, the last number was \$8 million and we're working through... there's a number of team members, both in the grants area and Sandy's on the committee, along with others, they're trying to make sure that we're reading through the federal guidelines correctly. But it looks like it's got a fairly good amount of latitude around either supporting institutional cost, or lost revenues, I believe the primary criteria is going to be if we can prove that the expenditure, or the lost revenue, is tied to the COVID-19 environment we should be able to request those funds and then get reimbursed up to this level.

There is conversations we're hearing that there may be a second GEER too response from the state, but we haven't gotten yet any amount or dates to when that occurs. There's also... we've started working with gathering information and seeing whether FEMA would provide some support. It's been a lot more challenging than people realize. I think predominately because FEMA's got a... certainly stretched and a lot of other reasons, you know, national disasters across the country. So, we've got a request, we've been working with the Illinois Emergency Management Agency to prepare an expense request and it's in for about \$2.7 million. We haven't received any notice yet as to whether that's going to be honored or not. Obviously, if that is honored that would relieve some more of our COVID cost. So, we'd draw those funds down from FEMA and not draw them down from HEERF II. So, we haven't heard yet whether that'd be accepted or not.

Okay. I'm going to bring you back to our fall estimate, back in, I think it was in September or October. Here is the same chart. You're going to see exactly the same information, the same format to make the conversation travel easier. The overall estimate back in the fall was around collectively between FY20 and FY21 with student refunds and the projected loss revenues and additional expenses, we forecasted last fall around \$72 million. You bring that forth to spring. Essentially, now we provide monthly report to the IBHE. So, every single month we're continuing to visit with some of our assumptions and clarify those. And so, as we at a summary level look at the spring, our overall total cost is still hanging around the upper \$70s, before we apply grants, so here is the CARES Act grant from last year. But here's that HEERF II grant of about \$17 million. So, collectively together when you step back from this our initial estimate of \$72 million has now fallen roughly to be about \$19 million. And you'll see in a few minutes, it's predominately the benefit of this additional grant, as well as we've been able to reduce some of our expenses in certain areas that we originally forecasted that ended up being less, especially in the COVID testing environment.

So, as we get into a little bit of those details, back in the fall one of the largest revenue reduction areas we estimated in the housing and dining in last fall was about \$32-\$33 million. In the spring, actually the housing number has gone up slightly just a little bit more than originally estimated, but the dining operations had an opportunity to, if you look at it, especially it's food cost and the fact that we had a lot less number of students in the dining agreement they were able to give a little bit tighter estimate around what their expected lost revenue was from dining. So,

collectively our lost revenues for all these particular areas actually had a slight increase collectively of about \$2.7 million. Some things went up, some things went down.

From an additional expenses area, this is where we captured essentially the Reditus testing, some of our other types of cost, but the largest area was, you know, was some of our facility preparation. We originally estimated Reditus be fairly high and also investing in UI Shield. So, back in the fall it was around \$14 million for FY21. Well that's actually fallen quite a bit. If you know, we didn't get an opportunity to partner with U of I. We actually, near the end of the fall term, we started investigating using an antigen testing which was at a lower cost. And so, we're no longer needing to forecast using the Reditus testing rate, which was around \$100 a test. So, we've tightened up some of this cost and some of the testing we need so it's actually brought the additional expense category down about \$4.8 million.

So, this is kind of the net summary for Housing. I was saying earlier, back in the fall we predicted it was going to be somewhere around \$15.7 million at about 50% capacity. It's falling fairly close, it's going up just a little bit more, up to about \$16.9 million. The Dining estimate in the fall was considerably higher, because we didn't have a real good opportunity to figure out how much of the reduced operating cost that would occur by not providing as much meals. So, that number dropped from \$17 million down to about \$14 million. Still certainly a significant reduction, but thankfully it's moving in a lower direction. From a tuition and fees perspective.

