

**MINUTES – BOARD MEETING**  
**February 15, 2011**

**Submitted for:** Action.

**Summary:** Minutes of the February 15, 2011, meeting of the Illinois Board of Higher Education held at National-Louis University, Chicago, Illinois.

**Action Requested:** That the Illinois Board of Higher Education approve the Minutes of the February 15, 2011, meeting.



STATE OF ILLINOIS  
BOARD OF HIGHER EDUCATION

**MINUTES - BOARD MEETING**  
**February 15, 2011**

A meeting of the Illinois Board of Higher Education was called to order at 1:15 p.m. in the Atrium at National-Louis University, Chicago, Illinois, on February 15, 2011.

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

The following Board members were present:

David Benjaih	Proshanta Nandi
Jay Bergman	Santos Rivera
Frances G. Carroll	Robert Ruiz
Dimitra Georgouses	Elmer L. Washington
Heba Hamouda	Addison E. Woodward, Jr.
Alice B. Hayes	
Donald McNeil	

Also present by invitation of the Board were:

G. W. Reid, Executive Director, Illinois Board of Higher Education  
Andy Davis, Executive Director, Illinois Student Assistance Commission  
Vinni Hall, Board Member, Illinois State Board of Education

Presidents and Chancellors

Al Bowman	Elaine Maimon
Rita Cheng	William Perry
Sharon Hahs	John Peters
Michael Hogan	Wayne Watson
Max McGee	

Advisory Committee Chairpersons

Peg Lee, Community College Presidents Council  
Anita Moore, Disabilities Advisory Committee  
Abbas Aminmansour, Faculty Advisory Council  
Dave Tretter, Independent College and University Advisory Committee  
Susan Friedberg, Proprietary Advisory Committee  
John Peters, Public University Presidents  
Ari Shroyer, Student Advisory Committee

## **I. Call to Order**

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

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

### **2. Welcome by Nivine Megahed, President, National-Louis University**

President Megahed welcomed everyone to National-Louis University.

### **3. Welcome and remarks by Chairwoman Carrie J. Hightman**

Chairwoman Hightman said, “First off, as I alluded to, I think I do not need to introduce Dr. George Reid to all of you because I know that in the six weeks or so that he has been on the job, he has gotten to meet many of you. He has been around the state. He has been in all the different places he should be, but I am positive that there are a couple of people in the room who do not know him. So, Dr. George Reid is our new executive director, and we want to welcome him.

“Because this is his coming out party, let me just say a couple of things. George’s entire professional career, I believe, has been in higher education. Having spoken to so many people that he has worked with over all those many years, he is highly regarded and well respected in the higher education world. His last position before coming here was at the Maryland Higher Education Commission, which is a coordinating board that is very similar to the Illinois Board of Higher Education. He was assistant secretary for Planning and Academic Affairs. In that role, he engaged in all of the issues that we face here in Illinois. That is why it was so obvious that he would be a great selection for this role. He has worked in the private sector also. He has a wealth of experience. We are excited to have George here, and look forward to his leadership in advancing the *Public Agenda*. So, again, welcome to Illinois.

“I want to welcome several other people that are here. Anita Moore is pinch-hitting today for Tom Thompson, chairing the Disabilities Advisory Committee. Thank you for being here. Peg Lee is sitting in for Jerry Weber, representing the Community College Presidents Council. Thank you for being here. We also want to thank the Faculty Advisory Council for accommodating a scheduling conflict and agreeing to switch with the community colleges presidents for the luncheon meeting this afternoon. I want to welcome the faculty members who joined the Board for the meeting. I apologize that I was not able to be at the lunch, but it is always great to have the opportunity to discuss issues with the Faculty Advisory Council.

“I want to welcome Elaine Maimon of Governors State University because she is making a presentation and also Dawn Koeltzow of Bradley University. They are both going to be presenting on behalf of their institutions. They are actually the kick-off of our *Public Agenda* showcase. Don Sevener described a little bit how we changed the agenda at the last Board meeting and how we are going to showcase an issue or an item at each Board meeting. They are going to talk about what they are doing that relates to implementing one of the goals of the *Public Agenda*.

“I want to welcome Tom Schmidt, the former president of Carl Sandburg College. He graciously agreed to chair a Task Force that we created at the last Board meeting. The Task

Force was created to study alternative ways to fund the MAP program. It is one thing asking someone to chair a Task Force, but it is another to say that you have got to do this in four weeks and study a really complicated financial issue as well as a policy issue. Tom took the task on and did a great job. We will be talking more about this when we get to that point in our agenda, but I wanted to introduce Tom. Thank you, again.

“Let me turn to a couple of substantive issues, first, the *Public Agenda*. As I mentioned, we changed how we are addressing *Public Agenda* items at our meetings. The *Public Agenda* Update today is going to include a preview by our senior staff of a 90-day strategic initiative aimed at accelerating the implementation of the *Public Agenda* goals and set the stage for a longer term action plan.

“The *Public Agenda* Showcase will feature two presentations. The first one will be by Governors State University to talk about the Dual Degree Initiative with neighboring community colleges that spans Goals 1, 2, and 3 of the *Public Agenda*. Then Bradley University will describe its work-study program that focuses on Goal 3 of the *Public Agenda*.

“I am grateful that these two institutions were willing to step up, to make these presentations, and to share their ideas and practices because what we all should be doing at these meetings is sharing best practices and brainstorming. If somebody does something that is a great idea, let others know. I know you all communicate a lot, but it is great to have everybody here in the room or at least all sectors represented and talk about what is going on. I look forward to today’s presentations. Going forward, if you have any ideas about items to showcase in upcoming meetings, we would love to hear that. So think about that, and let us know. Don is always a good point person for that.

“We are going to also receive the report and recommendations of the MAP Task Force, which, of course, is directly linked to Goal 2 of the *Public Agenda* and college affordability. We are also going to hear a presentation today on the annual Underrepresented Groups Report. Timing is everything, and George stepped in at a time when the report had to be finalized. He took a real interest in getting that report finalized and what it says.

“Turning to the budget, we are going to present our 2012 budget recommendations today. Tomorrow the Governor will deliver his budget message to the General Assembly. You know the administration gave us the context for everything that is going on and for the budget that is going to ultimately be adopted and for how the scarce resources in the state should be used. We will hear how it is all defined tomorrow.

“I had a good conversation, and Julie Smith actually wanted me, and I will when I get to the budget item, just say a couple of things about how the Governor’s office looks at what we put together and how much they appreciate the work that we do on our budget proposal. I will give you a little bit more later on that. But we work with the Governor’s office and his budget team. We are going to do so over the upcoming months, but I think that you all know that we use the budget that we put out here as the starting point for efficacy, and there are lots of options that are available when you look at that budget, and that is the beauty of it, I think. And they appreciate that.

“Mike Mann has the responsibility now that Mike Baumgartner left. I do not know if you all knew because he announced to us after the last Board meeting. So, Mike Baumgartner has moved on, and I am pleased to announce that Mike Mann has taken over the budgeting

responsibilities. It was a big challenge for him because he is new in that role, not that he has not had the experience. Dr. Reid, Mike, and others on the staff really worked hard on this. This is a special budget because there has been a changeover in our staff, and he will talk about the key points in the budget.

“Most importantly, and we will get to this again later, everything we are doing should be related to achieving the four goals of the *Public Agenda*, and we believe that our budget is true to that objective. We want to close the achievement gap, we want to make college more affordable, we want to build a skilled workforce, and we want to strengthen the economy here in Illinois. So we have come up with ways that we can do that more and more through the higher levels in the step approach. You know it was collaborative, and I think you are so used to doing these budget meetings with us that you can probably do them in your sleep, in a sense, because you know what we need. We know what you are concerned about. So I think it is a good process that we have established working together, listening to everybody, and trying to incorporate everyone’s priorities into what we propose. I hope you all think that as well.

