

**MINUTES – BOARD MEETING**  
**January 26, 2010**

**Submitted for:** Action.

**Summary:** Minutes of the January 26, 2010, meeting of the Illinois Board of Higher Education held at Chicago State University, Chicago, Illinois.

**Action Requested:** That the Illinois Board of Higher Education approve the Minutes of the January 26, 2010, meeting.



STATE OF ILLINOIS  
BOARD OF HIGHER EDUCATION

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**January 26, 2010**

A meeting of the Illinois Board of Higher Education was called to order at 1:10 p.m. in the Emil and Patricia Jones Convocation Center at Chicago State University, Chicago, Illinois, on January 26, 2010.

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

The following Board members were present:

Jay D. Bergman	Proshanta Nandi
Frances G. Carroll	William Obuchowski
Alice B. Hayes	Elmer L. Washington
Dimitri Kametas	Addison E. Woodward, Jr.
Donald J. McNeil	

Also present by invitation of the Board were:

Judy Erwin, Executive Director, Illinois Board of Higher Education  
Andy Davis, Executive Director, Illinois Student Assistance Commission

Presidents and Chancellors

Paula Allen-Meares	Elaine Maimon
Al Bowman	John Peters
Alvin Goldfarb	Glenn Poshard
Sharon Hahs	Wayne Watson
Stan Ikenberry	

Advisory Committee Chairpersons

John Erwin, Community College Presidents Council  
Tom Thompson, Disabilities Advisory Committee  
John Bennett, Faculty Advisory Council  
Dave Tretter, Independent College and University Advisory Committee  
Jerry Dill, Proprietary Advisory Committee  
John Peters, Public University Presidents  
Dimitra Georgouses, Student Advisory Committee

### **Call Meeting to Order, Chairwoman Carrie J. Hightman**

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

### **Welcome by Wayne Watson, President, Chicago State University**

Dr. Watson welcomed everyone to Chicago State University.

### **Welcome and Remarks by Chairwoman Carrie J. Hightman**

Chairwoman Hightman said, “Good afternoon and welcome to the January meeting of the Board of Higher Education.

“First, let me assure everyone that this meeting is not starting four hours late. We have decided to experiment with our meeting schedule this year. As opposed to spreading our meetings over two days, this year we are holding Board meetings and the various meetings that go along with them, including our Board work sessions, on a single day. This is being done to accommodate the schedules of busy Board members and others who attend our meetings and to curtail costs somewhat by making it easier for staff to attend meetings without an overnight stay. We hope you will find this schedule to be an improvement over our past practice.

“I want to thank President Watson and the fine staff here at Chicago State University for hosting this meeting of the Board and for the outstanding hospitality we have experienced.

“I want to extend a warm welcome to Paul Lingenfelter, who is joining us this afternoon to discuss our bleak fiscal condition through the lens of his knowledge and expertise on higher education finance. Paul will give us national context within which to consider the dire situation here in Illinois. We are grateful to Paul for being available today on fairly short notice, and we look forward to a thoughtful and informative presentation later in our meeting.

“I also want to welcome the community college presidents who are with us. We enjoyed a productive discussion with the Community College Presidents Council during lunch this afternoon.

“Before we move on to the Board’s business, I want to make a rather unhappy announcement. Lucy Sloan, who has been an anchor for the Board of Higher Education for two decades, has informed the Board and the Governor that she is stepping down from the Board. We will have a more formal and appropriate send-off for Lucy at our next meeting, but I want to say now how much this Board and I, as the Chairwoman, will miss Lucy and her contribution to the Board and to Illinois higher education. I am grateful I have been able to serve with Lucy for the past three years.

“On a brighter note, I am delighted to announce that Illinois education leaders will be recognized at a meeting of the national Data Quality Campaign (DQC) later this week as ‘State Policymakers of the Year.’ This honor will be shared by Chris Koch, superintendent of education with the Illinois State Board of Education, Geoff Obrzut, president and CEO of the Illinois Community College Board, Judy Erwin, and Senator Heather Steans. The DQC will honor these individuals for the passage of SB1828 and the subsequent implementation of a comprehensive, longitudinal data system that will stretch from preschool to graduate school. Congratulations to our Illinois Policymakers of the Year.

"I want to take a few moments to discuss the fiscal year 2011 budget recommendations that we will be considering today.

"First, let me say that the Board is well aware of the state's grim fiscal condition. We received an earful of dire warnings about cash flow crises at our last meeting, and one can hardly pick up a newspaper without seeing another billion dollars being added to the state's mountain of debt. We know times are bad. We met with the Presidents and Chancellors this morning to discuss the state's financial problems. We all have a common interest, and we understand it is necessary to work together to navigate through these difficult times.

"In recognition of the state's financial situation, and at the request of the Governor's Office of Management and Budget, we have presented one budget scenario that takes us backward by subtracting one-time federal American Recovery and Reinvestment Act (ARRA) stimulus funds. This is not the budget that the Board of Higher Education is recommending.

"What we will be recommending is an investment budget that at a minimum maintains higher education funding at the fiscal year 2010 level and, beyond that minimum, includes two positive steps -- a 2 percent increase and a 4 percent increase. I feel these investment levels are justified, even in these times of fiscal emergency, or, I would argue, because the fiscal emergency makes investment in higher education even more necessary.

"We will hear from Paul Lingenfelter and Mike Baumgartner later, so I will reserve any further comments. But I want to make clear that this Board does not advocate for budgets that take us backward. That would be an affront to the citizens of Illinois and an abdication of our responsibilities.

"Speaking of advocacy, at our last Board meeting and again earlier today in our work session, we pledged the Board's commitment to work with our sister agencies and other stakeholders to build support for getting sufficient revenues for higher education. We did so because without adequate revenues we cannot meet our responsibilities to students, parents, institutions, and the State of Illinois. That effort is underway. But I would like to make clear that we all need to put an oar in the water. We need the help of everyone in this room -- our advisory groups, institutional leaders, association executives, everyone who has a stake in higher education -- to make this campaign successful, and I look forward to working with all of you.

"I want to turn to the topic of program review. While the state's serious fiscal problems seem to overshadow nearly all higher education issues, I want you to know that the Board continues to be concerned about ensuring a quality postsecondary education in all sectors -- public, private nonprofit, and private for-profit institutions. As you recall the *Illinois Public Agenda* calls for not only improving college completion but also completion of quality degree programs.

"We have discussed at a number of Board meetings the challenges IBHE faces to fulfill our important quality assurance mandate in approving operating and degree-granting authority for institutions in our state. The landscape of higher education is changing significantly, as it should, to meet the needs of students and employers. On the other hand, I am concerned that the pressure for academic approval must not come at the cost of reducing quality.