Back in the fall we did a quick estimate of essentially just working kind of from a head count perspective predicting that if we had a traditional spring enrollment relative to the fall that our projection for the year would be about \$1.8 million in total tuition for both terms, and then the student fee reduction about half a million. As we looked at it in the spring and decided to look a little bit closer, and rather than us look at head count, look at student credit hours, which is really where our fees and tuition are based off of. So, I apologize, this is a fairly busy schedule, but at the end of the day when we compared the fall term, fall to fall, we had from a headcount perspective about .8% reduced student headcount and right at only about 1% reduction in student credit hours. And then in the spring 10th day we ended up with a little bit more runoff, about 1.6%, and from a student credit hour about 1.4%. So, when you do all that math, collectively we are projecting that our tuition revenue would fall around \$2.4 million, and then our student fees would be about \$675,000. So, just a little bit more of a higher estimate from the fall timeframe.

From an IT investment point of view, obviously by the time we get that reporting element in the fall we had made a lot of investments in our instructional environment. And we reported last fall that we had invested close to about \$5.5 million. As we continued to study that through the spring, this number has gone up to another \$100, 000. So, we're looking close to about \$5.6 million that's being captured just in the CIO shot, we aren't capturing everything everywhere ,but this is predominately where our largest portion of our IT initiatives are being funded through.

And so, how at the end of the day are we able to handle a pretty substantial reduction? Well, we've been fiscally conservative over the number of years and this is our chart for looking at our FY20 projected unrestricted and restricted position, which is our reserves. I underlined the word projected. Our FY20 audit is still, unfortunately, being held up due to some state reporting issues

related to OPEB, and so our numbers... we were ready to report back in November, our numbers aren't going to change, they just can't release that audit yet. But those numbers report that our unrestricted funds at FY20 are around \$114 million or about 47% of the total. We're about at \$241 million on our financial statements. The AFS System is sitting at June 30th about \$127 million.

I call your attention a little bit, in the last presentation last fall, during the summer we had issued debt, we had that opportunity to recapitalize the Watterson Towers financing. So, we didn't do that until July, so it's not in those financial statements. But we borrowed those funds at, I forget, I think it was a little over 1.5%. That will flow, this \$31 million, will flow into these reserves and then that will help absorb, as you recall, some of these more material amounts of lost revenue on the AFS side related to Housing and Dining. So, at the end of the day, that's the big picture.

Senator Kalter: All right. Wonderful. Thank you. And we'll ask everybody, again, if they have any questions for you about all of that? (Pause) All right. Looks like not. We're wearing people out. So, I have two questions. One is about estimates for FY22, both in terms of lost revenue and extra expenses. I imagine that we're not going to be out of the woods completely by the start of FY22. Just wondering about that. And then also I have actually been wondering since this summer if there's any point, you know, theoretically or in sort of our material reality right now, at which a deficit in the non-academic side of the house, especially the Housing and Dining side, would ever lead to threatening the vitality of the academic mission itself? Sort of the core mission that we have to protect above all else. And if so, what would that point be?

Senator Stephens: Let me digest that question here for a second. Let me get back to the... looking out at FY 22, in order for us to actually predict that, I haven't spent any time, as you can imagine, looking out beyond FY21 and certainly working on Engineering and other stuff. Essentially, at the end of the day, and I'm going to get a little bit ahead of President Dietz statement about the budget so I'll go ahead and use it, but the state Governor has announced that there is a flat budget projected for next year, so that's a good thing. So, if we've got a flat budget there, we do have some rising expenses. Probably the biggest predictor about our fiscal strength is certainly going to be enrollments. So, enrollments not only in the classroom, but enrollments certainly in Housing and Dining and predicting the environment by which how many students will live with us, certainly, Vice President Johnson can maybe offer some comments there. But we do stand pretty... we've got a very solid reputation from an enrollment perspective. So, unless we have an environment shift or the vaccine doesn't continue to move the pandemic into the rear view mirror, I think next fiscal year is certainly going to be much more healthier than what we're looking at here. But I certainly can't right now offer any confidences as much as I can in predicting this. I can certainly model out the cost associated with enrollments, but I'd be using just simply the same type of estimates here.

