

**MINUTES – BOARD MEETING
June 21, 2010**

Submitted for: Action.

Summary: Minutes of the June 21, 2010, meeting of the Illinois Board of Higher Education held at Roosevelt University, Chicago, Illinois.

Action Requested: That the Illinois Board of Higher Education approve the Minutes of the June 21, 2010, meeting.

STATE OF ILLINOIS
BOARD OF HIGHER EDUCATION

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A meeting of the Illinois Board of Higher Education was called to order at 1:35 p.m. on the Tenth Floor of The Murray-Green Library, at Roosevelt University, Chicago, Illinois, on June 21, 2010.

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

The following Board members were present:

Jay D. Bergman	Suzanne Morris (for Guy Alongi)
Frances G. Carroll	William Obuchowski
Heba Hamouda	Santos Rivera
Alice B. Hayes	Elmer L. Washington
Dimitri Kametas	Addison E. Woodward, Jr.
John P. Minogue	

Also present by invitation of the Board were:

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

Presidents and Chancellors

Paula Allen-Meares	Stanley Ikenberry
Al Bowman	Elaine Maimon
Rita Cheng	John Peters
Sharon Hahs	Glenn Poshard

Advisory Committee Chairpersons

Jerry Weber, Community College Presidents Council
Tom Thompson, Disabilities Advisory Committee
Steve Rock, 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 Chuck Middleton, President, Roosevelt University

Dr. Middleton welcomed everyone to Roosevelt University.

Welcome and Remarks by Chairwoman Carrie J. Hightman

Chairwoman Hightman said, “Good afternoon and welcome to the June meeting of the Board of Higher Education. I want to first thank Dr. Middleton and his staff for the hospitality they have shown us today in hosting this meeting. We have been to this institution in the past for Board meetings and Public Agenda Task Force meetings. Dr. Middleton and his staff have always done a great job, and we really appreciate it.

“I would like to welcome some special guests with us today. Rita Cheng, who began recently as the new chancellor at Southern Illinois University at Carbondale. Dwayne Mathews, vice president for policy and strategy for the Lumina Foundation, is here today as our guest speaker. Suzanne Morris is here from the Illinois Community College Board. She is filling in for Guy Alongi and will be able to answer any questions that are community college-related.

“I would like to thank, in absentia, John Bennett for his exemplary service this past year as chair of the Faculty Advisory Council. Of course, I also want to welcome his successor, Abbas Aminmansour, from the University of Illinois Urbana. He was not able to be here today, so we will put off an official welcome until August and welcome instead Steve Rock from Western Illinois University who is substituting for him.

“Jerry Weber, president of the College of Lake County, joins us today as the new representative of the Council of Community College Presidents’ advisory group. Thank you for taking over that role and welcome.

“We had a robust discussion at lunch with the presidents of the independent colleges and universities and appreciate their comments and concerns. I believe that there are many of you in the audience and we welcome you. Thank you all.

“I want to note that we have a new executive director of the State Universities Retirement System -- SURS. His name is Bill Mabe. He is an important person to many of you, and I wanted to announce that he started today. I look forward to the contributions he is willing to make on the SURS Board.

“I also want to express the Board’s gratitude to William Obuchowski and Dimitri Kametas for their service as student members of the Board. My prepared comments say that this is their last IBHE meeting. But that might not be true because, my guess is, they might come by, just not in their current capacities. So this is their last official IBHE meeting. I want to say out loud how much I appreciated their work, effort, time, and commitment to the mission of the IBHE. Thank you both for your service.

“At this point, I want to talk about a couple of issues that are relevant to the Board and to all of you. First, the budget -- I want to talk to you about fiscal year 2011 and the budget that was approved by the General Assembly. It is hard to ever be happy with anything that is happening with regard to the budget in the State of Illinois, but higher education was spared cuts of the magnitude other agencies have endured, and the budget essentially keeps our colleges and universities whole by replacing lost federal stimulus dollars with general revenue funds. The one exception to this good news scenario is the large cut in funding for the Illinois Community College Board adult education and technical career education funding. As was the case last year, this cut endangers programs and jeopardizes federal funds. So we encourage the Governor to use some of the discretionary funding at his disposal to fill this gap, as he did last year. We are hopeful that he will do so based on a conversation we had with his budget director earlier. Although our grant programs were hit hard this year, they were hit no harder for next year. So if it is a matter of staying afloat, we can feel good that we can stay afloat. Obviously, this is not where any of us want to be, but it seems like it could always be worse. So thank God we are not in that worse mode at this moment.

“But we should be nervous. The state’s fiscal condition is definitely on life support. Our bond rating has sagged again now to the level of California, which basically reflects Wall Street’s disappointment that Illinois has failed to come to grips with the monumental financial problems facing our state. In addition, as you all know, the General Assembly left Springfield without a viable plan to pay for the fiscal year 2011 pension obligation. Added to that is the mountain of unpaid bills for this fiscal year, including nearly \$700 million owed to our colleges and universities. Moreover, the Governor was given extraordinary powers to manage this crisis with actions that could still mean substantial cuts affecting all of our institutions and all the students who will become affected by those decisions.

“I should note that the Governor recently signed Senate Bill 642 giving public universities the authority to borrow against future revenues to meet cash flow problems. Now, what I talked about before on the budget is one thing; the cash flow issue is another. This is not, as some have characterized it, a ‘favor’ to the universities. It really is a depressing symbol of the state’s failure to fulfill its fiscal obligations. As I understand it, most public universities have made some sort of arrangement to borrow if they absolutely need to, but none of us believe that this is the proper way to manage the operations of the state’s universities. With some \$700 million in delinquent appropriations owed the universities, the universities and community colleges have been forced into juggling cash flow just to keep the doors open. This is not the way it should work.

“We soon will be proceeding with the planning and development of the higher education budget for fiscal year 2012. That, obviously, is going to be a difficult process with the black clouds of fiscal year 2010 debt and the uncertain forecast for fiscal year 2011 hanging over our deliberations. But, honestly, I think I might have said the same thing a year ago because everything was uncertain at that time because of similar, but maybe a little bit less severe, circumstances. So I think I would sum up my budget presentation with saying it is a mess. It is horrible. It should never have gotten to this point, but it has. We will do everything we can do at the Board of Higher Education to at least help as much as we possibly can.

“I want to turn next to the *Public Agenda*. The Board members and everybody in this room are no doubt familiar with the volume and variety of initiatives that IBHE and its sister agencies are engaged in. They comprise, basically, an alphabet soup of projects, including programs, legislative activities, task forces, and other things. I want to give you a handful of

examples of some of the things that are going on now that are meant to move the *Public Agenda* forward.

“CCA - Complete College America is the new organization founded by Stan Jones to help states increase educational attainment substantially. ADP - the American Diploma Project, which we have talked about before. It is aimed at developing rigorous high school standards and curriculum so graduates will be college and career-ready. SJR88 - Senate Joint Resolution 88 directs IBHE to create a Higher Education Finance Study Commission. We talked about this with presidents and chancellors and talked about it with the independent universities group at our lunch today. CCS - Common Core Standards is the initiative of the National Governors Association and the Council of Chief State School Officers to create standards for language arts and math curriculum that can be adopted by the states. The P-20 Council has been working for six months to coordinate initiatives that span the education spectrum. I have met with the chairman of the P-20 Council, and we are working to do as much as we can to see actual objectives and sustainable things happen as a result of that Council. LDS - the Longitudinal Data System that is in development to help policymakers make informed decisions about how best to foster student success. The School Leader Initiative, that so far has no acronym but I am sure there will be some acronym created like the rest, is a milestone new law to improve the training and certification of school principals.

