

MINUTES – BOARD MEETING
January 27, 2009

Submitted for: Action.

Summary: Minutes of the January 27, 2009, meeting of the Board of Higher Education held at the President Abraham Lincoln Hotel & Conference Center, Springfield, Illinois.

Action Requested: That the Board of Higher Education approve the Minutes of the January 27, 2009, meeting.

STATE OF ILLINOIS
BOARD OF HIGHER EDUCATION

MINUTES - BOARD MEETING
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A meeting of the Illinois Board of Higher Education was called to order at 9:05 a.m. in Salons A and B, First Floor of the Abraham Lincoln Hotel & Conference Center, Springfield, Illinois, on January 27, 2009.

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

The following Board members were present:

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| Jay D. Bergman | John P. Minogue |
| Frances G. Carroll | Robert J. Ruiz |
| Ashley Dearborn | Jerry Thor |
| Alice B. Hayes | Elmer L. Washington |
| Donald J. McNeil | Addison E. Woodward, Jr. |

Also present by invitation of the Board were:

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

Presidents and Chancellors

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| Sharon Hahs | John Peters |
| Elaine Maimon | Frank Pogue |
| William Perry | |

Advisory Committee Chairpersons

John Bennett, Faculty Advisory Council
Bob Mees, Community College Presidents Council
Jerry Dill, Proprietary Advisory Committee
William Obuchowski, Student Advisory Committee
Dave Tretter, Private College and University Advisory Committee

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

Chairwoman Hightman called the meeting to order.

2. Announcements and Remarks, Carrie J. Hightman

Chairwoman Hightman said, "Good morning and welcome to the January meeting of the Illinois Board of Higher Education, and Happy New Year. I think the scheduling of this meeting worked out very well considering the work we have to do and where we are in the process.

"I was hoping to meet Paula Allen-Meares today, the new Chancellor at the University of Illinois at Chicago, but she was unexpectedly called away. We want to welcome her back to the state, and hopefully, we will see her at the next Board meeting.

"I also want to welcome our guests and featured speakers for today from John A. Logan College: President Mees, Dean Minnis, and Associate Dean Pulley. They will be speaking on behalf of the Council of Community College Presidents and will be addressing a very timely topic in these stressful economic times: how community colleges are responding to workforce preparedness and economic development in our state. A welcome goes out as well to all of the other community college presidents who are here today.

"Let me set the stage for the important discussions ahead of us this morning: first, the exciting but challenging task of implementing the Public Agenda for College and Career Success, and second, the equally significant and challenging endeavor of setting a course for deliberation of the fiscal year 2010 budget.

"I want to point out that the budget recommendations that we will act on this morning employ the same investment level approach that we inaugurated last year, which provides a menu of steps that demonstrate what various investments in higher education will yield in meeting the four goals of the Public Agenda.

"We believe this approach proved very effective and popular with legislators last year, and indeed, was the basis for the budget that passed the House last spring. As you know, the budget proposes options based on available revenues. The Board does not have a role in determining what level of spending is available for state services and programs -- that is the job of the General Assembly. However, it is our responsibility to advise our elected leaders on how dollars allocated to higher education can best be spent and what benefits they produce, and we will advocate for the highest level of investment that the state can afford for the next fiscal year.

"Second, we all know the economy -- both national and state -- is in peril. State revenues are projected to be one-half billion dollars less this fiscal year than in fiscal year 2008. The state is significantly delinquent in paying its bills to human service providers and vendors. Public universities and community colleges were asked to set aside 2½ percent of this year's appropriations to assist in closing the revenue shortfall. There appears to be little relief in sight -- even the massive stimulus package proposed by President Obama, if enacted, will take some time to have a major impact on the state's resources.

"In recognition of these grim circumstances, the budget we have before us today includes two levels of investment that would represent reductions in funding for higher education in fiscal year 2010. A third option would keep fiscal year 2010 appropriations at the level of the fiscal year 2009 enacted budget. These are not steps we advocate for, but we present them in the

budget recommendations to illustrate the consequences of continuing to underfund higher education.

“Some wise words from President John F. Kennedy speak to the economic crisis facing the nation, the State of Illinois, and higher education today. He said: ‘The Chinese use two brush strokes to write the word ‘crisis.’ One brush stroke stands for danger, the other for opportunity. In a crisis, be aware of the danger, but recognize the opportunity.’

“So, I think we can view this as an ‘opportunity budget,’ one that not only is realistic about the fiscal crisis we face, but one that also offers tangible solutions to help Illinois dig out from the financial morass we are in. These recommendations include: reallocate resources to boost affordability, retraining, and access; fund the ‘core capacity’ at public universities and community colleges that relates to academic quality and affordability; increase funding for adult education programs; raise funding for the need-based Monetary Award Program; and fund grants that address needs identified in the Public Agenda.

“Steps 4, 5, and 6 in our budget recommendation would more effectively begin the vital task of closing the prosperity gap that exists in Illinois today. Investments at these levels will pay dividends in increased educational attainment, improved affordability, greater production of college credentials in needed fields, and stronger links between the state’s research capacity and economic development.

“Without greater investments, we will inhibit the ability of our colleges and universities to be a part of the solution to our current fiscal exigency, and postpone the urgent need to tackle the significant educational and economic challenges facing the state and its residents.

“There is one piece of encouraging news on the budget front, and that is the federal proposals for higher education included in the economic stimulus package under discussion. They utilized a similar premise that the national crisis should become a national opportunity for change towards economic recovery. President Obama and the Congress are discussing a significant stimulus package that will address college affordability, capital grants for colleges’ and universities’ infrastructure, and research and development funds. We may find ourselves in an enviable position of having a framework -- our Public Agenda -- from which to gear up for administering an infusion of federal funds for students and bricks and mortar, alike.

“While I do not want to underestimate the severity of the fiscal challenges ahead or to sound Pollyannaish about the struggles we face, I urge us to look at our budget recommendations through ‘opportunity-colored’ glasses.

“Let me turn more specifically to the other major item before us this morning -- implementation of the Public Agenda for College and Career Success. We had an extensive discussion about what was going to happen next at our last meeting after we approved the Public Agenda. What we are going to hear this morning is a more detailed presentation, but I want to highlight some of the more important features of the Public Agenda implementation that will confront us sooner rather than later.

“The plan the staff laid out for consideration is basically broken into two parts: the first regards fundamental or ‘foundational’ issues that affect all aspects and all goals of the implementation process, including aligning Board organization and operations with the Public Agenda, a P-20 student data system, and a communications plan. Again, we will discuss this in more detail later, but I believe it is important for us, as a Board, to have in place by our April

meeting, procedures and organizational structures that will assist us in focusing our deliberations and actions on the Public Agenda. Also, some of these matters are already underway -- legislation has been drafted to develop a comprehensive data system, and Judy and other staff have already begun to reach out to various constituencies to explain the Public Agenda and engender support.

“The other important aspect of what is going to be presented to you today is that the Plan contains specific action steps and a timeline -- a ‘to-do’ list -- for the various goals and of the Public Agenda that includes the what, why, who, and when for each of the action steps.

“The implementation plan will be broken down into different phases concurrent with the fiscal years during which we are going to be acting, leading up to the review in five years. So, it gives us both a mechanism to set priorities and a long-range view of how the implementation will unfold over the next five years.

“In addition, the staff has prepared a detailed matrix that we have distributed to the Board, which contains all goals, strategies, and action steps contained in the Public Agenda document, and where possible, those partners who will help with implementation. This is a draft document, and it is probably a living document that will change over time as we move forward. The IBHE staff will consult and strategize with our sister agencies, with colleges and universities, and with all the other stakeholders we have worked with all along to flesh out this important implementation process. Compiling this matrix was a herculean effort, particularly given the short time frame and my strong demands that we get this before the Board at this meeting. So, I personally want to thank everybody on staff that worked so hard to put the matrix together: Judy, Mike, Don, and others. I also want to mention the Illinois Community College Board and the Illinois Student Assistance Commission. Andy Davis has worked with Judy and others, and they have contributed to preparing this implementation plan.”

3. Remarks by Judy Erwin, Executive Director

Ms. Erwin said: “I would like to welcome a number of folks who are here from our sister agencies. As the Chairwoman indicated, we cannot do what we do were it not for the close working relationship with the Illinois Student Assistance Commission, Andy Davis and his staff, as well as Geoff Obrzut at the Illinois Community College Board and his staff. Thank you so much for all that you do. I would like the Illinois Board of Higher Education staff to be recognized as well. Thank you.

