

MINUTES – BOARD MEETING
August 14, 2007

Submitted for: Action.

Summary: Minutes of the August 14, 2007, meeting of the Illinois Board of Higher Education held at the Palmer House Hilton Hotel, Chicago, Illinois.

Action Requested: That the Illinois Board of Higher Education approve the minutes of the August 14, 2007 meeting.

STATE OF ILLINOIS
BOARD OF HIGHER EDUCATION

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A meeting of the Illinois Board of Higher Education was called to order at 9:03 a.m. in the Monroe Ballroom, located on the sixth floor of the Palmer House Hilton Hotel, Chicago, Illinois.

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

The following Board Members were present:

Guy Alongi	Proshanta K. Nandi
Frances G. Carroll	Robert J. Ruiz
Ashley Dearborn	Gilbert L. Rutman
Matt DeRosa	Lucy A. 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
Joyce Karon, Board member, Illinois State Board of Education
Andy Davis, Executive Director, Illinois Student Assistance Commission

Presidents and Chancellors

Al Bowman	Sylvia Manning
Alvin Goldfarb	John Peters
Sharon Hahs	Fernando Treviño
Max McGee	Vaughn Vandegrift
Elaine Maimon	

Advisory Committee Chairpersons

Terry Bruce, Community College Presidents Council	Jason Wallace, Student Advisory Committee
Jerry Dill, Proprietary College and University Presidents	Curtis White, Faculty Advisory Council
Dave Tretter, Private College and 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, "Good morning, everyone. It is great to be here again and to see all of you and to be moving forward on our agenda. We had some good meetings yesterday, and I met with many of you. I had lunch with Curtis White and talked about faculty issues. I want to point out that we have in the materials for the Board a paper that the Faculty Advisory Council wanted us to look at and take note of, called 'Higher Education and the Public Good.' I think it is worthwhile reading and I recommend it to you. It is very good reading and presents an interesting perspective on the role of higher education in the state. I think it is something that is important to the Board as we move forward in the master planning process.

"I want to welcome some new attendees to the meeting -- first, Ashley Dearborn, our new non-traditional student Board member. She was with us yesterday at our working meeting, and I think she is going to be a great addition to the group. We look forward to your participation in all of the things that we do.

"Welcome Terry Bruce, the President of Southeastern Illinois College, as the new chair of the Community College Presidents Council. Terry is a former state senator and Member of Congress and has been a very strong and valuable advocate for education throughout his career. We are pleased that Terry Bruce is in this new role, and we look forward to working with him.

"Welcome Max McGee, the new president of the Illinois Mathematics and Science Academy. Max is IMSA's second president in its history. He has a great reputation as being very strong in education. He is an educator who has a distinguished career already in Illinois, including state superintendent of education. We look forward to working with Max McGee and wish him well in his new role.

"Welcome and congratulations to Fernando Treviño as the new Chancellor of Southern Illinois University Carbondale. Before his appointment to that role, Chancellor Treviño was dean of the School of Public Health at the University of North Texas Health Science Center in Fort Worth. We welcome Dr. Treviño and wish him well in his new role.

"We are excited that we have some very distinguished speakers. Michael Cohen is president of Achieve, Inc. and is a nationally recognized expert on student performance and standards-based reform in public schools. We also have Elliot Regenstein and Jonathan Furr of the law firm of Holland and Knight. You all probably know Elliot from his former role as adviser to Governor Blagojevich on education issues. I am excited about their presentation because what they are going to talk about fits right into our agenda and the P-20 issue and master planning. So, we are very excited to have them here and look forward to their presentation.

"There are a couple of other issues I want to touch upon briefly before getting to the business of the meeting. First, budget. We are so behind because of the budget situation -- the legislative situation in Springfield -- so, we do not even have a 2008 base to start with, and normally we would be going forward and preparing and getting information to start the FY09 budget process. We are going to move forward to the extent that we can. The staff is not done with what they normally do with our Board, but they are going to move forward and start the meetings that need to be had with you. We recognize that the

activities that we do surrounding the budget are some of the most important activities that we do. So, we want to make sure that we have engaged all the right stakeholders, the Board members, the institutions, agency stakeholders. When we draft our budget recommendations, we want to make sure that they actually meet the needs of the colleges and universities, and that they meet the state priorities, and that they do all of the things we should be worrying about doing. So, we are trying to improve the process. That is one of my goals, and we are going to move forward with the FY09 process to the extent that we can. Hopefully, we will get some action in Springfield so that we will have some certainty on where we are starting from. I guess that is a good segue to legislative issues. Don will have a more complete discussion of what is going on in Springfield or what is not going on in Springfield. We at the Board have a different perspective than probably everything you read in the papers. We are really pleased. We feel like this legislative session has been a very successful session for higher education and probably more successful than any of the sessions that most of us can remember in the past several years. It is not over yet, but we have had some resolutions and bills passed that are very important and that help move us along, and I think will give us great direction on where we need to go.

“You have heard me talk at the last couple of meetings about master planning. We are pleased to report that House Joint Resolution 69 passed both chambers, and it is the resolution that we worked on with the Legislature. It directs us to create a task force to prepare a master plan and public agenda for higher education. The Board believes it is necessary and desirable to undertake the development of a long-range blueprint for higher education, and we are also pleased because we need funding for the consultant to help us move the process forward. The bill that passed both chambers includes \$200,000 for that consultant, so we are really happy about that. Obviously, it is not a done deal until it is a done deal, but at least the Legislature acknowledged the need for it, and is obviously supportive of giving us the resources we need to complete the process. So, you will be hearing a lot more about that.

“The Board had a lengthy discussion in our working meeting yesterday about the next steps in the process for master planning. It will be an inclusive process and an open and transparent process. We are going to look to all of you for your support, your help, and for your advice, direction, and your opinions on how it should work and what we should be doing. We plan to report on what we are doing at each Board meeting once we get going. We are hoping to get going by the next Board meeting, which is October 2. So, we hope to have the task force in place. I would direct you to look at the House Joint Resolution 69 for the details. If you have any questions, you can ask any of us or Judy. We look forward to moving the process along. The way we look at it is this is our great, big chance to explain what needs to be done and to provide the justification for all the things we are going to try to do moving forward after getting input from you and others. So, we are really excited about the process and optimistic that it will provide great results for the State of Illinois.

“We are really happy about the P-20 council, which is House Bill 1648. This bill establishes a P-20 council to coordinate, plan, and recommend policies relating to student achievement, teacher preparation and quality, academic standards, and data collection, but spanning the whole spectrum of education. It is significant because it recognizes that we have to connect the P-12 system with higher education. I think that now the Legislature understands that and agrees with it by having passed this bill. It also creates a council that will be broad-based and that will represent not only the education community, but also it includes business leaders, civic leaders, labor leaders, and Legislators. Again, we believe strongly that if you do not have the support of all the stakeholders in the buy end, you are not going to succeed in making any changes. So, it is set up in that way, and I think that it will help it succeed. We think that the council will have the potential to have an enduring and significant effect on education in this state. The P-20 concept will be discussed more by our speakers.

“Another bill -- Senate Bill 858 -- addresses college career readiness. This bill sets up pilot projects for community colleges and their feeder high schools to diagnose student readiness for the workplace and college and then to use that information to tailor the senior year academic program to meet students’ needs. The legislation is critical, and it is expected to reduce the need for remediation at the college level, which is a huge problem, and to make the senior year of high school more productive.

“There are two resolutions -- House Joint Resolution 66 and Senate Joint Resolution 56. These joint resolutions create a task force involving the Illinois Board of Higher Education, the Illinois State Board of Education, and others to develop strategies to implement recommendations of the Commission on School Leadership. They were presented to the Board one year ago.

“So, while you read all of the stories about the horrible legislative session -- the worst in the history of the legislature, all the delays, and all the problems -- we have a whole different perspective. I think all of us in this room should be really happy that we have accomplished what we have accomplished in Springfield these past many months. I want to commend our staff for working very hard in getting these things done. They put a lot of time and effort into it, so I want to commend them and Judy for the hard work in moving these things forward. I also think we should thank the legislators -- they came here a few meetings ago and they said to us, ‘Get a plan; tell us what should be done.’ They looked at us and said that we are the experts and are not giving them the direction that they need and we are not moving the state forward. So, I think all of these legislative successes are the result of us listening to them and knowing that they were supporting us, letting us do what needs to be done.