“What ties all of these initiatives together is the *Illinois Public Agenda for College and Career Success*. What these programs represent is the *Public Agenda* becoming an action agenda. Each of these actions addresses one or more goals of the *Public Agenda*.

“CCA meets Goal 1 - Educational Attainment and Goal 3 - Workforce Preparation. ADP meets Goal 1. SJR88 meets Goal 2 - Affordability. LDS transcends Goals 1, 2, and 3. And so on and so on. I hope you get the picture of how we are taking the *Public Agenda*, and we are turning it into action items that are intended to get us closer to meeting the four goals of the *Public Agenda*.

“This represents, I hope as you will see, a transition from a dynamic document to an organic process of implementation. In other words, we are doing what we promised we would do when this Board adopted the *Public Agenda* 19 months ago.

“I want to make one other observation about the *Public Agenda*. Just as we used a collaborative, open, and transparent process to develop the *Public Agenda*, so do we need the assistance, cooperation, good ideas, support, and commitment of all our partners to achieve the goals and to implement this action *Public Agenda*. We could not have created the *Public Agenda* without the help of all higher education stakeholders, most of whom are represented in this room, and we cannot move this agenda along without their continued support. So thank you for all that you have done, and please help us as we continue to move forward in implementing the *Public Agenda*.

“I want to say a few words about the Private College Capital Program. This afternoon the Board will approve the distribution of \$35 million in Build Illinois bond sales to independent colleges for capital projects. This program is part of the state’s multibillion-dollar stimulus package known as Illinois Jobs Now! The General Assembly appropriated \$300 million in July 2009 for this new grant program, the Independent Colleges Capital Program (ICCAP).

“Sixty-four private, not-for-profit institutions of higher education will be receiving their first dollars for projects throughout the state, from Rockford down to East St. Louis, from Danville across the state to Quincy, and within the Chicago area. The projects range from installing water sprinklers in student dormitories, to multimillion-dollar facilities for research and training, to replacing roofs and renovating libraries. There are even some kitchen sinks for a culinary program. So there is a lot that is going to be done with these dollars, and we look forward to seeing them spent.

“I also want to mention Race to the Top. The Illinois State Board of Education submitted an application earlier this month for the Phase II competition for a Race to the Top grant. Illinois ranked very high in the Phase I competition, so we are hopeful that the second time will be the charm and we will get the money. Receiving a Race to the Top award could be worth \$400 million in federal funds to fund ongoing reform efforts, such as strengthening curricular standards and student assessments, broadening the use of data to spur success, increasing teacher effectiveness, and improving struggling schools. Most education stakeholders, including the Board and ICCB, have been deeply involved in helping to develop the Race to the Top application, as well as reforms that will assist the state’s application for Phase II funding, such as the recent passage of Senate Bill 226, which sets in motion a complete overhaul of the process for training school principals. So, everybody keep your fingers crossed that this second application is the charmer and we get the money.

“I next want to turn to procurement and mandates studies. As Board members know, we have from time to time been asked by the legislature, via resolutions passed by the House, the Senate, or jointly by both, to undertake special projects or studies. What was once a trickle of such requests is now bordering on a flood of resolutions to set up task forces and undertake other initiatives. If the legislature asks us to do it, we will do it, and we say yes and let us know what you want.

“As directed by House Resolutions 918 and 919, IBHE staff has established committees to review, make recommendations, and report back to the General Assembly their findings on the issues of Higher Education Mandates and Procurement, respectively. Most of the committee work will be conducted this summer, since the time-frame for the final reports is relatively short. The procurement committee held its first meeting on June 17 and the Blue Ribbon Committee on Higher Education Mandates, which is specifically charged with reviewing public university mandates, will be meeting at Illinois State University in the near future.

“I would note that the mandates study relates to previous work this Board did several years ago through its Priority, Productivity, and Accountability Committee. So I am actually delighted that the General Assembly asked us to look into these matters. I am confident the answers we find will prove useful in identifying efficiencies that will be beneficial to our institutions and, more importantly, to their students.”

Remarks by Executive Director Judy Erwin

Ms. Judy Erwin said, “The Chairwoman mentioned a few things about the budget. I want to point out that we are well aware the grants that this Board approves, the state has been woefully inadequate and late in terms of actually funding and paying those bills. Currently, after surveying who has received what, we have learned that out of the slightly over \$6.5 million in IBHE grants, less than five percent of those dollars have actually been received. This includes

community colleges, public universities, and four-year institutions. We will continue to monitor that, and we appreciate your patience.

“We learned from the budget director, David Vaught, this morning that their intention is to pay all the FY 2010 bills outstanding by the end of December. So something called lapse period spending was extended. All of the FY 2010 bills will be paid before the FY 2011 bills.

“This includes something you will hear about later in the program from Dr. Arthur Sutton -- the Diversifying Faculty grants program, which is a grant program to increase the number of minority faculty in this state. Very few of the institutions with DFI fellows have actually received the funding for that. So we appreciate the universities that are basically carrying those fellowships.

“There are two Illinois State Board of Education administered grants that are in the process of moving to the Illinois Board of Higher Education. They both deal with postsecondary education. One of them is Grow Your Own Teacher training program. The other one is the Private Business and Vocational Schools or the schools that are certified for certificates. Both of those are postsecondary. Both play an important role in higher education, and we are transitioning those two grant programs to our agency. This includes the Private College Capital program, which the Chairwoman mentioned and will be approved later without additional dollars to administer these grants.

“I would like to thank our staff, who are getting more and more on their plates in terms of work to do, particularly Karen Helland, who single-handedly handled the Private College Capital program remarkably well. Almost all of the applications are basically signed and sealed. So as soon as the Board approves it today, they will go in. I want to thank all of you for the extra work -- Mike Mann and the rest of the staff. Bob Blankenberger has also been very involved in the Grow Your Own as well as the Private Business and Vocational Schools. Also, I think this is Bob Blankenberger’s first meeting as the full deputy director for Academic Affairs and Student Success. So, I would like you to help welcome him in that position. We are really delighted that he was willing to assume that new role.

“The Chairwoman mentioned all the various acronyms. I just want to point out, too, with all of the initiatives and programs that are related to the *Public Agenda*, and that is SJR88 that mandates a Higher Education Finance Study Commission. This is really where the rubber will hit the road in terms of aligning public financing with the goals of the *Public Agenda*. And connected to that is our involvement as an alliance state in Complete College America, which is aligned with the *Public Agenda* goals.

“We are also most grateful for Complete College America because they are helping us fund Dennis Jones and NCHEMS, the National Center for Higher Education Management Systems, to assist us in our involvement. Dennis Jones will be facilitating the meetings for the Higher Education Finance Study Commission thanks to the funding from Complete College America, which is also thanks to the funding from the Lumina Foundation. So we are very fortunate to secure that funding.

“Along the same lines, the Chairwoman mentioned the P-20 Council, which is now up and running. I would also like to point out thanks to a grant from the Chicago Community Trust that is essentially funding Dr. Lizanne DeStefano from the University of Illinois to direct the work of the P-20 Council. So we are out, hat in hand.

“Lastly, I want to make a note that there will be a change on the Consent Agenda. It was necessary for us to revise the Consent Agenda item dealing with the private colleges and universities capital distribution formula. This is a technical change, nothing that anyone needs to be concerned about. JCAR, the Joint Committee on Administrative Rules, who is responsible for this, had some minor tweaks when Karen Helland presented the rules to them last week. They had some technical changes. So, you will note that there is a substitute item. The Board members have a memo outlining that. Bill Feurer, our legal counsel, is here if anybody has any questions.”

Resolution Honoring Dimitri Kametas

Dr. Elmer Washington read the following resolution:

We, the Members of the Illinois Board of Higher Education express our respect and appreciation to Dimitri Kametas for his service and contributions as the nontraditional student member of the Board.