“Indeed, there is a lot on our plate, and Madam Chairwoman, we ask a lot. These are demanding times. The administrative budgets of all of our agencies have been reduced, and yet, we are compelled to have to get more out of our agencies than ever before.

“You mentioned the Public Agenda -- we will be talking about that. You should know that this is the very early stages of implementation. I think we have made some people a little nervous that we have the implementation plan worked out, and we have not talked with them yet. As the Chairwoman indicated, we are working and will work with everyone on these goals. Nothing will be accomplished if we do not work through all of the various issues. So, please be assured that we are not getting ahead of the game on that. Actually, I have already sent the matrix to the sister education agencies, and we will be meeting in more detail with that. The Public Agenda is undergoing a graphical reincarnation under the guidance of Don Severer, Candace Mueller, and a graphic artist. We hope to have that printed in an executive summary, as well. We have many plans coming up for meeting with legislators. There is an education caucus

of the legislature that has asked us to present this, and in each of these cases, we will be working again with the Illinois Student Assistance Commission, the Illinois Community College Board, and the Illinois State Board of Education.

“We are working with the newly installed General Assembly -- the new Senate President, John Cullerton; the new Senate Republican Leader, Senator Christine Radogno; House Republican Leader, Representative Tom Cross; and Speaker Madigan. It is more urgent today than ever because of the political dysfunction in the state, and so, we are fortunate that there are many people in this room who have close working relationships with Lieutenant Governor Pat Quinn, and he is fortunate to have a keen adviser in Don McNeil on our Board. I have reached out to him and to other folks who are helping with the transition to make sure they know that all of us stand ready to assist in any way possible. Before the last General Assembly left, however, they were kind enough to pass the academic fees bill, which will charge a fee to out-of-state and for-profit institutions for academic program approval applications. That is under review in the Governor’s office, and we hope to get that signed soon. We will then, with our attorney Bill Feurer, work on the development of rules to go to the Joint Committee on Administrative Rules. This is not the answer to all the budget problems, but at this point, anything will truly help.”

Dr. Hayes said, “Is there assurance that the fees will be returned to the Board?”

Ms. Erwin said, “The way the bill is written, yes. The problem has been in the current administration that they have been doing fund sweeps. That has been legally challenged, however. But the bill is written so that it would come back. It is our intention to create the fund in our agency. The need could not be more pronounced. Our new Deputy Director for Academic Affairs and Student Success, Dr. Dianne Bazell, comes to us just at the time when there is an increase in the volume and complexity of the program approvals. Our staff is tied up, very frequently, with very complex technical problems, which has created a slowdown. When doing an application on our website, you will see an automatic e-mail that says something like, ‘due to the volume and complexity, we are experiencing delays.’ It has always been our goal to have programs go through the process within six to nine months. I am concerned that we get it right. We cannot ensure quality for students in this state unless the time is taken to ensure that.

“The new rules have expedited procedures, particularly for public institutions and institutions with which we have vast experience. Most of the privates have been around long enough and are even grandfathered in under our Act. It is the brand new ones into the state and the new offerings that are a challenge, but as the Chairwoman said, it is also an opportunity for students to have greater choice.

“Besides the fees bill, the General Assembly, under President Cullerton’s guidance, is currently very focused on a capital bill. Our staff has worked very closely to provide the ‘shovel-ready’ projects that are ready to go, and we have not had a capital bill in so long that there are plenty. This bill also includes private colleges and universities. Dave Tretter, President of the Federation of Independent Colleges and Universities and Dr. Chuck Middleton, President of Roosevelt University, are working with their members on the methodology for distribution of those dollars, as well.

“The data system -- if your institutions have not gotten information about the data system, let us know. That is in a review stage.

“The dual credit task force -- we will be working on implementation for that, particularly with the Community College Board.

“Representative Dave Miller has an innovative program which is a national best practice that he has introduced entitled, ‘Illinois 21st Century Scholars.’ It is an early intervention for low-income students, wherein they agree to take a more rigorous high school curriculum, agree to stay out of trouble, apply to college, and complete a Free Application for Federal Student Aid (FAFSA). I think the Chicago Public Schools are leading this, and if I am not mistaken, have talked to the Illinois Student Assistance Commission about it. It is not quite worked out in terms of what the Monetary Award Program Grant would be, but these are all students who qualify in the first place, but it gets at the lack of academic preparation. In other states the data show that these students outperform low-income students and outperform the average of all college students.

“The Diversifying Faculty in Illinois (DFI) program -- thanks to Terry Nunn, with the help of Richard Tapia on our staff, has worked through all the applications. The state was very late in terms of refunding the colleges for that, but they are working on it, and with the new application, hopefully, the money will be there.

“We all join everyone in Illinois in rejoicing for having one of our own be the President of the United States, and I am particularly excited that we have a really good working relationship with Arne Duncan, who was selected to be the United States Secretary of Education. I have talked with Arne Duncan, and the good news is that he is looking to us to be a good sounding board on higher education issues. We are very excited about that, and appreciate all of your help and guidance throughout this year.”

4. Resolution Honoring Gilbert L. Rutman

Dr. Carroll read the following resolution:

We, the Members of the Illinois Board of Higher Education, honor and celebrate the life and public service of our colleague, Gilbert L. Rutman.

Gil Rutman served faithfully and with great distinction on the Illinois Board of Higher Education for the past six years. He brought to the Board his long and distinguished career as an economist and emeritus professor at Southern Illinois University Edwardsville, and a passionate but reasoned advocacy for faculty and students.

He began his educational service with the students of Illinois four decades ago, joining the SIUE business division faculty in 1969. He chaired the Department of Economics at SIUE from 1979 through 1986 when he became the director of the university’s Center for Economic Education, a post he held until 1999.

Professor Rutman’s family and career lives both serve as a tribute to the higher education community at the SIU Edwardsville campus where his late wife, Valerie Meyer, was an emeriti professor of curriculum and instruction, and one of his sons, the late Andrew Rutman, received both a bachelor’s and master’s degree in economics. Gil was a member of the SIUE Foundation Board and the 1998 recipient of the Great Teacher Award from the SIUE Alumni Association, a vote taken by former students.

With specialties in economic development, regional and urban economics, and manpower issues, Gil earned an associate’s degree in liberal arts, a bachelor’s degree in economics, and a

master's in economics, all at Boston University. He earned a doctorate in economics at Duke University in 1965. He also was a visiting fellow at Rhodes University in South Africa in 1965.

From 1956 to 1959, after his baccalaureate graduation, Gil served in the U.S. Air Force where he became a first lieutenant and later a captain in the USAF Reserve.

Gil's tenure on the Illinois Board of Higher Education coincided with one of the most challenging eras for colleges and universities in a generation. Through the difficult economic times, he was a voice urging equitable funding for higher education, affordability for students, and accountability for the institutions that served them.

The Illinois Board of Higher Education valued Gil Rutman's tireless commitment to serving the college students of Illinois as a member of the Board, even while in his retirement years, and wishes to express gratitude to his family and colleagues at Southern Illinois University Edwardsville who supported Gil in his worthwhile endeavors to contribute to the mission of Illinois higher education.

5. Board Meeting Minutes - January 27, 2009

The Illinois Board of Higher Education, on motion made by Dr. Woodward and seconded by Dr. Carroll, unanimously approved the minutes of the December 9, 2008, meeting.

6. Financial Report

The Illinois Board of Higher Education, on motion made by Mr. Ruiz and seconded by Ms. Dearborn, unanimously approved an update on expenditures and obligations from the fiscal year 2009 appropriations to the Illinois Board of Higher Education as of December 31, 2008.

7. Advisory Committee Reports

John Bennett, representing the Faculty Advisory Council, 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 (see attached). There was no discussion following his report.

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

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

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

8. Presentation by Bob Mees, Council of Community College Presidents: How Community Colleges are Responding to Workforce Preparedness and Economic Development in Illinois

Additional presenters were Phil Minnis, Dean for Workforce Development and Community Education, John A. Logan College, and Darren Pulley, Associate Dean for Corporate Education, John A. Logan College.

Dr. Mees gave an introduction report on this item. Following his report, Dean Minnis gave a PowerPoint presentation to the Board. After the presentation, the Board had the following discussion:

Father Minogue said, "Just an observation -- this sounds like the Morrill Act on steroids, and perhaps, some of the colleges that receive the benefits from the Morrill Act might get in gear and get in on some of this."

Mr. Bergman said, "I was very intrigued by the situation with Direct TV and training the people. While I do not live in southern Illinois, my company has facilities there, and I am very familiar with the problems in that part of the state. Are they actually going to build a facility for these people to work in down there? The term home-based was mentioned. I am not sure that was in line with the education and training of the people, or ultimately, are they going to work out of their homes?"

