

**Appendix 2 to the Minutes of September 19, 2007**

Chancellor's Planning and Budget Advisory Committee  
September 19, 2007  
Presented by Susan Edgren

Sept. 17, 2007

Tuition Increase percentages proposed for 2009 between 7.5-12.5% being discussed. A 10% increase = \$211.60; 12.5% =\$238.00/cr. hr. (Handout)

Tuition increases for other institutions

Ongoing discussion of budget for FY2009

Sept. 4, 2007

Budget Changes at Legislative level

FY 2009 Source and use of funds

Salary increase guidelines (handout)

August 20, 2007

Update from IBHE meeting focused on K-12 and P-20 initiative - Go to IBHE website for complete discussion

FY2008 budget -waiting for approval

Salary Increase for Non-Represent Employees (A/P) (Handout)

FY2009 source and Use of funds

August 6, 2007

Changes in SURS Pension Law ( Senate Bill 27, approved July 31, 2006) -- (Handout )

When a retiring member's retirement annuity was based on a salary increase during the last 4 years of employment in excess of 6% per year, the employer granting the excess salary increase would be required to make an additional contribution to the retirement system.

General Exemptions:

1. Money purchase requirements
2. Payment upon termination for up to 56 days of unused vacation
3. Unused sick leave payments paid under collective bargaining agreement

FY2009 Source and Use of Funds

Discussion of possible future commitments --Use to meeting Illinois Veterans Grant, Faculty Hiring Initiative Classroom Renovation, Presidential Scholarships, Community College Outreach, Enrollment Management, Masters in Architecture, Saluki Patrol, Marketing, 3% salary increases.

Southern Illinois University Carbondale  
ANNUAL TUITION RATES AT ILLINOIS PUBLIC UNIVERSITIES

	FY2007	FY2008	Change	% Change	FY2007	FY2008	Change	% Change	Nonresident Multiplier FY2008
	Undergraduate (New Students)				Undergraduate (Nonresident New Students)				
Chicago State	5670	6180	510	8.99%	11280	12300	1020	9.04%	2.0
Eastern Illinois University	5207	5832	625	12.00%	15620	17496	1876	12.01%	3.0
Governors State University	4890	5370	480	9.82%	14670	16110	1440	9.82%	3.0
Illinois State University	6150	6990	840	13.66%	12840	14040	1200	9.35%	2.0
Northeastern Illinois University	5250	5850	600	11.43%	10500	11700	1200	11.43%	2.0
Northern Illinois University	5750	6350	600	10.43%	11300	12700	1400	12.39%	2.0
Western Illinois University	5439	5895	456	8.38%	8159	8843	684	8.38%	1.5
Southern Illinois University	5808	6348	540	9.30%	14520	15870	1350	9.30%	2.5
Southern Illinois University Edwardsville	4758	5228	470	9.88%	11895	13069	1174	9.87%	2.5
University of Illinois Chicago	6780	7424	644	9.50%	19170	19814	644	3.36%	2.7
University of Illinois Springfield	5580	6360	780	13.98%	14730	15510	780	5.30%	2.4
University of Illinois Urbana	7708	8840	1132	14.69%	21794	22526	732	3.36%	2.5
	<b>Graduate Students</b>				<b>Nonresident Graduate Students</b>				
Chicago State	4032	4224	192	4.76%	8016	8376	360	4.49%	2.0
Eastern Illinois University	4235	4554	319	7.53%	12705	13662	957	7.53%	3.0
Governors State University	4104	4464	360	8.77%	12312	13392	1080	8.77%	3.0
Illinois State University	4440	4656	216	4.86%	9264	9696	432	4.66%	2.1
Northeastern Illinois University	3840	4800	960	25.00%	8160	9600	1440	17.65%	2.0
Northern Illinois University	5096	5424	328	6.44%	9992	10848	856	8.57%	2.0
Western Illinois University	4799	5201	402	8.38%	9598	10402	804	8.38%	2.0
Southern Illinois University	5832	6600	768	13.17%	14580	16500	1920	13.17%	2.5
Southern Illinois University Edwardsville	5400	5670	270	5.00%	13500	14175	675	5.00%	2.5
University of Illinois Chicago	7114	7790	676	9.50%	19112	19788	676	3.54%	2.5
University of Illinois Springfield	4722	5424	702	14.87%	12558	13260	702	5.59%	2.4
University of Illinois Urbana	7826	8374	548	7.00%	20666	21214	548	2.65%	2.5

Note: Undergraduate tuition based on 30 semester hours. Graduate tuition based on 24 semester hours

Source: IBHE Records

**SOUTHERN ILLINOIS UNIVERSITY CARBONDALE  
BY 2009 PROPOSED TUITION RATE INCREASE SCENARIOS (rounded to nearest dollar)**