“We look at this as a budget for all of higher education, not just for any particular sector, not for any particular type of student, for everybody, and that is the challenge we had trying to balance all the interests. Again, I know you all work closely with Don and with Dr. Reid, but if there is anything that I am saying that is totally off-base, or if you have some other opinion, please let me know because I think it is important for us, as we do our work, to know whether our assumptions or the Board’s assumptions are pleasing you. We get the results of all the work, we have our input, but we do not meet with all of you. Some of us go to some of the meetings, but if there is anything that you need to tell us, you should tell us, not at this meeting, but call me, and let me know.

“I want to talk for a minute about Complete College America. As you probably know we are one of 24 states in the Complete College America alliance working to increase educational attainment to a level of 60 percent of adults by 2025. In March, CCA will host an academy for leaders from many of these states to develop strategies and specific action plans for achieving this goal. I am excited because we put together a great team to represent Illinois, and leading that team is our Lt. Governor, Sheila Simon. Governor Quinn asked her to actually take on education and to be the key point person on the administration on education, and she is willing to do that. So she is going to be attending this meeting with many folks including Senator Ed Maloney, Representative Bob Pritchard, Chancellor Rita Cheng, President Jerry Weber from the College of Lake County, Jeff Mays from the Illinois Business Roundtable, Elaine Johnson, Andy Davis, Dr. Reid, and Candace Mueller from our staff will also be there. What a great group of representatives from higher education and of Illinois, generally, that will be at that meeting. So we will probably be the best state there. That is what I expect.

“The last thing that I want to do before I turn it over to Dr. Reid for his inaugural opening comments is on a serious note. Valentine’s Day reminds us of a really bad thing that happened. Yesterday was the three-year anniversary of the tragedy at Northern Illinois University. I thought it would be appropriate to take a moment of silence in recognition of the people that were part of that.”

#### **4. Remarks by Executive Director G.W. Reid**

Dr. George Reid said, “Thank you so much Chairlady and members of the Board. I have not thanked you as a Board for appointing me as your executive director, but I am very

appreciative of this opportunity. I look forward to your counsel. There will be two things that will guide me. One, will be these times and what they offer, and of course, your counsel. Madam Chairlady and members of the Board, thank you so much.

“There is often a perennial question that faces every leader in higher education -- all of the presidents sitting over there and others. The perennial question is how do you start a new term? What do you do to kick off your new administration? As you all know, there is no perfect way. My work with the Society for College and University Planning (SCUP) says that the best way to predict the path that you are on is to develop a plan. So, today to kick off our term, as executive director, I am announcing the implementation of a small strategic plan that will be drawn from the *Public Agenda*.

“The *Public Agenda* and its four goals will be the basis upon which we are going to do our new plan, which will be called the 90-day agenda. To begin this administration, the senior officers and I will work in four areas to pursue the *Public Agenda*. One of the problems, and I mentioned this in my earlier meeting with the faculty, about strategic plans is that they often are pretty, but people are confounded as to how to implement them. Well, you need to grab goals, look at a specific goal, and break it down to its finest level, and there will you find some staff responsibility.

“How will this strategic plan look? And why is this strategic plan important now to implement as part of the *Public Agenda*? Well, first of all, this blueprint that you have done is a perfect time, and I would parenthetically say to you, that in terms of, I have been in public higher education planning for a long time, I have never seen a blueprint any better than this one. Whoever it was in this room, and I know many of you here, who helped draft that strategic plan, you are to be congratulated. It is one of the best public agendas that I have seen. So, there is no time better than now to look at that agenda and break it down to see what we can do as a senior staff here at the Illinois Board of Higher Education.

“What will our plan look like? It will be in three parts. It will be a vision statement, a mission statement, and then some goals. My philosophy of a vision statement is that it is a short statement. There are two philosophies. One philosophy is that the vision statement should be five or six paragraphs. But I think that there should be only three sentences in your vision statement. That is a part of my training. In the vision statement, the three sentences will be: where are we as an agency at the present time; what is it that causes us to change, and why do we need to change; and what is it that we want to be at the end of this plan?

“So here we go. Here is the Illinois Board of Higher Education. It is a very busy organization. It has many audiences. Central to them is the Board and what the Board would have us to do. But beyond that, there are all kinds of audiences that we have to work with and to please, many of them by mandates like the Office of the Governor, the legislative branch of government, many college and university presidents with whom I have to work, the community colleges, the private institutions, the two-year institutions, and the four-year institutions. To say the least, this is a very busy organization.

“So as busy as we are, why am I asking the staff working with me to do even more? Because I think that the time is right to accelerate the *Public Agenda* through this plan. Why do we need to accelerate the *Public Agenda*? I think for so many reasons, but let me just cite two reasons why we need to accelerate the *Public Agenda*. I can remember in our favorite son’s first State of the Union address -- President Barack Obama’s first State of the Union address -- he said

embarrassingly and disappointingly so, that he was disappointed that America was not the number one country in the production of college completion, of postsecondary completion, including degrees and certificates. In the very near future, he said in January of 2009, we are going to be number one. As president of the United States, he is our favorite son, but he is also from Illinois. There is no way that we can overlook what President Obama has asked us to do.

“Then secondly, I think it is all together fitting and proper that when a nation and when a state finds itself in rough territory, like we are in at the present time with our recessive economy, that we should -- I think Mike Hogan did this yesterday -- call on higher education to play its role in the reinstatement of a vibrant economy in Illinois. So, you know who we are and what we are. You know now why we need to accelerate the strategic planning process.

“Before I introduce Don Sevener, who will go into greater details in Item No. 5, let me just briefly talk about the four goals. As I have heard over and over today, there are places and areas in this state where people know very little about the *Public Agenda*. Some people have read the *Public Agenda*, but the potential of the *Public Agenda* and what it can do for this state, I think is an area that we can accelerate. To head up that activity, Don Sevener will do that.

“Secondly, we are going to increase college readiness. Thirdly, we are going to increase college completion. And fourthly, in this 90-day planning period, we will try to garner more support for performance funding. We will try to get colleges and universities in support of it, and we will also try to work with the legislature to see how far the legislature wishes to take this concept and make it maybe even a law.

“So there it is. That is how we will mark the beginning of this administration. The 90-day Agenda: increased college readiness, completion toward performance funding. So, Madam Chairwoman, those are my opening comments. I will take questions. If not, we will turn it over to Don, and he will go forward into the *Public Agenda* Update.

Mr. Robert Ruiz arrived at the Board meeting.

## **II. The Illinois Public Agenda for College and Career Success**

### **5. Public Agenda Update**

- **Progress Report**

Mr. Don Sevener said, “Thank you Dr. Reid, Madam Chairwoman, and members of the Board. This is an exciting time. We have spent two years on implementation of the *Public Agenda* at the Board’s adoption of it in December of 2008 and extensive time before that to develop the *Public Agenda* and make it a real, live, action-oriented agenda for the State of Illinois. In December I presented to the Board and to the higher education community, a communications plan that will actually kick off two days from now when Chairwoman Hightman will send our first e-mail to legislators, to members of the administration, the General Assembly, the higher education community, all the presidents, and others in the senior staff administration of the institutions. It will be an e-mail that will say, ‘attached to this document is a brief video; please look at this. Please look at this and share it with people that you know who need to understand what the *Public Agenda* is and how it will operate and what it means to the work that you do as teachers, as faculties, students, administrators, legislators, business people, and labor union representatives throughout the state.’

“We intend to spread this word over the next several weeks through this release of what are called viral videos. That sounds bad, but it is a good thing actually. We will spread this word and raise the awareness and the profile of the *Public Agenda* so that people will understand what is in it and how it benefits the citizenry of the state, students, faculty, and administrators throughout the higher education community.

“We have some other means that we were going to use for this communications campaign, which I went into to some extent in December, and you will see unfold over the next few weeks and months, but now, I would like to turn this over to Bob Blankenberger, who is the deputy director for Academic Affairs for his share of this 90-day plan.

Dr. Bob Blankenberger said, “The 90-day Agenda goal I was assigned is to improve college readiness through curriculum alignment in the implementation of the new Common Core Learning Standards. The criteria outlined for evaluation of this goal are, in summary, prepare a presentation that justifies the need for college and university faculties to be equal partners with public high schools in determining the steps required so that high school seniors can be college ready, draft several paragraphs about the role of faculty and administrators must play to achieve this goal, and visit with five faculty and administration college readiness stakeholders to explain the presentation and win their support to be leaders representing higher education during this process.