Senator Kalter: And did you want me to give you a couple of weeks to think about the other question?

Senator Stephens: That'd be nice.

Senator Kalter: You got it. Especially, because I see two other people have questions. You obviously know, you know, this is a really important question, and the one, I think, has been weighing on my mind. On the one hand, I was very relieved that the losses were mainly in the non-academic side. I'm sure that that doesn't make Senator Johnson feel good at all. But on the other hand I wondered, okay, is there a line that we can't cross there. So, I'll give you a couple weeks to think about that one. Senator Jones, you were next.

Senator Jones: Hi. I know you said that Jana was working on the release of those funds to students. When did you say that would be? Where student will be able to apply for those funds?

Senator Stephens: I know there's a team with Bridget in Financial Aid. I know they're working, making sure in the criteria before they actually announce and begin to seek students for the application for that. They wanted to make sure that they were clear about the federal guidelines around how it's supposed to be allocated to the students. We can certainly talk to her and have her... I know they're trying to release that information as quickly as possible, because we want to release those funds. But we just have to make sure we do it in a compliant way.

Senator Kalter: Thank you. And, Senator Otto.

Senator Otto: Thank you. I'm just wondering if there's any consideration of trying to reduce cost on the administrative side? And I'm also wondering if there's no way in which, under the circumstance, that we've actually saved cost this last year with people working at home and such?

Senator Stephens: Probably the biggest... well, I'm not sure there's a lot of savings with our, we may have gained some saving with less water usage certainly on campus. The facility costs to heat and cool the buildings that we have, I know we had to keep them at temperatures necessary in order for them to be occupied for those individuals that did need to come on campus. From an administrative, I know in my division, we're constantly looking at the areas that we support, and we look for cost efficiencies every opportunity we have. As you know, from a personnel perspective, the university made the commitment that we were not going to do any layoffs. So, we kept everybody employed there. There probably was some operational cost that may have been saved in certain areas but I would tell you it'd probably be kind of small since we kept, you know, pretty much a full employment. We had some travel, that's probably one area. Travel and conferences. I just don't have an ability to quantify that. But what we hope to do, if we've saved that money now then we'll, hopefully, as we come through the pandemic, we want to invest in our faculty and staff being able to do that professional development, because we missed that opportunity to do it this past 12 months, or maybe even for another 12 months. So, our goal was not to take those funds and redistribute them, our goal was to save those funds and then provide them, you know, for a need whenever we have that opportunity to do so.

Senator Kalter: All right. Thank you. And I'm not seeing anybody else with their hand up. Looks like we don't have any more questions, at least right now, about the pandemic budget. Again, if you think of any after the meeting, please let us know and we will forward those to Senator Stephens.

Chairperson's Remarks

Senator Kalter: So, we're actually only at Chairperson Remark's now. And in the interest of time I have no comments this evening. So, please do let myself and Senator Harris know at the end of Administrator Remarks if you have any questions for either of us. And we'll go to Senator Harris now for Student Body President Remarks.

Student Body President Remarks

Senator Harris: Thank you. I will be brief as well. Just saying that SGA election season will be starting soon. Our elections will be the week of April 12, and our marketing and info sessions will be happening up in a couple of weeks. And that's all.

Administrators' Remarks

- ***President Larry Dietz***

President Dietz: I have several topical areas to report on tonight. The first thing I want to do is to thank our facilities folks for their good work on snow removal and trying to work diligently to keep us safe and warm. So, that deserves some acknowledgement.

Also, want to acknowledge the events that occurred over the weekend with the train derailment in Uptown Normal and also the apartment fire that occurred later that same afternoon. Fortunately, there was no loss of life or injuries reported at either of the events. University and the Town of Normal were in constant contact throughout the day and late into the evening on Saturday, as a result of the train derailment. Early reports indicated damage to power lines might result in a long-term power outage that could impact the campus as well as off campus student apartment, so teams were immediately brought together for contingency planning. Fortunately, Ameren Illinois was able to repair the damage announced late Saturday evening and a power outage was expected for only about an hour and a half late that evening. The University and the town worked to notify property management companies seeking their assistance in notifying students living in off campus properties that will be impacted by the derailment.