Current Rates for FY 08	
Resident	Non-resident
\$ 211.60	---
\$ 211.60	\$ 529.00
\$ 193.60	\$ 484.00
\$ 177.00	\$ 442.50
\$ 164.00	\$ 410.00
\$ 275.00	\$ 687.50
\$ 324.00	\$ 888.00

**Undergraduate Students:**  
Proposed Fall 2008 through Summer 2009 Cohort Guaranteed Rate  
Continuing Students (Summer 04 or before)  
Fall 2007 through Summer 2008 Cohort Guaranteed Rate  
Fall 2006 through Summer 2007 Cohort Guaranteed Rate  
Fall 2005 through Summer 2006 Cohort Guaranteed Rate  
Fall 2004 through Summer 2005 Cohort Guar Rate (ends after FY08)

**Graduate Students \***

**School of Law \***

\* **Notes:** (1) Awaiting confirmation of the School of Law's proposed tuition for BY2009.  
(2) Graduate rates are 1.35 times undergraduate rates.

7.5%		Resident Actual
Resident	Non-resident	
\$ 227.50	\$ 568.75	7.5142%
\$ 227.50	\$ 568.75	7.5142%
\$ 211.60	\$ 529.00	No Change
\$ 193.60	\$ 484.00	No Change
\$ 177.00	\$ 442.50	No Change
\$ 227.50	\$ 568.75	38.7165%
\$ 307.10	\$ 767.75	11.6727%
\$ 348.00	\$ 1,044.00	7.4074%

10%		Resident Actual
Resident	Non-resident	
\$ 233.00	\$ 582.50	10.1134%
\$ 233.00	\$ 582.50	10.1134%
\$ 211.60	\$ 529.00	No Change
\$ 193.60	\$ 484.00	No Change
\$ 177.00	\$ 442.50	No Change
\$ 233.00	\$ 582.50	42.0732%
\$ 314.50	\$ 786.25	14.3636%
\$ 356.40	\$ 1,089.20	10.0000%

11%		Resident Actual
Resident	Non-resident	
\$ 235.00	\$ 587.50	11.0566%
\$ 235.00	\$ 587.50	11.0566%
\$ 211.60	\$ 529.00	No Change
\$ 193.60	\$ 484.00	No Change
\$ 177.00	\$ 442.50	No Change
\$ 235.00	\$ 587.50	43.2927%
\$ 317.20	\$ 793.00	15.3455%
\$ 360.00	\$ 1,080.00	11.1111%

**Undergraduate Students:**  
Proposed Fall 2008 through Summer 2009 Cohort Guaranteed Rate  
Continuing Students (Summer 04 or before)  
Fall 2007 through Summer 2008 Cohort Guaranteed Rate  
Fall 2006 through Summer 2007 Cohort Guaranteed Rate  
Fall 2005 through Summer 2006 Cohort Guaranteed Rate  
Fall 2004 through Summer 2005 Cohort Guar Rate (ends after FY08)

**Graduate Students \***

**School of Law \***

\* **Notes:** (1) Awaiting confirmation of the School of Law's proposed tuition for BY2009.  
(2) Graduate rates are 1.35 times undergraduate rates.

12.5%		Resident Actual
Resident	Non-resident	
\$ 238.00	\$ 595.00	12.4764%
\$ 238.00	\$ 595.00	12.4764%
\$ 211.60	\$ 529.00	No Change
\$ 193.60	\$ 484.00	No Change
\$ 177.00	\$ 442.50	No Change
\$ 238.00	\$ 595.00	45.1220%
\$ 321.30	\$ 803.25	16.6364%
\$ 364.50	\$ 1,093.50	12.5000%

9/20/07

**Southern Illinois University  
Office of the President and University-Wide Services  
Salary Increase Guidelines  
For Employees Not Represented By A  
Recognized Bargaining Agent  
FY-2008**

The President may grant salary increases to the Office of the President and University-Wide Services non-represented employees pursuant to the following guidelines:

- Effective date of increases for continuing employees will be July 1, 2007.
- Employee's salary increase base will be the salary in effect on June 30, 2007.
- The President may grant employees who were employed prior to April 1, 2007, and are still on the active payroll as of the date of BOT approval an average salary increase of 3%.
- At his discretion, the President may grant a salary increase to an employee promoted after March 31, 2007, with a change in salary.
- Salary increases for employees paid with non-state funds are to be handled in the same manner as increases for employees with similar appointments paid from state funds, subject to the availability of funds in the account from which the employee is paid and any restrictions on grants and contracts against which the employee is employed.
- All eligible employees must have completed the required ethics training by Illinois law during the previous fiscal year. The only exception is for new employees who must complete the training within the first 6 months of their employment.
- Employees must meet established performance standards. If a supervisor recommends that an employee receive no increase, justification must be submitted in writing, through the appropriate reporting channels, to the President.