Dimitri has been a quiet but committed voice on the Board, and his perspective as a nontraditional student has provided Board members with a vantage point both important and too often muted.

As a student majoring in finance at Loyola University Chicago, Dimitri brought a useful lens to the consideration of vital issues before the Board and the higher education community, such as affordability, degree completion, and better educating Illinois citizens for the jobs of today and tomorrow.

The Members of the Illinois Board of Higher Education are grateful for Dimitri Kametas’ sense of public service, his advocacy for the interests of students, and his voice of reason and solemnity.

We wish Dimitri well in his future endeavors.

Mr. Dimitri Kametas said, “I want to say thank you to all the members of the Board and to the IBHE staff. It has been a great experience this past year, and I am going to take this useful knowledge that I learned sitting on this Board and use it in the future, and I guarantee I will see each one of you in the future to come. Thank you.”

Resolution Honoring William Obuchowski

Dr. Alice Hayes read the following resolution:

We, the Members of the Illinois Board of Higher Education, extend our deep appreciation to William Obuchowski for his dedicated service to postsecondary students in Illinois and his contributions to the Board as its student representative.

William has been a strong voice for students, particularly on issues that affect student cost, such as noninstructional capital projects and need-based tuition policy.

William served as an active member of the IBHE Student Advisory Committee, and was elected its Chair. During his tenure in that leadership role, William ably represented Illinois' college students as a member of the Task Force for the Illinois Public Agenda for College and Career Success.

William began his service as a student advocate with his participation in the student government at Moraine Valley Community College before transferring to Judson University, where he has successfully completed his baccalaureate studies.

Through his experiences and by his example, he has brought an important perspective in helping to deepen the Board of Higher Education's understanding of the challenges faced by college students in Illinois

We will miss William's valuable insights, and his spirit of public service, and we wish him well in all of his future endeavors.

Mr. William Obuchowski said, "Thank you to all of the Board members, Chairwoman Hightman, and Director Erwin. It has been a wonderful learning experience. It has gone by so quickly. There is a lot more that I wish I could have gotten to, but it is on to the next group. Thank you very much."

Presentation by Dewayne Matthews, Vice President for Policy and Strategy, Lumina Foundation

Chairwoman Hightman said, "Dewayne may claim to have been present at the creation of the *Illinois Public Agenda for College and Career Success*. Four years ago, as the Board staff began a process to develop a new agency strategic plan, Dewayne was the first outside consultant they called upon for advice. That initial consultation ultimately led, in a somewhat zigzag fashion, to the *Illinois Public Agenda*.

"But Dr. Matthews' credentials extend far beyond his role in igniting the inchoate idea of a master plan five years ago. He has a long and distinguished career in higher education, serving in a variety of leadership roles, including: Senior adviser to the president of the Education Commission of the States, Director of Programs and Services for the Western Interstate Commission for Higher Education (WICHE), Director of the New Mexico Commission on Higher Education, a legislative staffer, a faculty member, a university trustee, and consulting work with higher education institutions in Mexico, Canada, and Japan.

"He now serves as vice president for policy and strategy of the Lumina Foundation for Education, one of the nation's leading organizations pushing for education reform through goals that, not surprisingly, mirror those of the *Public Agenda*, particularly related to educational attainment, degree completion, and access and affordability.

"I want to thank Board Member Santos Rivera for his suggestion that we invite Dr. Matthews to speak, based upon his experience with Lumina's Big Goal on postsecondary attainment and the Foundation's work to improve outcomes for low-income students. Please join me in welcoming Dewayne Matthews."

Dr. Dewayne Matthews said, "Chairwoman Hightman, members of the Board, and everyone here today, thank you very much. On behalf of our CEO, President Jamie Merisotis,

who asked me to extend his personal greetings to you as well, let me say how delighted and honored I am to have this opportunity to meet with you, that you would listen to what we have to say, and to give us this chance to explain a little bit about our work and the many connections between our work and the work that you are doing in Illinois.

“I was struck by your opening remarks about the list of items that are going on coupled with the discussion of this incredible set of challenges that we are facing. If ever there was a time when we could use that well-worn phrase, ‘It was the best of times, it was the worst of times,’ this is clearly the case. In higher education in the United States today, there are so many exciting things going on, and there is so much energy. Clearly, at the national level from the President through the administration and the Congress, and at the state level into the public, there is this deepening, growing awareness of the critical role that postsecondary education plays in our society in a way that is beyond what we have seen in the past. There are wonderful innovations taking place on campuses at the state level, in community colleges, four-year institutions, and private higher education institutions, many of which you are involved in.

“Of course, we are also facing enormous challenges, fiscal constraints that are simply unprecedented, and this unfortunate phenomenon, which we have come to refer to as ‘structural deficits.’ We have to deal with these issues. Fortunately, the energy does not seem to be diminished in trying to tackle these problems. So with that sort of background, let me say how much we respect and appreciate the work that you are doing in dealing with these issues, and that we are delighted to have this chance to share a little bit of our work.

“You mentioned a list of items, which is familiar to us, about projects that you are involved with. I would like to add a couple more to the list of connections between the work you are involved with in Illinois and the Lumina Foundation. You mentioned everything from the American Diploma Project, the Common Core Standards, the work of Achieve, and the work of longitudinal data systems, which we work with along with the Data Quality Campaign and other organizations. You mentioned Complete College America, which we are very excited about and very pleased to be helping you support around this emerging new agenda of completion of higher education.

“I want to mention a couple of others. KnowHow2GO, our college outreach campaign, operated with the American Council of Education and the Ad Council. The Illinois Student Assistance Commission is the Illinois partner in KnowHow2GO, which tries to strengthen the information that young people receive at the seventh- and eighth-grade levels about what it takes to be successful in higher education. It is very important work, and we are glad to be involved with you on that. We should also mention Achieving the Dream, which Illinois has long been involved with five community colleges in Illinois, which are partners in that work as well. So we have longstanding relationships with you in Illinois that we are very proud of and glad to continue to build on.

“I want to share with you some of the information we are looking at to give you a sense of where we are coming from and also to connect some of these issues to what we see happening in Illinois. If you are interested in looking at this in more detail, the last slide has my e-mail address. If any of the participants would like a copy of the slides, I would be delighted to send them to you as soon as I get back to the office.

“First, this is what we call Lumina’s Big Goal. The Big Goal is a name that Jamie Merisotis came up with; we started calling it the Big Goal, and we could never figure out a better

thing to call it. It is fairly self-explanatory. We believe that the United States needs to significantly increase the proportion of Americans who complete postsecondary education and obtain a high quality degree and credential. Currently, the United States is at about 40 percent, and it has been at about 40 percent for a long time. About 40 percent of Americans get either a two- or four-year college degree. We think that number needs to go up and needs to go up quite significantly. So, we are saying that it is a 60 percent goal.

“What do we mean by these degrees and credentials? This is our definition taken from our strategic plan, which we just completed last year. It states that these high quality credentials people need to receive are degrees and certificates. We include postsecondary certificates in our numbers, but they are the ones which have well-defined, transparent learning outcomes that provide clear pathways to further education and employment. The language is similar to the language in your master plan about education and employment as being the outcome of this. Further education and employment is what these credentials are for, and that is what we think high quality degrees and credentials really mean.

“Where did we come up with the 60 percent idea? Where did we come up with the idea that this attainment measure is what matters? Attainment is a statistical term used actually by the Census Bureau and other demographers and statisticians. It is the proportion of the population that has a college degree. It is not completion, and it is not graduation rates. It is what percent of the population holds a two-year or four-year college degree. That is the number we say needs to get to 60 percent.

