

**MINUTES – BOARD MEETING**  
**June 5, 2007**

**Submitted for:** Action.

**Summary:** Minutes of the June 5, 2007 meeting of the Illinois Board of Higher Education held at the Presidential Abraham Lincoln Hotel, Springfield, Illinois.

**Action Requested:** That the Illinois Board of Higher Education approve the Minutes of the June 5, 2007 meeting.



STATE OF ILLINOIS  
BOARD OF HIGHER EDUCATION

**MINUTES - BOARD MEETING**  
**June 5, 2007**

A meeting of the Illinois Board of Higher Education was called to order at 9:08 a.m. in the Presidential Ballroom, located on the first level of the Presidential Abraham Lincoln Hotel, Springfield, Illinois.

Carrie J. Hightman, Chairwoman, presided.  
Linda Oseland was Secretary for the meeting.

The following Board Members were present:

Guy Alongi	Robert J. Ruiz
Frances G. Carroll	Gilbert L. Rutman
Matt DeRosa	Lucy Sloan
Alice B. Hayes	Elmer L. Washington
Donald J. McNeil	Addison E. Woodward, Jr.
John P. Minogue	

Also present by invitation of the Board were:

Judy Erwin, Executive Director, Illinois Board of Higher Education  
Geoffrey Obrzut, President/Chief Executive Officer, Illinois Community College Board  
Joyce Karon, Board member, Illinois State Board of Education  
Andy Davis, Executive Director, Illinois Student Assistance Commission

Presidents and Chancellors

John Dunn	Louis Hencken
Alvin Goldfarb	Vaughn Vandegrift
Sharon Hahs	

Advisory Committee Chairpersons

Jerry Dill, Proprietary	Jason Wallace, Student Advisory
Keith Miller, Community College	Curtis White, Faculty Advisory Council
Dave Tretter, Private University Presidents	

1. Call Meeting to Order, Chairwoman Carrie J. Hightman

Chairwoman Hightman called the meeting to order. A quorum was present.

2. Announcements and Remarks, Chairwoman Carrie J. Hightman

Chairwoman Hightman said, “It is great to be back together again. A lot has happened since we were last together, and I look forward to all the presentations today. I am particularly pleased to welcome our guest speaker Dr. David Spence. He is president of the Southern Regional Education Board. Dr. Spence has worked tirelessly to create closer links between higher education and P-12 schools. Dr. Spence has been involved in a growing movement to align high school curriculum with college expectations. That is an issue that we have been working on and an issue that the legislature has been working on. So, I think his presentation will be very informative. He traveled a long way, and we really appreciate his being here.

“It is also time to say farewell. This is going to be the final IBHE meeting that Louis Hencken will attend as President of Eastern Illinois University. After 41 years of service to EIU, the last six as President, Mr. Hencken is retiring. His contributions to Eastern Illinois University are significant and lasting and have helped the university meet today’s challenges. His commitment to academic quality has benefited everyone at EIU and has helped raise the school’s profile among students and policymakers. He has made a concerted effort to build relationships with the legislature in order to expand the resources available to the school. Mr. Hencken has proven to be not only a highly effective President, but also a truly good friend and colleague to the higher education community. Everybody admires his openness, sense of humor, and accessibility. His sincerity and devotion are part of what led the university’s newspaper to name him the *Daily Eastern News* Person of the Year. We truly appreciate Mr. Hencken’s contributions, and we are all glad that he will continue to be an important part of the EIU community as a professor. We wish him all the best.

“While you will be dearly missed, we are also very excited to welcome Dr. William Perry into the EIU community as the incoming President. After 36 years of living and working in Texas, Dr. Perry is returning home to the Midwest. He received his Bachelor of Arts in both mathematics and history from Park College, Missouri, and his Master of Arts degree and Doctorate in mathematics from the University of Illinois in Urbana-Champaign. He has been with Texas A&M University since 1971 as vice provost. We are happy to welcome him back to Illinois and our higher education community.

“Also, John Dunn, who served as interim chancellor at Southern Illinois University Carbondale since November 2006, has accepted the position as President of Western Michigan University. We want to thank you for your contributions, and wish you well in your new position.

“Congratulations go to Black Hawk College President Dr. Keith Miller, who has been named Chair-elect of the Board of Directors of the American Association of Community Colleges. Dr. Miller will serve one year as Chair-elect, one year as Chair, and one year as Past Chair. He will be the first chair from Illinois since 1983. Congratulations.

“For those of you who are not familiar with the association, it is primarily an advocacy organization for community colleges at the national level, and it works to affect state and federal policy. So, we are very excited that Dr. Miller will be in that position. I think that will be helpful to the state, and we are pleased.

“I am also pleased to report that Wayne Watson, the Chancellor of the City Colleges of Chicago, has been named to the association’s Board. Our congratulations go to Dr. Watson.

“As promised at the March board meeting, I have been on the road, literally from one end of the state to the other, learning about our wonderful system of higher education in Illinois. I have visited or met with representatives of the University Center of Lake County, Northern Illinois University, Southern Illinois University, Illinois Math and Science Academy, DeVry, Argosy, and the University of Illinois. I sat in on a Proprietary Advisory Committee meeting and will be attending the Illinois Community College Board meeting next week. I have also met with legislators and key members of the Governor’s staff to talk about issues of importance to higher education.

“I want to thank the presidents and others who have been gracious in their hospitality and forthright in contributing to my learning process. I have been enormously impressed with the institutions I have visited and with the people I have met. Yes, I will continue my journey, as long as I have the energy to do it, and visit as many of our colleges and universities as I can because I think it is really a great way of learning in my new role. It is also an enjoyable experience to meet all of you personally. I really feel like I have learned a lot and understand better the issues of concern to the institutions that we impact, and I think that is important for me to carry out my role.

“I would like to call your attention today to a change initiated by the IBHE designed to make increased diversity in higher education a core function in higher education policy for the State of Illinois. In early April we created a new position within the IBHE, Deputy Director for Diversity and Outreach, and our Terry Nunn has agreed to take on this new role. He will also serve as the State Director of the Diversifying Faculty in Illinois Higher Education, or DFI Program. The creation of this position is intended to strengthen IBHE’s efforts to bring greater diversity to our college and university campuses. Let there be no doubt about it -- this is a high priority for the Board; and the creation of this position represents a renewed commitment to improving the educational attainment of disadvantaged, minority, and low-income students in the state of Illinois. Terry, we look forward to your report on DFI today and to seeing the results of your activities in your new position.

“One other issue I want to mention is what I believe to be my top priority in my new role here as Chairwoman of IBHE, and that is master planning. I always talk about master planning to the folks whom I have met within the various meetings that I have held since our last Board meeting. I believe that as a result of the last Board meeting and the comments of the legislators who appeared here, it is absolutely a necessity for us to map out a plan to where higher education is going in the state. If we do not do that, we will be looking at issues on an ad hoc basis and making decisions that really are not good decisions for the long run.

“There has been both a House resolution and a Senate resolution directing us to go forward with the master planning process and creating a task force for that. Of course, we need some funding to do it. So, we are hoping that we will get the appropriations that we need to hire the consultant to do a lot of the leg work that is needed to properly do a master plan. If that does not happen, I might be back, talking to all of you about what we can do to move forward on this process. But I am optimistic because there is complete support from the House, from the Senate, and from the Governor’s office on the notion that we cannot make good decisions unless we have a new, up-to-date, accurate, well-thought-out master plan for higher education for the state of Illinois. So, that is the goal. It will take some time to get it together once we get moving on it, but we want to do it right, if we are going to do it.

“Yesterday, in the working meeting of the Board, we talked about the process, and I intend to ask the Board members to give us more input on what we laid out, what the staff laid out, as a process for

master planning. If you all have any comments or thoughts, please let us know. The idea is to have an open and inclusive process as we move forward because we need to know what all the stakeholders think to do this right. I am looking forward to moving forward on master planning. I am optimistic that it will enlighten our actions and result in better actions in the future by the Board of Higher Education.

“Since our last meeting, there have been a couple of national issues in the higher ed world that have also impacted Illinois. The tragedy at Virginia Tech has put campus safety front and center. We have joined with the Governor’s office and several state agencies, including the Illinois Emergency Management Agency, the state police, the Department of Human Services, and the Illinois Terrorism Task Force to form a task force that will assist campuses on two levels: developing training models for campus safety that can be adapted by security personnel and others at individual campuses, and preparing a ‘toolkit’ that campuses can use for identifying and assisting students and others with mental health issues. The Attorney General also has established a working group in response to the Virginia Tech tragedy, and we are engaged with that office to be supportive in any way we can.

“The tragic events at Virginia Tech have prodded us in Illinois, as elsewhere across the nation, to marshal our state resources and work with our campuses to ensure we are doing all we can to provide environments that are safe and secure for students, faculty, staff, and others who use our college and university campuses.

“Another issue of significant note nationally has been the inquiries into activities surrounding student loans and lender practices. I have asked Don McNeil, Chairman of Illinois Student Assistance Commission, to share with the Board his insights concerning this issue.

“On a lighter note, we have been treated this morning to a display of the artwork of winners and finalists in this year’s Collegiate Artists Competition. The 2007 competition culminated last month in an awards ceremony and reception on May 5 at Oakton Community College’s Koehnline Museum of Art. This year’s event was a great success. The program has grown every year since its inception. This year, 279 student artists submitted 719 entries. We are deeply grateful to everyone who helped make this event a success, particularly everyone at Oakton who devoted so much time and effort to the ceremony. The students’ work will remain on display at Oakton through June 21, and we invite everyone to visit this stunning exhibition.

“After visiting so many campuses over the past couple of months, I became convinced that we need to take advantage of the institutions of higher education here in Illinois. So, I have asked that we hold at least some Board meetings at university or college campuses. Our first such meeting will be in October when we will trek to southern Illinois for our Board meeting. The meeting will be held at Southern Illinois University in Carbondale. It has been a tradition of the Board, as I understand it, to spend the October meeting on a campus. So, going along with that tradition, I want to express my gratitude to President Glenn Poshard for his invitation for the Board to visit the Southern Illinois University-Carbondale campus. I am looking forward to it.