Glenn Poshard

8-22-07

Date

Changes to the Illinois Pension Code: Public Act 94-4, Effective June 1, 2005.

Senate Bill 27, enacted as Public Act 94-4, amended the Illinois Pension Code effective June 1, 2005. Under the Act, in cases where a retiring member's retirement annuity was based on a salary increase in excess of 6% per year, the employer granting the excess salary increase would be required to make an additional contribution to the retirement system, known as the "6% Rule."

Changes to the 6% Rule under Section 15-155(g) of the Illinois Pension Code: Public Act 94-1057, Effective July 31, 2006.

Senate Bill 49 was approved on July 31, 2006, and enacted as Public Act 94-1057. It made substantial changes to the section of the Pension Code added under P.A. 94-4. Under the Act, employers are billed for the present value of benefit increases resulting from certain earnings increases in excess of 6% over the previous academic year's earnings when paid during the final rate of earnings period (a.k.a. "the 6% Rule").

For fiscal employees, the final rate of earnings is defined as the greater of the average annual earnings during the 48 consecutive calendar month period ending with the last day of final termination of employment or the 4 consecutive academic years in which earnings are highest. For academic employees, only the 4 highest academic year period applies. Exemptions to the 6% salary limitation are summarized below.

1. **Earnings Measured on a Full-time Equivalent Basis.** Earnings increases due solely to an increase in percent-time worked if, for example, the hourly wage rate remains the same, are exempt.
2. **General Exemptions.**
  - a. All earnings increases for Money Purchase retirements are exempt (the 6% limit applies only to retirements under the general formula);
  - b. Payments upon termination for up to 56 days of unused vacation are exempt; and
  - c. Unused sick leave payments paid under a collective bargaining agreement are exempt.
3. **Exempted Earnings Increases Paid On or After June 1, 2005, but Before July 1, 2011.**
  - a. Earnings increases paid under a contract or collective bargaining agreement entered into, amended, or renewed before June 1, 2005;
  - b. Overloads (including contracts for summer teaching) that the employer certifies as being for the sole purpose of academic instruction in excess of the standard number of instruction hours for a full-time employee occurring during the academic year that the overload is paid, and are paid at the same or lesser rate of pay based on the participant's current salary rate and work schedule;
  - c. Overtime that the employer certifies was necessary for the educational mission;
  - d. Promotion to a position that existed and was filled for no less than one academic year at an average salary rate paid for other similar positions, that is
    - i. to a higher classification under the State Universities Civil Service System ("SUCSS"); or
    - ii. to a tenure or tenure-track faculty position;

Billing and Interest

P.A. 94-1057 allows the employer to pay a bill it receives interest-free within 90 days of receipt of the bill. The employer may request a recalculation of the bill within 30 days of its receipt. If the bill is not paid within 90 days after its receipt, interest will be charged at the System's actuarially assumed rate of return compounded annually from the 91st day after the receipt of the bill. Payments must be concluded within 3 years after the receipt of the bill.

6% Employer Impact  
Pension Law Change Public Act 94-1057

Example

Academic Year Ending	Actual Earnings	Percent of Change	FRE* Earnings	Adjusted for 6% CAP	Explanation
2002	\$72,063.41				
2003	\$74,225.31	103.00%	\$74,225.31	\$ 74,225.31	3% salary increase
2004	\$76,452.07	103.00%	\$ 76,452.07	\$ 76,452.07	3% salary increase
2005	\$78,745.63	103.00%	\$ 78,745.63	\$ 78,745.63	3% salary increase
2006	\$85,543.88	108.63%	\$ 85,543.88	\$ 83,470.37	3% salary increase and promotion
Monthly Benefit based on the FRE Earnings, years of service and 2.2% (general formula) multiplier					
		Monthly Benefit:	\$ 1,102.03		
Monthly benefit based on the FRE adjusted for 6% cap					
		Monthly Benefit based on capped FRE:	\$ 1,094.67		
Difference between monthly benefit and the monthly benefit based on the capped FRE					
		Difference in Monthly Annuity:	\$ 7.36		
The actuarial factor used in the calculation is made by using actuarial tables provided by SURS. The table used will correspond with the type of monthly benefit provided to the participant.					
		Actuarial factor:	158.8622		
The employer cost equals the actuarial present value of the increase in the monthly annuity. In this case \$7.36 increase multiplied by the actuarial factor of 158.8662 equals \$1,169.23					
		Employer Cost:	\$ 1,169.23		

\*FRE - Final Rate of Earnings