

December 20, 2016

Zach Waymer
Manager, Legal and Governmental Affairs
– State Relations and Institutional Complaints
Higher Learning Commission
230 South LaSalle Street, Suite 7-500
Chicago, IL 60604-1411

Dear Mr. Waymer,

Attached is the response of Southern Illinois University Carbondale to the Higher Learning Commission request, dated December 5, 2016, for information related to the Illinois state budget crisis. We affirm our ability to meet HLC's Criteria for Accreditation, specifically Core Component 5A.

No public university can operate entirely without state support, but with the support of the SIU system, as needed, SIU Carbondale can do so for the rest of this fiscal year. For the past year, the university has planned carefully and acted responsibly, given there has been only a stop-gap state appropriation. The state's budget crisis has affected operations, as the attached table indicates, but we remain steadfast in our commitments to our students and mission. It is not necessary for SIU Carbondale to submit teach-out plans because we do not anticipate closure or suspension of operations any time during the Spring 2017 semester.

We are confident of our good standing with the Higher Learning Commission. While we are hopeful that the state will resolve its budget impasse soon, our deliberative planning and cost-saving measures ensure that we will meet our responsibilities to our many stakeholders for the immediate future.

If you have any questions about the attached response, please do not hesitate to contact me (bcollwell@siu.edu or 618-453-2341) or our Accreditation Liaison Officer, Associate Provost Jim Allen (jsallen@siu.edu or 618-453-7653).

Sincerely,



Brad Colwell
Interim Chancellor

C: Karen Solomon, Vice President for Accreditation Relations, Higher Learning Commission
Randy Dunn, President, Southern Illinois University System
James Allen, Acting Vice President for Academic Affairs, Southern Illinois University System

Encl.: Brief Report to the Higher Learning Commission in Response to the December 5th Request

**Report to the Higher Learning Commission
from
Southern Illinois University Carbondale
December 20, 2016**

Southern Illinois University Carbondale (SIUC) is pleased to provide an update to the Higher Learning Commission on the current availability of financial, physical, and human resources required for the ongoing support of the institution.

1. Cash and Financial Challenges:

The fiscal condition of the state of Illinois has deeply impacted higher education funding, and SIUC operated for much of fiscal year 2016 without an appropriation from the state. The Illinois General Assembly passed Senate Bill (SB) 2059, Stop Gap appropriation I, on April 22, 2016. SIUC, including the School of Medicine, received \$40 million, or less than one-third of the appropriated funding received during fiscal year 2015. On June 30, 2016, the last day of the fiscal year, the legislature passed Senate Bill (SB) 2047, Stop Gap appropriation II. In total, SIUC received \$74 million, or about one half of the appropriated funding received during fiscal year 2015.

SB 2047 is a fiscal year 2017 appropriation that allows for applying funds toward prior year costs. Like most institutions, SIUC chose to use both Stop Gap appropriations to cover last year's funding gap. SIUC has received cash payments in approximately equal installments since July 1, 2016, with the final payment of \$7.4 million expected during December 2016. It is important to note that for the 18-month period from July 1, 2015 to December 31, 2016, SIUC received \$94.5 million less in appropriated revenue, compared to full funding at the fiscal year 2015 level.

When the two stopgaps are added together, we will have received 82 percent of anticipated state revenue for one fiscal year and 41 percent over the two-year period.

In anticipation of decreased enrollment and a reduced state appropriation, the Carbondale campus (excluding the School of Medicine) permanently reduced its fiscal year 2017 state appropriated and income fund operating budget by \$21 million, compared to the fiscal year 2015 level. The cuts (as shown in Appendix 1) included \$12.2 million from salary lines, most of which were vacant as a result of attrition; \$5.5 million from travel, supplies, equipment, and contractual services; \$1.3 million from the physical plant; and \$2 million from reserves. Any additional reduction in state appropriated funding will likely result in more budget cuts. The campus completed planning scenarios this fall for additional cuts of up to \$15 million.

