

University Senates Conference  
*Finance, Budget, & Benefits Committee*  
Minutes

DATE: Thursday, June 26, 2025

PLACE: I Hotel & Conference Center, Alma Mater Room  
1900 S 1<sup>st</sup> St, Champaign, IL

PRESENT: Campbell, Danziger (online), Leff, Lyons

ABSENT: Erricolo

I. Call to Order

The meeting was called to order at 8:04 a.m. by Professor Campbell.

II. Approval of remote participation

Professor Lyons made a motion to allow Professor Danziger who was attending via Zoom to vote and participate in the meeting. Professor Leff seconded the motion. No discussion. The motion was approved by a voice vote by FBBC Members.

Yes: Campbell, Leff, Lyons

No: None

Abstain: None

III. Public Comment

None

IV. Approval of minutes from June 6, 2025

A motion was made by Professor Lyons and seconded by Professor Leff to approve the minutes from June 6, 2026. No discussion. The minutes were approved by a voice vote.

Yes: Campbell, Leff, Lyons

Online: Danziger

No: None

Abstain: None

V. Today's Business

**a. Discuss NIH cuts projected to cost the UI System \$67 million annually**

In early May, Illinois joined a lawsuit with three leading higher education organizations and several other leading research universities to challenge the National Science Foundation's unlawful attempt to cap reimbursements for indirect research costs at a rate significantly lower than what it negotiated. Last week, a U.S. district judge ruled in our favor stating: "Implementation of Standard 15% Indirect Cost Rate, NSF 25-034 are vacated and declared invalid, arbitrary and capricious, and contrary to law." While this is a win for Illinois, uncertainty still remains around indirect cost rates (ICR) for federal agencies. Kelvin Droegemeier is leading a consortium of research universities and other institutions called the Joint Associations Group (JAG). Professor Lyons recommends following this group online (<https://linktr.ee/JAGTownHall>).

The JAG, amongst others, is discussing with OMB how best to come up with a more transparent model for calculating indirect cost rates. The proposal is to attempt to establish a new, more equitable overhead rate across all universities. Two potential models have been discussed: 1) A dollar-weighted model based on the cost of activities or 2) An itemized indirect cost model. Currently, the University Senates Conference (USC) does not have formal representation in these discussions. The process, timeline, and likely outcomes remain a bit unclear.

Action: Under New Business, request that Kelvin be invited to attend a future FBBC meeting to provide updates.

**b. Discuss the uncertainty of grant funding for research and education, with potential long-term impacts on the university.**

Given the increasing uncertainty and potential cuts to federal research funding, the committee emphasized the need for timely and regular updates on the status of grants and the broader implications for university operations, faculty research, and student involvement.

FBBC also discussed the importance of identifying potential alternative funding sources for research projects affected by these cuts. Additionally, there was concern about how institutional support for faculty submitting new proposals may change due to evolving funding requirements.

Action: Under New Business, request regular input and updates from the Vice Chancellor for Research (VCR) at future meetings.

**c. Discuss SURS Tier 2 and Social Security Safe Harbor Act**

Pending state legislation related to the State Universities Retirement System (SURS) is currently suspended and does not include any major changes.

Action: Under New Business, propose that FBBC revisit this topic in future meetings to monitor for any new legislative developments.

**d. Compensation Comparisons: An analysis of the current state of faculty, staff, and student compensation across the three campuses (UIUC, UIC, and UIS) and in comparison, to peer institutions.**

The University System recently announced a 1% salary increase. Committee discussion focused on how this increase will be allocated to faculty, how departments will fund the change, and how this adjustment compares to salary trends at peer institutions.

Action: Under New Business, study impact and comparison at future meeting.

**e. Strategic Plan for 2025-2026 FBBC**

FBBC members recommended that the 2025–2026 committee adopt a proactive

approach in tracking both anticipated and realized financial impacts of federal executive actions on projects and activities critical to the UI System's core mission.

To this end, FBBC recommends the following:

- i. **Regular CFO Engagement:** Coordinate with David Perryn to schedule monthly meetings with the CFO of the campus hosting that month's USC meeting.
- ii. **System-Level Inclusion:** Ensure the System-level CFO is included in the rotation so that USC—and, by extension, all three campuses—remains fully informed of evolving financial issues and budgetary concerns.

VI. New Business

VII. Old Business – Action Items  
None

VIII. Adjournment  
The meeting was adjourned at 8:57 a.m.

Information for the minutes provided by Professor Lyons.

David Perryn  
USC Administration