“Who would like to host the meeting in Chicago in December? We are looking for a location. I think that it is really a shame to be in a hotel when we have such great campuses. So, whoever wants to offer their location for the December Board meeting in Chicago, it would be greatly appreciated.

“I think it is important to visit all the campuses, and I am looking forward to this Carbondale visit. I think it is important for everyone to see the vital role that that campus and that university play in the economic and educational environment of southern Illinois.

“Our next Board meeting will be August 14 at the Palmer House Hilton Hotel in Chicago.

“One final note: I want to offer my personal congratulations to Board member Proshanta Nandi on the important event that occurred last weekend -- the marriage of his daughter.”

3. Remarks by Judy Erwin, Executive Director

“Thank you, Madam Chairwoman. You have done a great job of covering all of your travels, which have been very extensive. For those of us who have been land-based here in Springfield, it has been a busy month trying to work with the legislature. I hope that the outcome of both the substantive legislation and the budget goes a little bit better than it has today. I think that many of the institutional legislative liaisons are working very hard and well representing you. We do meet with them frequently as we meet with representatives of the rest of the higher education community. So, it is a slightly trying time. We are trying to be proactive in terms of the agendas we know you care about, and we all should care about for students.

“I am also happy to report that in the last couple of months there has been a closer working relationship between the educational agencies in Illinois than has happened in a while. I certainly want to thank Dr. Chris Koch, the new Superintendent of Education and his staff; Dr. Geoff Obrzut and Dr. Elaine Johnson and staff from Illinois Community College Board, and our colleague at Illinois Student Commission, Andy Davis, a great team there. So, we really are trying to work more closely on many important issues to improving academic achievement for students.

“On the agenda today there are a couple of things I want to reference. One is some additional appropriation for innovation projects for the HECA-funded grants. There were some additional funds we would prefer to use on the projects that we know are critically important. So, the Course Applicability System, or the CAS system, is critical for students to understand course transfers as well as the student unit record data system that we are working so hard on. We are going to ask the Board’s approval to direct some additional money in that regard.

“As the Chairwoman mentioned, there are master planning resolutions. There are also legislative proposals creating a P-20 council; and again, we are working very closely with the State Board of Education on those.

“There is a retirement, I am sorry to say, on our staff -- Dr. Lynn Murphy, who has been with us for some time and is very capable, as is our entire staff, but has particular expertise in terms of academic program approvals with proprietary institutions and independent institutions. She has been a really valued member of our academic affairs staff. Lynn, you will be sorely missed. Thank you very much for all of your service.

“Jason Wallace, a student at Illinois State University, is taking over as Chair of the Student Advisory Committee, and we welcome you, Jason.”

4. Board Meeting Minutes - March 27, 2007

Chairwoman Hightman said, “This would be an appropriate time to say that you might have noticed that our agenda is a little bit different in format than agendas for prior meetings. What I have asked that we do was combine the Consent Agenda with the Policy Agenda. It just seemed like there was no need to have two separate agendas. There were a couple of items that were put on the Consent Agenda that seemed appropriate to be on a regular agenda. I think it is easier and less paper to just put it all together. So, in case you are wondering, that is why there is a change.”

*The Illinois Board of Higher Education, on motion made by Dr. Carroll and seconded by Mr. Ruiz, unanimously approved the minutes of the March 27, 2007 meeting.*

5. Financial Report

Chairwoman Hightman said, "I am trying to understand the financials as we go through this. I want to make sure I am clear. This shows that there is \$19,825,000 approximately left in funds to be allocated or funds left. So, is that the exact amount that is being allocated through the grants that are being approved today in the Board meeting?"

Dr. Baumgartner said, "No."

Chairwoman Hightman said, "What is the difference then?"

Dr. Baumgartner said, "The difference is that we do have a reserve that we are taking out grants that has been requested by the Governor's Office of Management and Budget, so that will not be spent. During the year there are sometimes refunds -- as students either do not come, for example in the DFI program, or do not maintain eligibility -- so, an institution will refund it. Or if a grant was given and the institution was not able to spend the entire amount -- a program director left for whatever reason -- those refunds can come as well. So, we will end the year with some funds available in the grant lines."

Chairwoman Hightman said, "So, the reserve is a deduction and then what you just described is some money coming back as an addition to the amount."

Dr. Baumgartner said, "Yes."

*The Illinois Board of Higher Education, on motion made by Mr. Ruiz and seconded by Ms. Sloan, unanimously approved the financial report dated as of April 30, 2007.*

6. Board Member Reports

Mr. Don McNeil, Chairman of the Illinois Student Assistance Commission (ISAC), said, "In recent years we have seen or heard scores of reports regarding insider trading and back dating of stock options and other shenanigans in corporate board rooms and the offices of CEO's, but I do not think anyone would have predicted that the next wave of business scandals would emanate from the financial aid offices of the nation's colleges and universities. I get *The New York Times* online, and for the last several months, it was predictable that there would be a story about casualties in Iraq, but not that there would be a story about college loan scandals. So, I want to talk about that this morning. Also, I want to talk about the legislative situation in Washington and the relationship between those two items.

"Things began early in January with the new Democratic leadership of the 110th Congress rattling sabers with the new student loan industry through the introduction of various legislative initiatives, such as the College Student Relief Act in the House and the Student Debt Relief Act in the Senate. These and other similar initiatives seek to institute a number of changes that have the potential to significantly reduce the profitability of the FELP Loan Program. The FELP is the Federal Family Education Loan Program, which most of you are familiar with and the guarantor such as ISAC. As most of you know, ISAC's principal involvement in the loan industry is in two areas: we are an originator of loans and an owner of loans, and we are also a guarantor of loans, meaning that if the loans are not paid for, we stand behind those loans as the entity that would provide the money to the lender if the loans go into default.



“Part of the agenda in Washington seems to be to advance the cause of the competing Federal Direct Loan Program. The Federal Direct Loan Program is a program pursuant to which, as its name implies, money is lent directly to students by the federal government. When a campus is in the Federal Direct Loan Program, there is no guarantor of those loans, and then the fees that would go to the guarantor -- in many cases, ISAC -- are not received, and also to produce budget savings for other initiatives, including lower student interest rates and increasing the maximum Pell Grant, which is the principal Federal grant to students.

“Based on historical experience, one would have expected that the legislative initiatives proposed by a Democratic Congress would meet significant opposition from a Republican White House and suffer quick demise, but that did not occur here. In his FY2008 budget proposal, President Bush offered up a surprisingly similar agenda of deep cuts for lenders and guarantors being used to pay for increases in Pell Grants and other programs, considerably raising the odds of passing some initiative of this type. Some of you may remember, if you follow the stock market, that the 25 percent hit that Sallie Mae and Nelnet stock took was on the day the President said, yes, those Democrats have a good idea here.

“Against this somewhat ominous backdrop, another set of events began in March that seemed of little consequence at first, but soon gathered an enormous amount of momentum that continues today. New York Attorney General Andrew Cuomo initially began a somewhat limited investigation of the \$85 billion-a-year student loan industry. This probe was focused initially on the establishment of preferred lender lists that school financial aid administrators recommend to their student borrowers. Initial disclosure of various financial payments and incentives, both to schools and to individual administrators, led to an ever-widening scope of investigation of conflicts of interest and inappropriate financial relationships between private lenders and school officials.

“Cuomo’s investigation broadened and deepened to include a wider variety of practices beyond just preferred lender lists, such as the staffing of school call centers, a wider group of organizations, including not only the schools, but also affiliated organizations, such as alumni associations and foundations. It extended to lenders. In a particularly alarming turn, it extended to a number of fairly high-ranking administrators in the United States Department of Education, who were supposed to be overseeing the competitive student loan marketplace. In addition, this scrutiny spread throughout the country to attorneys general and legislatures in numerous other states as well as the media and the United States Congress. As has occurred in many other states, Illinois Attorney General Lisa Madigan’s office is taking the lead role in actively investigating potential conflicts of interest in the student loan industry.

“Let me stop there and make it clear that neither the Board of Higher Education nor the Illinois Student Assistance Commission has an oversight role with regard to student loans. We are, in fact, a competitor of Sallie Mae and Nelnet. We are making loans, and we stand side by side with those entities. So, this is not a function that is performed either by this Board or by the Illinois Student Assistance Commission.

“In April, Attorney General Madigan announced that she and the New York Attorney General’s office had reached a joint settlement with Illinois-based DeVry University and Career Education Corporation concerning student loan practices involving these schools and their lenders. The settlement required that the schools adopt a code of conduct that returned to students any money received by the schools from lenders or that they use the money for the benefit of students.

“In early May, the Attorney General sent letters to over 200 Illinois institutions, as well as related entities, such as alumni associations and foundations, requesting information relating to the institution’s preferred lender lists, other financial and business relationships with lenders, and various practices of the

financial aid offices, including the school-as-lender arrangements. As a follow-up to these written requests, the Attorney General's staff is conducting meetings with the individual schools responding.

"Also, last month, Sallie Mae, the nation's largest student loan lender and the behemoth that dominates the entire industry, agreed to be taken over by a consortium of banks and private equity firms in a \$25 billion buy-out, drawing particular attention to the rapidly growing area of private, non-government backed student loans and raising concerns about the disclosure requirements and regulatory oversight to which they are or are not subject.

"So, where does that leave us here in Illinois? It is a little too early to tell what the specific outcome will be, but not too early to draw some general conclusions. At a minimum, it is fair to say that the entire student loan and financial aid industry will be subject to a dramatically increased level of scrutiny and oversight from this point forward. State investigations, charges, and settlements will continue, and legislative reform will follow at both the federal and state level.