“Slide 3 shows where we started. This is not where we ended up, but this is where we started. Perhaps you have seen this data. Let me explain what it is. The exact numbers are not what is important. The pattern of all these little dots is what is important. This is data taken from an international organization called the OECD, the Organization for Economic Cooperation Development, which is based in Paris. The United States is a member. This is the organization of the 30 most developed economies in the world. This is the proportion of the population in each of the 30 countries. You see them across the bottom from Korea on the far left to Turkey on the far right, which are members of OECD. There are four dots for each country -- blue dots, red dots, yellow dots, and green dots. In that order, they represent the percent of the population in the four age groups -- 25 to 34, 35 to 44, 45 to 54, and 55 to 64. In most of these countries, the green dot is the bottom dot. That is the proportion of people in each of these countries -- this is 2008 data -- between the ages of 55 and 64 that have a college degree. In Korea, that number is way down below where they are now. It is actually about 19 percent. In fact, it is a little less than that. Less than 20 percent of Koreans over the age of 55 have a college degree.

“In the United States, the green dot is the highest in the world. The dots for the United States are all clumped together right there at about 40. I am part of that group. I graduated from college in 1974 and this is the population that we are talking about. At that time this was the higher education system that reached the highest level of educational attainment in the world. Today, we are basically doing the same as we did in 1970. About 40 percent of Americans still complete college. However, now in that 25 to 34 age group, that is only the tenth highest in the world. It is the highest in the world for the older adults, but it is only the tenth highest rate of attainment for young adults. You can see this is where the pattern of this chart is so important. In almost every developed country in the world, younger adults are better educated than older adults. This is not true in the United States. This is also not true in Germany for another set of problems, which I will not go into. In the United States, both older adults and younger adults are educated, and about 40 percent of them have a college degree. We have been passed by a number of

countries, and you see some countries that have pushed well beyond 50 percent attainment levels. As those populations age and as they continue to increase attainment, which all of those countries are by the way, you will see those countries get higher and higher levels of attainment.

“Why is this important? One of the things that you could do with this data that is interesting, since the source of this data is census data and is not higher education completion data, is you can actually compare it to states. This is important because we find when we talk to governors, legislators, business leaders, and labor leaders, that they are very concerned about this because a state like Illinois is no longer necessarily in competition with other states for jobs, economic growth, and development. It is in competition with other countries. And seeing where states stack up, in terms of their international competition, is quite important.

“Something else you can do with this data is look at it at the county level. What I have put on this chart, and this is very recent data, are the top ten counties in Illinois in educational attainment rates of the 25 to 34 age group and the bottom ten counties in Illinois. In every state in the union, you see a very similar pattern of attainment between some counties and some regions. Usually where the universities are located, there are very high levels of educational attainment -- best in the world levels of attainment. Then there are other parts and regions with very low levels of attainment. You see a pattern of development and a pattern of economic challenges, which are ones you are aware of and are attempting to address.

“What does it take to get to a 60 percent attainment level? This is basically the math. The one big number -- the gap between a 40 percent attainment rate and a 60 percent attainment rate -- is 23 million additional graduates. At Lumina, our plan is not to wait until 2024 and add 23 million graduates in the year 2025. We believe that what we need to do is begin expanding the number of college graduates beginning today. That is actually happening. Nationally, if we add 150,000 additional college graduates each year to the base of the year before, we can actually close the gap by 2025. The important thing is we need to start expanding opportunity.

“How does this play out in Illinois? Currently, Illinois is at about a 41 percent higher education attainment rate in the entire adult population. It is above the national average. To get to 60 percent, that means you need in the adult population of Illinois about 1.2 million additional college graduates. Currently, Illinois is producing about 103,000 college graduates a year. Therefore, to close the gap, you need to add a little over 9,000 additional graduates each year to the base of the year before to produce an additional 1.2 million graduates by 2025.

“Currently, you are increasing. If you go back to the year 2000, Illinois is actually adding close to 5,000 degrees a year. So you are actually expanding higher education opportunity in Illinois, and more and more people are graduating from college in Illinois each year. But the rate of increase is not quite enough to get to the 60 percent rate, but it is surprisingly close and within reach.

“Now, why do we care about attainment rates? Why is it important? Also taken from OECD data, this begins to show what the argument is. This shows the percentage of new entrants into the labor market in each of these top ten economies in the world from 1975 until about the year 2000 -- this is the most recent data available -- who have a college degree. What you see is an increasing proportion of people taking jobs in almost all economies of the world who have some form of postsecondary education -- either a two-year or four-year college degree. The exception to that is the United States where the rate of entrance to labor markets with college degrees has remained fairly flat over that level.

“What does this mean in the United States? What is driving this change? What is it that we need to be aware of? We all know that unemployment is very much related to the level of education. What you may not be aware of is how dramatic that connection is. This is the unemployment rate in the year 2008. Current unemployment rates are higher than this. Both high school graduates and high school dropouts have been devastated in this recession in terms of job loss. You can see that the best protection is a college degree. What this slide represents is the value of the occupational skills and knowledge that these degrees represent. That is what is so important about this.

“Another factor is the relationship between educational levels and income. We all know that a college graduate makes more than a high school dropout. A two-year degree makes more than somebody who just finished high school. A bachelor’s degree makes more than somebody with an associate’s degree. But what is not as well known is that the gaps in earnings across those different levels of education are widening. The payoff to an individual of completing some form -- either two-year or four-year college degree -- is growing. Think about this for a moment. If the gap in income growth is widening -- and the basic rule of economics is supply and demand -- it suggests very strongly that college graduates are under supplied in national labor markets. There is clear evidence that that is the case, both at the two-year and four-year level.

“This slide shows you something very interesting. This comes from a study by the Federal Reserve Bank of New York. It got a lot of attention a couple of years ago when this came out. Each of the little gray vertical bars represents recessions going back to the recession of the mid-1970’s. The lines going across are unemployment rates based on level of education. What you see is that in every recession job loss spikes. After you go into recovery, there is usually a lag and unemployment rates go down. What you are seeing here over the succession of recessions are a couple of things. The first one is that the spike in job loss is becoming much more related over time to education levels. The impact of the recessions today on high school dropouts and high school graduates is much more severe than it was in 1975. Secondly, you will see that the recovery is much slower for people with lower levels of education. The time when the unemployment rates goes back down to normal takes much longer for people with lower levels of education. That is important to all of us, not just to those individuals, because it means that our ability to move people back to work is itself a driver of economic recovery. So this relationship between employment and education, as it relates to the functioning of the economy, is very important. Jobs have been deeply impacted at all education levels in this recession, and college graduates are not immune from the unemployment problems in this economy. But, you are still much better off having a college diploma than not having a college diploma even in the current economy.

“Finally, on employment data, this is a very interesting chart that talks about permanent job loss. If you go back to the 1970’s and 1980’s, when you had a recession, when people were unemployed in a recession, these were basically economic cycles. So what happened? I come from the State of New Mexico, and where I grew up, it was mines. Here, maybe it was factories or maybe it was steel mills, or in Indiana, maybe it was auto manufacturing plants. What you had were good jobs that paid a good middle-class salary. When a recession happened, the company would furlough the workers, maybe shut down the night shift, everybody would be laid off, and you waited for the economy to recover. When the economy recovered, people would get their jobs back, go back to work, and everything would move along. Only about 30 percent of job loss was permanent job loss in those times. But we are seeing this upward trend and it is really accelerating in recent years. Nobody knows what percentage of the job loss in this recession will

be permanent, but I have seen estimates as high as 75 percent. What this means is that today in a recession, it is not a cyclical sort of shut down the plant, furlough the workers, and hire them back at the end of the recession. What is happening now, and you see this in a state like Indiana, it is not only the company going broke, but in some cases the entire industry is disappearing. That means that the jobs that people are losing today are permanent job losses. People lose their jobs and they are not getting them back. Why that is relevant to these issues about higher education attainment is that it suggests that people now need to be returning for further education, further training, repeatedly through their lives as a function of the actual way in which the economy operates. This is somewhat new and this is something that we need to take into account and adapt to.