“The Illinois Board of Higher Education academic staff members have been working closely with the staffs of the State Board of Education and the Illinois Community College Board for the last few years on the development and implementation of the revised Illinois Learning Standards that incorporate the Common Core. My intent is to integrate these criteria with the ongoing activities already underway related to this process.

“Through the implementation of the revised Illinois Learning Standards, the State Board of Education is attempting to better prepare Illinois students for success in college and the workforce. This project is part of the national effort to implement a Common Core led by the Council of Chief State School Officers and the National Governors Association and their members. The Common Core is a state-led effort to establish a shared set of clear, educational standards for English language arts and mathematics that states can voluntarily adopt. The State Board has plans for implementation that have been taking place for the last few years and will continue to roll out in several phases over the next few. In June of last year, the State Board of Education adopted the new math and English language arts standards for K-12 education, known as the new Illinois State Learning Standards, incorporating the Common Core. The Illinois Board of Higher Education and Illinois Community College Board staffs and select groups of core content faculty were involved in the review of these standards and will continue to be involved in the process.

“As my part of the early implementation and to satisfy the evaluation criteria associated with this plan, I am making presentations to a number of stakeholder groups, including the Chief Public Academic Officers, at our regular academic leadership meetings, the Illinois Articulation Initiative Steering panel and its Implementation Advisory Council, the Faculty Advisory Council, the Proprietary Advisory Council, and the transfer coordinators. I will also participate in a series of regional meetings on the rollout of the Common Core that have been planned for the next couple of months. These will be held in conjunction with the State Board of Education and Illinois Community College Board. I will be working with academic affairs staff Debbie Meisner-Bertauski, Allison Witt, and Michael Afolayan to provide Illinois Board of Higher

Education representation at these meetings. Public institution academic leadership has agreed to support this project, and faculty groups are being mobilized as well, including the core content teams, members of the Faculty Advisory Council, and the Illinois Articulation Faculty panel members.

“During the next phase, faculty from secondary and postsecondary education will be convened to develop methods for connecting secondary curriculum with college readiness standards and aligning curricula to bridge the two using the new Common Core as a framework for these discussions. I will update the Board on the progress of this project at the April 12, 2011, Board meeting.”

Dr. Arthur Sutton said, “The 90-day strategic goals of diversity and outreach of the Illinois Board of Higher Education will address and work on Goal 1 to increase the educational attainment of underserved and minority students in the State of Illinois. We will provide or design a program. Richard Tapia and I will work with the public universities throughout the state, community organizations, and groups to address educational situations related to underachieving and students who have had difficulty attaining and being successful in college. We will work with and plan programs related to helping them to go to school, complete school, and address issues relating to them while they are attending school.

“Work with the public institutions will be designed to pilot this project. Again, we will work with organizations such as the Illinois Committee for Black Concerns in Higher Education, the Illinois Latino Council on Higher Education, and other community groups and organizations. The goal is to increase educational attainment, opportunity, and the completion rate of all students throughout the State of Illinois, but we will have a special focus on the underserved student population. Again, Illinois needs more college graduates and to further an opportunity for underserved students as far as helping them to be enrolled, to participate, and complete the goal of degree attainment.

“As the project moves forward, we will provide additional information on what is going on with our objectives, and we will also provide recommendations based on our work with the various groups, again, to encourage all students to be successful in the State of Illinois. At this point, we are indentifying what we are working on, will move forward, and provide further information as we go forth. Thank you very much.”

Dr. Alice Hayes said, “I am pleased to see the coordination with the various faculty and college groups. I think that what you have talked about planning to do next, meeting with the secondary schools, is just absolutely crucial because that is where the relationship needs to be developed. I would encourage you to look closely at the curriculum and at the preparation in the secondary schools so that the students will be better prepared for college.”

Dr. Reid said, “Clearly, one of the prevailing problems with college readiness is that there has not been this discussion between the teachers at the public schools and the schools of the state, and the faculty members in higher education. Under Bob Blankenberger’s work and his coordination, he will work with groups that are already meeting and groups that need to be joined into this meeting so that we have a fuller discussion about what that curriculum in the final analysis ought to be so that a student who finishes high school, who finishes that particular curriculum, that has been agreed upon by those groups, would be college ready.”

Mr. Mike Mann said, "As Dr. Reid mentioned, performance funding is being implemented by states across the country trying to find new ways to incent higher education efficiencies and performance. States like Ohio, Indiana, Texas, and Tennessee have all adopted various forms of performance funding tied to the pursuit of their state goals.

"In Illinois, the Higher Education Finance Study Commission concluded that performance funding is a viable policy tool to achieve outcomes. In their final report last year, the Commission concluded that performance-based funding must be developed through a consultative process. Consensus must be built in a collaborative manner with representation from all school types.

"Performance funding models must be tailored to each sector of higher education. Unique missions of different school types must be factored into the equation -- community colleges, research institutions, and doctorate level institutions. Performance-based funding models must also encourage at-risk students to complete a certificate or degree. Formulas must take into account the extra cost of serving students at risk because of educational, financial, or other needs. Base funding should be tied to course completion and degree production rather than just enrollment. And, finally, performance-based funding mechanisms must be designed to maintain quality in the programs, degrees, and certificates offered.

"The 90-day agenda goal I have been assigned is to support the drafting, revising, and passage of legislation that provides a broad framework for integrating performance funding into the higher education budget development process. The purpose of this is to advance the goals of the *Illinois Public Agenda*, specifically to improve increasing student retention, graduation rates, and improving affordability.

"To move this goal forward, I will be working with senior staff at the Illinois Board of Higher Education and legislative staff to create a draft or working version of a legislative proposal that provides a broad and flexible framework for us to move forward with. The desired outcomes eventually will be to achieve a broad consensus with all higher education partners to develop and integrate some form of performance-based funding into the budget development process in fiscal year 2013."

Dr. Reid said, "Madam Chairlady and members of the Board, that is our *Public Agenda* update today. It is about this new 90-day goal. These are the goals that the senior officers and I will pursue in these next 90 days. We will give you a progress report on how well we are doing toward the achievement of each of those goals. In April, I expect some of the progress will be up and down, basically up. Then I will have more to say about where we go from there because if we are successful as a team, working together producing these kinds of results in 90 days, then we might want to look at a longer, strategic plan with heavier goals for a longer period of time.

"Madam Chairlady and members of the Board, I now want to turn our attention to the *Public Agenda* Showcase. As you know, this is a new feature. Item No. 6 on your agenda is a new feature. It is an opportunity by the colleges and universities in the state to accept our invitation to come before the Board to talk about innovative ideas and concepts that they have implemented on the various and sundry campuses. We met this morning with the university presidents, and we invited each of them to participate as two will do today. But what we hope will happen is that these innovative ideas will become a part of the basic new fabric of higher education as we see it in the State of Illinois. We have two universities that will join us today, and Don will introduce our guests from Governors State University and from Bradley."

## 6. Public Agenda Showcase

Mr. Sevener said, "As Dr. Reid and the Chairwoman explained, the purpose of this is to give examples and demonstrations of the very vital way in which the *Public Agenda* is being implemented on campuses and other venues throughout the state and to provide an opportunity for institutions -- public, private, two-year, four-year, and other entities like not-for-profits, state agencies, and others -- to have a higher profile role in the conduct of this meeting.

"We are fortunate to have two outstanding examples of *Public Agenda*-related initiatives to kick off this new feature of our Board meetings. The first will be President Elaine Maimon, who will discuss Governors State University's dual degree program with community colleges."

- **Presentation by Governors State University**

Dr. Elaine Maimon, President of Governors State University, gave her presentation. Following her presentation, the Board had the following discussion:

Dr. Addison Woodward said, "Do you have a sense of numbers? Do you have a sense of what this is going to look like?"

Dr. Maimon said, "Yes. We got some information from one of the community colleges. First of all, we saw a tremendous increase in full-time students. I will reveal that it is Prairie State, and that we saw three times the number of students is full-time at Prairie State this year, and so we see a real need for the students at each of the community colleges. This is targeted at the full-time students. We will always serve the part-time community college student. That will not stop, but this is particularly targeted at the full-time students."