"Last Wednesday, New York Governor Eliot Spitzer signed into law the Student Lending Accountability, Transparency Enforcement Act of 2007 codifying Cuomo's college loan code of conduct. Let me point out that in Illinois, with regard to our efforts, it is the Illinois Student Assistance Commission in this area, there is a code of conduct. It is the same code of ethics that each of us, a couple of weeks ago, signed a statement that we have been trained in. So, we have in place already a code of conduct for those individuals in state government that are involved in this industry.

"What else is new in Washington? The United States Congress has already begun conducting hearings, and investigations can be expected to adopt legislative reforms prescribing acceptable practices. The United States House has already approved the Student Loan Sunshine Act, and returning to where this all started a few short months ago, the prospects for federal legislative action negatively impacting the financial foundation of FELP, if anything, have increased. There is an increasing movement in Washington to say to student lenders, you are going to make less money; and to student guarantors, like ISAC, you are going to make less money. We are going to take that money, and we are going to put it in the hands of students in the form of Pell grants or reduced FELP interest rates.

"So, what impact might that have on ISAC? We continue to believe that borrowers, historically, have been and will continue to be best served by a student loan marketplace that provides competition, albeit competition with a more adequate level of oversight. Nobody is saying that anything that has been done by student loan officers that involve kickbacks or preferences given, based upon money put in their own pocket, is the right thing to do. On the other hand, very few of these stories have pointed out any negative impact on students. The reason is, of course, because the FELP loan rates, thus far at least, have stayed at the same level because competition is there. The preferred lenders all lend at the same rate because they have competition.

"So, to the extent that the reforms in Washington drive people out of the market, then the impact may be that it becomes a seller's market, and the sellers can charge higher interest rates. It also leads a continuation at the federal level of both FELP and the direct student loan program. The competition between those two programs over the last several years has led to numerous improvements in technology and the timely, convenient delivery of loan proceeds. It has led to improvements in customer service, waived or reduced fees, interest rate discounts, as well as other borrower benefits designed to reward consistent and timely repayment of loans. This is simple economic principle. In a competitive market, if you want to get more business, you want to reduce the price of your product.

“All of these have come about since the FELP direct loan competition began. Within the FELP program, we also believe the borrower will be best served by continuation of competition; and, in this case, with private, for-profit lenders continuing to be pressured by the presence of state-based, not-for-profit entities, such as ISAC, to treat borrowers fairly. In fact, we hope that when the dust settles on these issues, the resulting changes might well benefit ISAC, by returning some level of economic sanity to the competitive landscape and also by positioning us as a suitable alternative to both the excesses of the private for-profit lending community as well as the lack of administrative capability of the Department of Education.

“The exposure of the fierce nature of competition in the FELP business nationally has helped to illustrate some of the reasons supporting our strategic decision to withdraw from the out-of-state FELP market, which no longer can be counted on to positively contribute revenues to support our vital functions here in Illinois and could even drain funds from our efforts. We intend to sharpen our focus by providing unique loan programs and benefits to Illinois students. Hopefully, the elimination of the recently highlighted competitive excesses in the industry and an appropriate level of oversight, which levels the playing field, will assist us in successfully providing mission-focused products and services within our Illinois-centric market niche.

“Again, as we mentioned at earlier meetings, we have historically, for the past several years, attempted to be players in a national market. We owned, at one point in the last year, close to \$4 billion in loans to students who live in other states and go to school in other states. The classic line we use is we do not want to be in the business any longer of lending money to students in Arizona to go to school in Pennsylvania. That model was developed at a time when it was thought it would produce a positive return to the state that would help us fund our efforts in other areas. That is no longer true. If anything, these stories, again, highlight the fact that this state government agency does not belong in this business. It belongs in the business of helping Illinois students go to schools in Illinois.”

Father Minogue said, “One of the expenses, obviously, is the servicing of those loans?”

Mr. McNeil said, “Yes.”

Father Minogue said, “Also, the loan debt that students are graduating with is ever increasing. It is reaching populations that do not have a lot of means, and likely would achieve hard default rates with even more costs in the servicing of the loans. Do you see any trends there or any comments about that? Is that going to force interest rates up?”

Mr. McNeil said, “With regard to servicing, one of the things that ISAC is looking at is its current costs of servicing loans and considering whether or not that should be outsourced. The initial study that was done almost a year ago now showed that, in their own servicing operation, we pay two or three times as much to service a loan as some private entities do. So, we will look to the future and see whether or not money can be saved in that area.

“With regard to the increasing student loan debt, there is no doubt that something has to be done about it. One of the things we have done is we have adopted a plan for a pilot program at several universities in the fall, which will lend money to seniors. We would be the lenders of last resort. These are seniors that are close to graduation, but they have used up all of their MAP money, and they are having trouble getting a loan. We want to supply that loan.

“Then, with regard to repayment, one of the ideas that our Executive Director, Andy Davis, has come up with and which will be part of the plan, is tie the monthly repayment amount to income.

Because what you have got now is a terrible situation where a student works hard in high school to get into a good university with the idea that he or she will receive a degree or go on to graduate school and be able to support his or her family and have a decent life. Instead, what happens is that student gets out of school with \$100,000 in debt if he or she goes to graduate school or professional school or has so much debt that he or she cannot even pursue the career that that person was being trained for because they will not make enough money to pay off their loans. So, one of the ideas in our pilot program, and we hope it will work, is that we will be able to convince the rating agencies that, even though we are tying repayment to income levels, we will still have a fiscally sound loan program. Maybe we will have to borrow money to fund these things. The rating industry wants to make sure you will be able to get the money back from the student once you lend it. We think on balance -- time, loan repayment amount, the monthly amount of the check that has to be written, to the amount of income that the person is actually receiving at the time -- is something that we, as a state agency, should do to subsidize students going to school here in Illinois."

Father Minogue said, "I feel like we have got this gigantic credit card. Universities keep jacking up rates. The loan capabilities of students diminish even though there are scholarships available. That does not keep up with the rates. So, what we do is put it all on the credit card. That is going to collapse somewhere along the line. You are only going to make \$40,000 to \$50,000 coming out of college. It is going to take you awhile to nail a \$50,000 debt along with getting married and doing all of the other things that happen. So, I think there is something rotten in Denmark, and we are going to have to figure out what to do with it, not that ISAC could solve that problem. It sounds like some of the things that you are doing are, in effect, helping out a little bit. The other problem is, though, putting everything on a credit card. I mean pushing it out to the future."

Mr. McNeil said, "We think we can start to solve the problem if we focus on Illinois -- if we do not have resources flowing out of the state to other states. I think you are right; I think that within a few years, if we are not there already, of having a situation where the loan debt is so significant that it will have an impact not only on individual students, but on the economy as a whole because you will have people that will not be able to pay their debts, increasing bankruptcies. It is like the impact right now on the stock market and in other places of the high risk mortgage market going sour. Well, here is another market, loan market, which is, I think, coming very close to being in peril. Once students cannot pay off their debts, not only the quality of life suffers, but the Illinois economy will suffer as a whole. So, you are right, it has to be addressed, at least our initial idea because the legislature has not increased significantly the amount of money in the grant programs. Sure, there may be larger Pell grants coming from Washington -- that is a great thing -- but there is still going to be that gap, especially for the students who have run out of resources. So, if we are going to lend them money, we do not lend them money so that they turn around a few years later and file bankruptcy. We want to lend them money so that they can go out and get decent jobs; stay in Illinois, we hope; and pay off their debt."

Mr. Ruiz said, "You mentioned that ISAC was getting out of the business of funding out-of-state students to go to a school in other states. How quickly is that happening?"

Mr. McNeil said, "We have already instructed the principal originator of those loans to stop. So, it has essentially happened."

Mr. Ruiz said, "So, no future loans will be made. How long will it take for us to get out of the loans that are already outstanding?"

Mr. McNeil said, "We are getting out of the origination business already. So, we are not selling new loans; we are not originating new loans. With regard to the loan portfolio we currently have, the

legislature instructed us almost a year ago to sell a portion of that to fund the MAP and MAP-Plus programs for this year. The second such sale will occur probably sometime in July. So, we are actually not going to be owners of those out-of-state loans any longer after awhile. The loans that we will ultimately keep in our portfolio will, by and large, be Illinois-based loans, where either the student is in Illinois or the school is in Illinois.”

Mr. Alongi said, “What is the average student loan when they graduate from college that is on the books, and what is the going interest rate right now?”

Mr. McNeil said, “I am not sure. It would depend on whether you are talking about FELP loans or alternative loans that are from private entities. You are going to range from five or six percent up to eight or nine percent, I think, depending on where the loan comes from. I do not have the figures for the average student, but I am sure it is in excess of \$30,000. I do not have the exact figure.”

Mr. Alongi said, “The payback for those loans -- is that based on their income? Is that going to be at ten percent or twenty percent payback?”

Mr. McNeil said, “You mean monthly?”

Mr. Alongi said, “Yes. If someone makes \$100,000, what is the percentage of the payback out of their income for that loan?”

Mr. McNeil said, “It varies. There is actually an article in this week’s collection of articles that we get from the Board that has \$130-a-month payback rate for the average student, but I am not sure what the percentage rate is.”

Chairwoman Hightman said, “Thank you for the very thorough and thoughtful presentation, Don.”

Dr. Washington said, “Thank you, Don, for that very comprehensive and insightful presentation. I can only add a few things that would be of interest to everyone here. I would like to point out that ISAC should be commended for achieving three milestones in 2007: it has been in existence for 50 years now, it has had the IDAPP program for 30 years, and it has been in *College Illinois!* providing the prepaid tuition program for 10 years. So, it is a remarkable accomplishment, and is one of the very few agencies that has the kind of credibility that it has. I think it is to be commended for that.

“You have heard a lot about the sell-off of the loan portfolios, and I do not need to say anything about that. Don covered that very adequately.

