

ICCTA *BOARD HIGHLIGHTS*

September 18, 2012

The ICCTA Board of Representatives took the following actions at its September 15, 2012 meeting at the Crowne Plaza Hotel in Springfield, Illinois:

- Received a legislative update from pension expert Steve Zahn, who has been advising ICCTA during pension negotiations with the Illinois General Assembly. Zahn reviewed Senate Bill 1673, which would reform pension benefits and shift the employer's share of public employee pension costs to local community college districts;
- Learned that Gov. Quinn had issued a proclamation declaring September 10-16 as Illinois Adult Education and Family Literacy Week;
- Were informed that ICCTA's November 9-10 meetings in Chicago will include an expanded Trustee Roundtable session as well as the annual Community College Legal and Legislative Update seminar;
- Previewed the October 10-13 Association of Community College Trustees' Leadership Congress in Boston. Jeff May (Joliet) is running for an at-large seat on the ACCT Board of Directors, and John Sanders (Logan) running for a seat as Central Region director. ICCTA will host an Illinois reception on Wednesday evening, October 10;
- Recognized the recipients of two ACCT Central Region honors: Trustee Leadership Award winner David Harby (Danville) and Equity Award winner Waubensee Community College;
- Received the association's FY12 audit. Because of ICCTA's strong fiscal standing, it has not implemented a dues increase in 7 years;
- Learned that the ICCTA Awards Committee selected the nomination deadlines for the association's 2013 faculty, alumni, business, and student trustee honors;
- Thanked Chevron Energy Solutions for sponsoring ICCTA's well-received September 14 seminars on adult education and international studies;
- Adopted a resolution honoring James L. Ayers (Parkland) for his outstanding service as ICCTA's 2011-2012 president;
- Expressed interest in working the Illinois Community College Board to promote its "A Millions Reasons Why" public relations campaign;
- Invited trustees to participate in the November 16 Leadership and Core Values Institute in Rockford;
- Received updates on the activities of ICCB, ACCT, and the Illinois Presidents Council; and
- Adopted a resolution honoring Highland Community College on its 50th anniversary.



ILLINOIS COMMUNITY COLLEGE TRUSTEES ASSOCIATION
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ENCLOSURES

- Analysis of Senate Bill 1673
- Resolution honoring past ICCTA president James L. Ayers
- Resolution honoring Highland Community Colleges' 50th anniversary
- List of ICCTA's 2013 award deadlines
- ACCT update

UPCOMING MEETINGS

SEPTEMBER

- Sept. 20 - 22 Illinois Presidents Council retreat, Oak Brook Hills Hotel, Oak Brook
- Sept. 21 Illinois Community College Board meeting, Moraine Valley Community College, Palos Hills
- Sept. 25 First day to circulate petitions for candidates in the April 2013 consolidated election (including community college trustees)
- Sept. 25 Illinois Board of Higher Education meeting, Waubensee Community College, Sugar Grove

OCTOBER

- Oct. 10 - 13 Association of Community College Trustees' annual Leadership Congress, Boston
- Oct. 25 - 26 Teaching and Learning Excellence Conference, Springfield

NOVEMBER

- Nov. 2 Illinois Community College Board meeting, Springfield
- Nov. 9 Illinois Presidents Council meetings, Chicago
- Nov. 9 - 10 ICCTA Board of Representatives and committee meetings, Chicago
- Nov. 16 Illinois Student Assistance Commission meeting, Harold Washington College, Chicago
- Nov. 27 - 29 Illinois General Assembly veto session, State Capitol, Springfield

DECEMBER

- Dec. 4 Illinois Board of Higher Education meeting, Adler School of Professional Psychiatry, Chicago
- Dec. 4 - 6 Illinois General Assembly veto session, State Capitol, Springfield
- Dec. 14 - 15 State Universities Retirement System meetings, Chicago
- Dec. 17 - 24 Filing period for candidates in the April 2013 consolidated election (including community college trustees)

***The next ICCTA Board of Representatives meeting will take place on
Saturday, November 10, 2012, at the Chicago Downtown Marriott Hotel in Chicago.***

SB 1673 – Pension Reform

The three main components of SB 1673 are:

- Tier I employees and Tier I retirees elect 1 of 2 options that will impact benefit calculations and eligibility for retiree health insurance.
- Creation of the Cash Balance Plan
- State Retirement System Funding Reform

A Tier 1 employee is defined as an employee who began participation prior to January 1, 2011. A Tier 1 retiree is a former employee who first began participating prior to January 1, 2011 and is now receiving a retirement annuity.