"I am very troubled by recent stories regarding institutions operating in Illinois that have been the focus of the U. S. Department of Education's Inspector General. A concern has been raised about the quality of online degree programs being provided by certain proprietary

institutions. While it is not our role, and we do not intend to mediate dispute between the Higher Learning Commission and the U. S. Department of Education, the issue of the appropriate role for state, regional, and national accrediting and authorizing bodies is one with which we must be concerned.

“I think it is important for IBHE to reexamine our own efforts to see if our existing statutes, administrative rules, and practices are sufficient to ensure that only quality programs and institutions receive our approval. I have spoken with Dr. Elmer Washington, the Chair of the Academic Affairs Committee, and we will ask the staff to develop a plan on how we might approach this review. We take this seriously and we do not want to interfere, but want to make sure that everything is on sound footing in Illinois. I trust Dr. Washington to help with that effort. I want to commend our Academic Affairs staff, Bob Blankenberger and Arthur Sutton, for their great work under difficult financial circumstances. They do a great job. They work hard and work long hours.

“I have a couple of comments about the *Public Agenda*. Last month we received more or less a pretty comprehensive review of the progress made during 2009 to implement the goals of the *Illinois Public Agenda*.

“I have asked our staff to review the dashboard report and try to reengineer it so it will be more informative -- but not much longer -- for the Board and others who are watching our progress. The work to reengineer that report is currently underway. So we will not have a dashboard today on the *Public Agenda*. Again, our effort here is one of continuous improvement, trying to make these Board meetings better, trying to make the information we provide to you better, and trying to better focus our time and effort on the right things.

“I want to tell you about one significant development that will help us meet some of the critical goals and action steps of the *Public Agenda*. We are working with ICCB, ISAC, and the Office of the Governor to respond to an invitation from Complete College America to join the organization’s Alliance of States. Governor Quinn has asked the three higher education agencies to collaborate on the response accepting this opportunity. Board members will recall a presentation last August by Stan Jones, the former SHEEO in Indiana. At that time, Stan was the newly selected head of an organization so new it did not yet have a name, which is now named Complete College America.

“As part of the Alliance of States, we are being asked to establish a team to oversee this endeavor, set goals for completion rates for the state and campuses, and develop completion plans to meet those goals. We know from information developed by our NCHEMS consultants that Illinois will need to increase the number of degrees awarded by 4,671 per year or 635,243 more degrees by 2025 in order to achieve the goal set by President Obama. Complete College America will have the resources, expertise, and commitment to assist us in meeting that rather daunting goal.”

#### **Remarks by Executive Director Judy Erwin**

Ms. Erwin said, “I had the privilege of attending the Illinois Community College Presidents Council meeting last Friday in Springfield, and they are, as our partners in the four-year public and private institutions, partners in all of our efforts, particularly on the budget. We will be working very closely with the four-year institutions to see if we can do a better job of improving transfer and articulation between those levels and sectors.

“I would like to congratulate everybody and anybody in this room who played a part in the federal Race to the Top application. As many of you know, that was an arduous assignment. Dr. Chris Koch at ISBE really led that effort. In that application you will find many of the issues that are in the *Public Agenda* and issues that your institutions have been working on -- education reforms like improving school leadership, reforming teacher training, the development of the longitudinal data system, the development of the P-20 Council, and others that we are doing because they are the right thing to do. Race to the Top is a great opportunity, hopefully, to get some federal funds. Whether we get the funds or not, the *Public Agenda* is still to be accomplished. So, thank you for all of your efforts.

“The P-20 Council held its first meeting the end of last year. They meet again tomorrow, and I would like to thank Elaine Johnson from the Community College Board, Dr. Ikenberry, and many folks from the University of Illinois who have been very helpful. The P-20 Council is up and running, for which we are very grateful. Soon, we hope to have a meeting of the College of Education Deans to debrief on all that is going on in teacher certification and the potential changes in school leadership. We look forward to working with your deans of education, both in the public and private sector.

“I want to make note of a few additions to our website. We have a great webmaster -- Yock Hoon Tan. Don Sevener and Candace Mueller have worked closely with Yock on the inclusion of a special section on the website for a one stop place for veterans. I want to thank all of you for your help in implementing the Veterans Higher Education Services Act. There is also some information on a new law about credit card marketing that is imposing some new rules and regulations on the way credit card companies operate on your campuses.

“With the assistance of many of you, the Board of Higher Education is sponsoring an Affordability Summit at the University of Illinois at Chicago later in February. This is specifically for members of the legislature, and NCHEMS will be coming back to assist with that.

“Mike Baumgartner will be receiving the national award on our behalf for the Data Quality Campaign. The credit goes to him and the rest of our staff for the work they have done along with Charlie Evans, Marilyn Marshall, and John Evans from the University of Illinois, and many others from other institutions. We appreciate your support and help.”

**Presentation by Paul E. Lingenfelter, President, State Higher Education Executive Officers (SHEEO): A National Perspective on Higher Education Finances**

Chairwoman Hightman said, “Paul has been president of SHEEO, which is the State Higher Education Executive Officers during one of the most turbulent periods ever experienced by higher education in state governments. Paul’s work as president of SHEEO is focused on student success and college accountability and finance. He has written extensively and presented widely on higher education issues such as the pressing need for increasing educational attainment in the United States, higher education governance, and the shift in focus in higher education from student access to student success. Under his leadership SHEEO organized the staff at the National Commission on Accountability and Higher Education, which in March 2005 issued its report *Accountability for Better Results - A Nation Imperative for Higher Education*. He previously served as vice president of The John D. and Catherine T. MacArthur Foundation.”

Dr. Lingenfelter said, “It is a pleasure to be here. I thank you for the kind introduction. Thank you, Judy, for inviting me to do this. I also want to pause just to applaud everybody who was involved in passing legislation on data quality in Illinois.

“The work of the Illinois Board of Higher Education, the Illinois Community College Board, and Senator Heather Steans was enormously important. When I was on the Board staff in the early 1980s, we had the idea of developing a unit record data system, and we gave it up. It was just completely unfeasible. We never even dreamed of including K-12 in that, and this is an enormous accomplishment in a difficult time.

“I also want to thank Judy Erwin for her service on the Executive Committee of SHEEO. This is my governing Board and, as she knows, there is nothing better than having a supportive Board when you have a tough job.

“I have titled my remarks *State Support for Higher Education Past and Future*, and I have had the opportunity to listen to some of you talking about your work in Illinois today. Nothing that I say is more important than the conversations you need to have among yourselves as citizens of the State of Illinois about this current crisis and the future, but you asked me to say a few things, so I will go ahead.

“I will start by saying a few words about the past. I am going to take you through about 140 years of higher education in the United States. In 1870 we had 563 colleges enrolling 52,000 students, and that was less than one-tenth of one percent of the population. By 2000 we had 4,100 institutions enrolling 14.8 million students, and it was 5.3 percent of the total population. What this represents is not only a little over 130 years of our history but enormous increases in the importance of knowledge and skill to the prospects of individuals and to the quality of life in our country.