Also, I want to thank the Dean of Students Office as well as numerous other staff who continue to work with students to provide resources and assistance as a result of the apartment fire on Saturday afternoon. I was at the scene on Saturday afternoon and connected with a number of students who were impacted. Spent some time talking to students and some parents, and they were reassured by the action that the university took and the help that we had offered. And we had a lot of hot chocolate waiting for them over at the Bone Student Center and a warm place to be, and we had two buses ready to take them over there and bring them back at any time, but unfortunately we didn't have any takers. So, I think they were really wanting to be there where their friends, and sometimes just in their cars. But nevertheless, they were appreciative of the efforts.

The Dean of Students Office continues to be in contact with First Site apartments, which owns the complex, and students were relocated to a hotel until further arrangements can be made. My understanding is that is still ongoing. Dean of Students has also worked with students to provide on-campus meal plans, replaced lost textbooks, laptops, and notification of faculty. On Sunday at the Student Involvement Center, the Dean of Students distributed the Critical Incident Response Team and emergency packages to affected students, and I'm also aware that they worked with

the Red Cross in scheduling meetings with students to determine access to emergency funds and care packages.

Shifting to planning for the fall, the university is planning for a safe return to as much in-person teaching and learning as possible, as activities and events for the fall 2021 allow. Representatives from our shared governance constituents will be engaged in those planning efforts. And as we've learned over the last year, information changes constantly and the university needs to be ready to pivot based upon the conditions at the time. I certainly agree with Senator Kalter's recommendation at the December Senate meeting where she indicated that the university should plan in a dual way for the fall of 2021. At this time, the expectation is that the university will safely offer as many in-person classes as possible in the fall of 2021. As we plan for a more traditional campus experience, with more students in the residence halls, and in-person activities and out of classroom experiences. This falls in line with what is being planned at the other public universities in Illinois. We remain optimistic that our faculty, staff, and students will be able to receive the Coronavirus vaccine in advance of the fall semester, although that continues to be a bit of a moving target.

The Biden administration had increased the order of Pfizer and Moderna to a total of 600 million doses by July 31. This would be sufficient to give every eligible and interested person both doses. And Johnson and Johnson has about 100 million doses that will enter the supply chain upon FDA approval. We expect that we will need to continue COVID-19 testing in the fall, and face coverings and physical distancing, etc., will remain the best practices. In our planning, we will of course adhere to guidance provided by the Governor's office, local state and national health officials.

Shifting to negotiations with SEIU Local 73, the university continues negotiations. Earlier today the university and SEIU held its 23rd negotiation session and the second session conducted with the support of independent mediator from the Federal Mediation Conciliation Services. My understanding is that the next negotiation is scheduled for March 3. I want to emphasize again here that ISU has and will continue to work diligently to reach a fair and fiscally responsible contract agreement that addresses the concerns raised by SEIU without disruption to university operations. We are fully committed to the mediation process, and believe much can be accomplished and resolved through additional dialogue in negotiations. And lastly, I encourage you to visit the SEIU negotiations website for up to date information and regular updates at www.SEIUnegotiation.ilstu.edu.

And a few points about vaccination clinics, university remains in constant contact with the McLean County Department of Health regarding vaccine availability for the campus community. The University is following the Illinois Department of Public Health vaccination distribution plan. Due to the limited amount of vaccines available, it will take considerable time to advance through the IDPH's vaccination phases. At this time, the only on-campus vaccination clinics being held for employees are for those who are due for their second dose. As a follow-up to my remarks from the February 3rd meeting, there's continued lobbying on behalf of colleges and universities in Illinois to be included in the Phase 1C of the state's vaccination plan. On February 11th, version six of the IDPH COVID-19 vaccination plan was released and higher education, unfortunately, was not included. However, the plan states that Phase 1C is still in draft form

based upon the advisory committee of the immunization practices recommendations. So, further updates are expected to be released for Phase 1C for the context of Illinois. We do not know when the future updates and the vaccination plan will be released.