Tier I Employee and Tier I Retiree Election

Tier I employees and Tier I retirees are required to make an irrevocable election between 1 of 2 options. The election period begins January 1, 2013 and concludes on May 31, 2013. The election choice is effective July 1, 2013.

Option 1 – Under Option 1, **employees and retirees** elect a reduced, non-compounded COLA on their future annuity. The COLA is equal to the lesser of 3% or one-half the urban Consumer Prices Index (CPI) on the amount of their original annuity (Tier 2 COLA). Employees and retirees electing Option 1 will receive a delayed COLA that will begin the January 1st following the earliest of age 67 or the 5th anniversary of the annuity start date. **Retirees** who elect Option 1 receive the same COLA reduction and delay; however, previous increases received remain unchanged.

A Tier 1 employee or Tier 1 retiree who elects Option 1 are eligible to participate in their applicable retiree healthcare plan.

Increases in pay to Tier 1 employees and Tier 1 retirees (who return to active service) will increase the Tier 1 employees and Tier 1 retirees' pensionable earnings.

Option 2 – Under Option #2, **employees and retirees** elect to not reduce their 3% compounded COLA and to avoid a delay in receiving their COLA. Current law allows a retiree to receive their COLA on the January 1st following the first anniversary of the annuity start date.

Tier 1 retirees and Tier 1 employees who elect Option 1 are NOT eligible to participate in applicable retiree healthcare plans.

Increases in pay to Tier 1 employees and Tier 1 retirees (who return to active service) will NOT increase the Tier 1 employees and Tier 1 retirees pensionable earnings.

Cash Balance Plan

Employees first participating on or after July 1, 2013 are automatically enrolled in the newly created Cash Balance Plan. The cash balance plan is a notional account credited with employee and employer contributions that will be annually adjusted by an interest credit. Annuities are payable at age 59 ½ and are determined at retirement. The level of annuity is dependent on the notional account balance and other variables, such as the member's age at retirement and their life expectancy. Cash balance plan members will receive a 3% simple COLA on their annuity. Tier II employees are allowed to opt into the cash balance plan, unless they have already elected the Self-Managed Plan.

Employee Contributions

- Members continue to contribute at current rates, 8.0% of pay for regular formula members, and 9.5% of pay for alternative formula members (University Police and University Firefighters).
- Members, including Tier 1 employees who elect Option 1, may elect to make additional contributions into an optional Cash Balance Plan at 2.0% of pay.

Notional Employer contributions

- 4.4% of pay shall be credited to the cash balance accounts of members hired on or after July 1, 2013 and Tier 2 members that opt into the cash balance plan.
- Employers can choose to make additional contributions to the optional Cash Balance Plan.

Funding Reform

SB 1673 enacts funding reforms to:

- Provide for 100% funding of SURS; and
- Shift responsibilities of funding new liabilities to employers.

State Funding

Under current law the state is required to make contributions, expressed as a level percentage of payrolls, to be sufficient to fund 90% of SURS liabilities by State fiscal year 2045.

SB 1673 requires the State to make contributions to fund 100% of the total cost of benefits arising before July 1, 2013. State contributions will be determined as a level percentage of payroll based on the following formulas:

If at least 50% of Tier 1 employees elected the reduced benefit formula- the State shall fund 100% of the total cost of benefits arising before July 1, 2013 by State fiscal year 2043.

If fewer than 50% of Tier 1 employees elected the reduced benefit formula- the State shall fund 100% of the total cost of benefits arising before July 1, 2013 by State fiscal year 2045.

Nothing in SB 1673 changes the SURS fiscal year 2013 certified state contribution of \$1,402,800,000.

Employer Funding

SURS currently has 65 employers that include community colleges, universities, and state agencies. The State currently makes employer contributions for all SURS employers.

Employers under the Article are responsible for liabilities arising on or after July 1, 2013. Beginning in fiscal year 2014, employers will be required to contribute:

- An amount to be phased in overtime that will eventually result in the employer contributing the full normal cost of benefits earned by employee who began participating prior to July 1, 2013.