“The most important part of that history is between 1960 and 1980. You look at the scope there, and it is no coincidence that the Illinois Board of Higher Education was established in 1961. That was the period of time when the nation educated the Baby Boom Generation and changed the scope of higher education, anticipating and leading the way to the knowledge economy we have today. Over that period of time, the Illinois Board of Higher Education led the establishment of the Community College System and, early on, set the objective that it would be statewide, created two new public universities, and expanded the capacity of virtually every institution in the state. The Board also adopted very ambitious goals for health education in the state, engaged the resources of private higher education as well as public higher education in that expansion, and developed one of the nation’s strongest student aid programs, which provides access and choice at a level that very few states have matched.

“Between 1980 and 2000, the growth rate in higher education slowed in the country, but it only slowed. Enrollment still grew by another 28 percent in those 20 years. This slide shows what happened to state support for higher education during that period. This is national support for higher education -- \$1.4 billion. In 1970 it went up almost four times to \$6.5 billion, and I will show you what happened in the remainder of the 20<sup>th</sup> century. The highest level of state support in higher education occurred in 2008. Those numbers are not adjusted for inflation.

“I want to show you what happens when you adjust for inflation. Board members have a view of this on a chart, but the important thing to see about this chart is the blue bars at the bottom -- our state support for higher education per student adjusted for inflation. That red line is enrollment growth, and it shows from 1984 to 2009. These numbers are not public yet. We had enrollment growth from about 7.4 to 10.5 million full-time equivalent students in the public sector. Those green bars are net tuition. You see what happened is that the width of the green

bars got substantially wider in constant dollars over that 25-year period. They went from about \$2,000 to about \$4,000.

“This chart shows the same data for Illinois. The interesting thing about this chart is that the enrollment growth in Illinois was a lot slower than in the nation over this entire period. Basically, it did not grow very much. The growth of tuition was slower than it was nationally until the recession of 2002. Then in the recession of 2002, Illinois net tuition began to grow quite rapidly. It looks like the State of Illinois recovered after the 2005 trough in state support, but that is a little deceptive. What really happened in Illinois is after the bottom of the last recession the state increased support as it had to for retirement and healthcare and did not recover in general support for institutional operations.”

Chairwoman Hightman said, “Just so we are clear, does the main non-tuition revenue for Illinois and actually for the country, include the pension payments?”

Dr. Lingenfelter said, “Yes.”

Chairwoman Hightman said, “Because that is the whole point.”

Dr. Lingenfelter said, “The only reason I broke this out here is your staff rightly said you have got to understand what these numbers conceal. In fact we have not had a recovery. The challenge for the country is to have the kind of recovery that we have had in the past after a recession for higher education. I did not take the time to describe the roller coaster experience we have had throughout my entire career -- 40 years in higher education. When there is a recession, enrollments go up, state support does not, and in constant dollars, state support per student goes down.

“The deepest of those recessions and the deepest decline we had came after the 2001 recession. That was, in part, because demand for higher education continues to grow and state support for three years did not grow. In Illinois it was a 25 percent real dollar drop in state support per student after the 2001 recession. That has not been recovered. It began recovering nationwide between 2005 and 2008. Illinois began recovering, looking at retirement and healthcare, but because Illinois has had to spend much more to regain support for retirement in the last few years that has further eroded the amount of support for higher education.

“This chart shows per capita income in Illinois compared to the United States average. You can see that Illinois continues to be richer than the average state but is becoming less so. I asked my staff -- when I took a look at that earlier draft and realized that enrollments in Illinois had not followed the national pattern -- to do some breakout for me. This is the rate of change. In this case, between 1984 and 2007 in public full-time equivalent enrollments in Illinois and in other states, the national average enrollments went up 38 percent. In Illinois they were up four percent, and you can see what the pattern is for some states that you think would be competitors and peers for Illinois. These are the same data for two-year institutions. Enrollment growth in Illinois has not kept pace with the national average or many of the states that you would consider peers.

“This slide shows degrees granted in Illinois. Degrees granted in Illinois in public institutions have not kept pace with the national average in growth, or in competitive states, or in community colleges. The reason we are all in business is to provide for the educational attainment of our people. Illinois was a national leader. It is still close to being a national leader, but we have lost a lot of ground. One cause of that is that tuition has grown as a percentage of the

total cost, and these numbers reflect student aid. So this is net tuition. Basically, students and their families are paying about nine percentage points more for higher education than they were at the turn of the century.

“If you look at the state effort in higher education appropriations, you will see that it is below average. It is not the worst in the nation, but the rate of effort in appropriations per capita is below the national average and below all these other states, even though Illinois is richer than some of those states. Higher education appropriations per \$1,000 of personal income are also below the national average. Higher education appropriations, as a percentage of total state revenues, are about five percent, which is also below the national average.

“I do not believe that there is a magic number for higher education appropriations that a state, because of some of these charts, should feel like it has to meet the national average. What is important is to know what the state needs and what resources it will take to provide what it needs. I think the most worrisome and compelling information is what is happening in enrollment growth and what is happening in degree-granting growth because those are the reasons that Illinois higher education is here. That is what we need to work on.

“When I worked for the Board, Illinois’ share for higher education was probably about double of what it is now, but Medicaid did not exist. It is OK if we have other social priorities that provide more public revenues. What is not OK is if we are failing to invest what we need in critical public services that will build a future.

“This is a picture of tax effort and tax capacity. The red line is the tax capacity in Illinois. We are still a richer state, although we are not much richer than we used to be. The blue line is tax effort, which is basically tax revenues as a fraction of tax capacity, and Illinois is below the national average in tax effort.

“This slide shows the percentage of the average family income required to pay for the college expenses minus financial aid at four-year institutions. This was put together by my colleagues at NCHEMS, and you can see what has happened since 2001 in the affordability of higher education in Illinois.

“This slide illustrates the structural deficit that state governments all across the United States are facing. The yellow bar is the national average, and the blue line is Illinois projected as of 2013. It does not say that these states are all going to run a deficit. They cannot. This is the gap between projected state revenues given current tax structures and the revenues required to maintain current public services. That reflects enrollment growth in K-12 and higher education. It reflects the cost of healthcare, and it shows the mismatch between state revenue structures and public needs at current levels of service.

“The challenge in higher education and in K-12 is we that have constantly expanding demands on the services. Why is this true? In part, it is true because some of our tax structures are obsolete. Our economy is now spending about two-thirds on services and one-third on goods. When I was a kid, it was just the opposite. It was two-thirds on goods, one-third services. And guess what? We tax goods; we do not tax services. That is a big factor in leading to this nationwide picture.

