

Chicago State University
Board of Trustees
Finance and Audit Committee Meeting Minutes
Academic Library – Auditorium, Room 415
June 29, 2012
11:15 a.m. – 12:05 a.m.

Board Members Present

Trustee Zaldwaynaka “Z” Scott, Chairman
Trustee James T. Joyce
Trustee Anthony L. Young
Trustee David Anderson, Student Representative

Board Members Not Present

Trustee Lisa Morrison Butler
Trustee Gary Rozier

Others Present

Mr. Wayne Watson, Ph.D., President
Mr. Patrick Cage, Esq., General Counsel for Labor and Legal Affairs
Ms. Gail Cannon, Coordinator of Student Health Insurance
Mr. Kenneth Clow, Chief Internal Auditor
Ms. Sonja Clayton-Pedersen, Esq., Interim Director of Intercollegiate Athletics
Ms. Carla Davis, Compliance Officer
Dr. Yvonne Harris, Associate VP for the Office of Grants and Research Administration
Mr. Edward “Ted” Lannon, Associate Vice President of Administration and Finance/Controller
Mr. Glenn Meeks, Vice President of Administration and Finance
Ms. Bonnie Phillip, Assistant to the Director
Dr. Miriam Mobley-Smith, Dean, College of Pharmacy
Dr. Erma Brooks Williams, Associate to the President for the Board of Trustees and Governmental Affairs
Dr. Lisa Young, Director of the Wellness and Health Center

1. Call to Order

Trustee Scott called the meeting to order.

2. Roll Call

A quorum was verified and roll call was taken.

3. Verification of Meeting Notice

The meeting notice was posted as mandated by the Illinois Open Meetings Act.

4. Action Items

a. **Approval of Previous Meeting Minutes**

**Trustee Young moved to approve the previous meeting minutes. Trustee Joyce seconded the motion.
The motion passed as follows:**

**Ayes: 4
Nays: 0**

5. Information Items

a. Administration and Financial Affairs Update

Mr. Glenn Meeks reported that the long term and short term cash projections are the same as were reported at the May Board meeting and noted that the cash position is healthy.

1. **Action Items**

a. **FY2013 Preliminary Budget**

Mr. Meeks presented the FY2013 Preliminary Budget Resolution. It represents a 6.24% (\$3 million dollars) decrease in the Educational Assistance Fund; this is the highest decrease amongst state universities. Mr. Meeks noted that the budget reflects the non-funding of the Pharmacy program and funds (\$500,000) allotted specifically for the Student Financial Outreach Center, which represents dollars that are taken away from operations. Mr. Meeks reported on contingencies to address these shortfalls such as placing a freeze on permanent hirers. Mr. Meeks will present the permanent budget resolution at the September Board meeting.

Mr. Meeks discussed the possible change in how pensions are to be funded and how it would impact University. Dr. Watson stated that the goal of the state is to have the Universities fund their pensions.

Trustee Scott asked for the date of the special session to address the pension issue.

Dr. Watson stated that it would be in July.

Trustee Scott asked about the risk to the University in the decision to have a hiring freeze and do we anticipate a number of retirees based on the change in the pension and do we know what that number?

Mr. Meeks stated that this has been vetted and we will fund critical positions. Dr. Watson stated that we anticipate a number of individuals retiring and that number is known.

Trustee Anderson asked if the financial impact on the students was being considered.

Mr. Meeks stated that everything is being considered.

Trustee Joyce moved to approve the FY2013 Preliminary Budget Resolution. Trustee Anderson seconded the motion. The motion passed as follows:

Ayes: 4

Nays: 0

b. **FY2014 Operating and Capital Budget**

Mr. Meeks presented the FY2014 Operating and Capital Budget Resolution.

Trustee Joyce moved to approve the FY2014 Operating and Capital Budget Resolution.

Trustee Anderson seconded the motion. The motion passed as follows:

Ayes: 4

Nays: 0

c. **Student Health Care Increase**

Ms. Gail Cannon and Dr. Lisa Young presented the Student Health Care Increase Resolution.

Trustee Scott asked for the ultimate increase in terms of per semester cost and if the resolution included the breakdown of the increase in dollar amounts and percentages.

Ms. Cannon stated that the per semester cost is \$21dollars for regular full time student, which is \$42 dollars for the year and that the resolution would be changed to reflect dollar and percentage amounts. This information will be available on the website and every student charged this fee will receive this information in writing.