“Skipping ahead to some data that was just released last week, this is a report done by Tony Carnevale and his team at the Georgetown University Center on Education called *Help Wanted*. It is available on their website and is very much worth looking at. They did state reports for Illinois, which I urge you to look at. They looked at Department of Labor data on the actual educational needs of different occupations to see what the relationship between labor markets and education is. They found that between 2008 and 2018, Illinois will add roughly 418,000 new jobs that require postsecondary education, but will add only 148,000 jobs that require a high school education or below. They can see what will be produced over that same period of time from either retirements or new jobs. The total job openings will be about 2 million -- just the normal turnover of jobs. Of those jobs vacancies, 1.3 million, or roughly 60 percent, will require postsecondary credentials. By 2018, 64 percent of all jobs in Illinois will require some postsecondary education.

“A lot of people have said that Lumina’s Big Goal of 60 percent by 2025 is a very audacious goal, that it is a very ambitious goal. But we have always said, if anything, we think it is too conservative. The data from Georgetown suggests that the national average by 2018 is 60 percent of jobs in American will require postsecondary education.”

Chairwoman Hightman said, “Is that much different than any other state? Who do we compare to?”

Dr. Matthews said, “The national average of 2018 is 60 percent, so your rank, I believe, is eleventh or twelfth, somewhere in that range of states, in terms of the proportion of jobs by 2018 that will require postsecondary education.”

Chairwoman Hightman said, “Who are our peer states?”

Dr. Matthews said, “The highest level of attainment in the country is the District of Columbia, interestingly, followed by Massachusetts. Other states that have a lot of knowledge economy-type jobs are the ones that have the higher levels of educational proportion. It is states like New York, New Jersey, and Washington. States like that are the ones that have the highest proportion of jobs requiring postsecondary education. But even in the lowest state in the union, which happens to be West Virginia, it is projected that 49 percent of the jobs by 2018 will require postsecondary education.”

Chairwoman Hightman said, “What is their percentage now?”

Dr. Matthews said, “About 29 percent, if I remember correctly. So they have their work cut out for them. And the Governor of West Virginia, who is the incoming chair of the National Governors Association, is very much focused on this agenda.”

Father John Minogue said, “Do you have matching charts on what the financial implications are that crank the infrastructure up to deal with that kind of load?”

Dr. Matthews said, “This gets to the questions, ‘So what do you do about it? How do you get there?’ We believe that you have to deal with the fundamental business model of higher education. You have to increase the productivity of the higher education system to produce much larger numbers of graduates. Part of the agenda is increasing completion rates. The United States happens to have some of the lowest completion rates and graduation rates from college of anywhere in the world.

“This slide shows Illinois data. If you start at the very top where it says five percent and go clockwise around this circle, we are looking at the percentage of working age adults, 25 to 65 in Illinois today based on their education level. Less than a ninth-grade education is five percent. Seven percent are between ninth- and twelfth-grade education. Twenty-five percent of Illinois adults have a high school diploma. Twenty-two percent have some college but no degree. Eight percent have an associate’s degree, twenty-one percent have a bachelor’s degree, and twelve percent have advanced degrees. So that is the distribution. The 22 percent level -- those are people living in Illinois today over the age of 25 who have gone to college but have no credential -- is 1.5 million people. So if you want to look for people who, at a reasonable cost, you can bring back into education, help them get a degree, help them complete, and to begin contributing to the economic vitality of this state, I would say that is an excellent place to look. The completion agenda is extremely important to this.

“This slide is taken from a report by the National Center for Public Policy and Higher Education. It is actually polling data. This is a question which they have asked going back to the year 2000. They have asked it every three or four years. It is a national public opinion survey, and they asked two questions. The first question is, ‘Do you believe success in college is necessary to being successful in America?’ In the year 2000, less than one-third of Americans answered that question in the affirmative. Do you believe a college diploma is necessary to be successful in America? Americans have tended not to believe that. We believe that through hard work alone you can be successful. But the National Center for Public Policy and Higher Education, who did this report, says they have never seen as large a shift in a public opinion question on any topic in such a short period of time. In 2008, and I suspect it is even higher today, a majority of Americans believe a college diploma is necessary for success.

“The second question is, ‘Do you believe qualified students have the opportunity to go to college?’ and you can see what has happened with that over that same period of time. These are the challenges which we face in the public views as well. The public, to a large extent, is getting the message that higher education is important and college matters.”

Father Minogue said, “In doing the national and international comparisons, we have the strange system of tying up two years of college with general education. The world does not do that. The world goes right to the bone, and it actually gets professional degrees out a lot faster. Do you have any thoughts about that?”

Dr. Matthews said, “We are looking at this question around what are the learning outcomes related to different levels of education, which gets to this issue. It is interesting that you mention that we tend to think of general education as being part of the ‘what happens in the first two years in the core’ and then you get your occupation or discipline specific skills. Reality is that there is no actual basis for that. You learn skills throughout the curriculum. You learn computation, let us say, in your field. You do not learn it and then you go master your field. You learn the skills which, we are increasingly seeing, are the skills that the workforce is actually demanding and are the skills that we love to talk about as liberal skills -- things like communication, abstract reasoning, problem solving. These are skills which are recognized in the workplace. Again, you learn those skills in an integrated fashion throughout your college education. So breaking down the barriers between what happens in the first two years of college and the last two years of college focusing more on making sure that people get the mastery of the skills and the knowledge that they need is very important. All of that is part of the shift that needs to take place.

“So far, as to specifically what are the occupational requirements, that breakdown is something else that the Georgetown Center is doing, and there is very good information available on specifically what are the occupational requirements and what are the educational requirements that are associated with those occupations. I would urge you to take a look at those things.

“All of this is about how do we get people through more rapidly for what they need? We do not like to talk about this because we tend to think of acceleration as undermining quality. But we believe there are a number of ways in which we can move people through college much more rapidly. We are doing some work to explore a one-year associate degree program targeted at displaced workers with block scheduling -- concentrated blocks of time -- to get people into and through the programs much more rapidly. There are some very interesting experiments around doing the same thing at the baccalaureate level, like work-based education, which, again, builds on what people can do and where they are. We need to expand things like assessment of prior learning in a much more serious way than we have done before because of the fact that the skills that people have are things that they need to be able to apply in a new environment in a new position. We need much better systems for being able to do that as well.”

Dr. Elmer Washington said, “It is clear that there is this cyclical relationship that we have seen in terms of the economy -- job creation and job loss. And where we are now, there is a possibility that it will become much worse. Just how worse, we do not know. But we do know that there are trends that are occurring that have not occurred before. For example, the jobs that have been lost, typically, are not coming back. We also know that there is a need for emphasis on other areas of development in terms of the economy, in terms of what is needed that is not deleterious to the environment, and in terms of what is needed in maintaining viability in the workforce. That also seems to suggest the level of creativity that comes out of our educational system must be raised to another level. It suggests that perhaps we need to rethink a lot of the things we do in terms of our educational system to emphasize the need for the creativity that is coming down the pike that is, in fact, upon us already. One example, we know that language has become a very important dimension. People who came here from South America with a certain skill, they learn how to build on those skills in relation to jobs that are across cultural lines. So it seems to me that there are avenues that are opening, that are open up now, and that have not been so prevalent before, and we need to probably look at how our educational system responds to the new challenges.”