“The fact is that states are going to have to do what many public policy members are encouraging higher education leaders to do, and we need to do it, too. That is to think hard about what our priorities are and make sure we put our resources behind our priorities. There will never

be enough money coming from any state government to make the work of higher education easy. We all know that, and we have got to find ways to become more productive within higher education. The people of the United States need to focus on our long-term priorities and the needs of the nation for a better educated workforce in the future.

“On February 24, 2009, President Obama made his first address to the Congress, and he said something that thrilled me because we at SHEEO wrote a letter to both presidential candidates the year before and said we really need to make higher education a priority in the United States. What the President said was ‘I ask every American to commit to one year or more of higher education or career training. This can be community college, a four-year school, vocational training, or an apprenticeship. But whatever the training may be, every American will need to get more than a high school diploma. By 2020 America will once again have the highest proportion of college graduates in the world.’

“I would like to close by saying a little bit about the role of the Board of Higher Education. Underneath the surface in the federal government where there has been a lot of attention paid to healthcare, there has also been a debate about the College Access and Completion grant program. One of the interesting things in that debate is a debate over whether the best way the federal government can help increase the rate of completion and success in higher education is to provide individual grants to institutions or to provide grants to the states to develop a coherent state strategy for improving access and completion in higher education. That is an important debate because there are those who instinctively resist the role of government in steering and coordinating something as important as higher education. I understand that. Freedom and flexibility in higher education is absolutely essential. It is also vitally important that higher education become a visible public priority, and that some entity, like the Board of Higher Education, is available to challenge governors and legislators to do what the public needs to do to have an effective sector and also to challenge higher education to do what it needs to do to meet the needs of the public.

“From the time I have been at SHEEO, I have always felt that boards like the Board of Higher Education have played an enormously crucial role in the success and growth of higher education in this country because it provided the means for the higher education community to work together. It provided a means for the higher education community to show the public its commitment to public priorities -- its willingness to deal with the tough questions within higher education about the reallocation of resources, about competition for a place in the sun, for market share, our ability to work together to solve these issues, and to work for the public good. The Board of Higher Education has played an enormously important role in that. It has been most effective when the Governor and the legislature have looked to it for leadership, and the institutions have worked together with the Board on behalf of the common public good. That is the vision we need for the entire country, and I am optimistic that we are going to do it.”

Dr. Elmer Washington said, “Thank you for an informative presentation. The issues you raised are relevant to our considerations as we look from state to state. In the past when we have looked at this data, there was not much happening in other parts of the world. I think now there is so much going on at the international level in different countries, which are leading us in dealing with many of the issues that we are concerned about, additional leverage is provided when we have a drumming home of the message that there is leadership in the world in dealing with some of the issues that we are dealing with. We need to be aware of that and constantly be reminded that it is not just catching up with Indiana, or Arizona, or getting ahead of California, but it is actually a much more intense competition worldwide. Sometimes we lose sight of that.”

Dr. Lingenfelter said, "That is absolutely true. In the blink of an eye, literally around the turn of the century, we suddenly discovered that we had slipped from leading the world in higher education attainment to eighth place, and we are now tenth place in the education of the younger generation. We have a lot of work to do."

Dr. Alice Hayes said, "Thank you also for the data, which showed us the importance of looking at information in context. It would be so easy to look at our degree production and say over the past ten years it had increased 25 percent without realizing that in Florida it increased 125 percent. I think this data was an important reminder that the view is larger than our local scene."

Dr. Washington said, "I think some of the positive news that we see in the data is largely due to states having a population increase as opposed to states not having that. Is that a fair correlation to make?"

Dr. Lingenfelter said, "That is fair. You can analyze these data lots of different ways, and Florida has had a lot of population growth. That is part of it. I frankly would not trade Illinois' higher education system for Florida's with any kind of incentive. Illinois is in better shape than Florida, but we have a lot of work to do."

Chairwoman Hightman said, "As I was looking at the slide that showed the red line of enrollment increasing, I wonder whether it is inappropriate to think that with the enrollment increases there should be some economies of scale that the universities would be able to capture - - economies of scale that would help them reduce their cost structures as the enrollment continues to increase. Is that true or not true?"

Dr. Lingenfelter said, "There is no question that higher education, like every other entity on earth, can be become more productive. Economies of scale are an issue. If you look at the absolute level of support in higher education in some states, Illinois is better off than some. It is not as well off as others. If you look within the state, there are some institutions that are more prosperous than others. The total picture in Illinois, though, has been to put increasing pressure on institutions financially, particularly in the last decade. That drains energy. It is not just about the money. It is about what you have to focus on. I think one of the messages that higher education is going to have to give to the state is that we have been becoming more productive. We are committed to becoming more productive. We are committed to increasing degree attainment and reducing credits to degree. There is a student I know well who accumulated 192 credit hours, mostly in Illinois higher education institutions before getting to a degree. That was partially an indulgent parent, and that was partially inadequate counseling. It was not a good use of his resources or the public's. We can do better than that. That is not to say that solid public support and real commitment to higher education from the people of Illinois can be dispensed with. The colleges and universities need signals from the Governor and the legislature that their work is important and that it is supported. They need to send signals to the people of Illinois that we are doing everything in our power to deliver more productivity, higher quality, and to achieve more for the people of Illinois."

Chairwoman Hightman said, "Thank you again for coming here, for participating in the earlier meetings and this meeting, and bringing this great presentation to us. It really says a lot about the situation throughout the country let alone here in Illinois. We appreciate your comments and the work that you did to come and talk to us. You are welcome back anytime."

## 1. ACTION ITEMS

### 1a. Fiscal Year 2011 Higher Education Budget Recommendations: Operations, Grants, and Capital Improvements

Dr. Baumgartner briefly outlined the contents of this item. Following his report, the following discussion took place:

Chairwoman Hightman said, "There is \$1.6 billion of projects. Does this list include our list that we have come with?"

Dr. Baumgartner said, "That was the list that we had recommended from last year."

Chairwoman Hightman said, "So it is the projects that we have already approved that they have been waiting to get money for. But there is only \$600 million of bonding authority."

Dr. Baumgartner said, "Correct."

Chairwoman Hightman said, "So the solution that we are proposing is to increase our bonding authority? We cannot just do that."

Dr. Baumgartner said, "We can recommend to the General Assembly that they increase the bonding authorization, sell the bonds, and release the projects. The problem that we have had is that we have had projects appropriated and not enough bonding authorization. Even when we have had bonding authorization, we have had projects that never got released for one reason or another. What we are asking here is to clear out the projects that have been, in some cases, on the list since 2000 and get those finished so that the colleges can move on to other things."

Chairwoman Hightman said, "So the reason you were asking us whether we want to add any other projects to this list is because you did not add any since the last fiscal year?"

Dr. Baumgartner said, "We did not."