“I just want to amplify one of the things that Don said about the public alternative loans pilot program. As he indicated, it will go to college seniors. The interest rate is eight percent over 20 years. For graduates who work in the state, the rate drops one point. For graduates earning less than \$60,000, the rate drops another point. Earning less than \$30,000, the rate drops two points. So, hopefully, this program will have some impact. As Don indicated, it is a pilot program with five universities. Hopefully, it can have some impact over the long haul; and hopefully, it will be successful.”

Ms. Karon said, “The Illinois State Board of Education met on May 16 and 17, and approved a significant number of programs in teacher education for universities and colleges. We also adopted the Part 226 for Special Education Rules that have been in contention around the state. Those have been sent over to JCAR. These specify the class size for Special Education and will have an impact on your

institutions because it requires more teachers coming out for Special Education. Perhaps the most important report we had was Phase I of the Illinois College and Workforce Readiness Partnership, which is the beginning of our mutual Memorandum of Understanding with the Gates Foundation, Holland and Knight law firm, and the State Board in conjunction with IBHE and the Illinois Community College Board. This basically talks about beginning to look at rewriting our learning objectives and learning standards and using that in conjunction with what are the requirements you set for admittance.”

Dr. Woodward said, “There was no Illinois Community College Board meeting. There will be an ICCB meeting this Friday.”

#### 7. Advisory Committee Reports

Curtis White, representing the Faculty Advisory Council, presented his report to the Board (see attached). There was no discussion following his report.

Jason Wallace, representing the Student Advisory Committee, presented his report to the Board (see attached). Following his report, the following comment was made:

Chairwoman Hightman said, “Thank you. We appreciate your eagerness and your passion. If we have a master plan, we can better address issues like the Harper issue in the context of the bigger picture of what is going on in higher education in the state. So, hopefully, we will be able to move forward on that.

“Also, would you like to introduce the non-traditional student Board member?”

Mr. Wallace said, “Dimitri Kametas is a recent graduate of Moraine Valley Community College and he is still waiting to see where he is going to be transferred to. He has applied to different universities, but he is staying in Illinois. He is eager to serve as the non-traditional student Board member.”

Jerry Dill, representing the Proprietary Advisory Committee, presented his report to the Board. There was no discussion following his report.

Keith Miller, representing the Council of Community College Presidents, presented his report to the Board (see attached). There was no discussion following his report.

Dave Tretter, representing the Private College and University Advisory Committee, presented his report to the Board (see attached). There was no discussion following his report.

#### 8. Presentation by Dr. David Spence, President, Southern Regional Education Board

Dr. David Spence gave a presentation entitled, “The Development of Statewide College and Career Readiness Standards and Assessments.” Following his presentation, the Board had the following discussion:

Dr. Washington said, “I appreciate your presentation very much. The aspect of bringing faculty and schoolteachers on board and stimulating them as a result of having clear standards is very impressive. I wonder, though, what kind of feedback do you get in terms of having students more engaged in the learning process as a result of having these clear standards?”

Dr. Spence said, “The proof will be in the pudding. We talked yesterday about the program is old enough at Cal State now, so that there has been at least a couple of high school graduating classes, and I

know the data will be available. The purpose of this was to improve the readiness of students coming out of high school so they did not need remedial education. That is a matter of fact, and we will know about it. The evaluations, particularly of the professional development efforts, the high school teachers absolutely embrace that. They want to know exactly what these standards are. They do not want to have these students disconnect and getting Bs and taking the right courses, being admitted, and then being told they need remedial education.”

Ms. Erwin said, “I would just like to add our thanks for your coming. The staff at Illinois Community College Board, Illinois Board of Higher Education, the State Board of Education, and Illinois Student Assistance Commission are learning a lot from your initiatives around the country. Earlier in this meeting, there was a lot of discussion about student debt and the cost of education. I do not think it should be lost on all of us that if higher education can assist P-12 in meeting those college readiness standards and better preparing students, they do not have to burn up their MAP grant with non-credit bearing courses. We know the state loses money from our state-based student scholarship, and students then drop out. So, having that alignment and having the standards embedded is directly related to the affordability issue as well. We may be one of the few countries where we do it once -- then we do it again -- and then we do it again. And we just keep teaching the same thing over and over again as opposed to trying to do it right the first time and doing the interventions early enough. So, we look forward to your advice along the way, and I know the Illinois Community College Board staff and our staff are greatly appreciative of all of your efforts.”

Father Minogue said, “Would you have any idea of a systemic program that has faculty focusing on getting the students through college?”

Dr. Spence said, “I am sure there are other campuses, but I do know that we made that a major part of our accountability program at Cal State. Money is not tied up with it because it was my job to tell the 23 presidents that we were going to set goals for increasing graduation rates, but because it is the first priority, there is no money -- no additional money. The first priority is the money in your budget, and we had a series of eight or nine different actions that we said, it is up to the president. You are going to be evaluated on it -- your job depends on it. And here are some things that we know that work. We know what works. We talked yesterday at the workshop about a very fine university when I was in Georgia, Georgia Tech. Their grad rates were not good up through the mid-80’s.

“We had a campus at Cal State, Northridge. We got a new president in there. We worked with her -- their grad rates were down in the 30’s. She went to an orientation; and over three days, she never once heard the word graduation. It starts early -- readiness is part of it -- but it starts early. Quite frankly, if there is one thing that does need to change, it is the culture of higher education. It is not just getting students in; it is really helping them graduate -- keeping to high standards -- but helping them graduate.”

Father Minogue said, “So, episodic, systemic interventions?”

Dr. Spence said, “Yes, and holding people accountable.”

## 9. Report of the Utilities Committee

Mark Pruitt, Senior Program Manager, Energy Resources Center, University of Illinois at Chicago gave a presentation. After his presentation, the Board had the following discussion:

Chairwoman Hightman said, “Gil, I want to thank you for your leadership of this committee. Our concerns about affordability and accessibility relate to what it costs to go to the universities, which then dictates what the tuition and GRF requests are. So, as I have had my conversations, there have been some

who have asked, are the universities operating efficiently? This expense is a major expense item and could be growing. There is huge risk associated with it. So, there are ways to actually reduce the risk, and therefore, save money for the universities, which therefore, benefits the students.

“So, that is why we are looking at this. I think it is a great idea, and I want to make sure we all understand why we are talking about this. We are a coordinating Board. We are not micromanaging any of you, but if there are ways we can help you operate more efficiently by everyone teaming together, then that is what we want to do. That is what we are trying to do with this committee.

“I had a call with Mark just to understand what has happened before I joined the Board. One of the things that I thought was interesting and created an opportunity for us, was the system-management concept and the possibility of getting funds from the Illinois Clean Energy Foundation. It seems to me that there is an opportunity here, and there are dollars out there that we could use to provide assistance to the universities. So, I am hoping that we will put that project back on the front burner, and think about making a request for dollars to get some assistance on this. If we decide that this is something that will really make sense, we need to talk more about it.”

Mr. Rutman said, “Yes, but just remember we can go back to Executive Director LaVista to fight for the first proposal that went in there -- to the Clean Energy Foundation. It is the way they give out money. They are not heavy lifters.”

Chairwoman Hightman said, “Yes, but it is another thing that we can do. I am asking that we take a look at it.”

Dr. Woodward said, “There are companies out there like Santana Natural Gas that attempt to buy gas when it is cheap and store it. Are those viable companies? Can universities create their own kind of co-op group like that?”

Mr. Pruitt said, “Universities do use retail suppliers, such as Santana. Some use the local utility; some operate in the wholesale market. It is a real mixed bag. It is a value-at-risk analysis that the individual universities have to go through and have to ask, ‘What is the best value?’”

Father Minogue said, “Some use coal. It is a mixed bag. The other thing about it is, working with the university, as Carrie points out, we are a coordinating Board. We work by consensus.”

Chairwoman Hightman said, “That is my point. We are here to help. I do not want anyone to think that we are trying to micromanage them; that is not our goal. If there is any way that we can assist in enabling them to operate more efficiently to the benefit of the students to help meet the goals that we are all trying to meet, we are here to do that. I think this is a great effort because this expense is such a huge expense for universities as it is for other types of businesses.”

Father Minogue said, “The thing that impressed me the most -- I guess I have been in it more years than I thought I was -- was the expertise and commitment by the CFO’s and facility managers at the 12 campuses that I have been in contact with. They are amazing people.”

Chairwoman Hightman said, “That is why we would not tell them how to do their job. If there is any way we can help, we are happy to help. I just want to make that clear. I would like to follow up on this issue -- the issue of getting these funds, getting a grant, if that is possible, and if it makes sense to do it. I do not want to waste time and resources trying to get something that is not going to help. That just seemed to me, based on my discussion before the meeting, that maybe that was an opportunity that we do not want to miss.”



Father Minogue said, “Mark, do you want to say something about the Clean Energy Foundation?”

Mr. Pruitt said, “It is a not a right-to-release grants organization, meaning that you have to meet their priorities and match up with what they want to do. As such, it is going to take some commitment. Some people are going to have to make some phone calls. I think it is workable. They would prefer to invest in actual projects, but their idea of investing in projects is putting \$40,000 toward a \$2 million project. That is a win for them. So, there is going to have to be some work to convince them that investment in something not like that is worth their while.

“I think most universities have received monies, but again, it is not big chunks of cash. It is not money for some of the things that the universities have voiced a need for to start this process. It is kind of a pump-priming need for some of the universities now, especially when it comes to access to expertise. Again, what needs to be shown is that it simply is not going to be money for studies, that it is not going to turn into some type of capital investment by the universities. And I think that would be well received by the trust.”

Ms. Erwin said, “We have for the last two years requested an energy conservation revolving fund in our capital request. Of course, there has not been a capital bill, but the notion would be that if we can take some of the burden off of universities -- other budgetary needs -- we relieve some pressure there by being able to take money from a revolving fund on the basis that, as you pointed out, the best way to do it is do not use the energy in the first place. So, let us figure out things that will conserve and then the state would be able to give money up front to institutions. So, whenever the window opens for a capital discussion again, we see that as a way to help institutions reduce costs.”