“I want to talk briefly about campus security. In the aftermath of the Virginia Tech incident last spring, we met with representatives of the administration to help form a campus security task force. It held its first meeting in Springfield on June 21. The task force consists of nearly 60 individuals. Judy is on it as well as other individuals representing colleges, universities, and law enforcement from all over the state. They are examining numerous issues related to campus security. There are three subgroups. Judy is involved as a training team leader, and she is setting up review sessions of the all-hazards training that P-12 schools must undergo. On August 21, a select group of task force members, university personnel, and other professionals with backgrounds in emergency planning and training will be reviewing the training and making modifications to tailor the training for college and university consumption. So, we are making strides, and I think it is important. Hopefully, we will never have one of those incidences again in Illinois or anywhere in the country. At least we are doing what we can do here to try to prevent that and be prepared in the event of some horrible event.

“We want to congratulate the University of Illinois at Urbana-Champaign for being named the recipient of \$208 million award from the National Science Foundation to build the world’s most powerful supercomputer. It seems like Champaign is always the place where the first things happen. There have been a lot of firsts in Champaign because of the quality of the University of Illinois at Urbana-Champaign. I know the project is a great testament to the quality and reputation of the school, and we applaud President White, Chancellor Herman, and the University of Illinois community on this very prestigious award.

“I continue to travel around the state. I am meeting not just with representatives of higher education, but also with other stakeholders that care about what happens to higher education in the state. I am trying to learn and trying to get to know all of you and all of the influencers of what we do. Just to name a few of the meetings I have had since our last Board meeting, I have met with the Community College Presidents Council. I met with President Zimmer at University of Chicago. I met with the Chicagoland Chamber of Commerce’s disabilityworks folks. I am hoping, in one of the next Board meetings, we will have a representative of disabilityworks come and talk about some of the issues that

they are dealing with and how they impact higher education, how they can work with the higher education community. There are two issues -- one is access and the other is helping people with disabilities get employment. It is really interesting what they are doing. Karen McCulloh is a great woman. I worked with her when I was on the Chicagoland Chamber of Commerce Board. I know that they work with Southern Illinois University. They are doing a great project there to help people with disabilities get jobs, and I think it is a great success. Hopefully, we will tie it all together and bring you more information and connect you all with that because I think they can be helpful to you and you can be helpful to them.

“Judy and I met with Chancellor Herman from University of Illinois at Urbana-Champaign and we talked about issues related to articulation and transfer. I think they are important issues and problems we need to solve, and Chancellor Herman had some great ideas. So, we will probably talk about that at some future meeting as well. They have got a good model that maybe we can share with all of you to try to improve the transfer situation.

“Our next Board meeting is on October 2 and it is being hosted by Glenn Poshard at Southern Illinois University in Carbondale and the Chancellor Treviño. We are grateful that the Southern Illinois University community is going to host this. I feel strongly about going to the different institutions of higher education and having our meetings at those institutions and showing off these great campuses and taking advantage of the resources that they have. It might be a little bit less convenient, but I think, on the whole, it is a good thing for us to be doing.

“The meeting in December is going to be in Chicago as it has always been planned to be, and it is being hosted by Northeastern Illinois University. It should not create any logistics issues for anyone other than being in Chicago. In fact, it might be a little bit more convenient being away from the heart of the city.

“We have been talking about meetings for 2008, and we are going to work on the calendar for those meetings. I still feel strongly about getting out and not sitting in a hotel. I love the Palmer House Hilton, but I think that there are so many other institutions here in the Chicago area that it makes sense to try and take advantage of those facilities. So, I want to put the word out again, to suggest that if you are willing to host a meeting to let Linda know as we plan. I think we will still try to do the downstate, northern Illinois and then the Springfield area kind of split. There are lots of institutions in both of those geographic regions where we can hold meetings. So, if you are willing and able, please let Linda know, and we will be very thrilled to plan a meeting at one of your locations.”

3. Remarks by Judy Erwin, Executive Director

“Thank you Madam Chairwoman. I want to thank everyone for your patience and understanding during somewhat trying legislative and budgetary times. I was pleased that the Legislature did include higher education in the one-month budget. That time is already up, but at least we are operating under that one-month budget. Four years ago when this happened, higher education was not in that one-month budget at all, so it was a good understanding on their part that we should not be left out. Again, I appreciate your willingness to respond sometimes to bizarre calls that may come along for advice and counsel. If you run into any Legislators or if you purposely see them and call them, I would be kind and gentle because it is not over with yet, and these are very frustrating times, but I want to thank everyone for your patience.

“Many of the things our Chairwoman just discussed were possible because of the great cooperation that our staff -- and we have a terrific staff -- has with the Illinois Community College Board, Geoff Obrzut, Dr. Elaine Johnson, and their staff, as well as Don McNeil’s staff at the Illinois Student

Assistance Commission, Andy Davis, Claude Walker, and their staff, and the State Board of Education; Chris Koch has been nothing but gracious in terms of partnering. This is really a pretty big change. We have had many meetings recently where the State Board of Education, the Board of Higher Education, and the Community College Board are working together on those transitions throughout the education pipeline. So, I want to thank all of our partners. Many of these things would not be possible were we not presenting a common front in an agreed-to process. So, thank you very much to those agencies.

“I also want to report that the Governor’s office has formed an economic development sub-cabinet, which has been pretty interesting. It is most agencies under the sun. But the good news is they are now concentrating on the supply side of the state’s economy, which is what everyone in this room works on. We are getting focus on the importance of increasing baccalaureate degrees and increasing rigor in high schools -- many of the things we talk about and now the Department of Agriculture, Natural Resources, and other agencies are beginning to understand that. So, I certainly applaud the Governor and John Filan for putting that together.

“Carrie mentioned the campus security, which I, again, want to thank many of the people in this room. We did an all-call for your help and support. The community colleges have been terrific. Dave Tretter and the Federation of Independent Illinois Colleges and Universities have stepped up. Dr. Al Goldfarb, as the convener of the public presidents, has reached out to many of you. I just want to thank all of you. My fear has been that the law enforcement folks will decide on something that is disconnected from what really goes on at campuses. So, including the mental health aspect and the Attorney General is chairing the legal committee on that.

“You will hear a more in-depth report on the budget process, as we know it today. I just want to point out that there are a number of grants that we would ordinarily be approving today that we are not going to be able to. The innovation grants funded through the Higher Education Cooperation Act -- we just simply cannot do. We do not know what will be in the budget, and it just is not fair to approve something and then have to pull it back. So, we have the evaluation process going on, but that is on hold.

“The No Child Left Behind grants, however, we are going to ask the Board’s approval today because we know the dollar amount cannot change. It is federal money. So, rather than hold that up, that is on the agenda. We will try and keep you posted. I know Mike Baumgartner does a great job. When we learn about things in the budget process and when we are pretty sure it is soup, then we e-mail it out to everybody. We have not done that with every iteration because, frankly, it changes a couple of times a day. So, we will do our best to keep you all informed, and please never hesitate to call us if you have any questions. Thank you.”

4. Board Meeting Minutes - June 5, 2007

The Illinois Board of Higher Education, on motion made by Ms. Sloan and seconded by Dr. Hayes, unanimously approved the minutes of the June 5, 2007, meeting.

5. Financial Report

The Illinois Board of Higher Education, on motion made by Dr. Carroll and seconded by Dr. Hayes, unanimously approved the financial report dated as of July 31, 2007.

6. Board Member Reports

Dr. Washington, reporting on the Illinois Student Assistance Commission meeting, said, “The Illinois Student Assistance Commission has met twice since our last Board meeting, one on June 22 at Robert Morris College and again on July 20 at Kankakee Community College. Of particular note at these meetings were the Illinois Designated Account Purchase Program (IDAPP) Quarterly Investment Report, FY2008 MAP and IIA Application Volume Update, College Illinois! Prepaid Tuition Plan reports (covers the full tuition and fees at the time the student enrolls in school), and the partial sale of the student loan portfolio. For the purpose of this report, I will simply address two of these topics -- the sale of approximately \$1.3 billion of non-Illinois-based student loans and that has materialized and it occurs at a time when there are changes in the student loan industry that seem to make that strategy beneficial. One of those changes -- reductions in federal payments to student loan guarantors and lenders, and this reduction is \$19 billion from the federal government over the next five years. Another factor is that the Commission and its advisers have identified specific non-Illinois-nexus portions of IDAPP’s approximately \$3.3 billion loan portfolio, which could better serve Illinois students attending Illinois schools. A third factor is funding for MAP awards. Up to the \$26.8 million appropriated in the state fiscal year 2007 will come from this sale, so that those dollars will be made up, and fortunately, as approved, so far, the \$26.8 million will also be added into the fiscal year 2008 budget from the state appropriation.