Chairwoman Hightman said, "What is the total price tag of the other projects that the universities or the community colleges would want us to support?"

Dr. Baumgartner said, "There are requests for about \$2 billion additional worth of projects."

Chairwoman Hightman said, "So it is more than double."

Dr. Baumgartner said, "Every year in the recommendations we get the list. The universities are planning well in advance and they are identifying the projects that are important to them that they would like state funding for. They prioritize those for us. Then we build our list off the qualities and characteristics of the projects, the criteria that the Board has adopted in the past."

Chairwoman Hightman said, "So even if there was money, you would not necessarily be coming in saying do all \$2 billion worth."

Dr. Baumgartner said, "No."

Chairwoman Hightman said, "So have you taken a look at that list and said we think X amount is an appropriate amount?"

Dr. Baumgartner said, "Yes, we have."

Chairwoman Hightman said, "So how much?"

Dr. Baumgartner said, "One billion dollars and that is between community college projects still on their list and new university projects that we could bring forward to you based on the criteria that we have, if you would like to recommend those additional projects."

Chairwoman Hightman said, "Is there some way to actually recommend them now and show the prioritization to do these other ones first?"

Dr. Baumgartner said, "Yes, we can do that."

Chairwoman Hightman said, "I fear that by not adding to the list that we are somehow going to make it even less likely in the future that those new projects would get done."

Dr. Baumgartner said, "That is something that we have gone back and forth on, and I understand that concern. Is this the right path? Well, I know it is right to get these projects cleared out, but I also think that maybe it is right to add that second list as well. We would be happy to bring that back to you. I would not do it today because you have not seen it."

Chairwoman Hightman said, "I think, if the Board agrees, that new list of new projects should come back to us -- the ones that you would recommend, not the full \$2 billion, but the ones that you have gone through and can tell us, with some degree of certainty, are good projects."

Ms. Erwin said, "We heard in the budget meetings with the public universities, in particular, but we heard similar things from community college presidents that what has happened since we passed the capital bill is that even though the dollars are appropriated, the money is not there. When you say we have already approved those capital projects, which we did last year, that is what Mike is taking about. So, OK, move those off. They are not funded. And so you get cases like Dr. Elaine Maimon can tell us about with science labs that have been appropriated and approved year after year after year, but the work never gets done. The staff heard loud and clear from the college presidents -- focus on getting the jobs done that you, the State of Illinois, have said you are going to do."

Chairwoman Hightman said, "I am not saying that it was a bad approach. I just do not want to get further behind. Maybe John Peters, on behalf of the university presidents, can answer this, but it would seem like you would rather at least know what that list is and get it out there, but prioritize that you want to have the other projects done first. John, do you think it would be counterproductive to your interests to have the IBHE also identify the new capital projects that you are interested in seeing funded?"

Dr. John Peters said, "I think that is a strategic decision. If the needs are there, we ought to show them, but it gets awfully confusing because then you have a limited amount of released funds going after programs that have already been authorized and appropriated. At some point rationality says let us fund those projects that we have on the list, but needs continue. You have to continue to build budgets if that is your responsibility."

Dr. John Erwin said, "The community college presidents' number one priority is to take care of our existing list. As Mike has outlined, our priorities are to get completed that which we have set out to do, and some of these projects are ten years in the waiting. But I have no problem with the planning document that adds some additional things that we are looking forward to. As our times have changed and as technology changes, that certainly is prudent. I applaud the attempt to set forth to you another list that is in waiting."

Chairwoman Hightman said, "It is how we characterize it that you are concerned about. We do not want in any way to diminish the length of time or the priority of the original list. You are going to bring this back to us at the next meeting. If anyone has any further comments they want to share on this, please do so."

Dr. Baumgartner said, "We will distribute it to you and to the institutions as we do a regular discussion budget."

Ms. Erwin said, "Another reason why this was not presented today is that the Illinois Community College Board has not set forward their list. We had a meeting today with only public universities and did not want to give the world the sense that that is all there was and not show the community colleges."

Chairwoman Hightman said, "I was not being critical. I was thinking ahead."

Dr. Elmer Washington said, "I note that in the beginning the Silas Purnell program drops out. Even at step level four, I do not see it returning. Is that to indicate that the Silas Purnell program is over because it dealt with the neediest of the students who got MAP grants? I do not know whether it is useful or not, but I just want to know, what is the rationale?"

Mr. Andy Davis said, "It is a program that we think highly of. I cannot say we are enthusiastic about that recommendation. The reason in making the suggested elimination is that in this most current year, what we found was that by the time the cycle was through, there were more students eligible unserved by the program than there were students actually being served. The amount of the grant had been cut back to \$250 a year per recipient. At a certain point the cost of administering it and the false expectations that are built in for students outweigh or rather under weigh the value of the program. Since all of the students eligible for the Silas Purnell program are eligible for the MAP as well, and there is a 100 percent overlap there, we thought that it was a marginally more productive use to consolidate and be able to serve in each of the levels we have, whether it is 2,000 or 5,000 additional students that would be served overall by combining the programs. But I cannot say that it is something that we feel strongly about, certainly nothing we feel good about."

Chairwoman Hightman said, "There is nothing to feel good about here."

Dr. Baumgartner said, "I want to point out that the staff recommendation is to adopt levels two, three, and four, and not to adopt level one among your recommendations."

Mr. William Obuchowski said, "Do they actually move forward as the Board's recommendation at the next meeting?"

Chairwoman Hightman said, "No. This is what goes to OMB. It is disappointing that we have to get to the point that we are recommending a level that actually is a reduction. There is a

make whole, but it is still not what we want to even be thinking about. We also recognize that we have to help the process along. We are in dire financial circumstances. While we would never want to even be putting on paper step one, I do not know that we have any choice but to offer this information up. I would agree with the way Mike characterized this -- what the staff is recommending for us to adopt as a Board are steps two, three, and four, and we are providing step one as information at the request of OMB.”

*The Illinois Board of Higher Education, on motion made by Dr. Washington and seconded by Dr. Woodward, unanimously approved as its fiscal year 2011 recommendation for higher education operations and grants investment levels two, three, and four presented in Item 1a-1, and, for capital improvements, full bonding authorization and release of all fiscal year 2010 capital improvement appropriations as presented in Item 1a-2.*

1b. New Units of Instruction at Public Community Colleges

Dr. Bob Blankenberger said, “We have included in the memo a listing of all pending academic programs and all authorization proposals submitted to the Board through January 15, a total of 186. Since then, six additional proposals have been received; five from independent institutions, and one from a public institution. As of Friday, January 22, there were three new requests for program modifications.

Dr. Alice Hayes said, “Thank you very much for this list. It is helpful. I note that in a number of cases what is listed are not degrees. It says things like degree name finance, degree name history. I would like to know the next time this comes around whether that is a bachelor’s degree, a master’s degree, a doctoral degree, an associate degree, certificate, or what. Just giving the discipline is not going to be enough.”