Trustee Joyce asked if Student Health Care Insurance was mandatory.

Yes, State Universities have a mandatory Student Health Care Insurance. Full-time students are required to purchase this insurance unless that can prove that they are covered by a comparable insurance.

Trustee Joyce: What is the cost per year, how many students purchase the insurance, and what is the reason for the increase?

Ms. Cannon stated that the cost is \$1,010 per year and 1500 to 1600 student purchase the insurance. Dr. Young stated the increase is 4.76%, which is \$1,010 per year. The reason for the resolution is to be in line with the Affordable Health Care Act that recently passed.

Trustee Scott asked if the increase in the cost was brought to the University by the carriers.

Yes, stated Dr. Young.

Trustee Anderson asked if cost could go up or down based on the students now being able to remain on their parents insurance longer.

Dr. Young stated that cost could go up or down and explained that would depend on utilization of the plan.

Trustee Young moved to approve the Student Health Care Increase Resolution. Trustee Anderson seconded the motion. The motion passed as follows:

**Ayes: 4
Nays: 0**

- b. Audit Update
Mr. Kenneth Clow gave an overview of the Internal Audit Report noting that there were three internal audit final reports. Mr. Clow noted that the internal audit software expects to be fully operation by July 1, 2012. The next step will be the compliance piece. Mr. Clow reported that the FY 2013 & 2014 Internal Audit Plan has been completed and has been discussed with President Watson.
- c. No compliance report was given.
- d. Ms. Clayton-Pedersen gave an update on the Athletics Department and reported that Mr. Dan Schumacher joined the University as the Athletic Director on July 2nd. The graduation success rate will be released publicly by the NCAA this fall; we are expecting a 20 point increase.

1. Action Item

a. Temporary Suspension of Athletic Funding Limitations, FY2013

Ms. Clayton-Pedersen presented the Temporary Suspension of Athletic Funding Limitations, FY2013 Resolution.

Trustee Joyce moved to approve the Temporary Suspension of Athletic Funding Limitations, FY2013 Resolution. Trustee Anderson seconded the motion. The motion passed as follows:

**Ayes: 4
Nays: 0**

Trustee Scott thanked Ms. Clayton-Pedersen for the excellent job she performed as Interim Athletic Director.

e. Information Technology

1. **Action Item**

a. **CSU Network Infrastructure (Switchgear) Replacement**

Mrs. Ce Cole Dillon presented the CSU Network Infrastructure (Switchgear) Replacement Resolution.

Trustee Young asked where we are in the process and what are some of the issues.

Mrs. Dillon stated that the University has issued the RFP. Mrs. Dillon noted the lack of capacity available at the university.

Trustee Young moved to approve the CSU Network Infrastructure (Switchgear) Replacement Resolution. Trustee Joyce seconded the motion. The motion passed as follows:

**Ayes: 4
Nays: 0**

f. Office of Grants and Research Administration

1. **Action Items**

a. **Evidence-Based Trauma**

Dr. Harris presented the Evidence-Based Trauma Resolution.

Trustee Joyce moved to approve the Evidence-Based Trauma Resolution. Trustee Anderson seconded the motion. The motion passed as follows:

**Ayes: 4
Nays: 0**

b. **Program for Contiguous Community Empowerment**

Dr. Harris presented the Program for Contiguous Community Empowerment Resolution.

Trustee Joyce moved to approve the Program for Contiguous Community Empowerment Resolution. Trustee Anderson seconded the motion. The motion passed as follows:

**Ayes: 4
Nays: 0**

Dean Mobley-Smith reported that the College of Pharmacy has received full accreditation status from the Accreditation Council for Pharmacy Education.

Trustee Joyce asked if there was a funding issue.

Dean Mobley-Smith stated that CSU was not included in the Pharmacy License Fund, which appropriates dollars to state universities; however we are working to get CSU back into the bill.

6. Other Matters

a. Public and Employee Comments

Dr. Susan Austin thanked Dr. Erma Brooks Williams for her service. Dr. Austin stated that the retirements can also affect faculty and this can affect research goals.

7. Adjournment

Trustee Joyce moved to adjourn the meeting. Trustee Young seconded the motion. The motion passed as follows:

Ayes: 4
Nays: 0

The meeting adjourned at 12:05 p.m.