Father Minogue said, “I want to thank Mark for all his help over the many years.”

#### 10. Legislative Report

Don Sevenser reported on the General Assembly’s spring legislative session. The report included a summary of bills under consideration by the General Assembly.

After Mr. Sevenser’s presentation, the Board had the following discussion:

Ms. Erwin said, “I want to thank Sue Kaufman and Meredith Byers -- the Education Lobby Day was very successful. I think there were nearly all of the public college presidents and a lot of the community college community. It was a very successful day, and we are working together more proactively. As legislators have particular interests, we are bringing good evidence-based ideas to them, as opposed to waiting to have things done to us. We think it much more beneficial to be proactive. So, I want to thank everyone, particularly for the lobby day.”

#### 11. New Units of Instruction at Public Community Colleges

Dr. Alexander said, “I would like to issue a final plea for comment on the draft recommendations of the Institutional and Program Approval Working group. We will accept comment through Friday, June 15. That will give us time to do a final analysis and get those analyses to Dr. Washington and the group for final review. Then our intention is to bring those items to the Board at its August meeting.”

Chairwoman Hightman said, “One of the common threads of the discussions that I have had at the public and proprietary universities is the issue of the standards for approval of programs. Some think that the standards are not all creating a level playing field. Some think they are too lenient. Some think

they are too strict. Some think we do not act quickly enough. But it seems like there is always an issue related to program approval at every meeting that I have. So, you guys better get on the website and look at what we are doing. This is your chance, if you do not like it, to recommend changes. That is why we are doing it. I hate when I hear complaints, and then people just complain and do not do anything. We are giving you an opportunity to suggest ways to improve the process to the extent that you think it needs to be improved. This is your opportunity. How many responses have we gotten or comments?"

Dr. Alexander said, "From the website, we have received two comments and then two others from an independent discussion. We have also received some comment from our various advisory groups."

Chairwoman Hightman said, "Since it has been the overriding theme of every conversation I have had with every sector of the higher education community, shame on you if you do not give us comments. This is the time to do it. We are trying to improve things. We are trying to address your concerns. So, let us know what you think."

Dr. Alexander said, "A correction needs to be issued for the first program under College of DuPage. Your write-up indicates that there would be a 22 percent increase in the average growth rate for bakers in DuPage. The correct figure is an estimated 1.7 percent annual growth rate, which compares favorably to the 1.6 percent annual growth rate projected for all professions in that region."

Dr. Alexander then briefly outlined the contents of this item. After his presentation, the Board had the following discussion:

Dr. Woodward said, "I keep asking for projected enrollment data. I think it would be helpful to have benchmarks to ultimately evaluate these programs at some time. Rend Lake has been running this program. We should have some numbers. How many students have been there? I would like to see projections of student enrollments."

Chairwoman Hightman said, "For all categories of program approvals?"

Dr. Woodward said, "Sure."

Dr. Alexander said, "We will work to include those in future reports."

*The Illinois Board of Higher Education, on motion made by Mr. Alongi and seconded by Dr. Washington, unanimously granted authority to Black Hawk College to offer the Associate of Applied Science (A.A.S.) in EMS-Paramedic.*

*And granted authority to College of DuPage to offer the Associate of Applied Science (A.A.S.) in Baking and Pastry Arts, and the Associate of Applied Science (A.A.S.) in Animation.*

*And granted authority to John Wood Community College to offer the Associate of Applied Science (A.A.S.) in Graphic Design.*

*And granted authority to Rend Lake College to offer the Associate of Applied Science (A.A.S.) in Paramedical Services.*

12. New Operating and/or Degree-Granting Authority for Independent Institutions

Dr. Alexander said, "I would like to remind the Board that the first item on each independent write-up identifies that institution's accreditation. For example, with the ten schools today, eight of the schools presented are regionally accredited by the Higher Learning Commission of the North Central Association. Two are accredited by the Accrediting Council for Independent Colleges and Schools. Both of these accrediting bodies are recognized by the Council of Higher Education Accreditation and approved by the United States Department of Education. We rarely bring an institution or a program to you that is not accredited."

Chairwoman Hightman said, "Is there a quality distinction by the two different organizations that you just identified?"

Dr. Alexander said, "These are accrediting bodies that are approved by the United States Department of Education. They have their criteria for accreditation, and most of these institutions are regionally accredited. The other accrediting body, the Association of Independent Colleges and Schools, is a national accrediting body. To compare them, they should be fairly equivalent."

Chairwoman Hightman said, "Given some of the conversations that I have had, I think it is important that we understand when there is an item for approval where there is no accreditation, where you can explain why that is appropriate because that is one of the issues that people have a concern about."

Dr. Alexander said, "Indeed. That would usually happen only with an absolutely new institution, and that has its own dynamics. And then with individual programs, some programs simply lack accreditation -- there is no accreditation for a program."

Dr. Alexander then briefly outlined the contents of this item and said in reference to the Chamberlain College of Nursing, "I must apologize that in the process of bringing this from one rendition to another, we dropped the 'a' in Chamberlain College in the final syllable. So, I apologize that it is misspelled in your write-up."

Following his presentation, the Board had the following discussion:

Father Minogue said, "Not that this would apply to the university community, but Enron was able to pull off some very clever financials by running a lot of companies under different names and playing games about what was what. As the university market develops, you have a number of parent universities spawning under different names. Not that it is our job to tell people what to call themselves, but it would seem to me, in terms of accountability, you would like to get the owner of the problem, not the local kind of front."

Dr. Alexander said, "Yes. We have talked with Steve Crow about this issue. We also are trying to develop some discussions with State Higher Education Executive Officers and with our regional Midwestern Higher Education Compact. We are well aware of that issue and will see if we can go further in dealing with it. We also need to develop an expertise that we lack at the moment in terms of the ability to access those kind of financials."

Dr. Carroll said, "That is double-talk as far as I am concerned. Can you be clear on what issues you are well aware of?"

Dr. Alexander said, “As Father Minogue is saying, we are moving into a situation where you have a parent company that owns multiple institutions. The question of what is the effect of that parent company on institution X, in terms of its decisions regarding, for example, whether to sell that institution in five years. Who is in charge of the management of the school and so on.”

Father Minogue said, “You could pursue a lack of quality in one of the storefront operations and close that down, but you have not solved the problem. You have not got the cost. It seems to me that if you are accrediting a program, are you accrediting for the storefront operation or the main entity? Or are you accrediting it as a parent institution that is responsible for that quality, and therefore, gets nixed if they do not deliver the quality?”

Dr. Lynn Murphy said, “To the extent that we see involvement of a parent company with a number of subsidiaries that may go by different names, the situation changes if they are buying an existing institution or if it is just a development of their own private institution throughout. We always ask for financials from the parent company and do not just stop looking at the storefront level, as you indicate. To the extent that we can, we try to determine how the parent will act in response to changing economic conditions, accreditation status, different things. So, we do try to look bigger than just the storefront, but we do need to work more in this area.”

Chairwoman Hightman said, “Is that something that is being addressed in the draft rules, because it would get to the issue of the fiscal ability, the fiscal review?”

Dr. Alexander said, “To the extent of the discussion of how we deal with that either by bringing in staff with that expertise or by out sourcing, that is an issue for us. It is not directly addressed in those rules.”

Chairwoman Hightman said, “What I am suggesting is that as we are looking at all of our rules for program approval, perhaps this is something that also needs to be considered, where we go beyond just the actual named applicant, but look to their parent, if our rules do not currently make clear that that is what we are going to do.”

Dr. Murphy said, “To the extent that we look at when we need to approve a change of ownership or a change in status of an institution, I think we will be able to take that into account and get a better feel for the fiscal situation and the quality of the program. This is another issue we have talked to the Higher Learning Commission about with Steve Crow, and we are trying to make sure that what they consider a change of ownership, we would also consider along those same guidelines. So, we are looking at each other for direction in this area.”

Dr. Carroll said, “Are we saying that in this list that you are presenting that there are some parent owners of two or more of the institutions that you are presenting here right now? Are you saying that?”

Dr. Alexander said, “Yes.”

Dr. Carroll said, “So could you tell us the parent names?”

Dr. Murphy said, “I believe in the list Argosy is owned by Education Management Corporation and Sanford-Brown is a Career Education Corporation institution. Chamberlain is owned by DeVry. International Academy of Design and Technology is also a Career Education Corporation school. We usually include that in the background paragraph of each of the write-ups for the programs, but if we are not or if we overlooked it, we will make sure we correct it.”

Chairwoman Hightman said, “No, it is here. I think the real question is, is there an issue that we have a concern about that has not been clearly stated regarding any of the approvals that you are recommending we make today?”

Dr. Alexander said, “No, not from our perspective.”

Dr. Murphy said, “No, not from our perspective.”

Chairwoman Hightman said, “So, there is no issue for any of these today, but this is a general issue that is out there that we need to be aware of going forward?”

Dr. Alexander said, “It is a significant issue that the staff is constantly working with, yes.”

Ms. Erwin said, “The North Central Accrediting Association, I think Alice Hayes is one of the accreditors that goes on these accreditation visits, we have met with them. This is a national issue, although it is uneven in the states. For that reason, the Midwest Higher Education Compact, while I am looking to them for assistance, like do we have the funds to hire forensic accountants for the institutions that we might get, it is hard to know the issues that these now for-profit corporations really present to us. So, I was looking to try and share some resources in the Midwest. It turns out they are looking to us to tell them how to help Indiana, Michigan. So, now we have gone to my counterparts in the other 49 states, and we are going to work with the State Higher Education Executive Officers in the other states to buy the expertise where we need it. It may be a particular legal expertise. We did, in Dr. Washington’s committee, bring in one of the top experts in the country, Mike Goldstein, who has done a lot of work in the proprietary world. He came and spoke to Dr. Washington’s committee on this. This is an ongoing issue that we hope to keep the Board apprised of.”