Dr. Blakenberger said, “Sure. Is that for the modifications or for the degree programs?”

Dr. Hayes said, “For the degree programs.”

Dr. Blakenberger said, “We included a short list of modifications that were open as well.”

Dr. Addison Woodward said, “I want to speak also about the number of potential new degrees and new institutions. I know that in the past we have on occasion raised questions about a new institution, and I never know if those questions get answered. It would be helpful if we knew what those questions were and if those institutions that are coming before us again with more degrees, if they have answered those questions. I think it would also be helpful if we knew if there were complaints against some of these institutions.”

Chairwoman Hightman said, “Just so that I understand, to the extent that there is a request for some kind of approval of a new institution operating in Illinois, you would want to know whether any complaints were filed against them?”

Dr. Woodward said, “Yes. Or a new degree from a previously approved institution.”

Chairwoman Hightman said, “So that would be true for any of these?”

Dr. Woodward said, “Certainly.”

Chairwoman Hightman said, “You are not talking about just new institutions, but any kind of approval?”

Dr. Woodward said, “When we see requests for new degree approval, yes.”

Chairwoman Hightman said, “So you want to know about pending complaints filed in other jurisdictions?”

Dr. Woodward said, “I will let the staff figure that out. We make statements about new degrees, and they promise they are going to seek this or that. I want to know, if indeed, they followed through. I do not know if we have a way of tickling the files to know if we need to follow up.”

Chairwoman Hightman said, “I think we had this conversation when we were looking at our authority and when we could actually check after three or five years.”

Ms. Erwin said, “We probably have the authority, right Bob?”

Dr. Blankenberger said, “Yes.”

Ms. Erwin said, “We do not have the resources. This was the Chairwoman’s earlier comment about the appropriate oversight between state, regional, and national accrediting. We simply do not have the resources to go back. The question is: should we, could we, would we? If we could triple the size of the staff and maybe have an investigative unit that could go back and answer complaints, but at this point with 186 in the queue, we cannot. So that is one of the reasons I think the Chairwoman mentioned that we probably need to take a look at the statutory authority in the rules. Are there other ways we could do this? Right now the answer is we have everything we can do to keep our head above water just in terms of the actual applications that come in.”

Chairwoman Hightman said, “Actually, what I was referring to was an issue that was raised early on in my tenure as Chair regarding whether after approval has been granted, would we have the authority to go back, take a look, and see whether they are doing it the way we want them to do it. I thought we determined that there was no ability to go back and make them pull programs if there is not the attendance as they expected.”

Dr. Woodward said, “That is so. But if there is a problem, why do we want to grant continued authority for new degrees?”

Chairwoman Hightman said, “So the question is, would we know that there is a problem in the first place?”

Dr. Blankenberger said, “One of the things that we do in the review process is to take a look at existing applications. Then we look at the applications of recently reviewed and approved by the Board. As part of the review process, we look at the applications and how the institution had represented themselves as satisfying the criteria for approval. As we review those applications, we try to take a look at any of the changes that may have occurred that do not appear to be consistent with the prior approvals. If there is an instance where an institution has, in fact, departed from the prior conditions of approval, then we take that opportunity to make sure that the institution has corrected or made sure that the application reflects what they had originally agreed to in prior approvals. It is a part of the process when we do reviews. There are some

institutions that are more active than others, and so there are some institutions, as they submit more applications on a regular basis, that we are able to do that with greater frequency than with others. But we do make that a part of the process of a review.”

Chairwoman Hightman said, “If they come in for new program approvals, you go back and take a look at whether they are doing the other existing programs properly.”

Dr. Blankenberger said, “Yes. We look at what has been represented by the institution in prior approvals, then look at how active those institutions are, and then look at what they are doing presently. A lot of times there is significant overlap. For example, the general education components will be similar in many of the programs that the institution comes forward with. So there is an opportunity to look at everything from graduation rates at the institution to the assessment processes that are in place at the institutions.”

Chairwoman Hightman said, “What about new institutions in Illinois?”

Dr. Blankenberger said, “When new institutions apply, if they have an out-of-state record that enables us to look at that, and if they have a record with the State Board of Education as they move from a certification institution to one that is now offering degrees, then we look at those factors. If it is a brand new institution that has never received degree-granting authority before, we ask the Board only to approve them for operating authority. If they do not have approval in another state or if they do not have approval with the State Board of Education, they can only receive operating authority to begin with. After they have operating authority for at least one year, then they can apply for degree-granting authority. At that point we are able to look at what the initial approval criteria were and how they satisfied those criteria. Then we are able to look at them in specific degree areas as well.”

Chairwoman Hightman said, “It sounds like what you want to be looked at is being looked at to the extent the information is available.”

Dr. Woodward said, “I can be assured then when this comes before me that everything is in order. That is my concern. Then if there have been past promises made, they have been kept.”

Dr. Blankenberger said, “We try. There are instances where an institution may not have turned in a recent application, and we will find something from four or five years ago that was approved that may not be consistent with what we would like to see an institution doing today. For example, as the general education component evolves and the delivery of those programs evolve, we will take a look at those in light of present standards that are in place in education. But we do suffer, as Director Erwin said, from a staffing challenge. In the last two months alone, we have received 70 applications for approvals. We are able to bring a couple dozen to you at every meeting, and we have the opportunity now to get technical questions to institutions more rapidly as a result of some of the changes that have been implemented over the last few years. That helps us to get application questions out to institutions to help them move through the process a little more expeditiously if they are able to answer the questions and do so in a successful way. But at the same time, we have a large volume of applications that is not ceasing. It continues to mount.”

Chairwoman Hightman said, “The fee that we now charge that was put into place last year has enabled us to at least use contract help getting at the backlog of applications.”

Dr. Blankenberger said, “Yes. At the end of December, we had been able to get assignment of the applications. Almost the entire list was assigned. Now we continue to get applications and those numbers continue to rise. We have about 50 additional open applications right now than we did at the last Board meeting.”

Chairwoman Hightman said, “To the folks who are worried about their applications not being reviewed quickly, we are doing our best.”