Mr. Jay Berman said, "About three weeks ago, I was at a dinner at a four-year university and was sitting next to Dr. Gena Proulx, President, Joliet Junior College, which is one of your institutions. I have known Gena for a lot of years, and she knows that I am a proponent of the community college system. We were talking during dinner, and she brought up this program, and she is every bit as excited about it as you are. She mentioned that she thought she had about 100 students who were going to graduate this year. For what it is worth, I think at least in that case, the community colleges are just as excited about this as you are, and are feeling that it is going to really succeed in getting a lot of students to a four-year degree that would not otherwise get there."

Dr. Maimon said, "Thank you. By the way, my community college presidential colleagues would be here except they are all off at a national community college presidents meeting. But, yes, they are all excited. Thank you for testifying to that."

Dr. Elmer Washington said, "I am glad to see you moving into this arena very aggressively. One of the things you started with is the economic impact on students completing college. You tied that into full-time students at community colleges, but most of the students at community colleges also work. So I assume your concept of full-time students does not exclude those who are also working. But I did not get the sense of how the economic deprivation is removed. We know, for example, that students who come from high income families get exposure, and much of the positive exposure comes from their activities outside of school, not in school. And thereby, they perform better because they have had much better positive

reinforcements in terms of their intellectual growth, whereas many students from poorer backgrounds perform much worse because they have had such negative experience. My question is how much of the economic deprivation variable is taken into account and removed as a result of this program?"

Dr. Maimon said, "Very good question. First of all, let me say that for most of us in the public higher education realm, large percentages of our students work. They work probably too many hours, but they all work. So when we define a full-time student in this program, we are defining a student who is taking at least 12 credits in a community college in the fall semester. And the other thing that we required is that if students have developmental courses that they need to take, that they take them in the first semester. So, that, I think, also from an educational standpoint, is an incentive to the students to get those courses done and get serious about them and be able to move on with the writing and the math at higher levels.

"Second, another phenomenon for the student who may not have the dinner table college know-how that wealthier students have is that they assume that they will be helped economically if they take fewer courses and work an extra job. Well, it is a catch-22 there. Many students who do that make themselves ineligible for programs, ineligible for MAP grants, and they are distracted even further from the kind of focused attention that we are trying to give them incentives to give to their studies.

"Third, by the tuition freeze incentive, we are giving to every one of the students in dual degree a financial incentive to move through quickly. Another phenomenon, nationally, is that because students take so many extra semesters and extra time, they are actually spending more money. They are making themselves ineligible for Pell and MAP, and they are spending more money because it is taking them longer. So we are saying this is a concentrated pathway, and we are also giving them, from the time they are freshmen, financial aid counseling. There is so much financial aid that goes untapped in the State of Illinois and in the nation because of its lack of college know-how. We have our financial aid officers at GSU working with the community college financial aid officers, who are getting the same message. We are very much aware that the financial issues are ones that must be addressed and addressed head on."

Mr. Robert Ruiz said, "Fabulous concept, but I have a concern or a question. Since you are making these students be full-time students, every hour that they take is going to be very crucial. I am assuming, and maybe it is unfair, that all of your articulation agreements have been worked out so that when a student takes a course, someone is counseling them, and makes them aware that what they are taking is actually useful toward their degree."

Dr. Maimon said, "Absolutely. That is why with the joint counseling, we are also looking for more and more ways, faculty-to-faculty, for our community college partners, and GSU faculty partners. For example, we are attending an assessment institute this summer sponsored by the Association of Colleges and Universities. We will have a joint team from one of our community colleges with us. This dual degree program also becomes a focal point for us to look at various ways that we can make sure that students are getting the right advice and that we are tailoring the advice to what is going to help that student succeed. In terms of articulation, it is not going to mean that every student, as I said earlier, who wants to get into communications is going to be able to do it, but that student will have advising and counseling along the way to know what needs to be achieved in order to do it."

Mr. Ruiz said, "One course at one particular institution may not square off to the same course at another institution -- have you worked out those differences?"

Ms. Linda Uzureau, Assistant to the President of Community College Partnerships, Governors State University, said, "I think that is one of the reasons to have the students begin to be advised in the second semester of their freshman year. That makes a huge difference for students, and typically, in the community college realm, we tell students right from the beginning that they should be consulting with the advisory from where they plan to transfer. Most of the students do not take that advice, and they wait until their third or fourth semester to go shopping for a university that will accept their credits. So, we have the articulation in place. It is the question of making that available to students early in their career."

Dr. Maimon said, "I see what you are saying -- *de facto* and not just *de jour*, and the student takes a course in Accounting I at Prairie State College, are you going to be accepted at Governors State University? The answer is yes, if the student achieves at a level of C or better. We are able to make those criteria. We are not going to take the student who did a D in the course. This dual degree program has also heightened the attention of our deans, faculty, and our provost, who is really enforcing this -- that no one is going to get away with requiring the student to retake a course that the student already took successfully. We had some courses at the 300 level that were really 100 level courses, and our provost is wiping them from the books. In those instances, when they were just repeats of what the student did at the community college, that for our inverted baccalaureate we need to have some 300 courses in general education liberal arts at a higher level for those career technical students, but that is another whole argument. So the answer to your question is yes. We are looking very carefully at making sure that the student is not going to be required to take the same course twice."

Ms. Dimitra Georgouses said, "I think this is an excellent program. My question is since there is going to be a tuition freeze, where is the rest of the money from the program in the last two years coming from?"

Dr. Maimon said, "What this all has meant for us at Governors State University and certainly what the *Public Agenda* is intended for, we have had to do reallocations within our own funding. We have had to make it very clear that we expect the deans and the faculty to see this as a primary program. We are going to take money that we are spending in other ways; we are going to spend it toward this. Yes, you also bring up something very crucial. We do need help. We would like to have, we are looking for grants, we are looking for support through the legislature and so forth, but in the meantime, we are not going to wait for that. The reason that we can give the debt-free option to only 50 Pell eligible students is that we do not have enough money to offer to everyone. We have made this a part of our strategic budgeting, and strategic planning and strategic budgeting have to be married, and that is how we work."

Chairwoman Hightman said, "But is it really no different than four-year? They are guaranteed tuition."

Dr. Maimon said, "At Governors State University, as part of the legislation that guaranteed tuition, we have to guarantee tuition for four years once they start as juniors."

Chairwoman Hightman said, "I understand that, in essence, because you are treating them as they are the same all along, so it is giving them the same benefit."

Dr. Maimon said, "Exactly."

Chairwoman Hightman said, "So how does it actually work because they are starting at a community college, which has a different approach, different price structure than yours? So what you are saying is that for the third and fourth year, they are going to pay what they would have paid if they started in the first year at your school?"

Dr. Maimon said, "They are going to pay what they would have paid to us if they had started in their freshman year. We have been having some conversations with the Illinois Student Assistance Commission. We would love to have a program with the dual degree students who could bank part of their MAP money that they are not spending in the first two years at the community college and then be able to use it when they come here. We would love to have that. I know Western Illinois University has been doing a pilot on that kind of banking of MAP money, and that would be just a terrific addition to this program."

Mr. Ruiz said, "Governor State University is a senior level institution, so they would not have the pressure in the sophomore year."

Chairwoman Hightman said, "Oh, you do not ever?"

Dr. Maimon said, "Although that is almost an anomaly. If we did it in their freshman year, we would still be coming forward in this program, and we believe that it is modeled for four-year universities in Illinois and everywhere."

Chairwoman Hightman said, "How do you bank the dollars because it is all budget-year based? How do you bank them?"

Dr. Maimon said, "Andy Davis will have to answer that, but I know that Western Illinois University has had a pilot program with the Illinois Student Assistance Commission that has allowed the students to bank their eligibility for funds that they are not expending the first two years and then apply it to the second two years at the university."

Mr. Sevener said, "One of our proposed or planned future showcases will look at that program."