A constituency-based campus committee tasked to review administrative and operational structure and expenses with a focus on identifying cost savings through increased efficiency, consolidation or other measures submitted its final report to the Chancellor in mid-November. The more than six-dozen recommendations from the committee are currently under discussion by senior administration and will soon be shared with the campus community. Also, the vice chancellors have been asked to reduce administrative spending by an additional 5 percent this fiscal year.

The university is closely monitoring unrestricted cash balances. SIUC has used its income fund revenues and is leveraging other unrestricted local sources of cash to fund operating costs that would typically be funded by state funding sources. To ensure campus operations can be sustained through the end of the

fiscal year, the university is evaluating the use of other funding sources that, if needed, would be available through the involvement of the university's system office.

The university is timely in paying employees and vendors for all services and expenses. Payments are being made according to regular university business practices, with no vendor waiting more than 45 days for payment after the appropriate paperwork is received by accounts payable staff.

2. Impact on Faculty and Staff:

The decrease in appropriated funding has contributed to a decrease in the number of total staff, from 6,686 in fall 2015 to 6,197 in fall 2016. This is primarily due to vacant positions, at all staff levels, that were cut to reduce the operating budget in fiscal year 2017. Almost half of the reduction in headcount is due to the decreased hiring of graduate assistants, 224 fewer in fall 2016 compared to the prior year. There are also 105 fewer non-faculty professional positions and 64 fewer clerical and secretarial positions. Faculty headcount is down 27.

While each job opening is subject to careful review by senior administration, the university has continued to fund critical vacancies related to course offerings. As an example, SIUC is currently searching for assistant professors in computer science for fall semester 2017 due to increased demand for the computer science program. Other strategic searches are also in progress.

The availability of spring 2017 classes will not be significantly impacted by the state budget impasse. Classes must all meet the standing 5-10-15 rule for student registration for them to be offered this spring, leading to somewhat fewer sections of elective courses and somewhat larger sections of required courses. A reduction in instructional faculty in the spring is not anticipated. Faculty have already been contracted to teach for the entire academic year, and the deadlines for prior notification, as required under the terms of SIUC's collective bargaining agreements with the Non-Tenure Track Faculty Association and the Graduate Assistants United, passed in November.

Meanwhile, after more than two years of negotiation, the university and Faculty Association announced last week a tentative collective bargaining agreement has been reached. The previous version of the agreement expired on June 30, 2014. The new agreement will expire June 30, 2018 and contains no salary increases. (See Appendix 2 for coverage from the Southern Illinoisan newspaper.)

3. Availability of Textbooks, Supplies and Related Materials, Maintenance, and Safety:

At SIUC, students purchase their own textbooks and some supplies. Certain courses carry additional fees that are used only for the purchase of supplies and related education materials specific to the curriculum. More than one hundred of these course fees were added strategically to minimize the impact on students but provide the necessary tools that faculty needs to their courses effectively. Many student activities are funded by fees that are not available for other uses, including the student center, student recreation facility, student health services, and housing. The operation of the fee areas is largely not impacted by the state budget impasse.

Overall funding for campus maintenance and public safety has not been cut, although the sources of revenue used in support of those areas has shifted in part from state support to local sources. The university continues to make critical repairs to the physical plant, including an environmental remediation project to clear toxic algae from Campus Lake this fall. The Department of Public Safety

remains fully staffed to protect the university community and respond to its security needs during the entire academic year.

4. Spring 2017 Enrollment:

Fall 2016 enrollment was 15,987, a 7.5 percent decrease from the previous year. Registration for spring 2017 is following the same decline, with proportionately fewer students registered as of mid-December, compared to the same time last year. Enrollment management is focused on increasing new freshman and transfer students for fall 2017 and by fall 2018, increasing the retention of first-time freshmen to 70 percent, up from this year's 64.3 percent. These efforts are in response to the Chancellor's call for a 10 percent increase in overall enrollment by the beginning of academic year 2018. The undergraduate admissions office has been reorganized and is now more fully staffed than in recent years. Further, a retention and completion quality initiative group is preparing recommendations to update the university's efforts to improve persistence to graduation.