Dr. Mees said, "The training is being done on our campus, and it is a six-week, forty hours-a-week training program. Ultimately, they will work out of their homes. The company, National Electronic Warranty (N.E.W.), is doing this nationwide and all over the world, really. They are training people to do customer service wherever they live, and they not only do it for Direct TV, they do it for Best Buy and other companies. This particular program that we are working with them on is Direct TV, and they are going to keep training people as long as there are applicants for it until the demand is met with Direct TV for customer service representatives. It pays approximately \$9.80 an hour, but they get full benefits, which is attractive for them, too."

19. Executive Session (This item moved to this portion of the meeting in the interest of time.)

Chairwoman Hightman said, "The Board will go into executive session. Under the Open Meetings Act, there must be a motion in open session to authorize this executive session. A quorum must be present and a motion must be approved by a majority of the quorum with a recorded vote. The Chair observes that a quorum is present.

"Is there a motion and second to authorize executive session?"

Dr. Washington said, "I move that the Illinois Board of Higher Education go into executive session at 10:15 a.m. on Tuesday, January 27, 2009, for the purpose of discussing employment issues, pursuant to Section 2(c)(1) of the Open Meetings Act.

Chairwoman Hightman said, "Is there a second?"

Dr. Woodward said, "I second the motion."

Chairwoman said, "I will ask the Secretary for a roll call vote to go into executive session."

The roll call vote on the motion to go into executive session was as follows: Yes -- Bergman, Carroll, Dearborn, Hayes, Hightman, McNeil, Minogue, Ruiz, Thor, Washington, Woodward. No -- none.

Chairwoman Hightman said, "We will go into Executive Session."

The Board moved into executive session.

Chairwoman Hightman said, "Is there a motion and second to come out of executive session?"

Dr. Washington said, "I move that the Illinois Board of Higher Education come out of executive session at 10:30 a.m. on Tuesday, January 27, 2009, and proceed with the regularly-scheduled meeting of the Illinois Board of Higher Education."

Chairwoman Hightman said, "Is there a second?"

Dr. Woodward said, "I second the motion."

Chairwoman Hightman said, "I will ask the Secretary for a roll call vote to come out of executive session."

The roll call vote on the motion to return to open session was as follows: Yes -- Bergman, Carroll, Dearborn, Hayes, Hightman, McNeil, Minogue, Ruiz, Thor, Washington, Woodward. No -- none.

9. Update on Public Agenda for College and Career Success

Ms. Erwin presented a PowerPoint summary of the implementation plan for the Public Agenda for College and Career Success.

Ms. Erwin said, "This is an aggressive schedule. The Board approved the Public Agenda in December, but I think our Chairwoman is absolutely correct -- we are anxious to right the ship, and get focused on what we know the main focus is. The Public Agenda addresses four goals. There are many strategies and dozens of action steps. Today, I would like to lay out the beginnings of the implementation plan. A detailed matrix of all the recommendations will be on our website. As you have ideas, whether it is from your own reading, research, or come across best practices that you believe would assist, we want you to forward them to us. It is a ten-year plan with a five-year mandatory review. Today, we are mainly talking about the next six months. Where do we go from here? What are the what, where, and when of approaching this?"

"There were at least 1,000 external advisers and collaborators in terms of working through the Public Agenda. That will continue. We are already beginning this discussion as Bob Mees pointed out. I spent the day with community college presidents and their chief academic officers regarding this. On Friday, I will spend most of the afternoon at the University of Illinois at Urbana, the College of Education, where this is the topic as well."

"The next slide is what we have to do, fundamentally, that impacts every single action item. As the Chairwoman said, the Board itself -- how we are organized, how we are structured, what we do at meetings, how we approach issues -- has been handed down from generation to generation. It was probably first decided when the Board was originally constructed. So, the Chairwoman has asked the staff to look around the country and look at other suggestions. Clearly, the Board will be very involved in this -- on how you believe the Board, its

organizational structure, advisory committees, how formal or informal relationships work or not — to be aligned with the goals of the Public Agenda.

“The comprehensive data system we have mentioned many times -- it is virtually impossible to do measurements in almost all of this without that in existence. As we indicated and will talk a little bit on the budget, Dave Tretter’s comments about the Health Services Education Grants Act (HSEGA) grant and the contributions of private colleges and universities, certainly I would not disagree that it is an enormous contribution. The fact is, without the data in a student unit record system, we do not know. So, we have to have transparent educational data to be able to measure student outcomes, and a communications plan, which is, basically, trying to refocus the attention on the state and students. We fully understand if you represent an institution or a sector that it is your job to fight for that institution and that sector, but it is our job at the Board to be looking at the state as a whole and the economy.

“We are looking at phases. While each of the recommendations has a lifespan of their own, and for the Board’s activities, we think that fiscal years make sense. As the Chairwoman indicated, this is an organic document. It will be changing. Andy Davis at the Illinois Student Assistance Commission has already engaged ISAC staff in developing a number of implementation possibilities, and the same with Geoff Obrzut and the Illinois Community College Board. We are working very closely with ISBE, as well. A lot of these areas require significant collaboration. The American Diploma Project (ADP), for instance, is a 24-month process. So, that would fall into a couple of phases.

“I think all of the educational agencies are focused on the top priorities in this document, and certainly Goal 1 is, essentially, trying to close the achievement gap and improve educational attainment, particularly for low-income, minority students. That seemed to be a top priority.

“Again, I mentioned 21st Century Scholars -- this is a Chicago Public School initiative, legislatively. More importantly, on these goals, we are looking to what our national best practice is, where they are evidence-based, that will show we can improve college readiness, reduce remediation, and improve time-to-degree for retention and graduation rates.”

Chairwoman Hightman said, “On the matrix -- matching this to Goal 1, Recommendation 1, looking across the top, the action steps -- we have Expand College and Career Readiness programs as an item, and it looked like everything up here as an item is on here as an item, so, I am just curious.”

Ms. Erwin said, “Not everything that is on the matrix is in the PowerPoint. We selected some of the key ones as an example of how we are going about it.”

Chairwoman Hightman said, “The reason I asked, it looks like you have all of them from Goal 1, Recommendation 1, listed on one of these.”

Ms. Erwin said, “No, actually we do not have Expand College and Career Readiness.”

Chairwoman Hightman said, “That is my question.”

Ms. Erwin said, “We could have done 50 more slides like this.”

Chairwoman Hightman said, "I have a simple question. It looks like you have every one of these except that one. Maybe you do not have Perkins. I think you have Perkins in here somewhere. So, is there some reason this is not on there?"

Ms. Erwin said, "No, there is not."

Chairwoman Hightman said, "Should we edit? Don is shaking his head yes."

Ms. Erwin said, "We can. As you can see from the matrix, there are many more things that we actually are working on, actively, than we have put in these separate PowerPoint slides."

Chairwoman Hightman said, "This is a work in progress, but it just seems to me, and it is just a thought, and there could be a reason why you do not want to have it on, but it looks like you had everything else on, and it does not matter, but so you all know how we are doing this; we are moving along here inch by inch trying to make sure we cover all the bases, and I am just raising an issue. Others might have comments. The fact is we are not worried about the PowerPoint; we are worried about this."

Ms. Erwin said, "Right."

Chairwoman Hightman said, "The PowerPoint is just trying to illustrate what we are doing."

Ms. Erwin said, "The PowerPoint is really an illustration of how we are beginning this. Dual credit is a perfect example. The Illinois Community College Board and the State Board of Education are the two key sectors that are working on dual credit. In other words, they are leading this. We are working with them on it, and hope we can expand it to meet the goals of the Public Agenda. There are a number of these that are in the works. As I mentioned earlier, these are not arbitrary decisions being made by our staff."

"The Perkins Programs of Study, for instance, I could not give you the details on this. My colleagues from the Illinois Community College Board could, but what we know is that strengthening academic preparation, college readiness, and reducing remediation, the Perkins Programs of Study, which is a federally-funded program, now requires articulation agreements. It is those linkages that all support Goal 1. It points out that, in each of these, they may meet a couple of goals. So, the other thing it does is, obviously, increase the number of credentials. So, if you were calling the Public Agenda, we have this big primary issue with essentially the achievement gap, or as the Chairwoman indicated in her opening comments, the prosperity gap between low-income students, that is a primary issue. If we do a better job there, we increase the numbers, since we are under-producing baccalaureate degrees, and frankly, all credentials. So, it also meets Goal 3."