Mr. Ari Shroyer said, "I just want to commend this innovation. I think it is very important because it addresses the idea that students have to feel invested. They have to feel securely invested financially, academically, and socially, and I think it really addresses the first two. My question is what do you need, whether it is a reward, whether it is from the legislature, or just the broader community, to be able to sustain these incentives because we need to have a competition of ideas in this marketplace and academia -- so what do you need to sustain and expand this?"

Dr. Maimon said, "We need investment. We think that this is something where we would like to see investment of the state, of foundations, and so forth. I hope this approach is going to bring about a platform for cooperative conversation in universities and community colleges and the way that we can get over some of the strife from the past, and really see this approach as a way that we can be unified in a student-centered way as an investment and then as a model for cooperation."

Chairwoman Hightman said, "I think that this has been a great presentation."

Dr. Reid said, "I really want to thank you for this presentation. Certainly something like this could be woven into the fabric of higher education. Thank you so much."

- **Presentation by Bradley University**

Ms. Dawn Koeltzow, Assistant Director, Springer Center, Bradley University gave her presentation. Following her presentation, the Board had the following discussion:

Dr. Alice Hayes said, "Will students receive academic credit for some of these internships? Also, for the students who participated in multiple internships, does that delay their graduation?"

Ms. Koeltzow said, "The very nice thing about Bradley University's program is that we can register students with zero credit. So it is still a registered placement. It is a transcript notation. There is no cost to the students to register their internship assignment. The students in four of the colleges can take the internship for credit. Engineering does not lock. Only a zero credit registration for engineering. So there are different rules and policies per college. The students can opt to take it up to nine credits in some colleges, and that would have to be looked at and advised by our career advisor and the faculty advisor.

"There is a flat tuition fee for students for 16 credit hours. What happens for the students that are taking four classes that semester who opt for taking internship for credit for three or four credit hours -- they would have to work for those higher credit hours. We do see some students in a full and engineering co-op where they are alternating work periods, and that can delay and extend graduation beyond four years. We are finding that for students who are in a tough economic climate that it is kind of a good thing to extend the graduation date and go for those registered internship assignments so that they can have that experience under their belt."

Dr. Washington said, "Thank you for an excellent presentation. I enjoyed it very much. I am curious about the nature of the interactions. Perhaps you can give us a bit more detail about the nature of the interactions between faculty advisor, the employer advisor, and the career advisor. Those are three very important individuals in this operation."

Ms. Koeltzow said, "It is wonderful that all the assignments have to be registered, and they do not have to incur tuition for that. What that means is that the students will come in and meet with their career advisor. In some colleges, they have to meet their faculty advisor first before they can come over and start the registration process. If it reversed, like the College of Business, they are meeting with the career advisor first. She is walking them over to the faculty advisor for his approval. So, it depends on what the college offers. The career advisor that is doing that method is sitting down with them. They are doing a learning agreement form. They are stating to the student that they need to go to their internship employer and sit down and write a goal statement signed off by the employer's supervisor. There is buy-in, then, from the employer that they are participating within the academic triangle of the internship process.

"The students are also submitting a job description at that time for review. If it is approved by the faculty advisor and registered, the student is then automatically interned into our online communities just like they are registered for any other class assignment. There is going to

be resources available to help them stay on track and be successful in their internship. Then we are going to be able to communicate with them on the future of that alliance.

“About three weeks towards the end of the semester they are going to be given their post evaluation, their employer supervisor evaluation, and then their reflection papers will be due. So they have to submit those, and then there will be a pass/fail on file on their internship.”

Chairwoman Hightman said, “Thank you so much. I think that you have proven to us that this concept of showcasing creative ideas and ways to try to meet the four goals of the *Public Agenda* is workable and is actually a good concept. We appreciate your efforts. Anyone who has any suggestions for future such presentations, please let Don know.

“Rather than go to the Task Force presentation by Tom Schmidt, I was thinking we should do the item after that first, which is the underrepresented groups discussion.”

## **7. Public Agenda Focus**

- **Report to the Governor and General Assembly on Underrepresented Groups in Illinois Higher Education (George Reid and Arthur Sutton)**

Dr. Arthur Sutton briefly outlined the contents of this item. Following his presentation the Board had the following discussion:

Dr. Reid said, “The *Public Agenda* revealed that we have two Illinois’s -- one that lives well, has the facility to higher education, and is in the upper levels of the socioeconomic sphere of the state. On the other side, the underside of that achievement level, are those who are underrepresented. That is what this report is all about -- the underrepresented group. These are people who are self-identified -- African Americans, Hispanics, some Asian-American groups, women, those with disabilities, American Indian, Native Alaskan, etc. What Dr. Sutton’s report shows in the final analysis is that from last year to this year there has been little movement, and that the underrepresented -- the achievement gap -- is still alive and well. So as we come to this report next year, we will be able to assess how much progress has been made from this year to next year.”

Chairwoman Hightman said, “Then we submit this to the Legislature?”

Dr. Reid said, “And to the Governor.”

Dr. Elmer Washington said, “I think the focus of the report is very good. This is a very vital area of dealing with educational attainment, and it is within a single institution. How does an underrepresented group do in comparison to the majority of students in that particular setting? One can then deal with how do you make things better? Many institutions have done that. There are reports showing that institutions have done that. From a state perspective, I am sort of curious as to what is the explanation for the states like Hawaii, New Hampshire, Maine, and Massachusetts having a reversal of the achievement gap issue? I know each state would have a different rationale for it, but I am curious as to any that you might have at this point in time. If not, I would like to have information on that at a future date.”

Dr. Reid said, “I think we can give you more information on that. Here is the original foray. In most of the states that you have named and those who do not have a significant achievement gap, the self-identified underrepresented groups are small in number.”

Dr. Washington said, “Well, it is a reversal of the gap.”

Dr. Reid said, “Yes, it is a reversal of the gap. Secondly, a state like Massachusetts started very early on this problem, on identifying the groups in Boston and other areas of the state that needed special attention. The colleges and universities, although many are Ivy League in Massachusetts and in the Boston area, have dedicated a special number of their scholarships to this group. So those are the ways that these states have reversed the achievement gap, but we will get you more information, more specifically, on these groups.”

Dr. Washington said, “The other thing that I have seen and think is useful to see in a format similar to this is how each of our colleges in Illinois does -- the achievement gaps for each college within the State of Illinois. We have it for not-for-profits and for publics. It is great to see that. I know there are some who do very well and some who do not do very well, but I think having that transmitted would also be extremely useful to all of us.”

Dr. Reid said, “That will be a part of the next report -- each college and university’s attainment.”

Dr. Proshanta Nandi excused himself from the Board meeting.

- **Report from MAP Blue Ribbon Task Force**

Chairwoman Hightman said, “This Board issued a proposal to create a Blue Ribbon Task Force to study an idea advanced by the Illinois Student Assistance Commission to find a way to expand funding of the Monetary Award Program, or MAP. The intent of the Task Force has been to get together an independent, impartial group of experts to objectively examine the proposal for College Opportunity Investment Notes -- the acronym, COINS. We wanted to have that Task Force determine whether such a proposal was feasible. From my perspective, we all went into this without any real opinion. I know that I did not understand enough about it to really know whether it was a good idea, but given the scarce resources available for MAP funds and given how many students are unable to get MAP funds, it seems like a good idea to look at every alternative and see if it is viable and see if it is sustainable.

“So that is what the Task Force did. I want to thank Tom Schmidt, who graciously agreed to chair the Task Force on a very short timeframe. His hard efforts and his hard work will be discussed at length here. For many of you who went to those various Task Force meetings, I have seen the summary of how many times you met and all the things you did, and I am assuming you will talk a little bit about that in the overview. But I know a lot of time and effort went into it, and I really appreciate all the members of the Task Force who Tom is going to name. But I truly appreciate, and I know the whole Board does and I speak on their behalf, the efforts of the Task Force led by Tom to really figure out this issue for us.

“I know that your last meeting was yesterday, and I actually have not read the full report. I have gotten the report about what happened at the last meeting. So I think we are all sitting here with bated breath to hear what the Task Force has concluded.”