5. Other Information:

SIUC has continued to apply need-based Monetary Award Program (MAP) grants to approximately 3,000 undergraduate student accounts. As of December 2016, the university is anticipating reimbursement from the state for fall 2016 MAP awards totaling \$5.5 million. The university has committed to advance funding the spring 2017 MAP awards. Without this financial support, many students might be unable to continue their education or choose to transfer to an out-of-state institution.

Appendix 1

Southern Illinois University Carbondale (excluding School of Medicine) FY17 State Appropriated and Income Fund Permanent Budget Reduction Sources

	<u>Beginning Budget Base</u>	<u>Total Reduction</u>	<u>FY17 Adjusted Budget Base</u>	<u>Percent of Reduction to Budget Base</u>
Campus wide allocations	\$ 14,150,205	\$ 2,253,984	\$ 11,896,221	15.93%
Chancellor	6,285,136	638,168	5,646,968	10.15%
Provost and VC for Academic Affairs	141,104,758	13,030,106	128,074,652	9.23%
VC for Administration & Finance	33,664,473	3,366,449	30,298,024	10.00%
VC for Student Affairs	2,256,123	240,043	2,016,080	10.64%
VC for Research	5,011,990	580,737	4,431,253	11.59%
VC for Development and Alumni Relations	2,666,315	349,649	2,316,666	13.11%
Intercollegiate Athletics	1,551,389	195,515	1,355,874	12.60%
School of Law	3,050,000	305,000	2,745,000	10.00%
Economic Development	500,511	64,437	436,074	12.87%
TOTAL	<u>\$ 210,240,900</u>	<u>\$ 21,024,088</u>	<u>\$ 189,216,812</u>	10.00%

Two years in the making: SIU, faculty union reach collective bargaining agreement

- K. JANIS ESCH THE SOUTHERN
- Updated Dec 16, 2016

CARBONDALE — After more than two years of negotiation, the SIUC administration and Faculty Association have reached a tentative collective bargaining agreement.

The previous version of the agreement, which helps define the roles and responsibilities of faculty and administrators, expired June 30, 2014. Since then, faculty members have been operating under the terms of the old contract.

FA President Dave Johnson characterized the negotiations as “collegial, professional and productive.”

The state budget crisis left a significant impact on the agreement, which will be in place until June 30, 2018 — it contains no salary increases for the FA’s 500 tenured and tenure-track professors. If the state produces a full fiscal-year budget for public universities down the line, the association will be allowed to reopen negotiations over wage increases.

“I think we all know we’re in this together, when it’s all said and done. The mood on campus overall is — people are not happy with the state budget impasse, and people are worried about the future, but at bargaining table, that was not the place to raise those concerns. ... It’s not the fault of the administration,” Johnson said.

It’s been a long time since SIU faculty members have received raises. According to Johnson, their salaries are somewhere between 5 and 10 percent below their peers’. There were “minuscule” raises in the previous four-year contract, he said.

“You can’t expect financial windfall from a university in SIU’s situation,” Johnson said.

Still, the new agreement comes with a number of improvements for faculty, he said. It includes clarifications in procedures for grievances, for faculty promotion and tenure, and for faculty rights and responsibilities when it comes to syllabi for courses. The revised agreement also makes faculty workload assignments “fair and transparent” and defines conditions under which furloughs can be implemented, Johnson said.

The graduate assistant, civil service employee and non-tenure track faculty unions are still in negotiations with the administration.

"I'm proud that the bargaining teams worked hard together to build an agreement in the context of a difficult environment," Interim Chancellor Brad Colwell said in a joint statement issued by SIUC and the FA. "I appreciate the positive, collaborative approach taken by the teams and look forward to continuing to work with the Faculty Association to address issues of mutual concern."

"I think we recognize SIU is probably going to have to make some changes. Once we figure out what our state budget is going forward and once we get permanent chancellor on campus, part of our role is to ensure that the faculty have seat at table and shape those changes," Johnson said.

The tentative agreement will go to the SIU Board of Trustees for final consideration and ratification.

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SOURCE: http://thesouthern.com/news/local/siu/two-years-in-the-making-siu-faculty-union-reach-collective/article_22a9be2a-b2af-5d88-9c43-5c20413628e2.html