“The other topic I would like to make reference to is College Illinois! After nine years, College Illinois has made great progress. More than 57,400 College Illinois! contracts have been purchased for over 48,200 student beneficiaries. Again, there is a need for increasing the number of contracts, and also, looking at the geographical distribution of students receiving those contracts, and as a result, there is a marketing plan that has been developed by the Illinois Student Assistance Commission to make these contributions even greater. Program participation represents more than \$1 billion at this point in contributions so that you are talking about a sizable program here, and, of course, that means more staffing and more possibilities in terms of return on investments. Contract benefits have been paid out to about 5,700 students at nearly 500 colleges and universities in Illinois and across the country. So, we are beginning to see benefits going out as well as increases in the size of the assets.

“Two additional factors that I would like to point out is that the management consultants who have been selected to do the core fixed-income portfolio -- Piedmont Investment Advisors, Pugh Capital Management, and C. S. McKee Investment -- those have been approved by the Illinois Student Assistance Commission. In addition, the marketing plan will be done by Celtic Inc., and there will be collaboration with Romani Brothers for the creative design role in that process. So, there are two companies involved in that activity.

“Let me conclude by saying that the Illinois Student Assistance Commission meetings have been very interesting. There is no doubt that the commission members are very diligent in monitoring what is going on, and it reminds me that when one has focus, one can achieve a great deal, and the focus there is to get a return on the investments and to make sure that the money is available to students to use. As a result, I am always interested in seeing how benchmarks are used for return on investments. If the managers do not meet those benchmarks, they are actually put on notice. The firms have been doing a very good job lately, but once in awhile, there are some that are actually called to task for not achieving the benchmarks that are set. So, it is good to see that those activities are proceeding. The next meeting of the Illinois Student Assistance Commission will be September 21 at the College of DuPage. I am sure Don McNeil, the Chair of the Commission has something to add.”

Mr. McNeil said, "We are pleased to note that Ashley Dearborn, who is our student member, is now the non-traditional student member of the Illinois Board of Higher Education. She did an excellent job on our Board, and I am sure she will do as good a job on this Board.

"Just briefly, Elmer talked about focus, what we think of when we think about these loan portfolio transactions is a refocus. An overwhelming majority of the loans in the \$4 billion portfolio that ISAC had six months ago are to out-of-state students. In the sale that was closed on July 31, which was in excess of \$1.3 billion, there were loans to students that were going to an acting school in Florida -- over \$8 million of unguaranteed loans. We were lending money to students to go to the Ringling Bros. Barnum and Bailey Clown College in Sarasota. There was not any focus on Illinois students in Illinois schools. What we also discovered was that the loan portfolio was losing money. There was a lot of opposition, which has faded in recent months as people have read the newspapers, to the loan portfolio sale on the theory that we are giving up a stream of income in return for cash right away. The fact of the matter is that when you have a losing asset -- an asset is losing money -- you want to get rid of it and replace it with a money-generating asset. Again, perhaps more importantly, an asset that will be used to generate new loan programs in Illinois and make sure that college becomes more and more affordable over the years.

"If you are going to College Illinois!, I am not sure that everyone understands the difference between Bright Start and College Illinois! We do not like to think of the two programs as competitive, but they are. Bright Start is a program which you place your money into the program, you get a tax benefit from that, and your return is based upon how the market does essentially. So, people in Bright Start lost money last week. In College Illinois!, what you are buying is a contract for a number of semesters of school so that if you have a child and buy the contract at birth, you are guaranteed that if you buy nine semesters of education that you will have nine semesters of education paid for when the child reaches college age regardless of how the market does. So, it is a little bit different type of investment.

"The new advisers -- we have had significant participation with the loan portfolio sale but not only by Morgan Stanley, but Gardner Underwood, and the new advisers to College Illinois! -- we have significant minority business enterprise participation for the first time in ISAC history."

Dr. Minogue said, "With the refocus, is there any thought about weaving anything of MAP funding into the ISAC portfolio, or no?"

Mr. McNeil said, "Our overall policy or philosophy is that the more money we can put into need-based grants, the better. I had an opportunity to meet Hillary Clinton last week at a reception and mentioned my position at ISAC. The first thing she said was that we need to get more money into need-based programs, grant programs like MAP. We already have a great program, as you know, with what is going on in Springfield with the mercy of the Legislature with regard to that. So, as the loan programs go, we started out with a pilot program this fall at several schools, we lowered interest on programs to students that have used up their ability to get grants and to get loans and the ISAC staff is now working on the federally guaranteed loan program that would provide a below interest market rate and significant borrower benefits, but would be limited to students that are from Illinois going to Illinois schools."

Dr. Carroll said, "I want to compliment Don on the information that he brought us at the last meeting regarding the loans. I think that that information was so important. I really want to thank you for bringing us up-to-date, and then when I read the report in the minutes, it really solidifies a lot of the information. From Elmer, I would want a little clarification -- you indicated that there were 57,000 contracts listed."

Dr. Washington said, "That is right -- to 48,000 students."

Dr. Carroll said, "And did you say 5,700 returns have started to be paid?"

Dr. Washington said, "We started paying the benefits -- that is the tuition and fees for those 5,700 students."

Mr. McNeil said, "We have refocused again on our marketing efforts for College Illinois! We have done OK, but we can do better. This is a great investment. We need to focus on grandparents. I understand that some of the Fortune 500 clubs have retiree clubs -- we need to get into those. We need to look into the possibility of payroll deductions to pay for these types of benefits. It is a great thing to be able to put money aside for your children, if you can. Some people cannot. We also instituted within the last two years installment payment plans, so that you do not have to pay for the contract at one time."

Dr. Minogue said, "How would the grandparents work?"

Mr. McNeil said, "The contract is bought by whoever wants to buy it. So, the grandparents can buy it or the parents, or a friend, or an aunt, or an uncle, whatever. When you buy that contract, you are guaranteed whatever the contract calls for, and that could be for up to nine semesters. And what you are getting for that is a guarantee of those semesters at a public university in Illinois. Now, if your child goes out of state, you still get the equivalent in cash of what you would have spent on the public universities. You are not throwing money away. You are not losing any money. You are still getting the same monetary benefit, but it is translated into dollars as opposed to semesters."

Ms. Ashley Dearborn said, "I would like to add one thing to what Don and Elmer have said. One of the great things about College Illinois! is you do not have to buy university semesters, you can buy half-university semesters and half-community college semesters, and that is really a great benefit with the large number of community college students."

Chairwoman Hightman said, "I think what you have been doing shows that you can have a plan, take action, and really make changes. It is a good lesson for all of us here on how to move things along. Thank you."

Dr. Nandi, reporting on the State Board of Education meeting said, "There were two State Board of Education meetings -- one in June and the other in August. We adopted several rules on certification. Of particular interest are two initiatives called for in the SAELP legislation that sets forth requirements for the teacher leader endorsement and identifies individuals eligible to complete an alternate route to administrative certification.

"Also, we adopted rules for a competitive grant program for the Children's Mental Health Partnership.

"We entered into a contract with the University of Illinois to provide ongoing evaluative services to the ISBE Student Assessment System, and Northern Illinois University for refinement and maintenance of the Illinois interactive report card.

"An intergovernmental agreement was approved with the Illinois Math and Science Academy to serve as a fiscal agent for their administration of the Illinois virtual high school.

“We reviewed the 2005-2006 evaluation report of the Illinois pre-kindergarten program for children at risk of academic failure.

“We approved the State Teacher Certification Board’s recommendation to grant accreditation to: Bradley University Teacher Preparation program in the undergraduate programs in early childhood, elementary, secondary, special certification areas, and special education as well as graduate level programs in school counseling and school administration and to Wheaton College Teacher Preparation program in undergraduate and graduate programs in elementary, secondary, and special certification areas. Programs were also approved for the American College of Education, Argosy University, and the Chicago School for teacher preparation programs.

“At the August meeting, the following rules were adopted: mentoring program for new principals, health and life safety code for public school construction, and special education facilities. Also approved were the following contracts: math and science partnership grants (Title II, Part B) and the Illinois Migrant Council - Migrant Education Contract (Title I, Part C of NCLB).”

Ms. Karon said, “Perhaps the media will pick up that come August 31, which is the closing date, all of our ISAT scores have been corrected and have gotten to the schools. That was done by August 1, and all of our high schools, our PSAEs are to be corrected and done by August 31, which means that the assessment scores on AYPs will be to the schools prior to September 1. So, perhaps we will not have the bad press we had last year.”

Chairwoman Hightman said, “Was last year an anomaly?”

Ms. Karon said, “I would like to say that it was more a fluke than an anomaly. It really was a bad year, but when you have 892 school districts all trying to correct, and a lot of them without personnel in the summer, it is difficult. So, this year I think that we should be very pleased.”