Dr. Matthews said, “Let me give a couple of examples of the phenomenon that you are describing because it is very important that my presentation here in this state not come across as training people for jobs, that we are just talking about workforce preparation, and that the traditional way is what higher education’s role is in all of this. Let me give you two specific examples.

“The first example is from last week. The lead story on the evening news on the Indianapolis TV stations was about a new company in Connersville, which is going to be manufacturing police cars. They are hiring auto workers to set up a manufacturing line to build police cars. That is good news in a state like Indiana, obviously. But the lead of the story was not the fact that they are hiring auto workers, it was the fact that the minimum requirement to qualify for a job in this plant on the line was an associate’s degree. The reason why was because they said we are a leaner type of organization. We need much more productive workers to make a go of this industry in this economy. Ten percent of the employees of this company are engineers. The assembly workers have to be able to talk with the engineers, have to be able to communicate and analyze the data that they are looking at and what is happening in the plant, make sense out of it, and be part of the team that is actually creating these work processes that allow the company to have the level of productivity that allows them to compete. So now the discussion in Connersville and other parts of Indiana for people looking for these jobs has shifted from ‘I know how to build a car even though I do not have any education’ to ‘where do I go to get this education?’ That is an important cultural shift.

“The second anecdote actually came out of a little blurb in the *Wall Street Journal* that a colleague at the office gave me a couple of months ago. It was a report on a session at the National Banking Association’s annual meeting. It was about the problem of the bank tellers. I did not know that there was a problem with bank tellers, but what they were saying was that the bank teller was this classic job that required a high school diploma. That was the basic qualification to be a bank teller, and it was overwhelmingly held by women. It was a good, respectable, middle-class job. Nobody worried very much about bank tellers because they figured they would all go away with ATM machines. But retail banking suddenly became very important to banks. They realized that the bank tellers were the bank’s frontline customer service representative. As this little story put it, somebody woke up and realized that the teller, the lowly teller, was the only person in the entire enterprise that actually had contact with the customer. So, what did they want? They wanted somebody who had the same sort of bucket of these general skills. It was not bank teller skills that they were looking for -- making change and things like that. It was somebody who could engage the customer, somebody who could analyze what they were hearing, and think maybe they would be interested in a home equity loan or whatever. And they needed somebody who was just functioning at a somewhat higher level in terms of communication, problem solving, and critical thinking skills.

“In this Georgetown data, that is exactly what you see playing out in the economic sector in occupation after occupation throughout the economy. It is less about specific occupational skills in the way we have traditionally thought about them and more about these general learning skills. These critical thinking skills, problem solving and communication skills of various types are important in a wide range of fields. That is what is driving this shift.”

Dr. Vinni Hall said, “Going to your point, do you think that is largely in part due to the fact that there is a reduction in the number of jobs out there? The companies want less people to do more work. And in my mind I would think that when the economy grows again and there is more hiring, I would think that the desire for less people to be doing more work would go down,

and therefore, I would think that the culture would go back to well, college may not necessarily be required. What do you think about that?"

Dr. Matthews said, "We have asked that question a lot. We have discussed that question a lot because it is an absolutely essential question. When we first started talking about this goal, some of the first questions were, 'How do we know that the jobs are going to be there for these people? What is the evidence of this?' The fact is, I will be very honest with you, if the only data that we had was wage data, I would say that proves nothing. The fact that a college graduate makes more money than a high school graduate proves nothing. It just means that employers prefer a college graduate over a high school graduate. But when you see that employment is related to it, that the higher cost worker is preferred when you see clear evidence of shortages, then you say, wait a minute, there is something else going on here. I think it is important that we try to understand this because we really struggled to try to grasp what these issues are. Basically, if there is one frame of thinking that I would say that we in higher education have got to escape, it is thinking about so many issues as being zero sum games. That it is all a trade-off. The fact is that increasing education levels actually drives economic growth. This is why these other countries are increasing education as a development strategy. You see this in countries like Ireland. You see it in Korea, as well, where they actually drove attainment levels in order to drive economic growth. How in the world does that work? Basically, the economists who look at this stuff, break it down and it is all about productivity in the economy. There are two factors which drive productivity growth in the economy -- introduction of technology and educational levels. And interestingly enough, there are many economists who think the contribution of technology has just about topped out, and now it is, in fact, education levels that are driving productivity growth in the economy.

"So, a long-winded answer to your question is increasing educational levels actually drives economic growth. Now, what is the mechanism through how that happens? That is important for us to understand. I think it suggests that we need to do a much better job, all of us, in understanding what the needs are in the economy, what the job markets really are, what the demand really is, and what the skills and knowledge requirements actually are that is underlying all of this because that is really the factor that is driving this.

"I will just say one last thing about this and this comes from Tony Carnevale, who did this study at Georgetown. He told me that in looking at the data, one finding is inescapable. It is that when you look at what is happening and you talk to employers, labor unions, and the employees themselves, you find that it is not the diploma that is, in fact, what is driving this. It is not the credential. It is the skills and knowledge that the diploma represents that is driving this. Employers prefer college graduates because they believe college graduates have a set of skills and knowledge that they need.

"In conclusion, we have a lot of work to do on this. We say there are three basic things that have to happen to higher education to get to this brave new world that we are describing. The first one is that all students have to be prepared to be successful in postsecondary education. We say all because we know all can. The work you are doing on the American Diploma Project - the alignment of standards between K-12 and higher education, where the standard of preparation in K-12 is college readiness, and college readiness means the ability to be successful in college -- that just needs to happen and it needs to happen, basically, for everybody.

“We need to make sure that higher education is affordable for everybody. And we need to make sure that young people and their families have the information they need to be successful. We have got work on all of that, and you are involved in all of that work.

“The second thing that needs to happen is we need to dramatically increase the success rates of students in college. More students who go to college need to complete college, and you are starting to do some very significant work around that with Complete College America. It is a very important agenda. If you look at all the variables out there about what does it take to increase attainment rates to 60 percent, and we looked at all the variables, there are two variables that are the most important in terms of getting to a 60 percent level. It is not college readiness, it is not even high school graduation rates, and it is not college participation rates. The two variables that have the biggest impact are college completion rates and adult participation rates. So, if you want to ask what are the two variables to go after, those are the two variables.

“And the third thing that has to happen, we believe, is that the higher education system, as a whole, must become much more productive. We have got to figure out a way to expand the capacity of the higher education system by making it more effective and more productive. We make no bones about it. Lumina Foundation does not believe that we should be taking money out of higher education. We believe that more money should be put into higher education. But we also do not believe that there is any scenario under which we could scale up the current system in its current form to get to a 60 percent attainment rate. And even if you could scale up the current system, it would not work because not enough students have the necessary skills to be successful, and not enough students are completing the college programs that they begin. Making higher education more effective and more productive is the third critical outcome, we think. And we are involved with you and work on that.

“So, that is our message to try to explain where we are putting our money, where we are paying attention, and I know that this relates a lot to what is included in your strategic plan.”

Dr. Washington said, “At one point years ago, I recall reading about the tremendous sum that private industry puts into training and education, if you will, mixing the two together. That was an enormous amount. Has that changed? What is the situation now in terms of industry doing much of what education does to some extent?”

Dr. Matthews said, “That is a wonderful question and it is an emerging piece of our work. We think it is very important. It grew out of our federal policy work, interestingly. The answer to your question is that there is still a lot going on in that area. Industry or basically employers, whether they are private sector, government, or not-for-profit sector, do a tremendous amount of education, as you said, and they pay a lot of money for that. But they are challenged, and you see this in a lot of other countries, by the fact that that adds costs, and it is increasingly difficult in this economic environment and climate to stay competitive when you have to cover those costs. So you see in countries in Western Europe and Asia, in particular, a growing desire to bring these systems together. By that, meaning the higher education or postsecondary education system and the workforce development system, much of which has been private sector based.