- Employers begin contributing 0.6% of payroll in FY 14 towards the normal cost of benefits earned by employees that began participating prior to July 1, 2013.
- Each fiscal year thereafter employers contribute an additional ^{1.6} percent of payroll from the previous fiscal year until either (i) the Board certifies that the employer is contributing an amount equal to the normal cost of benefits earned by employees that began participating prior to July 1, 2013 or (ii) until the employer is contributing 6% of payroll.
- If the normal cost of benefits earned by employees that began participating prior to July 1, 2013 exceeds 6%, the employer shall contribute an additional .5 % of payroll from the previous fiscal year until the Board certifies that the employer is contributing an amount equal to the normal cost of benefits.
- The full employer normal cost of benefits earned by employees who begin participation on or after July 1, 2013; and
- Any amount required to amortize any unfunded liability arising on or after July 1, 2013;
 - Employer contributions are determined on a rolling amortization schedule that shall not exceed 30 years.

The System shall create individual employer accounts for the purposes of determining contribution rates. Each employer's account is to be notionally credited with assets and liabilities that have accrued on or after July 1, 2013.

Different rates of normal costs will be determined for 3 employer groups. Employer groups consist of Community Colleges, Universities and other employers. An employer may file application for a separate rate determination, and such application will result in an individual rate of normal cost that shall be "backed-out" of the employer group. The employer shall pay costs associated with a separate rate determination.

Funding Enforcement

If an employer fails to contribute required contributions within 90 days of SURS submitting a voucher for payment, SURS may certify to the State Comptroller or County Treasurer (if applicable) the amounts of the delinquent payments and the Comptroller or County Treasurer shall deduct the amounts from any payments to the employer and provide payment to SURS. If there are no funds available, SURS may proceed against the employer to recover the amounts of the delinquent payments in the appropriate court.

If the State fails to contribute required contributions within 90 days of SURS submitting a voucher for payment, SURS shall have the right to commence a mandamus action in the Illinois Supreme Court to compel the Comptroller to satisfy the voucher

***ICCTA will host 2 events on Wednesday evening, October 10, during the ACCT Congress in Boston:
Illinois caucus (6:15-6:30 PM) and ICCTA reception (6:30-7:30 PM)
Back Bay Ballroom B, 2nd floor, Sheraton Boston Hotel

ACCT Report to ICCTA – Sept 2012

Submitted by Illinois State Coordinator Diane Gallagher

*** “Leveraging Student Success” is theme for Oct 10-13, 2012 ACCT Leadership Congress ***

Sheraton Boston & Hynes Convention Center is the main site but with this being the largest attendance ever results in the trustees being housed in many locations. This **Congress Meeting** includes 100 educational seminars in six tracks, national speakers and the Friday morning board reelection for our people John Sanders, Central Region & Jeff May, Director-At-Large candidate. A special election to fill a vacant Diversity Committee seat for the Western Region will also be held.

October 10-13, 2012 Keynote speakers CEOs from Kellogg Foundation and Accenture Sheraton Boston & Hynes Convention Center

- 1) Our Boston hotel is connected to the Hynes Convention Center, so sessions have been arranged slightly differently time wise to accommodate walking a greater distance: i.e., our large keynote and meal sessions will be in the convention center but most of the breakout/concurrent sessions are in the hotel.
- 2) There is going to be a big marketplace strategically placed, with vendors including, but not limited to sponsors of the convention.
- 3) "Walk to Success" is a sub-theme, so all attendees will receive pedometers and those who walk the farthest will get prizes!
- 4) As always accommodations will be made for those with limited mobility, but comfortable walking shoes will be a help.

Prior to the Congress ACCT is hosting a symposium, *Achieving Student Success: Metrics, Data, and Evidence*. This will focus on data to use in fostering student success. Speakers from the Lumina & Kresge Foundations and CUNY will keynote.

Illinois Again Scores High in Leadership – ACCT Winners Announced

2012 ACCT Regional Trustee Leadership Award Recipients

CENTRAL REGION [this region is composed of nine states.]

David Harby, Danville Area Community College, Ill.

2012 ACCT Regional Equity Award Recipients

CENTRAL REGION

Waubonsee Community College, Ill.

40 Years & Growing Stronger Submit your name by November to be an ACCT Committee Associate. Requests to become an ACCT Committee Associate are being accepted until Nov. Founded in 1972 ACCT is the nonprofit educational organization of governing boards, representing more than 6,500 elected and appointed trustees of community, technical, and junior colleges in the United States and beyond.