"Affordability -- there are many things in here. Reducing remediation will increase and improve affordability. If students do not have to waste their MAP grant on non-credit-bearing remedial education when they are at a community college or a four-year institution, it will improve affordability. Andy Davis and ISAC are looking at a number of innovative areas where we can do a better job assisting in how tuition is treated by financial aid, and it will ensure improved college affordability."

"Again, these are examples. We did have a grant, not unlike HSEGA, but we did have another grant that is matching to research institutions. As you know, Goal 4 has to do with how

we translate innovation and education assets. Community colleges did a great job of explaining some of that this morning. What do we do to create better linkages in leveraging those investments into economic development?

“One vehicle that the state has been using, underfunding, but is using, was formerly known as the Course Applicability System or the CAS system. That is the vehicle for students, particularly in community colleges, to understand where their credits would transfer, and if they would be accepted to majors, how they would be treated in a receiving institution. We still have a lot of colleges who are not in the system. This is a proprietary thing. They changed it to u.select; it used to be CAS. So, what can we do to get every single college and university in this state to get their course offerings and what is accepted -- their articulation policies -- on u.select, so students can easily do it online if everybody is in the system. This is a critical thing that meets a couple of goals. Arguably, it would even improve affordability, since we hear so much about students wasting financial aid on credits that they did not need and do not go toward their major.

“The whole area of improving the Science, Technology, Engineering, and Math (STEM) educational ladder pathways with improved teacher and school leader preparation certainly impacts the state’s economic base, and arguably, the ability of students to succeed in college or career. One of the areas that we actually have already started working on is with the Illinois Math and Science Academy. The Illinois Community College Board and all the educational agencies are working on, essentially, improving innovation assets in math and science, and so there are some programs going on in that area as well.

“Evaluating what we are doing, particularly anything that is state-funded and then, where the evidence is clear, bringing it to scale is what we need to do. So, in each of these, the ultimate test is measuring the outcomes.

“Going forward, we will be working with all of the stakeholders on how to proceed in each of these areas. There may be issues that are just opportunistic. For instance, it might not be a top priority, but if a bill is introduced in the General Assembly, we should take advantage of those opportunities, and our goal at the Board is to be the primary resource for legislators on these issues. I know the Illinois Community College Board, the Illinois Student Assistance Commission, and the State Board of Education feel the same way. So, rather than reacting as we frequently want to do to a piece of legislation, if we can look at it as an opportunity to say clearly, ‘Representative, you are concerned about remediation; here is some research and evidence that shows what works,’ we have found we have a very willing audience. They want to do the right thing. The legislative staffs do not have the capacity to keep up with the research you all do.

“So, we will use those as opportunities. It is going to be developing the data system to do the measurements, and hopefully, focusing the Board’s activities to meet the same goals. We are soliciting your input and suggestions. We will have a matrix on the website to incorporate that.”

Chairwoman Hightman said, “One of the steps that I think is critical to successful implementation of the Public Agenda is actually changing how we have these Board meetings -- what we do at the Board meetings, what the role of the Board is, where we focus our energy, what we are doing every other month here, and obviously, in between. I view the idea of what the Board does, how we spend our time, and what we do at these meetings as probably one of the most critical parts of moving forward on implementing the Agenda.

“As Aims and Dennis said once or twice in one of the many meetings that I have attended, for every item on our agenda, if we cannot show which of the four goals is furthered by

that item, then we are wasting our time and wasting your time sitting here watching us. I have in my head this notion that our Board meetings are going to look a lot different, and I am hoping that we will have that plan set by the time we have our next Board meeting, which is in April. I would welcome any suggestions you have. We are going to work as a Board. We have not talked about this yet, but I intend to -- maybe through individual conversations or whatever -- and if we have meetings, they will be open meetings to figure out what we should be doing, because honestly, as important as it is to do the things we have done at today's meeting and every other meeting that I have attended, I do not think we can keep on operating the way we have been operating.

"I do not think our meetings should include the content and devote the time to the things that are all on the agenda for today's meeting. We have to figure out what it is we need to do. I think we need more clarity around the matrix, and we need to stop worrying about the things we have done historically for 100 years, and start worrying about the things we need to do going forward for the next two or three years.

"My goal is that next time you come to this meeting, it is going to look a lot different. I ask for the Board to help me, and to work together as a Board to figure out what it is we should be doing. I am thinking of something as basic and as simple as on every agenda we have four items, aside from the minutes. One is Goal 1; one is Goal 2, Goal 3, and Goal 4. And, if everything we are doing does not somehow add to those goals, then we are wasting our time. I do not know if it will be that simple, but I would love your input. So, for people not on the Board, people on the Board, and the staff, one of the things we are going to do is talk to Aims and Dennis, who are very knowledgeable about the process of how boards like ours work."

Ms. Erwin said, "It continues through how the staff is organized and staff activities. Honestly, if I just made a list of all of the things, all of the meetings we are expected to go to, we could do nothing else. A lot of it is face time; I understand that, but because 30 years ago somebody decided that IBHE needed to be on XYZ committee, we have to review all of those things. We do not have the staff, time, or money, but it is an opportunity cost for what we should be doing. This is a great opportunity, and also to acknowledge the good counsel and assistance of Tom Layzell, who has gone through this in other states, and has been a wonderful mentor not only to me but to many of us, and this is one of the points that Tom has driven home -- you cannot go through this and then keep doing everything the way you were doing it and think you are going to have a different outcome."

Dr. Washington said, "I would like to follow up on that because I think you are absolutely correct that our business has to be quite different than what it has been. I would go a step further in terms of the institutions and agencies that are involved in this process, particularly the institutions, the community colleges, the universities, and the agencies that are servicing the students. We need to have on a regular basis input on what is happening to further these goals. Some of it has already been going on. We need to be sure that we are aware of those things, but even more important is what we are going to do in the future because, clearly, we are not winning the battle in terms of any of these goals. We need to turn this around, and there are some successful things going on. We need to try to build on those things and get more involvement of other institutions and other agencies in terms of things that work. So, it is a very practical thing in terms of communicating down the line to make sure that these goals are a part of the serious discussion at the institutions and even at the departments at our universities."

Father Minogue said, "The second slide had a P-20 database. I worked in designing medical databases. The pediatricians had 1,200 things they wanted to measure; the obstetricians

had 80. Both were complicated medical issues. We never got the 1,200 issues done. Why would you want doctors spending all that time putting stupid data in? Of the 80, we got tons of research papers out.

“It seems to be very important we get a set of measures from the word go, build it into the database we are looking for, and then drive the goals on the basis of those data. Otherwise, you have got issue *du jour* -- whatever the problem is today, we all rally around and say we have to go fix that problem, and it goes away because we have no measures. So, I think it is going to take some time to sit down with some smart people and lay out a data structure for the P-20 and then drive the goal off of that.”

Ms. Erwin said, “I invite all of you to go to the Data Quality Campaign website. It is the national gold standard for state education data structures, and basically, there are ten criteria. It is up to states to figure out how to do it, but there are ten key criteria that need to be met that are very evidence-based. The Data Quality Campaign was funded and organized by the Gates Foundation. We are losing federal grants because we are not actively working on the creation of a longitudinal data system. This is something Arne Duncan is totally committed to. This is a case of it is going to take time to work through it. As Jerry Dill mentioned from the propriety sector, we are trying to work with everyone to figure out how it gets operationalized.”

Chairwoman Hightman said, “So, you will hear from me, but start thinking about it, so we can have some good discussions about Board meetings, organizational structure, and how we use our time. Obviously, we want the input from those out there who have something to say.”

10. New Units of Instruction at Public Community Colleges

Dr. Bazell said, “Since these figures were last reported to the Board in December, the Illinois Board of Higher Education staff has received 18 new inquiries, 34 notices of intent, and 19 new applications. There are 93 active applications on hand.”

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

Dr. Hayes said, “In the program proposal from Olive-Harvey College, there were considerable funds needed for startup faculty. Over the course of the three years, it will be over one quarter of a million dollars, and I just wonder where that money is coming from? If it is reallocation, then are other programs being dropped?”

Dr. Elaine Johnson, the Illinois Community College Board, said, “No, there are no other programs being dropped. They did their own feasibility study, and they also have outside partners coming in on this. When they put the proposal in to us -- and we do not have all of the documentation with us -- but we viewed it with their partnerships, and it was a feasible and a high- need program for them. But they are not dropping other programs for this. It is just a local decision.”

The Illinois Board of Higher Education, on motion made by Father Minogue and seconded by Dr. Hayes, hereby grants authority to the College of DuPage to offer the Associate of Arts in Teaching (A.A.T.) in Secondary Math subject to the institution’s implementation and maintenance of the conditions that were presented in its application and that form the basis upon which these authorizations are granted.