Finally, I was invited to attend, with about 100 others, a preliminary look at what the Governor's going to say today in his budget address. And we got a lot more specificity in that meeting than what the Governor covered in his general address today. But Senator Stephens was exactly right. The announcement is that for FY22 that for higher education our budget will be flat at \$1.157 billion for all of higher education. Frankly, that to me is just fantastic. I think a lot of us were expecting some potential cuts, but that didn't happen. The General Assembly has to be convinced that the Governor, you know, his plan is the right plan for higher education, but in the language that they've used, the wording was "protect higher education," and, boy, that's music to our ears, because there's been years when that hasn't been in their vocabulary it didn't seem. In addition to that, the overall flat amount, there's also a request for an additional \$28 million for the MAP program. That's fantastic. An additional \$20 million for the College of Illinois investment plan. \$1 million for the Common Application. \$250,000 for the Illinois Board of Higher Education Strategic Plan. And Aim High would also be flat.

In addition, there was approval for a capital budget, and several of the projects were named in the overall release, but we're studying that further to try to figure out where ISU is on that list. And I would say that the other good news in all that is that there was no proposal for a tax increase, which I think a lot of people thought that there would be. So, overall, I think all of that is really good news. And I would stop and see if there are any questions.

Senator Kalter: All right. Thank you, Senator Dietz. We're actually going to collect questions at the end, as we've been doing to save some time. So, we're going to go to Senator Tarhule for Provost Remarks.

- ***Provost Aondover Tarhule***

Provost Tarhule: Thank you, Chairperson Kalter. In the interest of time, I think I have just two quick updates. In continuing to think about what the post-COVID landscape is going to be like, my office had arranged a workshop and this was going to happen on February 15th, with EAB trying to envision the future university. So, EAB has developed a workshop that they are giving to a number of their partner institutions about how you think about what the future of your university is going to be as we look here to come out of the COVID environment. Unfortunately, that coincided with when we closed down the university due to weather. So, we'll be looking to reschedule that workshop. So, for all those that were invited to participate, I ask for your patience as we reschedule.

I think we have some really fantastic news about retention numbers. Across the university, the retention of first time in college students reached the highest point it had ever reached in nine years, 82%. So, our retention of FTIC students is 82%. That's really good. What is equally exciting is the fact that the retention of underrepresented minority students has really increased significantly. So, African American students retention is now up 80.2% from 66.8%. So, that's a huge jump. Retention of students who identify as Hispanic as their primary ethnicity is now at 79.9% and that's up from 67.7%. In terms of specific, you know, gender type breakdowns,

retention rates for Black males rose by about 15%. So, it's now sitting at 78.61%. And Hispanic males are up 11%. I highlight those two particular because they tend to be some of our lower retention numbers and so it's really fantastic to see those. Now, in my office, these numbers just came out, so, in my office our discussion has been to try to figure out exactly what happened during the pandemic, what were the levers, what were the activities that allowed these numbers to go up because we want to be able to identify those so we could try to keep those numbers where they are. My hope would be that the numbers don't go down. That we figure out exactly what led to those increases so we could continue to support as much as possible, those activities to ensure that we not only keep these numbers here but we continue to grow them upwards.

So, that information we're going to analyze that and share that. This is fantastic news, and I wanted to take the opportunity to thank all of the staff, all of the advisors, all of the faculty, and all of the students that have worked really hard to give us this really, I think, outstanding retention numbers. Thank you.

Senator Kalter: All right. Thank you very much. That is very good news. We're going to go to Senator Johnson for Vice President for Student Affairs remarks.