Dr. Minogue said, “Would that include Chicago?”

Ms. Karon said, “To my knowledge.”

Dr. Minogue said, “Great!”

Ms. Karon said, “A part of that is that Chicago is finally in the Student Information System program -- their students. So, that does speed up the situation a little.”

Dr. Woodward, reporting on the Illinois Community College Board meeting said, “The Illinois Community College Board meeting was June 8 and in conjunction with the Illinois Community College Trustee Association meetings. Two really interesting reports -- one report was from different community colleges -- selected by peer review for best practices in the policy areas of *The Illinois Commitment* -- one was South Suburban Community College where they developed a program to encourage and support GED graduates to further their education at South Suburban Community College. The other selection was at Prairie State where they had integrated career research within a speech class at Prairie State Community College to further career awareness.

“The next thing I wish to highlight is really a very significant report on the economic impact of Illinois community colleges to better understand the return of investment of the Illinois community college system. Just a wealth of data was prepared by the Northern Illinois University Center for Governmental Studies. It would be a wonderful model for other community colleges and other

community colleges are really picking up on this to do reports for selective community colleges, and it would also be a nice model for some of the regional public universities. This is a fantastic source of data; huge impact.”

7. Advisory Committee Reports

Curtis White, representing the Faculty Advisory Council, presented his report to the Board. Following his report, the following discussion took place:

Dr. Carroll said, “I just want to thank the Faculty Advisory Council for coming up with such a timely, insightful statement. I think it is well overdue and it was really great when I read that; it made me feel good.”

Mr. White said, “I am very happy that the Board has responded well to it because it is not something that you know exactly how people are going to respond to. But I am gratified.”

Dr. Rutman said, “Do you know or have any feeling for, is there any loss of faculty in the state of Illinois?”

Mr. White said, “I do not have any figures on that. That is another piece of homework that we would have to get to.”

Ms. Erwin said, “I think that we would, as we approach the budget meetings with each of the college presidents and their administration, our anecdotal information is certainly that with the relatively flat budget for many years that it is increasingly difficult for public colleges and universities to be competitive in salaries. So, I know that colleges and universities are Band-aiding and having to raise tuition more than any of us would like, but it is just simply trying to maintain the quality. So, I do not think that there is any doubt that there is a struggle to retain competitiveness.”

Chairwoman Hightman said, “Are you asking if there is a net loss?”

Dr. Rutman said, “Yes.”

Chairwoman Hightman said, “So, maybe that is information that we can develop as we go through the budget process.”

Dr. Washington said, “I think that is an excellent point that at the big picture meetings, that should be one of the items that is addressed, not just anecdotal, but also quantitative information because I know that information is at the individual campuses.”

Ms. Erwin said, “It is difficult as you know in very competitive areas.”

Dr. Washington said, “It has to be done, based on departmental considerations.”

Ms. Karon said, “I would urge you to look not only at quantitative information, but also qualitative because it is in the competing for outstanding faculty members that institutions most feel the impact of salary.”

Dr. Minogue said, “I think you have to slice and dice that one. If you are talking about research faculty, that is one thing and you have grants and other things. But if you are talking about teaching

faculty, that is another thing. If you just do it based on how many publications somebody has, if you do not slice and dice that, you will get a very strange picture.”

Chairwoman Hightman said, “You know what they say about data.”

Jason Wallace, representing the Student Advisory Committee, presented his report to the Board (see attached). There was no discussion following his report.

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

Terry Bruce, representing the Council of Community College Presidents, presented his report to the Board (see attached). The following comments were made after his report:

Chairwoman Hightman said, “I just want to say that there is no question that this Board is fully committed to not just looking at a master plan, but creating a new master plan that makes sense given the fact that we are in 2007 and planning for the future and one that will ensure that Illinois has the best higher education system in the country and that benefits the state of Illinois. So, that is our goal and we look forward to working with you and the others here to get that done.”

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 Elliot Regenstein and Jonathan Furr, Holland & Knight LLP and Michael Cohen, Achieve, Inc. - Illinois College and Work Readiness Partnership. After their presentation, the Board had the following discussion:

Dr. Woodward said, “Your arguments are impressive. I have a concern. I have been very much influenced by Jonathon Kozol’s work, and I keep coming back to the inequalities in schools in terms of facilities, resources, and funding. While you are working on this problem, somewhere you have to begin to work at the base problem because we will always be working at the problem you are talking about unless we begin to solve the basic problem, which is education funding reform.”

Mr. Furr said, “I certainly would not suggest that our effort is the only worthwhile effort to improve education in Illinois out there. I think that it is important, though, that there are obviously certain areas and a certain baseline of resources that are necessary for schools to do their job. But it is also the case that there are some schools, at whatever level of resources, that have shown greater strength of focusing on student achievement and helping students progress toward college and success later in life and again, frankly, when there is no state system in place, it is hard to blame individual schools if they are sending kids in a direction that may be well meaning, but if they are not sending kids in a direction that is useful to those kids when they get to college and out of high school, then one of the things that the state needs to do, if you view it as a civil rights issue, which many of us do, is to ensure that those kids are not only getting the quality teaching and facilities that they deserve, but also there is a core quality of education that they deserve as well.”

Mr. Cohen said, “I agree with your concerns about finance equity and adequacy, but among the issues that affect low-income and minority students, are low expectations. The schools in which students are least likely to take the courses that will prepare them for college are the schools that those students attend, and unless the state says this is not a matter of local choice or individual choice, this is what it takes to be educated in this state, then the students you are concerned about will suffer from multiple

inequities, and this is at least a way to solve one of them.”

Dr. Woodward said, “Again, thank you for your presentation. I found it very interesting. One of the issues that comes to my mind as I reflect on the things you have said is it relates to the dynamic nature of the career process in terms of what is needed over time. The same thing applies in terms of the college environment as well. The standards that you have now may not be relevant five years from now, if you are keeping up, and so I wonder just what kind of process you would engage in or recommend to keep relevance alive.”

Mr. Cohen said, “Very good question. First of all, many states, though not Illinois as far as I know, have a legislative cycle of updating their standards, precisely because the world changes and so the standards that were set in Illinois probably ten years ago do not necessarily reflect what young people need when they leave school now. Other states have to update those on a five- or six-year basis or whatever. So, one thing I would suggest is do not set it in stone.

“Secondly, we are continually updating the benchmark expectations because there are so many states that are working with us now on this -- each going through their own process, but with some help from us; it is not entirely independent -- there are somewhere in the neighborhood of 20 replications of the original study that we did in 20 different states where faculty and employers, etc., getting together saying, ‘What do we really need, what do kids really need to know here in order to be ready for post-secondary education.’

“So, by the end of this year, there will be enough states that will have completed that job. We think somewhere north of 15 that we will be able to do an analysis across 15 states and ask the question, ‘Did we get it right or are there changes that need to be made?’ We are launching another effort to benchmark our expectations internationally against high-performing countries and ask the question, ‘How well do these benchmarks stack up against what other countries expect?’ I think what this means is these will constantly be evolving, but you have to, at some point, adopt something and say this is what we mean by readiness. We will review it and change it down the road, but if you never adopt anything, then no one has a target to aim at.”

Ms. Karon said, “I just wanted to say that next week we are holding our retreat and the first shot out of the bag is this topic. Elaine Johnson from the Community College Board and Judy have been invited, and this is how we intend to approach it, as a joint effort in terms of where we are going. I have to compliment both of them on the fact that there has been a lot of dialog about this already.”

Chairwoman Hightman said, “I have a question for Mike. I was intrigued by this American Diploma agenda. Maybe you can tell us a little bit more about it and what we need to do if we want to participate and how it differs, if it does, from what we are doing with the Gates Foundation Memorandum of Understanding.”

Mr. Cohen said, “First, let me explain what we have done. We have completed our first round of research in 2004. We noticed this big gap between what students need to know and what they are actually expected to know, and we identified a very simple to describe policy agenda that has to do with calling on states to align standards, to align curriculum with what students need to know when they leave, to have an assessment in place that actually measures that when students are in high school -- and your use of the ACT comes to about as close to that as most states get right now -- and to change the accountability system, both for K-12 to hold high schools accountable first, for graduating students who enter, and secondly, making sure that when they graduate, they actually meet these standards. We also think there has to be some accountability to the postsecondary level for the success of students that are admitted.

One of the slides has that said in slightly more words than that, but that is basically the policy agenda.

“A number of states came to us and said, ‘We are working on your agenda; this is hard work to do. We cannot do this alone. Would you form a network of us?’ So, with a little discussion, we said sure. And the deal is basically this: for any state that commits to carry out that policy agenda -- and commits means that it has the commitment of the Governor, the higher education leader, the chief state school officer, and a business leader that is involved in education -- if you can get those four leaders together and say this is our agenda, we are going to work on it, you can join the network.