And grants authority to John A. Logan College to offer the Associate of Fine Arts (A.F.A.) subject to the institution's implementation and maintenance of the conditions that were presented in its application and that form the basis upon which these authorizations are granted.

And grants authority to Kankakee Community College to offer the Associate of Applied Science (A.A.S.) in Cosmetology subject to the institution's implementation and maintenance of the conditions that were presented in its application and that form the basis upon which these authorizations are granted.

And grants authority to Oakton Community College to offer the Associate of Applied Science (A.A.S.) in Radio Frequency Identification subject to the institution's implementation and maintenance of the conditions that were presented in its application and that form the basis upon which these authorizations are granted.

And grants authority to Olive-Harvey College to offer the Associate of Applied Science (A.A.S.) in Ophthalmic Technology subject to the institution's implementation and maintenance of the conditions that were presented in its application and that form the basis upon which these authorizations are granted.

And grants authority to Rend Lake College to offer the Associate of Arts in Teaching (A.A.T.) in Early Childhood Education subject to the institution's implementation and maintenance of the conditions that were presented in its application and that form the basis upon which these authorizations are granted.

And grants authority to Richland Community College to offer the Associate of Arts in Teaching (A.A.T.) in Special Education and the Associate of Arts in Teaching (A.A.T.) in Early Childhood Education subject to the institution's implementation and maintenance of the conditions that were presented in its application and that form the basis upon which these authorizations are granted.

And grants authority to Sauk Valley Community College to offer the Associate of Arts in Teaching (A.A.T.) in Special Education subject to the institution's implementation and maintenance of the conditions that were presented in its application and that form the basis upon which these authorizations are granted.

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

Dr. Bazell briefly outlined the contents of this item. There was no discussion following her presentation.

The Illinois Board of Higher Education, on motion made by Dr. Hayes and seconded by Dr. Washington, hereby grants to The Chicago School of Professional Psychology Authorization to Grant the Doctor of Psychology in Clinical Forensic Psychology in the Chicago Region subject to the institution's implementation and maintenance of the conditions that were presented in its application and that form the basis upon which this authorization is granted.

And grants to Kaplan University Authorization to Grant the Associate of Applied Science in Global Travel and Hospitality Management, Bachelor of Science in Psychology, Bachelor of Science in Nutrition Science, Bachelor of Science in Health and Wellness, Bachelor of Science in Health Science, and Master of Science in Information Technology in the Chicago Region subject

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

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

Dr. Bazell briefly outlined the contents of this item. There was no discussion following her presentation.

The Illinois Board of Higher Education, on motion made by Dr. Hayes and seconded by Ms. Dearborn, hereby grants to Chicago State University Authorization to Grant the Bachelor of Arts in International Studies subject to the institution's implementation and maintenance of the conditions that were presented in its application and that form the basis upon which this authorization is granted.

And grants to Governors State University Authorization to create the Bachelor of Health Administration in the West Suburban and Chicago Regions subject to the institution's implementation and maintenance of the conditions that were presented in its application and that form the basis upon which this authorization is granted.

And grants to the University of Illinois at Urbana-Champaign Authorization to create the Bachelor of Science in Health and the Master of Science in Taxation subject to the institution's implementation and maintenance of the conditions that were presented in its application and that form the basis upon which this authorization is granted.

13. Fiscal Year 2010 Higher Education Budget Recommendations: Operations, Grants, and Capital Improvements

Dr. Baumgartner presented Item 13a, the fiscal year 2010 budget recommendations for higher education operations and grants, and Item 13b, the fiscal year 2010 recommendations for higher education capital improvements. The Board had the following discussion:

Ms. Erwin said, "From vetoes and the money not being available, we have lost almost all of our grant programs. With the nursing grants and with all of the grants, we argue very strongly, to some people's dismay, that private colleges and universities always be included in competitive grant programs. They provide an enormous service in educating residents of Illinois. We recognize that. So, while in many states, private institutions are not eligible for state grants, period, including the MAP grant, which would be a comparable, we have strongly urged and have recognized that.

"On the other hand, I think it is incumbent upon all of us to make sure that grant programs meet the needs of the state today. Grant programs that were designed 30 years ago to deal with baby boomers is not the issue. Baby boomers need nurses and physical therapists right now, and as we redesign these programs, the idea is how do we do it so that not only is it competitive for all institutions, but secondly, how does it actually meet the health care needs of the state? So, I certainly appreciate and recognize the comments of Dave Tretter, and the fact of the matter is we have lost many grants that private and public institutions had access to. But in making the argument publicly and to the General Assembly, I cannot tell people that we need to renew something just because it was there for 30 years. We have to have reasons, as Mike said, that apply to where we are today and going forward."

Dr. Hayes said, "I am very concerned about the elimination of the HSEGA grants. I did not even realize that they were being discontinued because I thought the baseline for all of the budget calculations was the current fiscal year 2009 budget."

Ms. Erwin said, "It was vetoed."

Dr. Hayes said, "I was very surprised to hear this was gone. It seems to be a program that is directly applicable to our goals, particularly those of meeting the economic needs of the state, add in the area of nursing and health science. I am concerned that that was eliminated. I am somewhat mollified by Mike's comment that some of these goals could be reached through other existing programs. An anxiety that I have now is, were there lots of other things left out of this budget that have not been called to our attention? Have other programs been eliminated? What is not here that we are thinking is here in the baseline step?"

Dr. Baumgartner said, "The HSEGA program is not here in the base because it was not funded. We do not start off with our previous year's recommendations whenever we do this."

Dr. Hayes said, "But it was in our initial budget."

Chairwoman Hightman said, "Yes, but we have to start with the base being the reality."

Ms. Erwin said, "So, the HSEGA grants, the Higher Education Cooperation Grants, were the only vehicle somewhat discretionary, which the Board spent an enormous amount of time reviewing and redoing, those have been eliminated as well."

Dr. Hayes said, "And that is another program that really was directly oriented towards our goals."

Ms. Erwin said, "There is no disagreement. I think the primary disagreement -- and I will tell you, there has been enormous pushback in the Governor's office on HSEGA when they see that it is only for a certain sector, and in this case, private, and that it goes back 30 years when it was, 'what do we do with baby boomers?'-- the problem has been that it is not connected to the health care needs today. For instance, you cannot make a direct correlation between a dollar that goes to a private institution and that we have more physical therapists. The discussion is how could this be redone to meet and include private schools that meet the health care needs of the state. This is not a new discussion. I understand that if I were the president or worked at a private institution, I would say, that is fine and swell. I am getting \$2 million; I want that \$2 million, period. It was vetoed, and so as the Chairwoman said, let us look at an opportunity as opposed to looking at the dark side. We have to make the argument to the General Assembly and to the Governor's office as to why we need to do this, and I have not found that just because we have been doing it for 30 years is reason to continue doing it."

Dr. Hayes said, "But that is really not the reason for continuing it because you have been doing it for 30 years, except to the degree that you would say there has been a measure of success in those 30 years. But the reason is because you are making possible the education of nurses and health care professionals."

Chairwoman Hightman said, "We can debate this for hours. The real question is: it was not in the base because it is not here today. The better question is why didn't we add it in our proposal for the increases? It is not in the base; what level does it come in at?"

Dr. Baumgartner said, "Level 5 and level 6."

Chairwoman Hightman said, "So, it is not in the early ones because you have got to make some choices, right? You have got to balance. So, do we wish we could put more things in earlier? Yes. Do we wish they were in today? Yes. But we are balancing and making judgments on what the priorities should be, and based on what Mike said, I support it."

Dr. Hayes said, "You cannot not support initiatives of this kind. The question is, is the budget going to reflect those needs?"

Ms. Erwin said, "The only other thing I would add is, I am not questioning the success. It is incumbent upon us, though, to be able to show it. In order to do that, these institutions have to be in a data system, so that we can show the results publicly. It is not enough to have an institution say now we are doing great. Again, I am not questioning, but it is not independent analysis. Again, this points to the fact that we have to have everybody in the data system so we can show the success; it will be evident."

Chairwoman Hightman said, "Thank you. On behalf of the Board, I want to thank the staff for all their hard work, effort, meetings, deep thought, and number crunching. We have asked you to do a lot, and I think you have done a great job in trying to balance here, as we are saying, in response to Dr. Hayes' question."

Dr. Hayes said, "And whether there are other whole programs that are eliminated."

Chairwoman Hightman said, "I am sure Mike can talk with you, if you want, about what got eliminated last year because basically, I think that is what you are asking, what got eliminated last year."