- ***Vice President of Student Affairs Levester Johnson***

Senator Johnson: All right. I'll try to be brief as well. I want to start off by echoing Senator Dietz (President Dietz) remarks regarding the outstanding work done by the Dean of Student's office done this weekend, as well as Emergency Management, our University Housing department, which were waiting in the wings in case the apartment complex could not find housing for those students, we had space on campus, our ISUPD department as well, and EMDH. They all worked hard hours this past weekend in order to make sure that our students were supported. So, many thanks to those areas and offices.

The second item is to follow up on, again, we've been talking about additional programming that we're offering students, particularly face-to-face or person-to-person type of opportunities. One of the things we've had some great success with is our movie nights that we've had on a weekly basis. The next one is actually tomorrow, and it's Coming to America starring Eddie Murphy. But there's an added piece, students have been asking, hey, is there a way by which we can (our student groups and organization) secure the space and have our own private showings? Yes, you can. So, EMDH and the Bone Student Center have arranged for if you will contact them and actually Kacy Rader within that area (the Bone Student Center) and you can schedule your own for up to 50 people (actually 49 people) a private gathering for a movie night. So, contact her if you're interested in that type of an opportunity.

The last area that I wanted to cover was tomorrow is actually Founders Day for our campus community. So, didn't want to forget that. I want to wish everyone a Happy Founders Day, as well as one great way to celebrate that is to go to the Bone Student Center and go to Star Ginger and go for the Grand Opening. Great cuisine. We have our soft opening today and I highly recommend the sushi. Extremely great. That's my report.

- ***Vice President of Finance and Planning Dan Stephens***

Senator Stephens: Thank you, Senator Kalter. I'll just keep my comments brief, and actually just echo what I brought up at the last Senate meeting. Probably the most important thing people can do for us from a facility protection perspective is given all this cold weather that we've had, and then the thawing of that weather, that's actually, at the end of the day, when our buildings, no matter which building that we're in and no matter the age of the building, any opportunity for water to freeze inside pipes it's going to break those pipes. So, please keep an eye, if you come on campus as you're looking around, if you see anything that just doesn't seem right, whether it's water leak which doesn't make any sense, or air filtration coming in, please reach out to our emergency number, it would be 8-5656. Because we certainly need lots of people, eyes and ears looking at where we've got problems as we continue to fight through this kind of cold winter we've got in front of us. So, I'll just leave my comments there.

Senator Kalter: All right. Terrific. Thank you so much. And do we have questions for any of our administrators or for Senator Harris or myself?

Senator Horst: This question is for Provost Tarhule. You talked about the great retention numbers. I was wondering if you could comment on what the admissions for next year look like?

Provost Tarhule: You mean the admission numbers? Not very good. Applications are still down about (I don't know if Jana is on this call, please don't quote these numbers) I think we're still down about 23% in terms of application. We are down 17% in terms of admits. And we're down 34% in terms of deposits. So, that is not good. We continue to watch those numbers very closely and just doing anything we can to make sure that we can try to lower those numbers. But not very good. Now I could be off a percentage point or so from reciting those from memory. Jana and I met this afternoon at 3:00 p.m. to go over those numbers. I think that's what I remember. So, we are not where we want to be.

Senator Kalter: All right. Do we have further questions for any of our administrators or us? (Pause) I have two questions. I think that the first one is probably for Senator Tarhule and his team. So, thank you, Dr. Dietz, for... I had sort of previewed this to you that a couple of people had asked me that, you know, had indicated that they were sort of eager to hear about our plans to move to safe on-campus instruction and student presence, and especially how we're going to make that transition to on-campus instruction, you know, and do it safe. And it seems to me that we have to assume at minimum that even if most of the professors are vaccinated, and even if most of the students are vaccinated that some of each of those groups will still not be vaccinated, and also that we're going to need, I think you mentioned this, to have continue to have social distancing in the classrooms, which would basically create the same or similar space limitations that we found in the lead up to the fall 2020 before we shifted to the 90% online. So, I'm just wondering if we can go into just a little bit more detail about how that planning is going to move forward. And thank you so much, Senator Dietz, for your saying that it's going to be dual planning as I had recommended, because we are in such an uncertain environment still.