“If you join the network, you get several things. One is an easier ability to learn from the other states that are trying to do the same thing. Secondly, some source of outside cover or credibility -- we are not the only people doing this. Where are you on this and how are you moving forward? In a variety of areas, we have either done additional research or provided technical assistance to help states carry out the agenda plus we have created tools that help them do that. So, there is a variety of kinds of support that a state can get if it joins.”

Chairwoman Hightman said, “So how does that differ? How does what you are accomplishing through that network differ from what will be accomplished with this Memorandum of Understanding with the Gates Foundation?”

Mr. Cohen said, “I will let Elliot answer that since they are a party to that. We are not; we are just trying to help out.”

Chairwoman Hightman said, “I am just trying to figure out if there is more that we can be doing? Should we try to join that network? Or is this other activity really tantamount to being a part of that network?”

Mr. Cohen said, “Before Elliot gives you the long answer to that, the short answer to that is, yes, you should join the network.”

Mr. Regenstein said, “The purpose of the Memorandum of Understanding (MOU) is to work with state policymakers on a range of issues that certainly encompass the issues that Achieve works on, but that can go yet deeper. For example, the targeted intervention discussion that we are going to be having at the State Board next month, that is not an issue that Achieve works on as part of the ADP network, but that in the agreement between the Governor’s office, the State Board, and the Foundation, was perceived as an important policy area that people wanted to work together on. My sense is that -- I would personally, of course, love to see us join the ADP network as well, I know I am not the only one in the room that feels that way -- but that it is not a hard-sell proposition. You want states to join when they feel like they are in the right place to do it. I am hoping that we are getting closer. I am hoping that through the work that we are doing in the MOU that people will identify this policy set as one that they want to work together toward, but I do not know that we are all the way there yet. So, my hope is that that discussion will come up again soon, but it is certainly possible that at some point in the MOU process, Illinois will join the ADP network and that both processes will then be going on simultaneously.”

Chairwoman Hightman said, “I hate to cross examine you; I do not mean to do that. Is what you are doing through the Memorandum of Understanding, does it include the agenda that ADP has?”

Mr. Regenstein said, “Up to a point, yes. We are definitely including their agenda as part of the MOU work, but there would be certain benefits to joining the network that would go beyond even what is going on with the MOU process.”

Chairwoman Hightman said, "So, what do we need to do to help the state become a member of that network? Is it really just a matter of persuading the Governor?"

Mr. Regenstein said, "No. I do not know that that is the issue. I think the Governor's office is supportive. I think that there are some people in the K-12 community who would like a little more time to come to a place of peace on this before officially joining. But it may be that, in fact, I am underestimating the willingness. So, I think that those are discussions that are appropriately carried on between the Governor's office, the business community, the Illinois Board of Higher Education, and the State Board of Education because if all of them are, in fact, ready to participate, then there would be no reason not to join."

Chairwoman Hightman said, "Is it better to wait for the report to be done in December before we move to join that network? Is there a reason to wait?"

Mr. Regenstein said, "I do not know that there is a reason to wait. Certainly the report may be a forcing event that helps people understand the importance of the network, but if there is a willingness to join the network before the report comes out, I am sure Mike would be happy to have us."

Ms. Erwin said, "I think that a lot of the work we talked about in the legislative updates really goes to trying to take the steps to have all of the education systems working together. So, again, thanks to Elaine Johnson and Illinois College Community Board, Chris Koch and the State Board of Education. But we need to know -- this is relatively new -- it has been uncommon in Illinois for the education silos to work together. So, I think part of what Elliot is referring to is a comfort level that we are not trying to take over your turf, or we are not trying to do this or that, but that it actually is in managing those transition points that we can all improve. On behalf of the Board, and I hope the rest of the higher education community, we have a lot of work to do. We have not engaged collectively the higher education community to define what Mike Cohen just described -- what does it mean to be college and career ready? And are we ready to engage our faculties in working through what that really means? It is not just pointing at K-12 and say, well they are not preparing them. So, I hope we join the ADP network, too. But that does not mean that in higher education we can all sit back and say there is nothing we can do. We have to because of the Memorandum of Understanding, because of the P-20 bill, and many of these other things, we have to begin engaging the higher education community to answer that definitional question."

Chairwoman Hightman said, "Actually that was my next question. How does this fit, how does what you all are doing fit into the P-20 council?"

Mr. Regenstein said, "We see the P-20 council as another forum in which these issues can be worked on collaboratively. One of the things that I think we would like to do as part of the MOU process is work with that council because that may be an opportunity to build consensus across systems that -- obviously, it is wonderful to be able to go to the State Board instead of the Board of Higher Education and to talk about these issues, but if that becomes a gathering place where people can come together and set a common agenda that each of the individual Boards feels invested in, then we would want to work with that council to help it make high-quality decisions based on good research and knowledge of the policies in other states as well."

Ms. Karon said, "We have had a lot of opportunity to discuss this and particularly what you are talking about, but one of the issues is that in order to have an investment in the final product, there has got to be some dissemination, some understanding, some discussion one-to-one on what this really means. I think that terms -- and there has been enough research and there have been enough programs that have

come through -- they do not want it to be a lame duck program. Is it going to move our agenda from the standpoint of an individual school? Getting 890-some school districts to understand what that means for them is important. It is like throwing out NCLB and saying here, now you have got to do this, and they throw up their hands, and say this, too, shall pass. This is not going to pass. We need to look at it rationally. We need to look at it in terms of what that can do for not only school districts and higher education, but what it does for Illinois as a whole. How that affects and moves the agenda of economy and society as we talked about yesterday.”

Chairwoman Hightman said, “So, how quick can we expect to see results once you actually have your report issued? If the MOU process goes along as you hope it will, when do we actually see results?”

Mr. Regenstein said, “It depends on what you mean by results. As I think about the work that we are doing, first of all, we are still negotiating with a K-12 system about exactly what they want out of the study from us, but assuming that at least a piece of it is going to be comparing our current standards with the ADP benchmarks, that report will be available before the end of the year.”

Chairwoman Hightman said, “That is a report. When do we see results?”

Mr. Regenstein said, “The first result you need to see is some common agreement about what it means to be college and work ready in Illinois. Some states that we have worked with have taken a fairly slow process to do that. Some states that have done this on their own have taken up to two years. States that we have worked intensively with, we basically told them they ought to be able to get it done in a year. That is pushing them. There are a couple of states where the Governor has a particular sense of urgency and basically said to the team that they sent to us that they have six months to get the job done, and remarkably enough, while I thought that was a crazy timetable, they are getting it done.”

Chairwoman Hightman said, “And literally, changing the curriculum?”

Mr. Regenstein said, “At first, the standards, then you have to change the curriculum to follow. Another way to think about how fast things can happen, when we started this network in February of 2005, there were two states that had high school graduation requirements that kind of measured up to what we thought it needed to be. The simplest indication of this is how many states require kids to take Algebra II? In 2005 when we started this, two states required Algebra II. Now, there are 15 that require it. So, 13 states over two years have moved pretty quickly to make what is a fairly major change. Then it has to get implemented. They have adopted the policy that has to get phased in. So, in the one sense you can make the policy changes on a fairly fast tract, but you cannot get them implemented very quickly, or if you did, you would create more problems than you have solved. So, figuring out what the capacity of the system is and how fast you can do it is something that has to be taken into account as things move forward.”

Mr. Furr said, “At the June State Board presentation we talked about some of the suggestions that we would have for looking up particular areas and working with the State Superintendent to determine his priorities for review, and then at the Board retreat further work with the State Board to determine, based on his recommendations, where the State Board would like to focus its priorities. I think we are certainly hoping over the course of this next year that we can begin to solidly address some of the barriers to the P-12 and the higher education linkages, look at some of the other recommendations for including the data information system, and see even to what extent there needs to be priorities in the next budget cycle that are jointly identified for improving the state’s data system. So that work is going to be moving ahead quite quickly, and I certainly encourage, from the higher education perspective, that if there are certain priorities that you have, based on the improvement of the state’s data system, to identify those now, and

we will continue to work through those.”

Mr. Regenstein said, “I think that we share what I take to be your sense of urgency on this issue, but it is also important that the ultimate system that emerges cannot be one superimposed from above. It has to be bought into -- that the faculty and universities have to understand that this is important to them, that the K-12 schools have to understand that this is important to them, and that while you want processes that have defined end points and will lead to tangible results, there also does have to be some amount of process, because if the State Board could adopt new standards tomorrow, if people were not invested in them, they would not actually get implemented and would not change things for the kids. So, I think one of the things we want to be sensitive to is bringing a sense of urgency, recognizing that this matters very much to kids that are in the pipeline right now, but that getting people invested in it to the point that when new policies are adopted that they go out and implement them as their own, not as some mandate from the state to do it.”