Father Minogue said, "A beacon of light amidst the sea of darkness."

Ms. Erwin said, "Actually, he did the capital analysis that is in this. I mentioned earlier Senate President Cullerton's capital bill, for the first time, will include private colleges and universities. It is \$200 million for the first time and would go to private institutions in this state. They are working on how that methodology would be distributed, and on top of all of this, I want to thank Mike and his staff because he is away from his family many weekends over this work. He has also done an analysis of the federal stimulus bill that the Board members have. So, you can see we are following this very, very carefully. Should you have friends in Congress, the single biggest issue for us vis-a-vis operations, besides the capital, is that the State University Retirement System (SURS) contribution needs to be included in the calculation for higher education spending, and in many states the pension money goes directly to an institution. So it is in your base. In our state, it is not. Since we are talking about hundreds of millions of dollars, what is the contribution?"

Dr. Baumgartner said, "Next year, \$702 million, if it is fully funded. This year it is \$450 million."

Ms. Erwin said, "So, if we do not get to account for that in this formula, that is not good. So, if you have any friends in Congress, we have got to include it. We will be communicating that as well, but I want you know that you have the federal stimulus analysis, too."

Mr. Bergman said, "In Step 1 and Step 2, I am wondering if a little rewording to make it seem more onerous might be in order. I am looking at Step 1 -- the 2½ percent decrease. The first thing -- reduction consistent with fiscal year 2009 reserves, but include student aid programs -- I would like to see it looking a little worse."

Chairwoman Hightman said, "Let me ask a question first relating to what you are saying. Is this what we are going to use? This is not our package for messaging the budget to the legislature, is it?"

Dr. Baumgartner said, "No."

Mr. Bergman said, "I take it back."

Chairwoman Hightman said, "No, it is a good point."

Mr. Bergman said, "What we give the legislature will sound bad."

Chairwoman Hightman said, "This will be worse."

Dr. Woodward said, "On capital improvements, does it make any sense to look at those in light of our Public Agenda goals? Maybe there would be a shift around on some of those improvements, I am not sure."

Chairwoman Hightman said, "Mike, did you?"

Dr. Baumgartner said, "No."

Chairwoman Hightman said, "Would it change?"

Dr. Baumgartner said, "I do not think it would change much. I am not sure off the top of my head what would. Most of these projects are related to capital renewal. Almost all of them have very strong capital renewal components. There are some new construction projects, but I believe they are all consistent with the institutions' missions."

Ms. Erwin said, "Probably more importantly, the other thing is that we have been following decision rules with the General Assembly that were entered into. We can revisit that as part of the Public Agenda, but basically, it would be changing the rules in the middle of the game. For example, if you are Western Illinois University and you were following our rules, so you have a capital program listed in the first twenty, to now say, 'no we have changed our mind,' it is not something we would responsibly do right now. On the other hand, we should revisit all of those methodologies in terms of funding."

Mr. McNeil said, "What is the latest request from the Office of Management and Budget regarding the reduction from this year's budget? Is it 2½ percent?"

Dr. Baumgarnter said, "Two and one-half percent."

Mr. McNeil said, "Was that based on a projected deficit of one-half billion dollars?"

Dr. Baumgarnter said, "The current year revenue shortfall is projected to be \$550 million, but you have to include things like the casino license going for much less than they had anticipated and riverboat receipts down further."

Chairwoman Hightman said, "But, is that assumed in what they asked? I guess that is the question for the 2½ percent."

Ms. Erwin said, "No. Every week the revenue estimates get worse. So, there is no question they cut 2½ percent in November. That was going into what they knew was bad, but they did not know how bad. I think the current fiscal year 2009 is about \$3 billion, but next month it could be \$4 billion."

Chairwoman Hightman said, "So, Don, your point is?"

Mr. McNeil said, "Historically, what they will do is say OK, your budget for last year was X amount; give us a budget plus two percent or minus two percent depending on what the situation is."

Ms. Erwin said, "We do not do that anymore because the Chairwoman and the Board decided that to just give back what the Governor's office asked for is not your recommendation."

Mr. McNeil said, "Last year we said we are not going to do it that way; we are going to do this idea of various stages of investment."

Ms. Erwin said, "So, Ginger Ostro, as of yesterday, said that she would not be recommending to this administration or a new one to cut any more from higher education. You could cut all of the funding. What is our total?"

Dr. Baumgartner said, "Without pensions, it is \$2.2 billion."

Ms. Erwin said, "We could take out all higher education funding -- the whole MAP grant, everything -- and we still would not meet the deficit. Her recommendation is not to cut further; it will be the new administration."

Chairwoman Hightman said, "I want to comment on Don's point. It seems to me that higher education has not been treated fairly or appropriately in all these years. There is always this crying wolf scenario and they were crying wolf. But now, it is undeniable that there are significant economic problems. The position that I took last year for my first full budget was because of this crying wolf syndrome and the fact that we were treated unfairly and, honestly, I did not really care what the administration was going to ask us in terms of reduction because I did not believe it, and it worked. Now, here we are today when you cannot deny that there are huge problems in the economy at the state, federal, and global levels, and I started thinking, should we offer up something else here because we want to be at least proactive and helpful if something bad is going to happen. Judy's discussion with Ginger gave me the assurance, and I hope that everybody here feels the same, that we do not need to go any further because all these little things that we can do are so small and have such a minimal impact on the big problem, that they are not going to be looking to us, and they know that we have taken our hit so many times.

"So, if a new administration comes in and there are additional requests or whatever, obviously we will comply with them, and I feel a lot differently by complying with those kinds of requests than on the kinds of demands that were being made on us previously for a variety of reasons that are obvious. But I do not think we need to do anything now and I agree -- I always want to argue for the most. I did not want to have any reduction scenarios in our steps, but I knew that that would not make us look credible or facing reality if we did not do that. So, we did

it assuming the negative 2½ percent is really the base for us because they have been withholding 2½ percent, and that seemed logical and apparently Ginger is OK with it for now.

“My question for the university and college presidents and folks to think about is, if they do come back to us, I think we need to come up with some creative ideas like getting rid of unfunded mandates. So, maybe you want to start thinking about it because we would like to be able to say we can give you something here by eliminating this requirement, and that will reduce our expense by whatever, but we are not there yet. So, I am sensitive to what you are thinking about. I am assuming what you are thinking about, but I do not think we need to do anything more now.”

Mr. McNeil said, “The latest estimate I saw of the figure that corresponds to Mike’s figure is not one-half billion but \$2 billion. Your sense is that, at least as far as OMB is concerned, if we give up 2½ percent, we have given up enough so that further cuts that need to be made to the overall budget would not be visited upon us.”

Ms. Erwin said, “That is what she said yesterday.”

Chairwoman Hightman said, “You know it is a constantly moving target, and if there is a whole new group of people in, the world might change again for us. But I felt, and I hope that the Board agrees, that it was appropriate to stand up for our rights at this point, given the current situation. If we have to change, we have to change. You all know that this Board, and I said it in my opening comments, is supporting the maximum amount we can support and still have a straight face. So, that is where we are.”

The Illinois Board of Higher Education, on motion made by Dr. Washington and seconded by Father Minogue, approved the fiscal year 2010 recommendations for operations, grants, and capital improvements presented in Items 13a and 13b.

14. Illinois Cooperative Work Study Program, Fiscal Year 2009 Grant Allocation

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

Mr. McNeil said, “Under the terms of the work study grant program, can the school, itself, be the employer? For example, could it set up a program to assist, tutor, or mentor incoming students, and pay the students to do that pursuant to a grant under this program?”

Dr. Baumgartner said, “Right now, no.”

Mr. McNeil said, “So, now under the terms of the program the employer has to be an entity other than the school?”

Dr. Baumgartner said, “Right. The federal work study program has many on-campus employment opportunities. This one is specifically to try to direct money for opportunities to outside employers.”

Dr. Washington said, “In Table 1 on page 101, we have a listing of the institutions and the amount of dollars requested and the award amounts, and I found it rather interesting that only one institution got 100 percent of what they requested, and I wondered if there is something very special about that program?”

Chairwoman Hightman said, "Which one is that?"

Dr. Washington said, "This is Northern Illinois University, Item Number 37. I do not have a problem with it; I just wondered how special that program is. Is it something we should be more familiar with?"