President Dietz: Well, I don't know that my crystal ball is any clearer than anybody else. But we had a conversation today with the other presidents and chancellors of the public universities (our weekly call) and Ginger Ostro, the Executive Director of the Illinois Board of Higher Education, is included on those calls. So, we had conversation about that issue today. I think everyone is

thinking that the enrollment issues and the enrollment challenges that some people are waiting, you know, what's the plan for the fall. And I think the expectations for a lot of students and families are that we would try to offer as much of an on-campus instruction and on-campus experience as possible. And as we prepare for fall registration in a few weeks, I think that's going to be important that we have some messaging out. Matter of fact, some of the institutions have already been messaging more of an on-campus experience for the fall and returning to kind of traditional fall semester. But I think the vaccinations are going to play a huge roll in that. How far we get on that is going to be a big deal. We've also been talking with IBHE and also with the Governor's office, as we go from 4 to 5, 4 talks about a limitation of how many people can be in a group, and particularly out of classroom kinds of things, but, you know, there's a limit of 50 for events and such as that. And often times people have said, well, is that the same number for a classroom? Well, is there nothing between the 50 (which is Phase 4) and the whole world can come in (which is completely open in Phase 5). And clearly there should be something in there. And so, I think that the Governor's office is working on that.

There's also discussion with department of health on whether or not as more people get vaccinated and the positivity rate goes down and some positive indicators that we're not out of the woods but we're getting out of the woods on this, that perhaps, you know, some of the distancing numbers can be looked at again. And so, there's been some conversation about would you go from 6ft to 3ft, which would give you a lot more capacity to bring people in in classrooms. And then within all of that, we've got the large lectures that even if you had 3ft, probably wouldn't be able to accommodate the large lecture. And so, it's still a work in progress, I would say, but I think most institutions are trying to message the idea that they're going to try to be as close to highest percentage of face-to-face and on-campus experience as they can offer given the positivity rate, given the number of vaccines, etc. So, it's a work in progress. And I think that we can go ahead with a plan but the idea that we might have to pivot or have kind of a dual plan, if you will, and be flexible to that, I think that's really where our reality is.

Senator Kalter: All right. Thank you. Senator Tarhule, did you want to add anything to that?

Provost Tarhule: I could. I think the President captured it all. As I said, I met with Jana today and she showed me a letter, which is very illustrative of the type that my office are continuous to get. This is from a parent who has a kid here and the parent is basically saying if you are not in person, you know, my child will not be coming back. Now we don't know how representative that is, but it's just a type of example of why we think that part of fall enrollment challenges may be because parents and students are waiting to hear what fall looks like. We're trying to do a couple of things. It's still in the modeling phase now, so we don't have an answer yet. Obviously, as the President said, one of the big challenges (two challenges actually), one is the large enrollment classes. We were looking at the option of saying could we take a set number of enrollment size, let's say 200 that we know with social distancing we're just not going to have enough space on campus to accommodate those. Could we take all those classes and put them online? That's one question we're looking at. But the difficulty with that is many of those classes are gen ed. Those are the classes that first time in college students are taking. Those are exactly the population that we need to keep on-campus if we are to solve the enrollment problem. So, the steering committee is looking at some other options. One possibility is can we break those classes up? So, instead of having one class of 200-300, could we break it up into two or three if

we can find the additional instructors to teach those sections? So, that option is also being explored. I know that people really want to know this, and we're looking to see how we could get this information out as quickly as possible.

With respect to the smaller enrollment classes, you are absolutely right, Chairperson Kalter. We're back in exactly the same situation we were in before at 6ft distance spacing. We're just not able to get as many classes in person as we would like to. The hope would be that if we could lower that distance because of the vaccinations, so maybe if we were to move to something like a percentage capacity occupying say 30% or 40%, then we could figure out how many of those do we think we can accommodate. Again, there is some hypothetical modeling going on, knowing that we don't have any real basis for what we think that may be. So, we're looking at a 6ft distancing, some kind of in between for those types of classes, and then for the larger classes looking at a combination of options about how we can make it happen. So, again, my goal remains to be able to provide some clearer guidance about where all this modeling and analysis has led us to, before the start of registrations.