“We believe that has to happen in the United States as well for that reason and for some other reasons. Right now we have a very elaborate system of workforce development. It is not as big as it used to be, but it is still pretty substantial. A lot of this is Department of Labor money. A lot of it is running education and training programs, which operate in silos at the state level and which mirror the federal silos under which they were funded.

“Jamie Merisotis delivered the speech, *It’s the Learning, Stupid*, meaning that is what this is really all about. It is about the learning. And we need a system where all of that workforce training that is going on, the learning that that represents needs to be recognized, and people need to understand what it is so that if they have to or if they want to, they can take it somewhere else and build on it. Whether it is learning that has come from a college, learning from a vocational education program, learning that was through a workforce development program, or even on the job sorts of learning, this really needs to happen.

“We think there is one significant opening around this right now, and it is coming from a kind of interesting source, and it is returning veterans. The veterans that are coming out with the post-911 GI bill benefits are coming in large numbers and will come for the next several years in large numbers into postsecondary education. They are coming with significant skills and knowledge. They have had training. They have done work, which has taught them things which are of value and which we know are of value in the workforce. We know that employers are increasingly recognizing leadership potential, some of the teamwork, and some of these other elements that are very important that these young men and women have when they come back into the economy.

“Recognizing that is very important and there is some very interesting work going on at the American Council of Education and some other places figuring out better ways to do that. We think that, in a nutshell, mirrors what needs to happen throughout the economy and throughout the educational enterprise. There are much stronger systems for bringing people in, recognizing what they already know and can do, so that they do not have to learn it all over again, and that if they learned over here they can apply it over there, and then targeting what it is they need now to go on. Whatever the going on means to them, whether the going on is a new job, a new career, or whether going on is doing something else with their life in a much more general way. Whatever it is, they should be able to build on what they already know.”

Father Minogue said, “Looking at the structural system of the way we do education, *i.e.* 90 percent of the stuff we do in education is a distribution system. They do not make the movies; they just show them. We have the for-profits, the not-for-profits. A very small percentage is in research. So on the delivery system side, using regulations that say teach six courses a year, publish four articles sometime in the first six years you are there, and we will take on the world -- do you think that is going to get us there?”

Dr. Matthews said, “No. And in fact, we do not do that today. We have this odd sort of system where we have combinations of business models which are folded together even in the single institution. But, basically in a nutshell, we need the ability to rapidly scale up the delivery of education to large numbers of people. Where this is happening now, it does happen in certain pockets in what we think of as traditional higher education, but where you see it happen on a very large scale is in the private, for-profit sector. They have a business model that allows them to do that and take advantage of that model.

“In other parts of the world, that is not necessarily happening. There are large public mega universities like the Open University of the United Kingdom, and in other parts of the world, they have these institutions that you are able to deliver a lot of quality education to a lot of people. They simply have a different delivery model. It is more than just the delivery model. It is the way in which the entire curriculum and everything is put together. They define programs. The assessment is built in. The delivery is built in. And they can move it out and deliver it to lots

of people. This is not the same as online education. This is about packaging education in ways that get it to the people when they need it and where they need it. It is not the answer for everybody, but it is the answer for a whole lot of folks.”

Father Minogue said, “Another way of saying this is that you are only going to get so much out of a propeller. Put a turbine engine in something and you can get a lot more energy. I am afraid the higher education system right now is working mostly with propellers, and you certainly cannot get past the sound barrier. So, I think the system needs to be redesigned. It is not the at-risk kids; it is the at-risk systems.”

Chairwoman Hightman said, “Thank you for the great presentation. For the public, we will put this presentation on our website so you will be able to get copies of it and be able to read it after we put it up there.”

The Illinois Public Agenda for College and Career Success

Update on Implementation Progress (Judy Erwin)

Ms. Judy Erwin said, “Actually, we have covered almost everything, so I think that should suffice.”

Legislative Update

(Don Sevener)

Mr. Don Sevener gave a report on the status of the 96th General Assembly. There was no discussion following Mr. Sevener’s report.

1. ACTION ITEMS

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 June 11, a total of 199. Since then, nine additional proposals have been received; eight from independent institutions and one from a public institution. As of Wednesday, June 16, there were two new requests for program modification in addition to those reported in the memo.

1a. New Units of Instruction at Public Community Colleges

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 Ms. Morris and seconded by Dr. Rivera, unanimously hereby grants authority to Danville Area Community College to offer the Associate of Applied Science in Automotive Collision Repair 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 authority to Frontier Community College to offer the Associate of Applied Science in Information Systems Support 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 authority to John Wood Community College to offer the Associate of Applied Science in Business Leadership 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 authority to Kaskaskia College to offer the Associate of Engineering Science 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 authority to Lewis and Clark Community College to offer the Associate of Applied Science in Architectural 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 this authorization is granted.

And grants authority to McHenry County College to offer the Associate of Applied Science in Occupational Therapy Assistant 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 authority to Oakton Community College to offer the Associate of Applied Science in Computer Networking and Systems 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 authority to Olive-Harvey College to offer the Associate of Applied Science in Human Development and Family 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 authority to South Suburban College to offer the Associate of Applied Science in Echocardiography 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 authority to South Suburban College to offer the Associate of Applied Science in Nanoscience 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 this authorization is granted.

And grants authority to Triton College to offer the Associate of Applied Science in Hospitality Industry Administration: Baking and Pastry 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 authority to Wabash Valley College to offer the Associate of Applied Science in Energy 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 this authorization is granted.

And grants authority to Waubensee Community College to offer the Associate of Applied Science in Health Information 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 this authorization is granted.

And grants authority to Waubensee Community College to offer the Associate of Applied Science in Industrial 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 this authorization is granted.

1b. 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 Dr. Hayes and seconded by Dr. Carroll, unanimously hereby grants to Rosalind Franklin University of Medicine and Science Authorization to Grant the Doctor of Pharmacy 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 DeVry University-Illinois Authorization to Grant the Bachelor of Science in Justice Administration and the Bachelor of Science in Liberal Studies in the Chicago, Fox Valley, North Suburban, South Metropolitan, and West Suburban 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 these authorizations are granted.

And grants to IIT Technical Institute at Springfield the Authorization to Operate 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 Sanford-Brown College, LLC Authorization to Grant the Associate of Applied Science in Medical Laboratory Technician in the Southwestern 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 SOLEX College Authorization to Grant the Associate of Applied Science in Physical Therapy Assistant in the North Suburban Region, subject to the institution's maintenance of the conditions that were presented in its application and that form the basis upon which this authorization is granted.

And grants to The Illinois Institute of Art – Chicago Authorization to Grant the Bachelor of Fine Arts in Illustration & Design 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.

1c. 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. Washington, unanimously hereby grants to Chicago State University authority to establish the Master of Public Health 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 Eastern Illinois University authority to establish the Master of Science Education in Educational Administration 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 Southern Illinois University Carbondale authority to establish the Associate of Applied Science in Physical Therapist Assistant in the Central Region and the Bachelor of Arts in Africana Studies in the Southern 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 University of Illinois at Chicago authority to establish the Master of Arts in Museum and Exhibition Studies in the Chicago Region and the School of Literatures, Cultural Studies, and Linguistics; Department of French and Francophone Studies and Linguistics Department 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 University of Illinois at Urbana-Champaign authority to establish the Master of Science in Technical Systems Management in the Prairie 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. Diversifying Higher Education Faculty in Illinois Program Fiscal Year 2011 Grant Allocation

Dr. Arthur Sutton 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 Mr. Obuchowski, unanimously hereby authorizes the Executive Director to allocate the fiscal year 2011 appropriation for DFI institutional grant awards (see Table 1) as specified by the statute and recommended by the DFI Program Board.