Chairwoman Hightman said, “I think that is great. It sounds like we are doing the right thing, and I think the concern is that you are looking through an application and you feel like you do not have the expertise, so you are unclear. Then you would not let us know or let them know.”

Dr. Alexander said, “We would not bring it to the Board. One of the issues with, it is a perennial discussion, is that we bring nothing to this Board that we do not feel that we are not satisfied that meets the criteria. If there are issues like that, and we have had them, we simply do not bring it to you.”

Chairwoman Hightman said, “I had asked, and you gave us data last time, about the number of applications you looked at that did not get to the point of coming before the Board. I still think that for every Board meeting, you should let us know how many you looked at that are not even on the agenda. That will help explain to everybody, or at least make clear, the scope of work that the Board staff does and that there are other issues out there. It is not that everyone gets approved; there is a lot more work behind this and a lot of applications that do not get approval recommendations.”

Dr. Alexander said, “We are beginning to track on a monthly basis.”

Dr. Murphy said, “Between April and May, we had 31 inquiries for application resulting in 25 notices of intent. We had 16 withdrawn applications. So, those were folks we managed to discourage or they looked at the criteria and said no. Notices of intent that we have with no application received right now is 25. We have 107 active applications right now -- public, we have 24 programs representing seven institutions, and independent, we have 83 programs representing 25 institutions.”

Ms. Erwin said, “One of the issues that Dr. Washington’s committee discussed is a web-based tracking system so that you can look up and see who has applied for what and where that application is,

so that at any given time anybody can look. We have had some questions in past meetings about why we did not call a particular college to notify them that a competitor was planning on doing something. Well, I think if we can make it transparent, then you can watch it yourself. Gary and his staff spend a lot more time discouraging the not qualified and not quality applicants. This is not my expertise, but I did ask Steve Crow, the head of the North Central Accrediting Association, how Illinois does in accreditation and academic program approval compared to our region states, compared to others. He said he thinks we are one of the best in the country and the only other state he thinks that is close to us in our region is Ohio. He said, 'When I see a program approved by the Illinois Board of Higher Education, I know I can bank on it.' So, that to me was the gold standard that we have to maintain."

Mr. DeRosa said, "Because you said you received questions about why you have not contacted a college to let them know that a degree might be coming up that might be in competition, I do not know that it is necessarily our responsibility to discourage competition. For that matter, I think it would almost look as though we are playing favorites if we do that. Competition is a good thing sometimes."

Dr. Alexander said, "What we are doing now is sending notices of intent out to our advisory list and everyone that we can, just to inform them."

Father Minogue said, "I think the review process coming in is very good. A lot of these degrees are entrepreneurial; that is, you hope they work. Some of them will not work. Therefore, in any business environment, if I were the president of a private university, I would start to cut that program and cut the funds to it because it is a lead anchor -- it is not going anywhere. I would not like to get letters from students saying we are in an approved program that is going down the tubes -- not being funded -- and the storefront operation, since the parent company is out here somewhere, says OK we have glued the tip to the tentacle, but we do not harm the main body. I would like to make sure that the responsibility has a straight line back to the parent company on this one."

Chairwoman Hightman said, "I think that these issues are very important issues. I look forward to seeing the results of the work of Dr. Washington's committee, and I think we should reserve this for a lengthier discussion at an upcoming Board meeting."

Dr. Woodward said, "On some of the colleges that have been purchased, it is not clear that they had accreditation before they were purchased. So, by purchasing a college by an institution that has accreditation, then this college automatically gets accreditation? Specifically, we are talking about Sanford-Brown and Chamberlain."

Dr. Murphy said, "It is usually the reverse in that the institution being purchased has accreditation. Upon review, if the parent company is purchasing a school, school X, and X is already accredited, their accrediting agency will look at that purchase to make sure that it still meets all of its criteria to retain its accreditation. That is why buying schools is relatively attractive, but it does not automatically transfer, and the accrediting body does review those transactions."

Dr. Woodward said, "So, Chamberlain had accreditation before it was purchased?"

Dr. Murphy said, "Chamberlain was located in another state prior to its purchase."

Dr. Woodward said, "It could still have original accreditation."

Mr. Jerry Dill said, "Chamberlain College of Nursing was formerly known as Deaconess College in St. Louis and was North Central accredited. The change of ownership process is one where North Central came in to review the whole change of ownership process in order to reaffirm the accreditation

and restate the statement of affiliation status recognizing that Chamberlain became part of DeVry University at that time.”

Dr. Woodward said, “And likewise with Sanford-Brown?”

Dr. Murphy said, “Sanford-Brown is accredited by the Career College group. They had operated prior to becoming a degree-granting institution as a private and vocational school under the Illinois State Board of Education’s Private and Vocational School Act. So, they had received their accreditation at that point.”

Chairwoman Hightman said, “I have a couple of specific questions on these recommendations. My first question relates to Argosy’s Doctor of Education in Community College Executive Leadership. On Page 61, it says that there is no specialized accreditation or licensure needed. I was just surprised for an education program that that is the case. I would like to understand that.”

Dr. Alexander said, “I have representatives from the institution that you could speak to about that issue.”

Ms. Rita Jensen, Interim Campus President from Argosy’s Schaumburg campus said, “Would you please restate your question?”

Chairwoman Hightman said, “It seems strange to me that for an education-type degree that there is no accreditation or licensure required.”

Ms. Jensen said, “This is at the higher education level. Obviously, if it were at the P-12 level, there would be. In fact, we were just at the Illinois State Board of Education Teacher’s Certification meeting on Thursday and Friday of this last week and went through all that process of institutional recognition, etc., but this is a community college administration program. So, therefore, it has no certification with it.”

Mr. Ron Kimberling, Campus President from Argosy’s downtown Chicago campus said, “I would just add a question that has not been asked, but I will answer it anyway. Argosy had regional accreditation with North Central for approximately 16 years prior to its acquisition in 2002.”

Chairwoman Hightman said, “Thank you. My other question is with the Franklin University applications. Do they have any presence in Illinois or is it all over the Internet?”

Dr. Alexander said, “This is all web-based. Franklin has several agreements with community colleges. As far as I am aware, they are not physically present.”

Dr. Murphy said, “A lot of them partner with the community colleges to provide library support services and counseling and advising, so they are on the college campus to the extent that students are usually coming from an associate’s degree to complete their baccalaureate degree so they get guidance throughout the process from the local community colleges where they are located.”

Chairwoman Hightman said, “But you do not go to the campus to actually take the course?”

Dr. Murphy said, “No, they are online.”

Dr. Alexander said, “No, they are strictly web-based.”

*The Illinois Board of Higher Education, on motion made by Dr. Washington and seconded by Mr. Alongi, hereby grants to Argosy University/Chicago Campus and Argosy University/Schaumburg Campus, Authorization to Grant the Doctor of Education in Community College Executive Leadership in the Chicago and North Suburban Regions, subject to the institution's maintenance of the conditions that were presented in its application and that form the basis upon which these authorizations are granted.*

*And granted to Chamberlain College of Nursing the Certificate of Approval and Authorization to Operate in the West Suburban Region and further grants Authorization to Grant the Associate of Science in Nursing and the Bachelor of Science in Nursing, subject to the institution's maintenance of the conditions that were presented in its application and that form the basis upon which these authorizations are granted.*

*And granted to The Chicago School of Professional Psychology, Authorization to Grant the Master of Arts in Applied Psychology, the Master of Arts in Applied Behavior Analysis, and the Doctor of Psychology in Applied Behavior Analysis, subject to the institution's maintenance of the conditions that were presented in its application and that form the basis upon which these authorizations are granted.*

*And granted to DeVry University-Illinois, Authorization to Grant the Associate of Applied Science in Web Graphic Design in the Chicago, South Metro and West Suburban Regions and further grants Authorization to Grant the Master of Science in Electrical Engineering in the Chicago Region, subject to the institution's maintenance of the conditions that were presented in its application and that form the basis upon which these authorizations are granted.*

*And granted to Franklin University, Authorization to Grant the Bachelor of Science in Business Forensics, the Bachelor of Science in Financial Management, and the Bachelor of Science in Forensic Accounting statewide as part of the Community College Alliance, subject to the institution's maintenance of the conditions that were presented in its application and that form the basis upon which these authorizations are granted.*

*And granted to the International Academy of Design and Technology, Authorization to Grant the Associate of Applied Science in Merchandising Management and the Bachelor of Arts in Merchandising Management off-campus in the North Suburban Region, subject to the institution's maintenance of the conditions that were presented in its application and that form the basis upon which these authorizations are granted.*

*And granted to Northwestern Business College, Authorization to Grant the Associate of Applied Science in Nursing at its campuses in the Chicago and South Metro Region, and off campus in the West Suburban Region, subject to the institution's maintenance of the conditions that were presented in its application and that form the basis upon which these authorizations are granted.*

*And granted to Robert Morris College, Authorization to Grant the Associate of Applied Science in Pharmacy Technician in the Chicago and West Suburban Regions, subject to the institution's maintenance of the conditions that were presented in its application and that form the basis upon which this authorization is granted.*

*And granted to St. Ambrose University, Authorization to Grant the Master of Education in Teaching in the Western Region, subject to the institution's maintenance of the conditions that were presented in its application and that form the basis upon which this authorization is granted.*

*And granted to Sanford-Brown College the Certificate of Approval and Authorization to Operate in the Southwestern Region and further grants Authorization to Grant the Associate of Applied Science in*



*Business Administration, subject to the institution's maintenance of the conditions that were presented in its application and that form the basis upon which these authorizations are granted.*

13. New Units of Instruction, Public Service, and Research at Public Universities

Dr. Alexander briefly outlined the contents of this item. After his presentation, the Board had the following discussion:

Chairwoman Hightman said, "It is interesting to me to see how these new programs get developed in the new school at the University of Illinois, and to know what our big issues are in the world. To see Illinois being a leader -- especially this University of Illinois program -- I just think is exciting."