Dr. Baumgartner said, "I do not recall anything out of the ordinary with the program. The way these have amounts assigned to them, the applications are reviewed and scored, and then there is a formula that looks at how their score is compared to the others, and puts them in an order. Those that did exceptionally well get a certain amount per student, and those that have an application that is not quite as good will get a lower amount per student, and my guess, because I do not have it in my finger tips, is that this one did very well, and given the number of students that they were planning to serve, if the top amount were \$1,200 per student, and I think that is about right, then we went with their requested amount rather than what we would have done if we had calculated that amount per grant times the number of students that they expected to serve. So, I will look into it, and make sure that is what it is, but I think that is what it was."

Dr. Washington said, "It struck me as quite desirable."

The Illinois Board of Higher Education, on motion made by Ms. Dearborn and seconded by Dr. Washington, hereby approves the allocation of \$1,932,000 for Illinois Cooperative Work Study grants for fiscal year 2009 as detailed in Table 1. The Board authorizes the Executive Director to withhold payment or adjust a grant allocation, if necessary, to conform to existing statute, rule, or available funding or to assure compliance with any previous grant agreements.

15. Nursing School Grant Program, Fiscal Year 2009 Award Allocation

Dr. Baumgartner briefly outlined the contents of this item. There was no discussion following his report.

The Illinois Board of Higher Education, on motion made by Ms. Dearborn and seconded by Dr. Washington, hereby approves the allocation of \$1.0 million for Fiscal Year 2009 Nursing School Grants as detailed in this item and shown in Table 1.

16. Public University Noninstructional Capital Project Approval

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

Chairwoman Hightman said, "This item gets to the issue that was raised earlier about the textbook rental facility capital request, which I support, but was shocked by how much money it cost. It cost a lot of money to do it, but I think it is a great thing, and we know that textbook costs have been a big problem and a barrier for a lot of students."

Ms. Dearborn said, "It is not so much about the items, but it is about the process. Last month in our Board meeting, we had another project which got a great deal of debate, and what I have noticed is that there is no standard of how we approve these projects. The project last month had been in the works for three years. One of these projects -- the textbook rental project -- was

approved by the Eastern Illinois University Board in April, and one of the projects that we have today -- the Southern Illinois University parking lot project -- was just approved by their Board last month. What I think we need to do as a Board is to review how we are approving these non-instructional capital projects, and get some kind of standardized process for them.”

Chairwoman Hightman said, “I could not agree with you more, and I feel remiss that we should have actually taken that issue by the horns last time, and maybe Southern Illinois University brought their issue because what happened; they brought theirs after the Board meeting. I think you are right, and what I would do is ask Bill Feurer to maybe make a recommendation to Judy and the staff that they could share with us about timing. I do not know that I fully understand the authority that we have; therefore, I am not sure if I understand the process that needs to be followed.”

Ms. Dearborn said, “And that is another question that I have. If, indeed, the boards of these individual institutions are approving these projects, if they are responsible for coming up with the capital for these projects, then what authority do we have? Are we supposed to say, that is nice, or in an effort to save Board time and staff time, should these be brought before the Board?”

Chairwoman Hightman said, “I think these are all great questions. So, I would ask Bill Feurer to put together a memo for us on that -- what the legal basis is for us doing this? And, then, if there are any administrative rules in place related to these kinds of programs, we need to take a look and decide whether we want to make a change in the rules or enforce some, if that is the case.”

Mr. Bergman said, “My comment goes along with what Ashley said. Last time when we considered the Southern Illinois University capital program, I think it probably took a lot of people by surprise, and the reason some people were opposed to it was the affordability issue and our four goals. I think that in all fairness, the universities need to know what our policy in the future is going to be for these types of expenditures when it changes affordability. So, I would only urge that we move ahead. I know that you asked Bill Feurer to make a memo, but I think we should, as soon as possible, come up with a policy so that the universities know where we are at on this in the future.”

Chairwoman Hightman said, “Not only should Bill Feurer explain to us what our legal obligations are, what the standards are, and what our current rules provide, but also recommend what we should do given the events that have happened over the past couple of meetings.”

Ms. Erwin said, “We have had some discussions with some of the members of the Student Advisory Committee as well, and our hope is that all of the advisory committees ask us questions prior to a Board meeting so that we can work through whatever the issues are. We do not like to surprise institutions, and we certainly are not going to recommend something to you that we do not think is a good idea. The idea would be to thrash all that out beforehand.”

Chairwoman Hightman said, “I agree with Judy. Sometimes all of us are busy, but when we do not hear the first comment until we are sitting at the Board meeting, it is hard.”

Mr. Bergman said, “We need to establish a policy.”

Chairwoman Hightman said, “I think there is a policy, but people did not like the way the policy was working.”

Mr. Bergman said, “Maybe we need to change the policy. If we are going to do what we are supposed to do, we all need to know what the policy is.”

Chairwoman Hightman said, “Yes. I think we all have the rules. We can go take a look at our set of rules for the agency, and as I understand it, there are rules that are in effect regarding these kinds of capital projects. You can look at the statute. What I have asked Bill Feurer to do should address your concerns, Ms. Dearborn’s concerns, and all of our concerns from last time. So, I think it is a good idea.”

The Illinois Board of Higher Education, on motion made by Ms. Dearborn and seconded by Dr. Washington, hereby approves the noninstructional capital projects included in this item.

17. Appropriation Transfers for Fiscal Year 2009

Dr. Baumgartner briefly outlined the contents of this item. There was no discussion following his report.

The Illinois Board of Higher Education, on motion made by Ms. Dearborn and seconded by Dr. Washington, hereby approves the following appropriation transfer:

Board of Trustees of the Illinois Mathematics and Science Academy

Transfer Request 09-2
General Revenue Fund

| | | |
|-------|----------------------|-----------|
| From: | Contractual Services | \$219,500 |
| | Equipment | 54,000 |
| | EDP | 11,300 |
| To: | Personal Services | \$219,500 |
| | Personal Services | 54,000 |
| | Personal Services | 11,300 |

18. Other Matters/Public Comment Period

Ms. Erwin said, “I would like to acknowledge Terry Shelton and Keely Burton, our new employees at IBHE. Thank you for coming to work with us, and we appreciate your help.”

There being no further business to come before the Board, Chairwoman Hightman adjourned the meeting at 12:19 p.m.

Respectfully submitted by Linda Oseland, Secretary for 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 January 27, 2009, meeting.

**Submitted Remarks of John Bennett, Chair
Faculty Advisory Council
Illinois Board of Higher Education Meeting - January 27, 2009**

Chairwoman Hightman, Executive Director Erwin, & members of the Board,

Let me begin by welcoming Deputy Director Bazell at her first official meeting. The Faculty Advisory Council is eager to develop a close and productive working relationship with you.

As this is the point at which the advisory committees are invited to comment upon items on the agenda, I can report that at our last meeting the FAC unanimously passed a resolution endorsing this morning's agenda item number 4 honoring Gilbert Rutman for his work on behalf of education in Illinois.

As earlier noted, this Board last met when news was breaking that the Governor had been arrested on federal corruption charges. Yesterday he appeared on "The View." Today his impeachment trial resumes. Yesterday Caterpillar joined Home Depot, Sprint, Pfizer, and GM in announcing that collectively they would cut tens of thousands of jobs. Today you consider the budget for higher education.

We are in the midst of a legislative and economic maelstrom. Amidst these frenzied – and frightening – developments, faculty work in a surreal bubble. (It is oddly appropriate to note that today is the birthday of Lewis Carroll.)

Aware of the chaos, faculty enter classrooms for the plodding, laborious work of teaching and learning. By its very nature, ours is a patient – not a frenzied – endeavor.

Culturing a substance in a petri dish takes time.

Backgrounding the Dred Scott decision takes time.

Solving quadratic equations and mastering irregular Spanish verbs take time.

This week my students are puzzling their way through Hemingway's short story "Hills Like White Elephants." They're frustrated. They can't make heads or tails of it. Some resent the fact that I won't just tell them what it's all about. I could speed things up, but that would undermine authentic learning.

Gil Rutman understood the plodding, laborious work of teaching and learning. We join you in honoring him.

Thank you, Madame Chairwoman.

John Lansingh Bennett, Chair
Faculty Advisory Council

**Submitted Remarks of Bob Mees, President
Illinois Community College Council of Presidents
Illinois Board of Higher Education Meeting - January 27, 2009**

As president of the Illinois Council of Community College Presidents, I appreciate the opportunity to give you a report on behalf of the Presidents' Council.

The Council had its joint meeting with the Chief Academic Officers and the Chief Student Officers on Thursday, January 22 at this same hotel. Topics discussed included:

1. Illinois Community College Sustainability Network
2. American Diploma Project
3. College and Career Readiness Illinois High School to College Success Report
4. Dual Credit Task Force
5. Public Agenda for Higher Education

The Council's last meeting was held on Friday following the joint meeting. At this meeting special reports were given on the Bridge Program Task Force and the National Governors Association Policy Academy on Civic Engagement: Engaging Seniors in Volunteering and Employment.