2. CONSENT AGENDA

Chairwoman Hightman said, "There are two things I want to do with the Consent Agenda. At the request of one of the Board members, we want to pull out Item 2d. So, we are going to do the Consent Agenda without Item 2d first.

“Also, I want to note that Item 2f, the Adopted Rules, is new. It was not with the original materials, just so everyone is on the same page and we know what we are voting on.”

The Illinois Board of Higher Education, on motion made by Dr. Carroll and seconded by Dr. Washington, approved the following items.

2a. Board Meeting Minutes – April 6, 2010

The Illinois Board of Higher Education unanimously approved the Minutes of the April 6, 2010, meeting.

2b. Board Working Session Minutes - April 6, 2010

The Illinois Board of Higher Education unanimously approved the Minutes of the April 6, 2010, Board working session.

2c. Financial Report as of May 31, 2010

The Illinois Board of Higher Education unanimously approved the financial report dated May 31, 2010.

2e. IBHE Administrative Rules: July 2010 Regulatory Agenda

The Illinois Board of Higher Education hereby adopts the proposed July 2010 Regulatory Agenda as contained in this item to be published in the Illinois Register.

2f. Adopted rules: Private Colleges and Universities Capital Distribution Formula

The Illinois Board of Higher Education hereby adopts the administrative rules for the Private Colleges and Universities Capital Distribution Formula (23 Ill. Admin. Code 1039) as contained in this item.

2g. General Grants Fiscal Year 2010 Allocation

The Illinois Board of Higher Education hereby approves the four fiscal year 2010 General Grants described in this item. The Board authorizes the Executive Director to make adjustments to the grant awards in the event that appropriated funds are unavailable.

2h. Private Colleges and Universities Capital Distribution Formula, Fiscal Year 2010

The Illinois Board of Higher Education hereby:

(1) Approves the final fall 2008 FTE in Table 1; and

(2) Approves the initial distribution of partial base grants as shown in Table 2; and

(3) Authorizes the Executive Director to distribute the remainder of base grants to the listed institutions as funds become available; and

(4) Authorizes the Executive Director to continue to monitor and determine eligibility of institutions and capital projects pursuant to the statute (30 ILCS 769/) and the rules implementing that statute (23 Ill. Admin. Code 1039); and

(5) Authorizes the Executive Director to withhold grant awards until provided with signed grant agreements and other appropriate grant information and material as require by the Act and the rules.

2d. Public University Noninstructional Capital Project Approval

Chairwoman Hightman said, “Now we will separately consider, at the request of one of the Board members, Item 2d.”

Mr. William Obuchowski said, “I am curious how this particular project and others like it, but I will single this one out, how this agenda item fits in with the *Public Agenda*, specifically Goal 2?”

Chairwoman Hightman said, “You want to know how the approval of this item is consistent with the *Public Agenda*. Is that what you asked?”

Mr. William Obuchowski said, “Correct.”

Ms. Erwin said, “Mike Mann works on the capital programs, and as you know this is the Noninstructional Capital Project that we are statutorily mandated to approve these. The Board, I just want to remind you, adopted a longer time period for notice. Basically, the public notice of noninstructional capital projects at public colleges and universities are announced much earlier than they used to be. So, we do attempt to answer all of these questions prior to the Board meetings.”

Mr. Obuchowski said, “Can I just start by thanking the Board staff and Mr. Mann here for trying to address my questions in advance. I appreciate that, and you have done due diligence with that. So, thank you.”

Mr. Mike Mann said, “I would like to note that on May 12, I had the opportunity to tour the campus, and I want to thank Western Illinois University staff for their hospitality. The Corbin-Olson Residence Halls are nearly 50 years old. This project is needed to address serious life health safety issues, particularly asbestos abatement, HVAC, and air quality issues, and ADA requirements with regards to the restrooms. The Olson Residence Hall is currently uninhabitable, and this project is a two-year project. I believe that it is the core mission of the University, as a residential campus, to have residential facilities that are safe places for students to reside.

“I would like to add that the interest rates on these bonds are favorable right now in the range of 3.96 to 4 percent and that the Western Illinois Board of Trustees approved the bond issue and the project at their June 4 meeting. Dr. Jack Thomas and Matt Bierman are here from the University if detailed questions are forthcoming.”

Mr. Obuchowski said, “The bond interest rates, that is different than what was in the information. That seems much more favorable.”

Mr. Mann said, "At the writing of this Board item, the ranges were put in because there was no exact knowledge of what the rates would be. The bonds still have not been sold, so the exact rate is not determined, but I have been told by University staff that it is in the range of four percent."

Dr. Hall said, "How many students will be served?"

Mr. Mann said, "In Corbin and in Olson, there are 400 to 450 students in each residence hall."

Mr. Jay Bergman said, "Judy, you said that we had the statutory obligation to approve these. I think we have the obligation to consider these. We can approve them or we can reject them. That said, I have no problem with this, but I just wanted to clarify that."

Mr. Dimitri Kametas said, "Now that the interest rates are more favorable, is there still going to be a 6.5 percent increase in the room and board rates for students from 2010 to 2011?"

Mr. Mann said, "To clarify, they are more favorable than the ranges and limits set by the bond authority, but they are in the neighborhood that the University anticipated. So I believe the 6.5 percent increase in room and board rates will stand."

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

Mr. Obuchowski voted no on this item.

3. INFORMATION ITEMS (Written Report)

3a. Fiscal Year 2011 Appropriations for Higher Education General Assembly Action

3b. 96th General Assembly Legislative Report

4. OTHER MATTERS/PUBLIC COMMENT PERIOD

Chairwoman Hightman said, "Our next meeting is going to be on August 10 at Northeastern Illinois University, and at that meeting we are going to feature the Propriety Advisory Committee."

There being no further business to come before the Board, Chairwoman Hightman adjourned the meeting at 3:32 p.m.

Respectfully submitted by Linda Oseland, Secretary to the Board.

Note: Copies of all items referred to in the minutes (i.e., letters, statements, reports, etc.) are on file with the official minutes of the June 21, 2010, meeting.

**Submitted Report of John Erwin, Chair
Illinois Council of Community College Presidents
Illinois Board of Higher Education Meeting - June 21, 2010**

**Highlights from the Illinois Council of Community College Presidents Meeting
June 3, 2010
Springfield, Illinois**

- The following presidents were recognized as retirees at the June 3, 2010 meeting of the Council:
 - o Dr. Jon Astroth, Heartland Community College
 - o Dr. Jackie Davis, Olney Central College
 - o Mr. Tom Schmidt, Carl Sandburg College
 - o Dr. Bev Turkal, Lincoln Trail College
 - o Dr. Wayne Watson, City Colleges of Chicago
- “Race to the Top” grant was filed on behalf of Illinois to the Federal Department of Education.
- A letter of appreciation was sent to Comptroller Dan Hynes and staff in behalf of the Council for their actions for the past Fiscal Year.
- Thank you and appreciation was expressed to outgoing officers of the Council:
 - o Dr. John Erwin, President
 - o Dr. Jerry Weber, Vice President
 - o Dr. Gayle Saunders, Secretary/Treasurer
- The new slate of officers are:
 - o Dr. Jerry Weber, President
 - o Dr. Gayle Saunders, Vice President
 - o Dr. Peg Lee, Secretary/Treasurer
- There was discussion about the continuing challenges community college students face in transferring into university baccalaureate programs. The prospect of legislative action was mentioned. Continued intercession with K-20 commission will also be pursued.