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

*The Illinois Board of Higher Education, on motion made by Mr. Kametas and seconded by Dr. Washington, unanimously grants authority to Southeastern Illinois College to offer the Associate in Fine Arts 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.*

1c. New Operating and/or Degree-Granting Authority for Independent Institutions

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

*The Illinois Board of Higher Education, on motion made by Mr. Obuchowski and seconded by Dr. Washington, unanimously grants to McKendree University Authorization to Grant the Master of Arts in Education in Higher Education Administrative Services 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 Midwestern University Authorization to Grant the Doctor of Dental Medicine in the West Suburban 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 Americare College of Nursing Authorization to Operate and to Grant the Associate of Applied Science in Nursing in the North Suburban 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 Argosy University – Chicago Campus Authorization to Grant the Bachelor of Arts in Liberal Arts and the Bachelor of Science in Criminal Justice 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.*

*And grants to Argosy University – Schaumburg Campus Authorization to Grant the Bachelor of Arts in Liberal Arts and the Bachelor of Science in Criminal Justice in the North Suburban 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.*

*And grants to Chamberlain College of Nursing Authorization to Grant the Bachelor of Science in Nursing 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 Flashpoint Academy Authorization to Grant the Associate of Applied Science in Film and Broadcast, Associate of Applied Science in Game Development, Associate of Applied Science in Recording Arts, and the Associate of Applied Science in Visual Effects and Animation 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.*

*And grants to ITT Technical Institute at Burr Ridge Authorization to Grant the Associate of Applied Science in Paralegal Studies in the West Suburban 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 ITT Technical Institute at Mount Prospect Authorization to Grant the Associate of Applied Science in Paralegal Studies in the North Suburban 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 ITT Technical Institute at Orland Park Authorization to Grant the Associate of Applied Science in Paralegal Studies in the South Metropolitan 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.*

1d. New Units of Instruction, Public Service, and Research at Public Universities

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

*The Illinois Board of Higher Education, on motion made by Dr. Carroll and seconded by Dr. Woodward hereby grants to Eastern Illinois University authorization to establish the Master of Science (M.S.) in Technology in the North Suburban 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 Illinois State University authorization to establish the Master of Science (M.S.) in Chemistry Education in the Central 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 the University of Illinois at Chicago authorization to establish the Master of Arts in the Teaching (MAT) of Spanish 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 Western Illinois University authorization to establish the Master of Science (M.S.) in Biology 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.*

Mr. Bergman voted present on this item.

1e. Proposed Rules: Private College and Universities Capital Distribution Formula Act

Dr. Baumgartner briefly outlined the contents of this item. Following his report, the following discussion took place:

Chairwoman Hightman said, "Is this a one-time act of putting these rules into effect?"

Dr. Baumgartner said, "Correct. There is a \$300 million appropriation. That appropriation is part of a five-year program. As with the other projects, the money is not authorized for this. We do not know when the grants are going to start happening, but we need to have the rules in advance. For instance, if the Governor released \$30 million this year, we would need these rules in place to start collecting the information on FTE so that we could administer the grant program."

Mr. William Obuchowski said, "If any of the colleges or universities that will be affected by this capital bill have questions as to some of the definitions or language of these rules, would they talk to you about this?"

Dr. Baumgartner said, "They would contact our office."

Chairwoman Hightman said, "This is a rule making. So these are proposed rules. If a party had a concern with the rule, they could file comments on the proposal, right?"

Dr. Baumgartner said, "We will be filing these with JCAR after you approve them for the first time today."

Chairwoman Hightman said, "Could they raise an issue if there are parties that have questions on the proposal?"

Ms. Erwin said, "They would file the comments at JCAR, the Joint Committee on Administrative Rules."

Chairwoman Hightman said, "So there is an opportunity for parties who have an issue with these rules to raise their concerns."

Mr. Obuchowski said, "Just a question for compliance was the issue, I think."

Chairwoman Hightman said, "I am not sure what you are referring to."

Dr. Baumgartner said, "I am not sure either. If the rule is adopted, and they have a question about the application, they would come to us. If it is at JCAR for the review process and they have a comment about a specific definition, they would supply their comments to JCAR at that point."

*The Illinois Board of Higher Education, on motion made by Dr. Hayes and seconded by Dr. Washington, approves the proposed rules for the Private Colleges and Universities Capital Distribution Formula Act (23 Ill. Adm. Code 1039) as detailed in this item, for publication in the Illinois Register.*

## 2. CONSENT AGENDA

Chairwoman Hightman said, “Are there any comments or questions concerning any of the items that are in the Consent Agenda?”

Mr. Obuchowski said, “Can we remove item 2e from the Consent Agenda to be voted on separately?”

Chairwoman Hightman said, “You can make a motion to consider everything but that item.”

Mr. Obuchowski said, “I move to consider everything in the Consent Agenda except for item 2e.”

*The Illinois Board of Higher Education, on motion made by Mr. Obuchowski and seconded by Mr. Kametas, approved the following items.*

2a. Board Meeting Minutes – December 8, 2009

*The Illinois Board of Higher Education unanimously approved the Minutes of the December 8, 2009, meeting.*

2b. Financial Report as of December 31, 2009

*The Illinois Board of Higher Education unanimously approved the financial report dated December 31, 2009.*

2c. Nursing School Grant Program, Fiscal Year 2010 Award Allocation

*The Illinois Board of Higher Education unanimously approved Fiscal Year 2010 awards totaling \$843,984 for Expansion and Improvement Grant projects under the Nursing School Grants as detailed in this item and shown in Table 1.*

2d. Illinois Cooperative Work Study Program, Fiscal Year 2010 Grant Allocation

*The Illinois Board of Higher Education unanimously approved Fiscal Year 2010 awards totaling \$1,230,000 for Illinois Cooperative Work Study grants 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.*

2f. Appropriation Transfers for Fiscal Year 2010

*The Illinois Board of Higher Education unanimously approved the following appropriation transfer:*

Board of Trustees of the Illinois Mathematics and Science Academy

Transfer Request 10-1  
Income Fund

From:	Contractual Services	\$56,000
	Contractual Services	5,000
To:	Personal Services	\$56,000
	Personal Services	5,000

2e. Public University Noninstructional Capital Project Approval

Chairwoman Hightman said, “Now we will separately consider item 2e, which is the Public University Noninstructional Capital Project Approval. Maybe what you want to do is to explain what your issue is.”

Mr. Obuchowski said, “I applaud the efforts and the scrutiny we place on our academic programs, and I would like to see more scrutiny on noninstructional projects of this nature.”

Chairwoman Hightman said, “Mike, do you want to review your review process? I think you should address what we as a staff do to review this kind of request.”

Dr. Baumgartner said, “Whenever we receive a request for a noninstructional capital project, first, based on new rule changes that you implemented a couple of months ago, we receive a notice of intent. The notice of intent is shared with the Board, and you are aware at that point of projects that are upcoming. After the Board of Trustees affirms that it wants to move ahead with the project, they submit the capital request to us. At that point we review the project based on the criteria that are included in the rules. Those criteria include: economic feasibility, fits into the mission of the campus, fits into the statewide master plan, and if operating expenses in the future from the project can be taken care of. Whenever it meets the specified criteria in the rules, then the staff makes a recommendation to you that you approve the project.”

Chairwoman Hightman said, “In looking at the timeframe for this particular proposal that is before us, the timeframe was what we were hoping we would see in these kinds of projects when we made the rule change. Things did not happen before they came here. We are factored into the schedule for getting this project going.”