Mr. Tom Schmidt, President Emeritus of Carl Sandburg College and Chair of the MAP Blue Ribbon Task Force, said, "I first and foremost want to express appreciation to the Board for affording me the opportunity to be of service to the state and by way of introducing also the balance of the members of the Task Force, I was joined by some excellent personnel -- Sharon Alpi, professor at Milliken University; Dimitra Georgouses, who provided not only inspiration but a lot of great support staff to the effort; Dean Mihas, a principal with a private equity firm here in Chicago; Sue Morris, the vice chair of the Illinois Community College Board; professor Steve Rock, economics professor at Western Illinois University; Mr. Jerry Roper, the president of the Chicagoland Chamber of Commerce; Mr. Rufus Williams, president and CEO of Olympus, LLC and also former president of the Chicago Board of Education; and Susan Friedberg, president of DeVry University-Chicago.

"I will just share with you a couple of quick remarks, and then we will go through the report, which hopefully is at your station. My motivation to lend myself to being involved in this, I suspect and I do believe, was similar to the other Task Force members inasmuch as we did not have preconceived notions about this, which is another way of saying we were not committed to this idea. Rather, I think we were drawn to this flame of need by acknowledging that there are now an equal number of students not benefitting from the MAP program that are either equal to or greater than the ones who are getting it in the State of Illinois. I think the *Public Agenda* would provide documentation that is simply not acceptable or an effective way forward.

"I am certainly fond of the concept that structure must follow strategy. In a very broad sense, I think this Task Force is helping to come to grips with the fact that the current structural mechanism of providing public funding to accomplish a public good, *i.e.*, higher education, in this state is simply not reflective of the strategies necessary for us to achieve the *Public Agenda*, let alone move this state forward. That alone provides context as to why would this Task Force would even be commissioned.

"I want to tell you a very quick story, and I would ask you to make a leap of faith with me that it does relate to the work of the Task Force in some respects. As a relatively young lad and a freshman myself at the College of DuPage in early 1970, paying at the time \$4.00 per quarter hour, I remember having a conversation with my father who happened to be serving as chief of police for the Village of Brookfield. He was putting in motion a current initiative to bring into existence a home for battered women in the western suburbs. Being curious as to what brought that about, I queried him on that and what was the motivating factor. More importantly, I asked him why a person would knowingly stay in the context of an unhealthy relationship. I will never forget his generic response. He simply explained that many times a human being will find themselves, literally, more fearful of the unknown than they are of the known.

"How does that relate to the work of this Task Force? It became very clear and appropriate that a member of the Board of Higher Education family, specifically the community college component, was and admittedly, I believe, still is fearful of this idea. That fear is well grounded in the sense that we know the actual history of funding that has flowed to that component of the system and in fact, the whole system over too long a period of time in order for us to ignore reality. So any proposal, any proposal that would seem to suggest that it is going to undercut and divert dollars away from our lifeline is going to draw attention and must be heard.

"The Task Force, as you have outlined, was asked to evaluate the feasibility, the sustainability, and the advisability of the Illinois Student Assistance Commission proposal to move into a new direction -- to not exclusively rely on public resources to fund a public good, but

rather to begin the first, amongst the first, to explore tapping into the private capital markets offering the suggestion that investing in human beings, with a reasonable return on the investment, can become in some respects the equivalent of investing in private capital, be it buildings or equipment. Selling an estimated \$100 million a year for each of five years, referred to as the College Opportunity Investment Notes, or COIN bonds, and that the principal and interest that would come due on those bonds would be paid back by the incremental increased income tax that a college educated person would be paying versus what they would pay had they not gone to college. In its original form, in its current form, the proposal was that it would be the future incremental earnings of community college students that would be tracked and captured, diverted, if you will, before those funds went into the general fund.

“With that, let me go through the essence of the report itself, which is at your station. I apologize. You may not all have this. It will be posted on the MAP website as soon as possible, as well as the appendix materials. The process, as the Chairwoman indicated, was we established a website to facilitate making transparent the work of the Task Force and to invite testimony and input. There were four public meetings of the Task Force scheduled, three of which took place in the Chicagoland area. One was held at the Harry L. Crisp center in Springfield.

“We also scheduled and received presentations and testimony from interested constituent groups including the Illinois Student Assistance Commission, the Illinois Community College Trustees Association, the Community College Board, as well as the Student Financial Aid Administrators Association, as well as the Federation of Independent Illinois Colleges and Universities. We engaged the independent research services of Mr. Jim Noland, senior fellow at the University of Illinois Institute of Government and Public Affairs and a former president of the Illinois Taxpayers Federation.

“There are a number of significant factors that we chose to identify in this report. There are others that are not in here, but they are probably as worthy. I do not want to go through them all. I want to go through this quickly so that we can maximize the amount of time for discussion purposes, but I would like to draw your attention to several of these factors.

“First, a projected 140,000 Illinois college students are eligible to receive MAP grants each year, but do not, meaning they are by definition suspended because funding runs out on a first-come, first-served basis. The date upon which initial MAP funding is exhausted is defined as the suspense date. What we are finding is that suspense date is continuing to be moved up earlier and earlier in the year, essentially because the funds are running out more quickly.

“Second, community college students tend to be the hardest hit as they typically register for classes and apply for financial aid later than their four-year school counterparts. Further, within the universe of community college students, those residing in rural communities are less likely than their urban counterparts to receive a MAP grant due to there being fewer higher education options available to attend on a local basis. We saw that earlier to some extent in the *Public Agenda* map. If you look at the areas that were shaded purple, the vast majority of them were rural. Contrary to the myth, illiteracy rates are higher in the rural settings than they are in the urban settings.

“Number Six down below -- not only is there an increasing number of Illinois students eligible for MAP grants, but they are also individually eligible for larger and larger grant amounts due to the escalating costs of tuition and fees. This increasingly larger MAP gap, as it is called, is

not only having a disproportionate impact on lower-income students, but it is also adversely impacting all students eligible for the MAP program.

“Early suspense dates combined with lower claim rates, where students that are eligible for a MAP award but are not able to take advantage of it or are choosing not to accept them, are causing the distribution of MAP awards to change by region and by sector. So to answer one of the questions that was asked earlier, the simple reality is where you live in the State of Illinois, in addition to your demographics, matters.

“The Lumina Foundation predicts a significant shortfall in the ability of Illinois to assist individuals with completing some college or an associate degree when compared with the number of predicted jobs requiring those skills. Simply put, it is projected there will be more jobs available in this state than we have the qualified skills to fill. That is a great problem to have, particularly when Illinois is ranked 48 in the country right now in terms of generating new jobs. We are letting the current opportunities fall right through our fingers.”

Chairwoman Hightman said, “In what time period?”

Mr. Schmidt said, “That is the current status of Illinois in terms of being 48<sup>th</sup>.”

Chairwoman Hightman said, “When will there be more jobs than people skilled to fill them?”

Mr. Schmidt said, “That data was generated by Lumina Foundation. I believe it is 2008 data.”

Chairwoman Hightman said, “When will that happen?”

Professor Steve Rock, Western Illinois University, said, “The Georgetown Study shows 2018, seven years from now.”

Mr. Schmidt said, “Down the road. It was captured in data on a forward-looking basis.

“Item 11 -- historically, there are three examples whereby portions of the Illinois sales tax revenues have been and are being captured or diverted off the top and placed into special funds before remaining balances are deposited in the General Revenue Fund. As a matter of policy, we researched that question, and we wanted to know that -- meaning was the proposed Illinois Student Assistance Commission idea truly and absolutely unique or were there related cousins to that idea already in motion. And if there were, what were they?

“We discovered that there are three activities currently in motion whereby 3.8 percent of the Illinois sales tax revenues are being diverted and going into the Build Illinois Bond Fund -- a principal and interest on bonds previously issued, 1.75 percent to the Build Illinois Fund, which is servicing principal and interest as well as providing actual construction dollars for projects, and thirdly, .27 percent to the Illinois Tax Increment Fund, which is an economic development fund. And in some respects, I would encourage us all to look at the MAP program as, directly and indirectly, an economic development investment.

“Item 13 -- recent history clearly demonstrates that the elected officials at both the national and the state levels are not likely or able to effectively address the concerns that would

otherwise be addressed by the Illinois Student Assistance Commission COIN proposal. If we were convinced that the federal and state government were going to fund programs the way they should, I would not be here today, would I?