Chairwoman Hightman said, “We have the same approach in the changes that we are talking about making at our level. So, we totally agree with what you just described. Representatives from all the institutions out there, we are going to need your help and want your input and your support so that we can make these changes that will improve the state of Illinois.

“Thank you all so much for your presentation, it was just great. I know Judy and the staff is working closely on the Memorandum of Understanding, and I am sure all of this is going to end up being folded in some way to our master planning process and P-20 council, so there are lots of ways that we are going to work together. We look forward to working with all the different sectors of higher education. So, thank you all very much again. We look forward to you coming back and giving us reports on results.”

9. Legislative Report

Mr. Sevenser reported on the General Assembly’s spring legislative session. The report included a summary of bills of particular interest to higher education. After his presentation, the Board made the following comments:

Mr. DeRosa said, “I just want to briefly make a comment in regards to HB1434, the third attempt by Harper College to get a baccalaureate program. I want to reiterate my appreciation of the efforts being made by schools such as Southern Illinois University and Eastern Illinois University, as well as some of the private institutions, who have actually come onto the community college campus in an effort to increase baccalaureate completion. I have spoken with many community college students who continuously tell me that they do not support this legislation because they feel that it will negatively affect the mission and focus of the community college sector. I am happy to see the efforts being made by some of these schools, and hope that other institutions will join in this trend, so that Harper can begin to give alternative options a more legitimate consideration.”

Mr. Sevenser then asked Dr. Baumgartner to give a budget update report. After his presentation, the Board had the following discussion:

Ms. Erwin said, “On the capital budget, as many of you know, there have been apparently some negotiations on this. With leaving the revenue sources aside for a moment, the Governor’s office has indicated that they are working on it with legislative leaders. I asked the budget office to send us exactly what they were talking about for higher education. The list they sent back was essentially the list that we sent them that was in the Governor’s introduced level. So, they have assured us that that is on the table

for capital on higher education. I asked them if there other things, i.e., Opportunity Returns, projects, or other things that might be member initiatives or pet projects of someone else. They are not really willing to answer that, but the good news is that the base list that we have been operating on, they have assured us, at least from the last discussions last week, that that is on the table. So, as Mike indicated, that is all we know right now. I would be remiss if I did not say that Mike Baumgartner and his staff and frankly our whole staff, and university staff as well, have given up vacations, lots of weekends -- this is August 14 -- the budget should have been done May 31. So, people have literally been on call. We get calls in the middle of the night sometimes from the budget office asking for data. So, I want to certainly thank Mike and everyone else for your patience in this. As I indicated earlier, we will do our best job to get you the information just as soon as we have it."

Dr. Rutman said, "As I understand, is it two percent increase for salaries for faculty?"

Dr. Baumgartner said, "It is a two percent increase on the base appropriations, which is going into the salary line."

Dr. Rutman said, "Given what we discussed this morning about losing good faculty, do the institutions have from internal funds the ability to increase that?"

Dr. Baumgartner said, "I would have to defer to them."

Dr. Al Bowman said, "Yes, we could not keep people otherwise."

Ms. Erwin said, "So, the income funds that are the funds that universities retain from tuition, they are having to rely much more heavily on those funds because state and federal contributions have been going down. So, it is, in a nutshell, why tuition has had to go up to retain the competitiveness of our faculties."

Chairwoman Hightman said, "So, they do not necessarily give two percent increases to their faculty in other words."

Ms. Erwin said, "Correct. The state contribution is two percent."

Dr. Rutman said, "Do you have any idea, Al, what Illinois State University is going to give this year?"

Dr. Bowman said, "Generally, in the three percent range."

Dr. Al Goldfarb said, "Most of the negotiated contracts in the state are three to three and one-half percent, so we wind up making up the difference."

Dr. Rutman said, "When you do a three to three-and-one-half percent average, do you just take care of the better faculty? It is not across the board, three percent?"

Dr. Bowman said, "No, it is not across the board. Many of us are doing a mid-year process to try to catch faculty up so their salaries are closer to the national median for our peer group."

Dr. Rutman said, "Thank you."

Mr. McNeil said, "If I am reading the approved budget correctly, there is no funding for MAP-

Plus next year, is that right?"

Dr. Baumgartner said, "That is correct."

Ms. Dearborn said, "I am concerned. I am looking at the budget and it says, in the Governor's changes to the budget for the Silas Purnell grant, there was \$200,000. The General Assembly took that away. Is that correct?"

Dr. Baumgartner said, "It was a \$200,000 increase recommended in the Governor's budget and it is not included in the budget that passed the General Assembly. The program still exists, but there is no increase budgeted for it."

Ms. Dearborn said, "Now, given what we have been talking about and for those of you who do not know, the Silas Purnell grant is for first-time students that have Expected Family Contributions of zero. Would it behoove us to advocate for this grant because these are the people that we are trying to reach that have the least resources and, a lot of times, they are first generation or underrepresented populations?"

Dr. Baumgartner said, "We did include the \$200,000 increase that is in the Governor's budget in the Board's recommendations. That is something that this Board has advocated. If you think it should be advocated at a higher level, that is the Board's decision."

Chairwoman Hightman said, "So, the answer is yes, we did advocate for it; we just did not prevail. Let us have that as an item that we can look into and have further discussion on later. I think it is important."

10. New Units of Instruction at Public Community Colleges

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

Chairwoman Hightman said, "I have one question regarding the Lake Land item. On the accreditation issue, it says the associate degree program is not a certification program -- there is no accreditation or licensure needed for graduation or for acquiring a job in this field. Then it goes on to say that you can get your certification or licensure by the fire department once you become employed. So, either you do need a certificate or you do not?"

Dr. Alexander said, "I believe the distinction there is that there is no accreditation for the program itself. Now, I am not familiar -- for individual firefighters who go into the field, I assume there are certifications that the individual can receive for themselves, but are not tied to the program itself."

Chairwoman Hightman said, "When I have been reading this, I thought usually it was for the individual. The question is, whether the program has the right accreditation so that the individual comes out with the proper certification."

Dr. Alexander said, "Correct. Our concern is whether the program itself requires accreditation. We work at the level of the program."

Chairwoman Hightman said, "Which is a separate issue from whether the person performing in the field after they are done needs a certificate or license."

Dr. Alexander said, "Correct. Often, in order to sit for qualifying examinations and some disciplines, you must be a graduate of an accredited program. But again, our concern is with the program."

Chairwoman Hightman said, "I have another question relating to operating under temporary status. Is it common to operate under a temporary status for so many years?"

Dr. Alexander said, "Yes, the community colleges have an orderly procedure for colleges to do that. It is the functional equivalent, as I understand it, of four-year institutions developing minors, which often then, after approving their worth, are submitted then for full program status."

The Illinois Board of Higher Education, on motion made by Dr. Nandi and seconded by Mr. Alongi, unanimously granted authority to Elgin Community College to offer the Associate of Applied Science (A.A.S.) in Radiography/Radiologic Technology.

And granted authority to Lake Land College to offer the Associate of Applied Science (A.A.S.) in Fire Service Technology.

And granted authority to Lewis and Clark Community College to offer the Associate of Applied Science (A.A.S.) in Electrical Journeyman.

And granted authority to South Suburban College to offer the Associate of Applied Science (A.A.S.) in Fitness Professional.

And granted authority to Waubensee Community College to offer the Associate of Applied Science (A.A.S.) in Emergency Medical Technician-Paramedic.

And granted authority to William Rainey Harper College to offer the Associate of Applied Science (A.A.S.) in Environmental Health; the Associate of Applied Science (A.A.S.) in Occupational Health and Safety; and the Associate of Applied Science (A.A.S.) in Forensic Science.

Authorization to grant the programs identified above is 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.

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

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

Dr. Hayes said, "I have a question about Brown Mackie College - Moline and about its accreditation. It is not accredited by North Central, which most of our institutions are, and I just do not have any information about the Accrediting Council of Independent Colleges. Is that a national organization?"

Dr. Alexander said, "Yes it is, and it is sanctioned by the Department of Education and the Council of Higher Education Accreditation."

Chairwoman Hightman said, "So it would be good enough under the rules we talked about yesterday?"

Dr. Alexander said, “Yes.”