Dr. Washington said, "Regarding the University of Illinois School of Earth, Society, and Environment, of course I am very impressed with the nature of the three departments that are mentioned here, but I want to know why archeology is left out of that listing."

Mr. Donald Wuebbles, Executive Coordinator of the School of Earth, Society, and Environment said, "We have no Department of Archeology. We have a Department of Anthropology that could potentially partner with us in the future. At this point, the discussion started with the Departments of Atmospheric Sciences, Geology, and Geography, and I think some other departments at the university that might join in with us eventually are waiting to see how all this develops."

*The Illinois Board of Higher Education, on motion made by Dr. Carroll and seconded by Dr. Hayes, hereby grants to the Northern Illinois University, Authorization to Grant the Master of Science in Family and Consumer Sciences, subject to the institution's maintenance of the conditions that were presented in its application and that form the basis upon which this authorization is granted.*

*And granted to Southern Illinois University at Carbondale, Authorization to create the Center for Workforce Development, subject to the institution's maintenance of the conditions that were presented in its application and that form the basis upon which this authorization is granted.*

*And granted to the University of Illinois at Urbana-Champaign, Authorization to Grant the Bachelor of Science in Liberal Arts and Sciences in Earth System, Environment and Society, subject to the institution's maintenance of the conditions that were presented in its application and that form the basis upon which this authorization is granted.*

*And granted to the University of Illinois at Urbana-Champaign, Authorization to create the new units identified below, subject to the institution's maintenance of the conditions that were presented in its application and that form the basis upon which this authorization is granted:*

- *School of Earth, Society, and Environment*
- *School of Literatures, Cultures, and Linguistics*
- *Technology Entrepreneur Center*

14. Health Services Education Grants Act Fiscal Year 2007 Grant Allocation

Dr. Baumgartner briefly outlined the contents of this item. After his presentation, the Board had the following discussion:

Dr. Washington said, “Regarding the residency programs that are listed -- in terms of the various medical schools, OB-GYN, family practice, and the fact that as I look at the table of all of the universities that are listed here, private and public -- there are no minorities in any of these programs. Is that correct?”

Dr. Baumgartner said, “That particular part of the program does not have a separate grant amount for minority residents. The other health profession areas have specific grant amounts related directly to minority enrollment, but for the residency programs, that is not the case.”

Dr. Washington said, “OK. They do not specify whether the student is a minority or not?”

Dr. Baumgartner said, “No, they do not.”

Chairwoman Hightman said, “Does it mean that they are not, though?”

Dr. Washington said, “Does it mean that there are some embedded in some of these numbers?”

Dr. Baumgartner said, “I am sure there are.”

Dr. Washington said, “It would be nice to know that.”

Ms. Erwin said, “Is that by rule or statute or is it something that we could request? Even though it is not required, is this something that we can say we want this information?”

Chairwoman Hightman said, “Do we have it?”

Mr. Tretter said, “I think it would be appropriate to request it, those who are being supplied with funding through the state, the number of minority applicants or residents.”

Dr. Washington said, “This is an area that we consider to be high priority in terms of our programs, and it is listed for everything else here, which I find very useful. It just struck me that it was quite strange that there was no delineation of the minority composition in that table.”

Dr. Baumgartner said, “We will request that information, as Mr. Tretter suggests.”

Dr. Carroll said, “There should be a high sensitivity to diversity.”

Chairwoman Hightman said, “Yes. We have taken other actions to show that.”

*The Illinois Board of Higher Education, on motion made by Mr. Ruiz and seconded by Dr. Washington, approved the allocation of \$16.7 million for Health Services Education Grants Act (HSEGA) resident grants and priority grants, and applicable grant rates, for fiscal year 2007 as detailed in this item. Payment of grants is subject to the receipt of all required documents, and the Board authorizes the Executive Director to withhold payment or adjust a grant allocation, if necessary, to conform with existing statute and rules.*

15. Diversifying Higher Education Faculty in Illinois Program Fiscal Year 2008 Grant Allocation

Mr. Nunn briefly outlined the contents of this item. After his presentation, the Board had the following discussion:

Chairwoman Hightman said, “Your final remark addressed my question regarding the budget, and the remaining question is, who decided \$2.2 million out of \$2.8 million should be used for grants? Who decided that \$600,000 is the appropriate amount that you need outside of the dollars being given to the students?”

Mr. Nunn said, “It is not a final conclusion. All of this is subject to appropriation. The \$2.8 million may not be there. We hope that it is. The DFI Board gave us a listing of all of the fellows that they believe are qualified to be offered fellowship awards this year. So, for budgetary purposes, we have just allocated this \$600,000 figure. We know that it is fluid. We know that it is probably going to be less than that for administration and state leadership. We are working out the details of the administrative contract right now with SIU-Carbondale.”

Chairwoman Hightman said, “Are you saying that you have determined how many fellow awards that needed funds, and that is how you got to the \$2.2 million?”

Mr. Nunn said, “No. I am sorry. There is a ranking system. In other words, the highest score per fellow, we just simply went down the list to the point of 45, the number 45 that you see today. We thought that that was a safe estimate, knowing that we are going to come back after we decide the administrative contract that supports this program; and the remainder of those dollars will be reallocated and designated to fellowship awards.”

Chairwoman Hightman said, “So, this is just a starting point now, a conservative amount to go forward?”

Mr. Nunn said, “Yes. It is based on some of the history that we have had over the last few years.”

Chairwoman Hightman said, “Then when you come back at the August meeting, what you are planning on providing us is more specific budget information and specific plans on how to move forward.”

Mr. Nunn said, “Absolutely. That is our plan.”

Dr. Rutman said, “What were the majors of these people? Are they science? Education?”

Mr. Nunn said, “I do not have that information in front of me. However, I can, if you will permit me, generalize for a moment -- that is one of our areas of concern right now. A high percentage of them were in the humanities area. They were not in the hard sciences. One of our focuses as we talk about moving forward and strengthening our selection process is indeed adding a focus for the STEM disciplines.”

Dr. Rutman said, “It would be tough to get a job now in humanities.”

Dr. Hayes said, “When you come back in August, will you also give us some placement information about the people who graduated from the program because if you graduated over 160 and we are not seeing an increase in the number of minority faculty, is the program working? Are they getting jobs anywhere? They might not be getting jobs in Illinois, and we are generously funding a program for other states, but what is happening to those students who graduated?”

Chairwoman Hightman said, “In fact, we have had a concern about whether the program has been effective, and that is one of the reasons that we have made the changes that we have made at the Board

level and put Terry in the position that he is in, is to make the necessary changes to make sure that DFI is achieving its goals.”

Dr. Carroll said, “I have been on the Board since its inception. The goal of the program is excellent. What we have to do is change some traditional selection. Even the presidents do not have control over who is hired in the faculty. So, there was a consideration of: do we fund fellows at a school where they hired none of them? The big picture seems to be that we do not just concentrate on, for instance, the University of Illinois, where we fund some 64 fellows and maybe the result in hiring is zero. What we are doing now -- we discussed yesterday and was certainly a great discussion with David Spence -- that we will form the coalition with his Board so that we can exchange the fellows. The openings are not here for them in all instances plus the university does not like to hire a student that just came out. They need the experience. So, all of those hindrances -- we are looking at them.”

Ms. Erwin said, “We have learned from discussions with the presidents and chancellors a couple of things. Number one, give us fellows where there are needs in academia. So, if we are giving out fellowships where there are no jobs, we really cannot complain that they are not getting placed. Secondly, and I would suggest to our Board, our past college presidents could be helpful in this, as can we all. We have to figure out a way. It is true that when you have a doctoral program on your campus, you tend not to hire your own graduates. So, you go off into the hinterlands to get experience, and maybe you will come back to Southern Illinois University or University of Illinois or some place. We have to get over that because the statute has a penalty to pay back, and I am not sure that that makes any sense at all since that market for faculty is a national, if not international, market. So, I would suggest that comments and suggestions that you give to Terry on that, those are very real things that, as Dr. Carroll said, if we do not resolve them, we are destined for failure to not get these folks placed.”

Chairwoman Hightman said, “We look forward to a broader discussion in August.”

*The Illinois Board of Higher Education, on motion made by Dr. Carroll and seconded by Ms. Sloan, hereby authorizes the Executive Director to allocate the fiscal year 2008 appropriation for DFI institutional grant awards (see Table 1) as specified by the statute and recommended by the DFI Program Board.*

16. Higher Education Cooperation Act Innovation Grants Fiscal Year 2007 Project Amendments

Dr. Baumgartner briefly outlined the contents of this item. There was no discussion regarding this item.

*The Board of Higher Education, on motion made by Dr. Carroll and seconded by Dr. Washington, hereby approves amended HECA grant awards totaling \$94,312 for the projects “Illinois Course Applicability System: Ensuring Academic Success” and “Expansion of Illinois Shared Enrollment and Graduation Database.” Payment of grants is subject to the receipt of all required documents, and the Board authorizes the Executive Director to withhold payment or adjust a grant allocation, if necessary, to conform with existing statute, rules, or budgetary reserves.*

17. Appropriation Transfers for Fiscal Year 2007

Dr. Baumgartner briefly outlined the contents of this item. There was no discussion regarding this item.