“Item 15 -- while some community colleges may not currently have the permanent physical plant capacity to accommodate increased enrollments resulting from enhanced MAP funding, they do have a heritage of locating and activating the use of temporary facilities to respond to fluctuations in demand caused by a local economy. A larger concern to the community colleges may be the impact on their operating budgets and cash flow, which stem from being called upon to incur the increased variable and fixed costs associated with producing more credit hours while receiving flat amounts or reduced amounts of state aid reimbursements.

“The State of Illinois is currently underfunding its portion of these base operating grants to the community colleges by an estimated \$19 per credit hour, thus exacerbating community college constituent group concerns over the impact of increased underfunded enrollments. Simply put, folks, the more credit hours community colleges produce, the further they get behind in their bottom line finances. It is exactly the opposite of what you would think.

“Illinois already has one of the nation’s highest amounts of debt per capita in (Item 17) coupled with the current opposition from known groups -- the trustees and the Board as well as Illinois legislative requirement that any bond issuance requires a three-fifths majority -- the Illinois Student Assistance Commission’s proposal certainly has an uphill battle. However, it should be emphasized that the COIN program is not proposed as a financial obligation to the state, rather that it would be tapping into the private capital markets with both principal and interest payments due on the bonds being serviced with and by funds flowing into the General Revenue Fund that would otherwise not be there if the resulting MAP recipient did not go to college.

“We have attempted to succinctly outline the problems that we are trying to address, but I want to draw attention to Items 5 and 7. Item 5 -- due to growing MAP gaps, claim rates for lower income students are falling and they are subsequently not attending college. Item 7 -- the current underfunding of higher education has not only resulted in lost or reduced income tax revenues, but higher cost to society in general as exemplified by Medicaid, social services, and corrections.

“A number of the alternatives have been discussed, and again, there are others out there, but the one we chose to focus on will draw attention to Item 2 -- to define the MAP or the COIN proposal as tapping into only the incremental or additional value added income taxes paid by those MAP grant recipients who receive their awards due to the additional funding produced by the bonds. Again, that is a fancy way of saying or protecting the current General Revenue Fund from being tapped into to pay for this principal and interest on the bonds.

“Item 4 -- a related Illinois Student Assistance Commission initiative is to expand the current Two Plus Two Program that is being piloted by Western Illinois University, Blackhawk College, and Carl Sandburg College -- a community college that, I believe, has become to be known as the finest community college in the State of Illinois.

“I want to just take a quick segment and endorse the dual degree program that was advocated and share with you that, in this instance, Illinois Student Assistance Commission did initiate discussions with Western Illinois University, with Carl Sandburg College, and with

Blackhawk College. The program is affording students the opportunity to dually enroll in those institutions, and when attending Carl Sandburg College, the dollar difference between what their MAP award would be to us versus what it would be if they had gone directly to Western Illinois University is conceptually being banked.

“To add to that, because of certainty in the situation, Carl Sandburg College was able to freeze our tuition rates for students who agreed to attend our institution on a full-time basis for as long as three years. Based on the certainty involved in this, we were able to extend that freeze of tuition rates backwards to students when they were a junior and senior in high school who were taking dual credit coursework coupled with the tuition freeze program involved at Western Illinois University. So, imagine if you would, if you are the parent of a junior high student in this state, which is when we need to start thinking about this and planning for it, my student could begin their college career while in high school and enjoy a guaranteed flat rate of tuition at their local community college for as long as five years, if it took them that long -- two years while in high school and three years of full-time enrollment at their community college. When they transfer to Western Illinois University then, Western agreed to charge them a tuition rate as if they had started as a freshman at Carl Sandburg College. So you are talking about a full seven-year program where human beings can plan their capital investments in their own children. What a concept, particularly when moms and dads are extracting equity out of the value of their homes in today’s market, or they used to be able to do that, but no longer.

“Item 5 -- reduce the amount of the proposed bonds to be issued to a level at which there is a fiduciary confidence that the resulting principal and interest payments can be serviced by the incremental or value added state income tax generated by the new students. This was one of the alternatives.

“The meat and potatoes of the results of our Task Force work are as follows. The Task Force affirms the feasibility and the sustainability of the proposal; however, some concerns were raised by the community college sector as to the advisability of the proposal. These may be addressed by the following suggested modifications, and the Task Force recommends that the Illinois Student Assistance Commission consider modifying its proposal to do two things.

“Tap into only the incremental or additional income taxes paid by all MAP grant recipients, not just community college COIN recipients, who receive their awards as a result of the new bonding program. That is intended to alleviate a lot of the concerns that community college students would be, in fact, treated differently.

“Second, expand what was referred to as the maintenance of effort requirement to provide that no component of the higher education system has any of its current or future funding replaced with proceeds from the COIN bonding proposal. The intent of that language is to assure people that if the bonds are issued, they are going to get serviced by incremental future income taxes paid by persons who now can go to college who otherwise would not. And we are not going to take money out of the General Revenue Fund that otherwise should be going to the existing members of the higher education community. We all know that the system is being funded at 2002 levels. Why would anybody knowingly, willingly give up money today?

“The other component is that the \$19 plus shortfall in base operating grants per credit hour be fully funded for the new community college MAP grant recipients that are being funded by the COIN bonding proposal. I would describe that as a financial toehold that the system could put in motion to assure that as the community colleges absorb increased enrollments, as a result

of additional MAP money being available, that it is not going to undercut their financial circumstances.

“An insidious twist, ladies and gentlemen, is that the more credit hours community colleges produce, ironically, it lowers their cost of operations, and the current formula rewards, and is tied to, your current cost operation. If the community colleges do more work, it is going to drive down their cost of operations and make them eligible for less money from the state, which puts more pressure on local tuition rates and local tax rates. It works the exact opposite of what we otherwise might think.

“Having said that, my final thought is that it made sense to the Task Force that if we are being asked to consider and evaluate the feasibility, sustainability, and the advisability of the COIN program that we ought to really stop and evaluate the feasibility, the sustainability, and advisability of the status quo. And if you do that, you are left with a conclusion that other ideas simply must be considered.

“With that, I was hoping other members of the Task Force would be here to answer the questions because I will probably not be able to do that, but I will give it a shot.”

Chairwoman Hightman said, “I have a question about the first recommendation because I want to make sure I understood it fully. So, I am not sure technically how it really will work if we were to do this. So you have got a third party who is going to finance us, right? But the state is going to pay back the loan based on the revenue it receives later on after these students are in the workforce and paying taxes. Is the state literally going to put aside X dollars based on, I mean they are not going to look at the individuals because it is not about individuals, are they going to base what they put aside later on some hypothetical, some analysis of, on the average, how much those people should be earning and, therefore, how much taxes they pay?”

Mr. Schmidt said, “Yes. The working idea is that the Illinois Student Assistance Commission personnel would probably bear the burden of identifying what earnings would be without the students benefitting from the COIN program versus what they will be in the future with the COIN program and then calculate the income taxes that would be paid only in the differential there. The state then would be obligated to divert a portion of those dollars off in a set-aside program to fund the principal and interest due on the bonds.”

Chairwoman Hightman said, “But it is based on averages, I assume. It is not based on individuals that actually got these dollars, right? It is based on some averages of what a teacher would earn, whatever different professions, etc.”

Mr. Schmidt said, “Yes. As an offshoot of that, in 2007 Northern Illinois University was commissioned to evaluate the economic impact of the community colleges, and we note in the report that that report found, for instance, ten years after graduation, 90 percent of college graduates are still living and working in the state. It also determined through a similar mechanism that their earnings were 31 percent higher than they otherwise would have been had they not gone to a community college. And that was part of the original rationale as to why the Illinois Student Assistance Commission constructed their initial proposal focusing on the community college student because they are a more predictable breed in terms of what they do after graduation.”

Chairwoman Hightman said, "My question then is, as to Recommendation No.1 in what you described to me, you have X number of students and you are going to do some kind of analysis, use averages, and end up saying \$100 million, \$50 million, or whatever the amount is attributable to, is the tax payments on earnings attributable to the fact that they got their degree?"