Dr. Woodward said, “Kaplan University -- under the description of Bachelor of Science in Management -- the first sentence indicates that the degree is for students who wish to continue their study beyond the baccalaureate level. It sounds like a contradiction or a typo.”

Dr. Alexander said, “You raised that question with me and as I read it again, I believe our language is not as good as it should be. The program is an undergraduate program, but it is designed, as I understand it, to provide the student with the foundation to go if they so choose. So, I apologize. Our language is misleading there.”

The Illinois Board of Higher Education, on motion made by Dr. Carroll and seconded by Dr. Washington, unanimously granted to Argosy University - Chicago Campus Authorization to Grant the Master of Science in Management in Region 10, The Chicago Region and Argosy University - Schaumburg Campus Authorization to Grant the Master of Science in Management in Region 3, 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 Benedictine University Authorization to Grant the Bachelor of Science in Nursing off-campus in Region 5, The Central 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 Brown Mackie College – Moline the Certificate of Approval and Authorization to Operate in Region 4, The Western Region and further grants Authorization to Grant the Associate of Applied Science in Accounting Technology, the Associate of Applied Science in Business Management, and the Associate of Applied Science in Medical Assisting, 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 Computer Systems Institute Authorization to Grant the Associate of Applied Science in Health Information Technology, 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 Coyne American Institute Authorization to Grant the Associate of Applied Science in Electrical Construction and Supervision, 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 Illinois Institute of Art – Chicago Authorization to Grant the Associate of Applied Science in Hospitality Management, 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 Kaplan University Authorization to Grant the Associate of Applied Science in Business Administration / Accounting, the Associate of Applied Science in Business Administration / Management, the Bachelor of Science in Business, the Bachelor of Science in Management, the Master of Science in Management, and the Master of 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.

And granted to Lewis University Authorization to Grant the Bachelor of Arts in Fire Service Administration off-campus in Region 10, The Chicago Region, and Region 3, The 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 these authorizations are granted.

And granted to Millikin University Authorization to Grant the Bachelor of Science in Early Childhood in Region 5, The Central 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 Master of Business Administration and the Master of Information Systems in Region 5, The Central Region, and Region 1, The 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 this authorization is granted.

12. 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:

Dr. Minogue said, "Do we have to approve centers of universities?"

Dr. Alexander said, "We do."

Dr. Minogue said, "Because we tie funding to those?"

Dr. Alexander said, "They are included in the statute in the description of the types of academic programs that require your approval."

Chairwoman Hightman said, "I wondered the same thing when I first read it."

Dr. Rutman said, "We have to approve centers and institutes, but not offices."

Dr. Alexander said, "Right. I check that myself periodically."

Dr. Minogue said, "Does that have financial implications for allocation of state funds? You are going to make this one on grants; you are not going to make it on tuition."

Dr. Alexander said, "The assumption is that the centers are able to survive on their ability to bring in funding."

Dr. Minogue said, "OK."

The Illinois Board of Higher Education, on motion made by Ms. Sloan and seconded by Dr. Woodward, unanimously granted to the University of Illinois at Chicago Authorization to Grant the following degrees in Region 10, the Chicago Region:

- Master of Energy Engineering

- Doctor of Philosophy in Learning Sciences
- Master of Education in Youth Development
- Master of Education in Measurement, Evaluation, Statistics, and Assessment

This recommendation is made subject to the institution's maintenance of the conditions that were presented in its applications and that form the basis upon which these authorizations are granted.

And granted to the University of Illinois at Chicago, 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:

- Center for Botanical Dietary Supplements Research
- Center for Magnetic Resonance Research

And granted to the University of Illinois at Urbana-Champaign Authorization to Grant the following degrees in Region 7, the Prairie Region:

- Bachelor of Science in Liberal Arts and Sciences in Atmospheric Sciences
- Master of Science in Ecology, Evolution, and Conservation Biology
- Doctor of Philosophy in Ecology, Evolution and Conservation Biology

This recommendation is made subject to the institution's maintenance of the conditions that were presented in its applications and that form the basis upon which these authorizations are granted.

And granted to the University of Illinois at Urbana-Champaign Authorization to Grant the following degree in Region 3, the West Suburban Region:

- Doctorate of Education in Educational Organization and Leadership

This recommendation is made subject to the institution's maintenance of the conditions that were presented in its applications and that form the basis upon which these authorizations are granted.

And granted to the Southern Illinois University Carbondale Authorization to Grant the following degree in Region 9, the Southern Region:

- Master of Science and Master of Engineering in Biomedical Engineering

This recommendation is made subject to the institution's maintenance of the conditions that were presented in its applications and that form the basis upon which these authorizations are granted.

13. Public University Noninstructional Project Approval

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

Chairwoman Hightman said, "Did they just not realize back then that they needed it?"

Dr. Baumgartner said, "They were still working on the price for these particular parcels at that time."

The Illinois Board of Higher Education, on motion made by Dr. Washington and seconded by Dr. Hayes, unanimously approved the noninstructional capital project included in this item0.

14. No Child Left Behind Act: Improving Teacher Quality State Grant Program Fiscal Year 2007 Grant Allocation - Phase II

Ms. Debbie Meisner-Bertauski briefly outlined the contents of this item. After her presentation, the Board had the following discussion:

Ms. Erwin said, "We are asking for your authorization, although the appropriation for them is federal funding, will be released whenever the budget is approved. Without this authorization, we would have to bring this back to the Board, and you actually cannot spend the money until you approve them. So, since it is federal money, we know the dollar amount is not going to change, so we are confident in our action today."

Dr. Carroll said, "I think when this was presented at the March meeting, I had a question about Chicago State. What was the answer?"

Ms. Meisner-Bertauski said, "We sent you information on that and with the review from the external evaluators, it was determined that these are not entitlement grants. Chicago State has received a grant this time and part of that is to prepare for the institutionalization of the chemistry, biology, and physics labs that they have. So, part of the requirement is that each application have a plan for institutionalization and provide evidence thereof."

Dr. Carroll said, "That was not my question. I know that it is not an entitlement grant. I think the discussion was that they had not submitted one and they had. Was that clarified?"

Ms. Erwin said, "It was a little confusing this year, and I appreciate that because there were two rounds. Normally, it is done in one. So, your question at the last Board meeting was asking why hadn't this grant been approved, and at that point, we were still devising and working on a new rubric with external evaluators. We explained that most of the money had not been allocated in that first round. Now this is the second round. That particular grant has been approved."

Ms. Meisner-Bertauski said, "This is not unique to us. The State Board of Education also went with two rounds for their No Child Left Behind this time. They had a Phase I and a Phase II, and as you heard from, I believe Proshanta's presentation, they just approved their second round also."

Chairwoman Hightman said, "So, I think the long and the short of it is the request you were asking about is actually being approved in this item today."

Dr. Minogue said, "This is a bad idea because it involves work, but along with the grants for innovation, it would be really cool, especially as they develop some good curriculum for some of this stuff, that there is a common website where this stuff shows up, if the state would think about putting that up and would help a little bit with all of the presentations we heard earlier today about starting to get some stuff out there that would help people build the pipeline much better."

Ms. Meisner-Bertauski said, "That is exactly what we are trying to do. How can we utilize these grants to move forward the state agenda?"

Chairwoman Hightman said, "In order to meet our schedule of finishing at noon, what I would

like to do is hold off the discussion of this issue for the next meeting. We can talk about data and availability. I do not want to cut anybody off, but I think people are planning on our meeting being over at noon, and I think it is important to respect people's calendars."

The Illinois Board of Higher Education, on motion made by Dr. Rutman and seconded by Dr. Hayes, hereby allocates Fiscal Year 2007 Phase II grants totaling \$1,694,245 for the No Child Left Behind - Improving Teacher Quality State Grant Program to the institutions specified and in the amounts shown in Table 2.

15. Higher Education Cooperation Act, Innovation Grants, Fiscal Year 2008 Grant Allocations

Ms. Erwin said, "We are not bringing this item to you because there is no state budget."

16. Adopted Amendments to Rules: Appropriation Transfers

Ms. Erwin said, "Item 16 updates language that referred to the Board of Governors and the Board of Regents, and it is basically updating the language on appropriations transfers."

The Illinois Board of Higher Education, on motion made by Dr. Woodward and seconded by Mr. Alongi, hereby adopts the amendments for Appropriation Transfers (23 Ill. Adm. Code 1060) as detailed in the attached document.

17. Update on Diversifying Higher Education Faculty In Illinois Program

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

Chairwoman Hightman said, "Terry, I want to make sure that you give responses to the Board members to their questions from the June Board meeting. My goal is to have a discussion and an action item on the agenda for the next Board meeting in October related to DFI. I want to keep the process going, and the improvements going, and the changes going to better enable you to do what your new role requires."