Dr. Baumgartner said, “This was, in fact, the first notice of intent that we have received for any project.”

Dr. Alvin Goldfarb, President of Western Illinois University, said, “I would be happy to speak to the project. First off, I would be happy to share pictures of our 1929 coal stack and the pipes that were laid in the 1950s that are falling apart. We actually have a fee on our campus that was approved by our students to take care of life safety and enhancement projects. We have not increased that fee to make this project occur, but we are really in a situation where we also have,

as the report points out, electrical systems that go back to the 1930s and the coal stack that goes back to the 1920s. If you read our Board of Trustees meeting minutes, you will hear that our Board was not happy with having to do this. The President was not happy with having to do this. But with no infrastructure funds from the State of Illinois, we cannot afford to have heating and cooling for our students on campus. This is not the kind of project that we would like to see done in this fashion, but we have no choice. It is actually only the first step in taking care of part of our overall campus. But again, we have not increased any fee this year in order to do this. We are using fees that already existed and were in place that we actually received agreement from our Student Government Association. It has been approved by the Board of Trustees. It also went to the legislative committee that has to review bonding. It was unanimously approved by that committee as well. As I said over and over again at our Board meeting, I wish there was another way of doing this, but very clearly, we cannot let the infrastructure fall. And I would be happy to share all of the pictures that are pretty horrific in terms of the kinds of systems we have on our campus.”

Mr. Kametas said, “So this is initially to be funded by a bond issuance, right?”

Dr. Goldfarb said, “It will be funded by a bond issuance. We will be using the life safety and enhancement fee.”

Mr. Kametas said, “Of no more than 6 to 9 percent annual coupon rate?”

Dr. Goldfarb said, “I am not certain what our overall interest rate will be. The interest rate ultimately for the loan we think is right now at about 4.3 percent. It is coming down slightly, we hope. But the longer we wait, actually, what has happened since this was approved in December, the interest rates went up. Our hope is that they will go down a little bit as we go out. We have worked with a bonding counsel on this all the way through, and it presented those reports to the Board as well.”

Mr. Kametas said, “So if it is around 4 percent, you are looking at about \$400,000 a year in interest payments.”

Dr. Goldfarb said, “Actually, it is more than that, I think. But that is in our report as well.”

Mr. Kametas said, “That will tie up about one-third of the student fees for the next 30 years.”

Dr. Goldfarb said, “Yes, more than likely. You have done great homework there.”

Mr. Jay Bergman said, “The \$1.5 million of this, which is not a great amount, is for the student housing sprinkler system. Generally, you would use auxiliary facilities reserves or bonds for that so that the people who are actually staying in the dorms are, in fact, paying for it. In this case, you are using certificates of participation. So the entire student body is paying for improvements to the dorms. Is there a reason that you are doing it this way?”

Dr. Goldfarb said, “Actually, we did that initially way back when this project was started. We require all of our students to live on campus for the first two years, so all of our beginning students in some fashion are impacted by the residence hall rehabilitation. We determined early on that the students who probably are impacted the most who do not live in our residence students are our transfer students, but the vast majority of our students are incoming freshman. Once again, our goal was to try to spread this out among as many students as possible. That was

another unfunded mandate from the legislature. We greatly support sprinklers in our residence halls. We are actually ahead of schedule in doing it. But it was clearly an unfunded mandate, and we had to find a way, again, finding a fee to make it happen. And our students knew that. We discussed how the entire fee would work with our students. That original fee was passed probably four or five years ago.”

*The Illinois Board of Higher Education, on motion made by Dr. Carroll and seconded by Dr. Hayes, approved the noninstructional capital projects included in this item.*

Mr. Kametas voted no on this item.

### **3. INFORMATION ITEMS (Written Reports)**

3a. 96<sup>th</sup> General Assembly, 2010 Session Legislative Report

### **4. OTHER MATTERS/PUBLIC COMMENT PERIOD**

Chairwoman Hightman said, “I am very interested in hearing whether people think that this new schedule is a good schedule. It seems like it is good. We are going to try it and see how it works. I appreciate everybody’s patience in trying something new. It seems like it is more efficient.

“The next meeting of the Board is April 6 at Harold Washington College with the featured advisory group being the Faculty Advisory Council. Our June 1 Board meeting will be held at the Abraham Lincoln Hotel in Springfield with the featured group being the independent college presidents. Our August 10 Board meeting will be held at Northeastern Illinois University and the proprietary college presidents will be featured. Our October 5 Board meeting will be held at Oakton Community College in Des Plaines with the Student Advisory Committee as our featured advisory group. Our December 7 Board meeting will be held at the Chicago-Kent College of Law in Chicago with the Disabilities Advisory Committee being featured.”

There being no further business to come before the Board, Chairwoman Hightman adjourned the meeting at 2:56 p.m.

Respectfully submitted by Linda Oseland, Secretary to the Board.

Note: Copies of all items referred to in the minutes (i.e., letters, statements, reports, etc.) are on file with the official minutes of the January 26, 2010, meeting.

**Submitted Report of Dr. John S. Erwin, President  
Illinois Council of Community College Presidents  
Illinois Board of Higher Education Meeting - January 26, 2010**

On January 21, 2010, the Chief Academic Officers, the Chief Student Services Officers, and the Presidents of the state community colleges all met for a common meeting from 1:00 – 5:00 pm in Springfield.

A few of the topics discussed were:

- Transfer of course credits from a chosen major.
- A report for the Governor's office on the budget.
- Dual enrollment.
- Sustainability Network.
- A brief report from Women Employed on FAFRA dollars.

The Presidents' Council met on January 22, 2010, in Springfield with three committee reports presented.

- The Illinois Sustainability Network and the allocation of \$1.7 million from the DCEO.
- Current status of adult education and its future focus.
- A curriculum report that focused on transfer credit for majors from community colleges to universities.

A resolution was passed in support of confirming the credits earned for 1-4 courses in a major at a community college to transfer as credits in a major at a receiving university (not as elective credit.)

Additionally, Dr. Elaine Johnson will look for opportunities to meet with university presidents to discuss this matter.

The remainder of the meeting was devoted to a discussion on the budget crisis for funding higher education, in particular community colleges.

- The budget issue has reached an emergency level for several community colleges. Examples of actions taken by colleges, were: working cash bonds, tax anticipated bonds, layoffs, and furloughs.

Much debate and discussion ensued with the following outcome:

- A task force was formed with eleven individuals comprised of presidents and ICCB staff including Mr. Steve Brown and Mr. Ed Duffy, who will devise an action plan for budget concerns.

A report will be due in March at the president's council meeting. During the interim weeks, the task force may tap additional expertise to sharpen its strategic direction. It will work in collaboration with the IBHE and the ICCTA to coordinate its tactics.