Senator Kalter: Wonderful. Thank you so much. Yeah. It's going to be a space planning challenge at the very least. I had actually aimed, because our students on Exec wanted me to give back some time from last time, I had aimed at a 9:00 p.m. stop. So, I'm going to take my answer to this other question offline, and this one also goes back to Dr. Dietz. So, I'm afraid I don't really understand some of the dialogue that I was having with Dr. Paterson from the questions last time. I'm not understanding the lack of distinction between a frontline essential worker and an essential worker. That he had indicated in his response to my questions from two weeks ago. I looked up on the COVID-19 vaccine administration plan, on the IDPH website, and it says that for non-healthcare workers, frontline essential workers designation includes people who carry a higher risk of COVID-19 exposure because of their work duties, often because they are unable to work from home and/or they must work closely to others without being able to socially distance. And it included first responders, K-12 education workers, food and agriculture manufacturing, corrections workers and inmates, USPS workers, public transit workers, grocery store workers, and staff at shelters and daycares, and says that Illinois has about 1.3 million people who qualify as frontline essential workers, along with some others who are eligible in 1B. So, I just think that members of campus would appreciate a further clarification about that difference between frontline essential and essential, and further detail regarding the conversation with state officials toward defining ISU's frontline essential workers as distinct from its essential workers. So, as I said, the students on the Executive Committee had asked us to give a little bit of time back. So, rather than go into our information item and our committee reports, we're going to move toward adjournment.

Academic Affairs Committee: Senator Nikolaou

[Senator Nikolaou: The Academic Affairs Committee met this evening. We finalized the Course Material Fees policy that we will send to the Executive Committee. We also discussed the AAC's recommendation for the IDEAS graduation requirement.]

Administrative Affairs and Budget Committee: Senator Marx

[Senator Marx: The Administrative Affairs and Budget Committee held its regular meeting this week. Senator Nahm has agreed to assume the responsibilities of committee secretary. The

committee discussed the revision of Policy 6.1.13 Sound Amplification, which had previously been tabled in the Senate. With assistance from the General Counsel's Office have unanimously approved changes that we hope will be satisfactory to those concerned.

The committee had some discussion about the Academic Impact Fund (AIF) in preparation for the writing of the upcoming committee report on the AIF.

Finally, we considered a change to the committee's charge that is coming from Rules Committee with regard to adding an annual review and discussion of the Academic Facilities Report. The committee supports the proposed changes to the AABC's charge.]

Faculty Affairs Committee: Senator Hollywood

[Senator Hollywood: The FAC continued work on 1.8 Integrity IV. We made it through IV.D and started on IV.E.]

Planning and Finance Committee: Senator Avogo

[Senator Avogo: Our committee briefly considered the RERIP program and our role as Planning and Finance committee, given it has to do with incentives for Retention, Enrollment and Rebound. We have scheduled a meeting to overview the program on March 24 with Dr. Dan Elkins in the Provost office and from the School of Teaching and Learning, among others. We also started to analyze the content of our meetings with three stakeholders on the quality of online learning to assess emerging themes for our final report. We have one last meeting with the provost office on our current priority online learning on March 3.]

Rules Committee: Senator Horst

[Senator Horst: The Rules Committee met on Feb. 17, 2021. We approved the recent draft of policy 9.7 and procedure 9.7.1. We also approved proposed changes to the Academic Planning Committee charge. We also tentatively approved a revision to the AABC charge. We would like to confirm with the AABC that they have discussed this revision.]

Communications

Senator Kalter: I'm wondering if we have any Communications before we adjourn? (Pause)
Seeing none.

Adjournment

Motion by Senator Lucey, seconded by Senator Harris, to adjourn. The motion was unanimously approved.