*The Illinois Board of Higher Education, on motion made by Mr. Alongi and seconded by Mr. Ruiz, hereby approves the following appropriation transfers for the Illinois Board of Higher Education:*

Transfer Request 07-1  
General Revenue Fund

From:	Contractual Services	\$ 2,000
	Telecommunications	2,000
	Telecommunications	4,000
To:	Travel	2,000
	Travel	2,000
	Equipment	4,000

#### 18. Staff Salary Ranges

*The Board of Higher Education, on motion made by Mr. Ruiz and seconded by Dr. Rutman, hereby approves the salary ranges listed below for Board staff. The Executive Director of the Board of Higher Education, with the concurrence of the Chairperson, is authorized to employ and fix the compensation of such professional, clerical, and other staff (including consultants) as deemed necessary, on a full- or part-time basis, within the respective classifications and salary ranges herein set forth and within the constraints of the appropriations and grants available. Salary ranges to be utilized for civil service personnel are subject to approval by the Universities Civil Service System.*

#### July 2007

##### Exempt Staff

<u>Classification</u>	<u>Proposed Salary Ranges</u>
Executive Director	Set by the Board
Executive Deputy Director	\$105,000 - \$130,000
Deputy Director	\$ 95,000 - \$125,000
Senior Associate Director	\$ 80,000 - \$105,000
Associate Director	\$ 65,000 - \$ 92,000
Assistant Director	\$ 40,000 - \$ 75,000
Research Associate	\$ 28,000 - \$ 50,000
Research Assistant	\$ 16,000 - \$ 29,000

##### State University Civil Service Staff

<u>Classification</u>	<u>Proposed Salary Ranges</u>
Secretary IV	\$ 26,000 - \$ 45,000
Secretary III	\$ 20,000 - \$ 36,000
Duplicating Machine Operator I	\$ 19,000 - \$ 36,000
Clerical Assistant	\$ 16,000 - \$ 28,000

19. Report on the 2007 Annual Collegiate Artist Competition

Chairwoman Hightman said, "In the interest of saving time, we are going to skip Item 19."

There being no further business to come before the Board, Chairwoman Hightman adjourned the meeting at 12:35 p.m.

Respectfully submitted by Linda Oseland, Secretary to the Board.

Note: Copies of all items referred to in the minutes (i.e., letters, statements, reports, etc.) are on file with the official minutes of the June 05, 2007 meeting.



**Illinois Board of Higher Education**  
*Faculty Advisory Council*

Curtis White, Chair  
Department of English  
Illinois State University  
Normal, Illinois 61790  
ckwhite@ilstu.edu

Comments to the Illinois Board of Higher Education  
June 7, 2007  
Springfield Illinois

In the Spring of 2006, the Faculty Advisory Council forwarded to the Board a paper that we called "Eight Theses on Higher Education in Illinois." The central argument of that paper was that the failure to adequately fund higher education would create a vicious cycle not only for higher education but for teacher quality, economic well-being, and the public good. These predictions are now perceived as obvious by the media and ordinary citizens.

Illinois's failure has been not simply a failure to fund higher education but a failure to see all of the consequences of not funding.

First and foremost for students and parents is the fact that tuition has risen dramatically as state support has fallen. According to a recent article in the *Chicago Tribune*, tuition at the University of Illinois has risen 250% in the last decade. Around the state at other public universities, the announcement of yet another 10% tuition raise is no longer treated as shocking and lamentable but as something like the regular arrival of yet another tornado season. Unpleasant but unavoidable.

What rising tuition has done to student debt is near catastrophic. According to Nick Coleman in a syndicated article for the *Minneapolis Star Tribune*, every year another 400,000 students are priced out of the four-year degree market. It now takes 31% of an average family's income to pay for a year at a public college. It takes 72% of an average family's income if they try to send a child to an Ivy League school.

The problem is two-sided: what does it mean that even the middle class finds it increasingly difficult to afford education (because of rising tuition)? And what does it mean that even the educated find it increasingly difficult to become middle class (because of rising debt)?

If this situation sounds like a description of madness, it is becoming increasingly clear that that is exactly how our children are experiencing it. We are witnessing an unprecedented rise in mental health related problems in our colleges and universities. It is difficult not to suspect that the economic stress placed on our students and their families is significantly responsible for what most mental health experts now consider a crisis. We will have a more detailed statement on student mental health for you in the near future.

While the Board and its advisory bodies may not be directly responsible for funding decisions, we are most responsible for making it clear why appropriate levels of funding are important.

Our advice to the Board on matters affecting this and future budgets is “ask for what we actually need.” We should not fall into the trap of thinking we won’t get more than we’ve been getting so we shouldn’t ask for more.

We believe that the public consensus on the value and necessity of higher education already exists. It merely needs leadership in its articulation. In the course of the coming months, the Faculty Advisory Council commits itself to bringing allies together and providing projects for advocacy.

Curtis White



**Illinois Board of Higher Education**  
**June 5<sup>th</sup>, 2007**

Chairwoman Hightman, members of the Board, and Director Erwin:

The Student Advisory Committee met this past weekend at Moraine Valley Community College to review the Board agenda and address other higher education issues. We had a great turn out for a summer meeting and I was very excited to see many new members join us this weekend. We discussed legislative issues, the recently released Textbook report by the Advisory Committee on Student Financial Assistance to the U.S. Department of Education Secretary, and our new partnership of working with the Faculty Advisory Council and their paper on student mental health issues.

The Student Advisory Committee feels that that Baccalaureate Degrees should not be allowed or offered at Community Colleges in the State of Illinois at this time as it maintains its stance on Harper Community College's proposed baccalaureate program. Although the concept of a two-year institution offering a four-year degree has some merit, we feel that the proposed program will dilute the purpose of the community college system. Potential issues include four-year colleges starting to offer two-year degrees, rising tuition costs, and differentiating which programs are covered with property taxes. We believe that partnerships and cooperation between community colleges and universities should continue to be developed to help community college students complete their four-year degree, but that a community college should not offer these degrees at this time. Examples such as the programs that the University of Illinois and Wilbur Wright College or Eastern Illinois University and Parkland College offer on the community college campuses are ways that community college students can more easily complete their bachelor's degree.

The Student Advisory Committee is also aware of the pending sale of the remaining ISAC loan portfolio. If this sale is accomplished, the SAC would prefer that all proceeds of the loan be used to support higher education including direct institutional support as well as assisting with ISAC programs, which have been unfunded. We also continued our discussion of the Military Scholarships and the need for more funding for the programs so that increases in tuition will not be the source of funding, but rather that the state allocate enough funds to alleviate public community colleges and universities the cost of providing these programs without funds.

Next, the SAC would like to recommend that a student be involved with the P-20 Council should HB 1648 pass the General Assembly. We would like to help the Board in any way possible in regards to this issue so that we can be a part of the effort to improve our statewide educational system.

Finally, the SAC would like to say that it fully supported the three textbook bills introduced by Senator Hunter, and appreciate the effort to make textbooks more affordable for students in Illinois Higher Education.

Our next meeting will be August 11<sup>th</sup> and 12<sup>th</sup> at Joliet Junior College and we invite all of you to attend.

Respectfully submitted,

Jason Wallace, Chair, Student Advisory Committee

Illinois Board of Higher Education  
June 5, 2007

Keith Miller, President  
Illinois Council of Community College Presidents

Chairwoman Hightman, members of the Board, executive director Erwin

Illinois Transfer and Articulation Initiatives Annual Report

The annual report of the Illinois Articulation Initiative stated that, “it is one of the strongest projects, the most inclusive, and the most focused on quality assurance as compared to similar statewide transfer initiatives in other states”. The primary purpose of IAI is to add value to the educational experience for our students. Additionally, IAI plays a major role in cost reduction for the student, the educational institution, and the state. IAI is often underestimated in terms of the impact upon access to higher education. For many students, the baccalaureate or masters degree can only be obtained if access is provided through the state’s community colleges.

Like with any initiative we must continue to work to make the Initiative stronger so transfer becomes more transparent while also maintaining a focus on quality assurance.

The Course Applicability System (CAS) is a valuable addition which should enhance the availability and accuracy of transfer information. However, the value of the CAS is based upon the strength of the IAI, and the value of CAS to the student will only increase as the IAI is strengthened.

The community colleges are pleased to see the emphasis placed upon the integration of CAS and the Illinois Articulation Initiative’s General Education Core Curriculum as referenced in agenda item #16.

Fiscal Year 2008 Higher Education Budget

I know that we all look forward to the eventual adoption of a fiscal year 2008 budget by the Governor and General Assembly. The community colleges appreciate this Board’s persistence to ensure that we have the necessary resources to continue to provide quality higher education in Illinois.

Illinois Council of Community College Presidents Leadership Transition

Beginning July 1, 2007, Terry Bruce, President of Illinois Eastern Community Colleges, will assume the presidency of the Illinois Council of Community College Presidents, and will be reporting at your Board meetings for the 2007/2008 academic year.

Thank you for your continued support of community colleges and for allowing me to address the Board over this past year.

June 5, 2007

IBHE

Remarks of David W. Tretter  
President  
Federation of Independent Illinois  
Colleges and Universities

Chairwoman Hightman, executive director Erwin, and members of the Board, thank you for the opportunity to briefly comment on the board's activities.

Although not on today's agenda, I'm grateful to Dr. Alexander and the work of the Institutional and Program Approval Working Group. I'll be submitting the Federation's analysis of the group's recommendations in the next few days, but in general, I'm pleased with the direction of recognizing an "expedited" approval process for in-state institutions who have established a history of good stewardship and results with their educational offerings.

To the agenda, I look forward to hearing the remarks of Dr. Spence on how we can align policies to improve the relationship between P-12 and higher education, with the end goal of improving student performance. Additionally, I hope that Dr. Spence will address the widening disparity of funding between P-12 and higher education, and how this seeming disconnect on the appropriations side of the equation creates additional challenges, and yet maybe even some opportunities by decreasing the demand for remedial education in higher education..

Secondly, Item #14 on the agenda concerns the Health Services Education Grant Program. I submit to you that in today's environment of scarce state resources, the HSEGA program remains a stellar model of utilizing the capacity in the private sector to serve important state goals, in this case the training of healthcare professionals to meet statewide healthcare needs.

Lastly, let me thank the board staff for their dedicated work during the yet unfinished legislative session, especially in the role of coordinating strategy and providing timely information. I look forward to working with the board and the staff over the next few weeks (or months) to advocate the priorities of higher education.

Thank You.