The Council is currently working on a joint public relations program with the Illinois Community College Trustees Association. This program is going to focus on the services provided by our community colleges and the impact the lack of state funding has had on the delivery of these programs as community colleges fulfill their mission.

The Council is hopeful that community funding for community colleges and all of higher education will be increased in the future with new leadership at both the state and federal level.

**Submitted Remarks of Jerry Dill, Chair
Proprietary Advisory Committee
Illinois Board of Higher Education Meeting - January 27, 2009**

Good morning, Chairwoman Hightman, Director Erwin, members of the board. Let me also extend a welcome to Deputy Director Bazell. On behalf of the members of our group, we look forward to working with you.

Our committee met this past week to get an update on the status of the on-line application process from Dr. Sutton. The board's staff members, Karen Helland and Mike Baumgartner were also able to join us via conference call.

Dr. Sutton has been able to follow-through on his idea of running an orientation session for new institutions as they begin the process of applying for program approval for the first time. The good news is that a number of new institutions have taken advantage of this process as they prepare to submit their applications. The bad news is that this is adding to the volume of work that the board staff has in terms of applications to review from all sectors of higher education.

As we understand it, this situation as well as the changing priorities for the board under the Public Agenda is resulting in a change in the estimated time for program approval that may be extend beyond the six to nine month period we have been used to in our planning. While this is not an ideal situation for any of the schools in the state that are planning to add new programs, we do agree that the quality and thoroughness of review that the board staff puts into each application is essential to maintaining the integrity of the process.

We hope that additional resources can be added to academic affairs as a result of the recent legislation on a proposed fee structure so that the program review and approval process can match the demand for new program opportunities that will be needed by college students in the future.

Also we had a discussion on the proposal for the longitudinal data system to track Illinois students throughout their entire educational career from pre-school through college. We appreciated the insights that Mike was able to share with us regarding the potential timing and scope of this effort.

At your last board meeting, the topic of institutional capacity to meet the probable needs of individuals returning to school as they face layoffs during this recession was raised. While much of this need will be based at community colleges and be short-term workforce development related, other students might find this the right time to complete their degrees or seek additional education that will insure their success as the economy begins to recover.

The president's stimulus package with increases in PELL grant funding and un-subsidized loan funds, will go a long way to easing the concern of students and their families about the ability for individuals to pursue additional education and re-training.

The board's goals under the Public Agenda, particularly in decreasing the gap in educational attainment across all groups of students, and to ensure affordability of higher education will mean challenges for all the institutions of higher education in making sure that they have the quality educational programs that will meet the needs of students to prepare them for new jobs in the recovering economy.

The schools in our sector have the capacity and flexibility to respond quickly to these needs and we will do our part to make sure that students have the choice of quality educational opportunities at this challenging time.

Thank you.

Jerry R. Dill
DeVry University
Committee Chair

**Submitted Remarks of Dave Tretter, President
The Federation of Independent Illinois Colleges and Universities
Illinois Board of Higher Education Meeting - January 27, 2009**

Chairwoman Hightman, Executive Director Erwin, distinguished board members and staff:

Thank you for the opportunity to comment on today's agenda. In light of the full agenda, I'll focus my remarks on the board's budget recommendation for FY 2010. In this time of economic uncertainty, and the growing demand for higher education throughout Illinois, I can appreciate the tough decisions and hard work that the staff has put into the recommendations.

I will confess, however, that I was surprised not so much by what is in the recommendations, but what is not.. As I read through the draft budget documents, it became clear that the acknowledgement of independent colleges and universities was difficult to find. In fact, an electronic search of the documents registered no mention of private or independent colleges and universities. That's hard to understand.

Under the direction of this board, the higher education community just completed a rigorous examination of Illinois higher education through the Public Agenda initiative, an exercise that we were fully engaged in and even supported financially. My understanding was that this budget would incorporate the contributions of all of our institutions both public and private, with an emphasis on utilizing the unique strengths and diversity among these institutions. Additionally, because of budget constraints, the board clearly articulated that the state's "return on investment" would be more important now than ever. I don't see that in these recommendations.

As I look through the document I see references to "core capacities" being strengthened in the public universities or affordability being increased at the community colleges. Those are both worthy goals, and certainly our public institutions have endured some tough budgets the last few years. But how do we talk about "core capacity" for example, and leave out the independent colleges and universities throughout the state who now enroll more students than the public universities, produce over 40% of all undergraduate degrees, and an overwhelming majority of all graduate degrees.

I remind myself when I look at the annual budget proposal that although this room is filled with a constituency that is very interested in the board's recommendation, the real target audience is the Illinois general assembly. Let me give you an example of a program that I believe illustrates the benefits of leveraging the independent institutions to provide a vital educational component to the state of Illinois, the Health Services Education Grants Act.

One of the consultants on the Public Agenda, Dennis Jones, remarked after the study was complete that Illinois was good at launching pilots, but not so successful in scaling them to full grown viable programs. HSEGA is an exception to that rule, and was originated in the early 1970's to address shortages in health care education. The idea was to provide a state incentive for independent institutions to increase their capacity in this area, with a focus on keeping Illinois students in our state. Additionally over the years, the program was further amended to encourage these institutions to increase minority enrollment in health education programs. And the program was successful; in fact independent institutions now graduate over 56% of all health education degrees annually. At a FY 2008 appropriation level of \$17 million, when you look at the quality and quantity of graduates produced, this is a great investment for the state, and a program that the board should support, especially in these difficult economic times.

I have been told by the executive director that the program is not defensible, that we don't have good enough data to determine whether the program is effective, and that there are a number of members of the Illinois general assembly who do not support its continuation. Let me address these questions. I could use any of the eligible disciplines as an example, but let's take a look at the nursing component within HSEGA; a discipline that I think we can all agree remains a priority for our state and nation.

Is the program defensible, and is there sufficient data to prove its effectiveness?

In FY 2006, the annual undergraduate nursing grant per student through HSEGA was \$1,000. Extrapolated over four years, that's roughly \$4,000 in state dollars per graduate to an independent college or university. A December 2008 report by the Illinois Commission on Governmental Forecasting calculated that in that same year, FY 2006, the state spent around \$7,000 per FTE in the public universities (See web link below). Assuming that student also graduated in four years, the price tag for the state was \$28,000. Conservatively over four years, that's a difference of 7 to 1. Additionally, the grant paid out over \$1.6 million last year to over 1,000 minority residents, including \$650,000 in nursing alone.

Are members of the Illinois general assembly supportive of this program?

Over the last few fiscal years, this board has attempted to eliminate, or drastically reduce the appropriations for HSEGA. In every instance, the general assembly has voted to preserve the program. In fact, using the same "data" that I explained previously, both the House and Senate just this last year unanimously agreed to add \$4 million in funding to the base recommendation of \$17 million, taking the appropriation to \$21 million. If indeed there was a groundswell of opposition against the program, it clearly was not evident in the actions of the Illinois general assembly.

Unfortunately, as you are well aware, the governor eliminated this program as part of a larger set of amendatory budget vetoes. While we could not correct that particular action, which undoubtedly now is being investigated as part of a larger set of questions related to state policy and financial matters, you can help put this historic program back on track.

Therefore, I respectfully ask that you add this item to your FY 2010 budget recommendations, so we can again work with this board and the general assembly to continue to make health education a priority in our state.

Thank You.

Illinois Commission on Governmental Forecasting link:

<http://www.ilga.gov/commission/cgfa2006/Upload/2008-DEC%20Higher%20Education%20Funding%20Tuition%20Rates.pdf>

**Submitted Remarks of William Obuchowski, Chair
Student Advisory Committee
Illinois Board of Higher Education Meeting - January 27, 2009**

Thank you Madam Chair, Good morning.

If I can express one sentiment this morning, it would be that the Student Advisory Committee holds firm in its belief that Academics and Instructional programming are priorities in allowing higher education to be affordable. Upon reviewing the Board's agenda item #16, we feel that although a project of this nature is "non-instructional" there is a net savings to students which falls under The Public Agenda Goal #2. Also, this item is fully endorsed by students on the EIU campus including an official resolution passed by Eastern's Student Government.

The SAC is also has an election meeting coming up that will be held at Judson University in Elgin, IL and will be evaluating our service to this board in hopes to be as effective as possible in the light and context of the Public Agenda.

In closing, I would like to take this opportunity to thank the Board for keeping the interests of students in mind in these uncertain times. Thank you.