18. Fiscal Year 2008 Appropriations for Higher Education, General Assembly Action

This item was not discussed due to there being no state budget.

19. Report on The Commission For School Leader Preparation Report, School Leader Preparation: *A Blueprint For Change*

Ms. Erwin said, "Included in the packet is an update on this school leadership report, and as Don indicated, there is a resolution that moves this forward. Actually Steve Tozer was here from the University of Illinois at Chicago, who has been very helpful on this as has the SAELP at ISU. So the school leadership, particularly with ISU's staff and UIC, is moving along, and there will be a new task force on school leadership."

20. Other Matters/Public Comment Period

There being no further business to come before the Board, Chairwoman Hightman adjourned the meeting at 12:00 noon.

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 August 14, 2007 meeting.

Illinois Board of Higher Education
August 14, 2007

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

The Student Advisory Committee met this past weekend at Joliet Junior College. Turnout for the weekend was relatively good considering it was one of our summer meetings. During our weekend, we had strategic planning for the entire committee to see what direction and issues our members want to discuss in the upcoming new school year.

Some of the issues the Student Advisory Committee will be discussing recommendations for priorities of the state budget, whenever that becomes available. We will focus our discussions on capital projects and deferred maintenance, allocation of fees, increase in need-based financial aid, as well as increase in aid for students who do not qualify as need-based, and increases in Merit Scholarships. We also would like to see state and university budgets be prioritized towards academics and believe in spending smarter, and not harder.

With the additional sale and restructuring of the ISAC student loan portfolio, it is our desire to see all of these funds remain in higher education and we hope that the new funds are not used primarily for general revenue funds.

Textbooks continue to be an issue of affordability for students that the SAC will continue to encourage advocacy on the local level to have lower textbook costs based on past recommendations from the BHE and the Student Advisory Committee. Full participation for universities in CAS, transferability with IAI, and more advisors on campus are other issues we are interested in helping students transfer to four-year institutions. In addition, we are interested in looking at the status of underrepresented groups in higher education and reviewing existing degree programs at public institutions.

Mental Health and Campus Safety for students is something the SAC will continue to look at in the coming year and continue its work with the state of Illinois. We will also continue to examine legislative issues through the veto session and next year's spring session. Our group is also concerned about faculty retention in regards to Illinois institutions being competitive with out of state schools due to budgetary constraints. We also want to look at BA completion as well as improving the rates underrepresented groups attend our universities and colleges. Accountability is something else the SAC is interested in increasing for all universities; for example, where the extra money in student fees is spent.

The year-end report is finished, but due to software problems, we were unable to print the report for everyone to have, so Linda will be sending a copy of the report to everyone following today's meeting.

Finally, I would like to congratulate Ashley Dearborn in her new position as Non-Traditional Student Board Member. Ashley has served for the past two years as the Student Commissioner for ISAC and I am confident she will do an excellent job representing all students in Illinois on the Board.

I look forward to further discussing some of these issues in the luncheon that we have arranged following the meeting today and wanted to thank all of the Board members for taking the time to meet with some of the SAC members today.

As always, we invite Board members to attend our next meeting, which will be September 29-30 at DePaul University.

Respectfully submitted,
Jason Wallace
Chair, IBHE-SAC

Agenda for luncheon:

Some of the issues we discussed last year with the BHE are just as pertinent now as it was a year ago. These include: textbooks, the rising cost of tuition at all universities and community colleges, and the IVG and ING underfunded programs.

New issues that the SAC has discussed in the past year that we could spend time discussing are student loans and debt issues, campus safety, student mental health issues, Master planning, and the alignment of Illinois education issues as P-20.

Finally, as I mentioned during our meeting last week, the SAC will be doing strategic planning at our meeting on the 11th and 12th and discussing what issues the entire committee wants to address for the next year. Depending on what each sub-committee comes up with that could bring new issues for our discussion with the Board. The sub-committees are Academic, Non-Academic (legislative), Budget, Access & Diversity, and Special Operations (this will at least include discussion on working with other education organizations in Illinois, our partnership with the FAC is one example of this).

Remarks of Terry Bruce,
Chief Executive Officer
Illinois Eastern Community Colleges
President of the Illinois Council of Community College Presidents
August 14th, 2007

Chairwoman Hightman, Members of the Board of Higher Education, Executive Director Erwin,
Thank you for allowing me to address the IBHE. This is my first time to address the Board as President of the Council of Community College Presidents, but I have attended and participated in Board proceedings many times before.

My report will be brief and cover 5 points.

1. Fall enrollment at the community colleges throughout the state appears to be steady to increasing. This enrollment growth can only lead to a better educated and productive Illinois.
2. The General Assembly has passed a budget. Community Colleges appreciate the support of the IBHE and ICCB in securing funding for our system. It appears that \$7.2 million has been appropriated to fund veteran's grants, \$7 million in additional funding is available, and \$750,000 has been added for 4 colleges to operate programs on college readiness. A capital plan was briefly discussed and many community colleges and universities hope that any differences that exist between the leadership in Springfield can be resolved and we can have a capital program.
3. Community Colleges continue to provide leadership in regional economic development and I would like to report on efforts in my area of Illinois. President Glen Poshard and SIU have been working with the Presidents of Shawnee, Southeastern, Wabash, Frontier, John A Logan and Rend Lake community colleges to develop a 20 county regional plan. I Co-Chair the Greater Wabash area. The group is called Connect Southern Illinois and we have been working for over a year and have made substantial progress in developing a list of assets and potential growth areas for development. Last week, through the efforts and leadership of the 20 county region, six smaller communities were chosen to have high speed connections available to all citizens in the communities involved. High speed internet connections and other programs can help spur economic development and I want the Board to know that universities and community colleges are the leaders in this particular effort. The cooperation has been astounding.
4. The passage of *HJR 69 Master Plan for Education* means that Illinois will have a chance to set an agenda for the future of the state. The community college system should be closely involved and consulted on the master plan and its final report. By reviewing and changing our existing quality higher education system, Illinois will certainly improve the outlook for the future of our state. The announcement this week of the placement of the new supercomputing center at the University of Illinois indicates that Illinois continues to be a higher education leader because of the state's commitment to education.
5. Finally, I want to express the appreciation of the Council of Presidents for Chairwoman Hightman's appearance before the Council. Her attention to the needs of community colleges and the students that attend them is noted by all of the Presidents. We look forward to more meetings with the Chairwoman.

**The Private College and University Advisory Committee Remarks to the Illinois
Board of Higher Education, August 14, 2007**

Presented by
David Tretter
President
The Federation of Independent Illinois Colleges and Universities

Chairwoman Hightman, distinguished board members and staff:

On behalf of the states private not-for-profit private colleges and university I would like to first thank the executive director and board staff for their extraordinary efforts during this protracted legislative session, and also for the dissemination of timely information. I have spotted staff roaming the halls of the state capitol, so I know their workdays have often extended into the evening hours.

Secondly, I look forward to the presentation in Agenda Item #8, the Illinois College and Work Readiness Partnership. The independent colleges and universities have and will play a pivotal role in sustaining and improving the K-12 link with higher education. It is our expectation that this important initiative will not only improve the educational pipeline, but will draw increased public and legislative attention to the exponential societal benefits realized by the state making a strategic investment within higher education.

Lastly, and related to making higher education a priority, I was encouraged to see that funding appears to be included in the FY 2008 budget for a re-energized master planning initiative. Not only do we believe that this is an important and appropriate function for the coordinating board to be engaged in, we also recognize that this planning is necessary to chart the course for higher education in our state for the next 20 years.

The importance of this exercise should not be taken lightly. Some of you in attendance will remember the *McConnell Report - The Commission to Study Non-Public Higher Education in Illinois, 1969-70*. The commission, headed by T. R. McConnell, was asked to do an independent study of the role of private institutions. Armed with the results of the study, private institutions went to the Legislature and asked for need-based financial aid programs and capitation grants to subsidize Illinois students attending private institutions. They also asked that the state use capacity in the private sector instead of starting new programs in public institutions. In return the institutions agreed they should be involved in IBHE master planning. Despite occasional differences of opinion between public and private institutions, the adversarial relationships that are common in many states never developed in Illinois.

The decisions made in the 1960s to use the capacity of private colleges and universities rather than building new four-year institutions-and to create a statewide system of community colleges to accommodate most of the increases in new students at the lower-division level-are important legacies that contribute to the shape of contemporary Illinois higher education. Both decisions have produced substantial benefits for the state. Our hope is that a similar wide-angle lens be used as we look to improve the educational options for Illinois citizens.

Thank you for your time.