NEW ACCT Online Newsletter – Be sure you are signed up. Watch for other website updates

Capitol Connection is important to YOU. ACCT is pleased to announce the launch of "Capitol Connection" - an advocacy e-newsletter designed to provide in-depth updates on legislative and regulatory issues impacting community colleges. LAW Alert subscribers will receive *Capitol Connection* via e-mail each month starting this September. Read about hearings and actions of:

Senate Committee on Health, Education, Labor and Pensions

Democrats by Rank

Tom Harkin (IA)
Barbara A. Mikulski (MD)
Jeff Bingaman (NM)
Patty Murray (WA)
Bernard Sanders (I) (VT)
Robert P. Casey, Jr. (PA)
Kay R. Hagan (NC)
Jeff Merkley (OR)
Al Franken (MN)
Michael F. Bennet (CO)
Sheldon Whitehouse (RI)
Richard Blumenthal (CT)

Republicans by Rank

Michael B. Enzi (WY)
Lamar Alexander (TN)
Richard Burr (NC)
Johnny Isakson (GA)
Rand Paul (KY)
Orrin G. Hatch (UT)
John McCain (AZ)
Pat Roberts (KS)
Lisa Murkowski (AK)
Mark Kirk (IL)

Testimony given by Camille Preus - Senate HELP Committee – September 13, 2012 spoke of many common ideas such as, "The federal government also could help states in their efforts to be more efficient by aligning the various reporting requirements that it imposes on institutions of higher education. These requirements differ for various programs, such as the HEA and the Workforce Investment and the Carl D. Perkins Act, and these in turn differ from information that states themselves require. A concerted effort needs to be undertaken to eliminate these inefficiencies. Many community colleges have only one individual who is responsible for meeting all reporting requirements. Sometimes states becoming directly involved in providing needed information. In addition, the federal government needs to be much more aggressive in ensuring that appropriate state educational entities have access to data that will enable them, in concert with institutions, to identify the earnings of students after they have left institutions. These data in turn will help colleges to maximize resource allocation."

* Example

Oregon has a Plan called 40/40/20 which expects shared contribution for college costs.

Step 1: Student Share The defined **student contribution** spells out the amount every student would contribute to his or her education, based on the decision to attend a community college, a four-year public or private college or university in Oregon: **\$5,700 per year for a community college student**; and **\$8,700 per year for a four-year college/university student** (public or private).

The federal share uses the same need formula determines how much aid, if any, the federal government will provide to replace some or all of the family contribution. Students whose families earn less than \$40,000 in pre-tax income and assets are often eligible for a Pell Grant (up to \$5,550 currently). The state only contributes after all other sources are used.

What is Your College doing to foster Student Success & College Completion? *

That is the question you can answer to me or your ACCT leaders as ACCT looks to personalize the accomplishments of Illinois community colleges.

I C C T A
ILLINOIS COMMUNITY COLLEGE TRUSTEES ASSOCIATION

**RESOLUTION HONORING
JAMES L. AYERS
2011 - 2012 PRESIDENT**

WHEREAS, James L. Ayers served with distinction as the 37th president of the Illinois Community College Trustees Association; and

WHEREAS, under President Ayers' capable leadership, the Trustees Association vigorously lobbied the Illinois General Assembly for sufficient operating and capital funds for the state's community colleges; and

WHEREAS, President Ayers ensured that community college voices were heard at the bargaining table during legislative negotiations on pension and health insurance reform; and

WHEREAS, the Trustees Association continued to guard and protect local board control and autonomy; and

WHEREAS, the Trustees Association enjoyed full membership by all 39 Illinois community college districts and a high level of participation in ICCTA activities, including outstanding seminars on trusteeship, demographics, public pension reform, and a legal and legislative update; and

WHEREAS, President Ayers strengthened ICCTA's partnerships with the Illinois Presidents Council, the Illinois Community College Board, the Illinois Board of Higher Education, the Illinois Student Assistance Commission, the Illinois Capital Development Board, and the Association of Community College Trustees;

THEREFORE BE IT RESOLVED that the Illinois Community College Trustees Association expresses its collective appreciation to James L. Ayers for his outstanding leadership during the 2011-2012 year.

*Unanimously adopted by the
ICCTA Board of Representatives
on September 15, 2012
in Springfield, Illinois*

Reggie Coleman
2012 - 2013 President

**RESOLUTION HONORING
HIGHLAND COMMUNITY COLLEGE
ON ITS 50TH ANNIVERSARY**

WHEREAS, after being established by public referendum in November 1961, Freeport Community College held its first classes in September 1962, at its temporary location on the campus of Freeport High School; and

WHEREAS, a successful referendum held in 15 school districts in Stephenson, Ogle, Jo Daviess and Carroll counties established Community College District No. 519 in the fall of 1966, taking the name Highland Community College the following year; and

WHEREAS, with the generous support of its community and the HCC Foundation – the first such organization in the state of Illinois – Highland Community College moved to its first permanent facilities on the site of the Parker-Taft farm west of Freeport in 1971; and

WHEREAS, the Sports Center, built in 1979 as the result of a partnership between Highland Community College and the YMCA of Northwest Illinois, was the first such cooperative endeavor between a community college and a regional YMCA; and

WHEREAS, in 2003, the HCC West campus was established in Elizabeth, Illinois to further meet the needs of the residents in the western region of District No. 519; and

WHEREAS, Highland Community College established the first associate of applied science degree in Wind Turbine Technology in 2008 and erected a dedicated Wind Turbine Technician Training Center to house the program; and

WHEREAS, a new state-of-the-art addition to the Natural Science and Health Center, the Ray and Betty Stamm Health Science Nursing Wing, was built in 2009 to house the growing number of students and program offerings in Nursing and Allied Health disciplines; and

WHEREAS, Highland Community College has continually adapted to meet the needs of students and residents of northwest Illinois by offering more than 60 programs of applied and transfer degrees, community education and business training, as well as theatre, visual arts, and music opportunities for the community; and

WHEREAS, as a proud member of the Illinois community college system, Highland Community College will celebrate, during the 2012-2013 academic year, 50 years of excellent service to the communities of northwest Illinois;

NOW THEREFORE BE IT RESOLVED that the Board of Representatives of the Illinois Community College Trustees Association congratulates and commends Highland Community College on its 50 years of outstanding educational service to the citizens of Illinois.

*Unanimously adopted by the
ICCTA Board of Representatives
on September 15, 2012 in Springfield, Illinois*

Reggie Coleman
2012-2013 President



2013 Award Deadlines

FEBRUARY 22, 2013 DEADLINE

(Recipients are selected by the ICCTA Awards Committee)

Distinguished Alumnus Award

The Distinguished Alumnus Award recognizes the many success stories of Illinois' community college graduates. Nominees must have completed a recognized program of instruction (associate degree, certificate, or diploma) at an Illinois public community college. ***Currently serving trustees and presidents are not eligible for nomination.***

Ray Hartstein Trustee Achievement Award

The Ray Hartstein Trustee Achievement Award recognizes exemplary service by a currently serving public community college board member.

Gigi Campbell Student Trustee Excellence Award

The Gigi Campbell Student Trustee Excellence Award provides a one-time \$500 scholarship to a currently serving student member of an Illinois public community college board.

Gary W. Davis Ethical Leadership Award

The Gary W. Davis Ethical Leadership Award honors individuals who have made an outstanding contribution to the pursuit and support of ethical leadership and decision-making in their fields of work and volunteer service.

MARCH 29, 2013 DEADLINE

(Recipients are selected by the ICCTA Awards Committee)

Business/Industry Partnership Award

The Business/Industry Partnership Award recognizes an Illinois business that has built a successful workforce-training alliance with a local public community college.

Outstanding Full-Time Faculty Member Award

The Outstanding Faculty Member Award recognizes the high achievement of Illinois' full-time public community college instructors.

Outstanding Part-Time Faculty Member Award

The Outstanding Faculty Member Award recognizes the high achievement of Illinois' part-time public community college instructors.

Paul Simon Student Essay Contest

The Paul Simon Student Essay Contest provides a one-time \$500 scholarship to the student who best describes "How My Community College Has Changed My Life." All currently enrolled full- and part-time students at Illinois' public community colleges are eligible to participate; however, ***each college may enter only one student essay in the statewide competition each year.***

Professional Board Staff Member Award

The Professional Board Staff Member Award recognizes exemplary professional service to an Illinois community college board.

Please send all nominations to:

Illinois Community College Trustees Association
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Springfield, IL 62701-1711
1-800-454-2282 (phone)
217-528-8662 (fax)
iccta@communitycolleges.org (e-mail)