Mr. Schmidt said, "Yes."

Chairwoman Hightman said, "Originally, the proposal was to only look at students who got the MAP funded by COINS. Now, you are going to look at all?"

Mr. Schmidt said, "The original proposal was to look, I believe, at COIN beneficiaries that were community college students. The difference now is to look at all COIN."

Chairwoman Hightman said, "There is always COIN, though."

Mr. Schmidt said, "If the COIN bonds are issued, there will be money that would be available to students regardless of what choice they make in terms of where they go."

Chairwoman Hightman said, "So it is not about differentiating by student, but it was partly because of the realization that the community college students are the ones that get in late and would not have the dollars if they did not do this in the first place, is that correct?"

Mr. Schmidt said, "Community colleges get to the world of work more quickly was one flavor in the stew of thinking as to why they would be a more predictable person. Let us face facts; if these bonds are sold, they are going to get sold in the private marketplace, somebody is going to make a hard business decision as to whether or not they can bank on that money being there. Well, again, because community college students get to the world of work more quickly than their four-year counterpart may, they are in the state ten years down the road, and 90 percent of them working."

Chairwoman Hightman said, "But nevertheless, we decided to go broader?"

Mr. Schmidt said, "Yes."

Chairwoman Hightman said, "You had financial folks represented on your Task Force or at least came and provided information. I know I have seen some of the materials. So you are not concerned -- there is going to be a market for this or there are going to be people willing to get into this type of program."

Mr. Schmidt said, "A firm by the name of Loop Capital had begun the process, and on three occasions they continue to do updated iterations of the calculated bonds that would be issued and or the ability to repay them."

Chairwoman Hightman said, "Does doing your Recommendation No. 1 make the bonds more costly because there is greater risk or no?"

Mr. Schmidt said, "My gut reaction, as the guy with the bachelor's degree in sociology, is that it probably would make it a little bit less risky because you are broadening the base of income tax payers in the state to the full spectrum of students biting at the bread of higher education in this state."

Chairwoman Hightman said, "I did not fully understand the \$19 part of Item No. 2. This is just an additional way to get more funding to the community colleges because they are having a hard time actually meeting the demand. Is that what that is?"

Mr. Schmidt said, "I would not necessarily describe it that way. It is an appeal to recognize what is currently happening. Community colleges today per the credit hours they are producing, they are experiencing a shortfall of an estimated \$19 per credit hour that they are producing right now from the State of Illinois, and they may say that is due to the community colleges. It relates to some of the reluctance for the community college member of the Illinois Board of Higher Education family to robustly support this because community colleges would otherwise be called upon, and desirable of responding to, providing more services generating more credit hours only have less money coming to them. By getting a toehold and that for each credit hour that is produced by a community college student that is benefitting from the COIN bond proceeds, the maintenance of effort is that there would be that \$19 coming for that credit hour to the community colleges producing that credit hour. So for that isolated market to start somewhere and make the community colleges whole and the credit hours they are producing, that that is the trade-off that is being sought."

Chairwoman Hightman said, "So are we borrowing more to do that part of this deal?"

Mr. Schmidt said, "I do not know that we would end up borrowing more. It may very well have an impact on the size of the bond issuance and/or the duration of the pay-back."

Chairwoman Hightman said, "Well, isn't that borrowing more?"

Mr. Schmidt said, "We are not proposing that more money be borrowed. We are living within the framework of the \$100 million per year. But even that, initially, was going to be dependent upon fiduciary calculations."

Chairwoman Hightman said, "I guess I do not understand your answer to my question. I asked, would we be borrowing more?"

Mr. Schmidt said, "No. That obligation would bring us back to ground zero, which is the General Revenue Fund through the legislative process that would have to be providing that estimated \$19. It would not come from the bond issuance; it would come from the General Revenue Fund."

Chairwoman Hightman said, "OK. That is what I did not understand."

Mr. Schmidt. said, "Right."

Chairwoman Hightman said, "We could all say whatever we want to say, and people who are in the position to decide this can agree, for example, on the first part of Item No. 2, that there is not going to be any impact on the maintenance of effort. Basically, the community colleges are not going to be disadvantaged or anybody else, for that matter, is not going to be disadvantaged. The thing that concerns me is that we do not control what the legislature ultimately does. We do not even know who will be in legislature five years from now, ten years from now, who is going to be governor, and what they are going to say when they do their budgets. So, there is always

some risk. We can say what we think is the right way of doing it, but we all have to be honest that we do not decide.”

Mr. Schmidt said, “Duly acknowledged. I have no rebuttal.”

Ms. Dimitra Georgouses said, “If the student is a full-time student at the community college, the community college is losing \$288.30 if they are a full-time student walking in the door, and that is why they put in Item No. 15.”

Mr. Schmidt said, “I do not think anyone could corroborate that. The acknowledgment was that currently for students being serviced, the community colleges are suffering actually a deficit in the amount of money that otherwise should be coming to them based on current year allocations, which has nothing to do with the fact that the whole system, as well as everybody else, is operating on 2002 funding levels.”

Chairwoman Hightman said, “So, basically, it is a downward spiral for them -- nothing to do with this.”

Mr. Schmidt said, “Absolutely. Generically speaking, and I think the Task Force kind of came to that realization yesterday. Based on a lot of the input, the current malaise of community colleges is not improved by having more enrollments come to them.”

Chairwoman Hightman said, “The irony is that in this tough economic situation, more people are going to community colleges. That is where you have the greatest demand, and you have more people coming to you, right?”

Mr. Schmidt said, “Correct.”

Dr. Addison Woodward said, “The fear, of course, is that if we do something, it may be worse, and we have listed 16 questions that I do not know if we have answers to. In the appendix, you have a feasibility statement from the Illinois Department of Revenue. I think you answered that, but I am not sure if the last few sentences or the next two paragraphs answer the concern from the Illinois Department of Revenue about the feasibility.”

Chairwoman Hightman said, “Which page are you on?”

Dr. Woodward said, “I skipped ahead. I am in the Illinois Board of Higher Education appendix. It has no page number.”

Mr. Schmidt said, “What you are drawing attention to is the Department of Revenue had taken a primary look at this, and it would have to be revisited. They had generically registered some concerns over the process to administer this process, and we do not have definitive answers to that.”

Mr. David Benjaih said, “I would question whether there were any other mechanisms that were entertained as to how this could be funded, particularly anything that was not deficit-oriented?”

Mr. Schmidt said, “Going back to the alternatives that were identified, two of them came from the Presidents Council. Firstly, to reduce the amount of the proposed bonds to be issued to a

level at which there would be fiduciary competence that the resulting principal and interest payments could be serviced by the beneficiaries. Secondly, to avoid bonding costs altogether, and put our faith back in the current process, which is to entice more money coming from the General Revenue Fund and the general legislature to fund the MAP program.”

Mr. Benjaih said, “Of course, that is a revenue fund that does not exist.”

Mr. Schmidt said, “Yes.”

Mr. Benjaih said, “There are other revenue generating sources that this state is not even touching or tapping into, and maybe it is time for education to tap into it. What is wrong with us putting forward the concept of a bottle bill in the State of Illinois?”

Chairwoman Hightman said, “A what?”

Mr. Benjaih said, “A bottle bill. That means a tax on every bottle that is sitting on this table and everywhere in the State of Illinois. In the states that have that, they have between 50 to 30 percent of funds from those taxes that are not collected. That means somewhere like Michigan, who has a 70 percent return of those bottles, they have a .10 cent tax on every bottle. That is 30 percent of all of that tax that is open for usage. That is a lot of money. If the education system in this state were to utilize that and to go forward pushing this agenda item and make it something valuable within this state and bring a bill forward, whoever needs to bring that forward, we would have more than excess money to cover all of our education needs -- higher education and MAP.

“My primary concern being here is making sure that this agenda has its functionality, that we get education to those people who need education. Putting those people in debt or trying to tell the legislators that you are not going to get as much money because, literally, that is what we are doing -- we are creating a debt for those people -- it is going to be difficult to get them to agree with that. It is going to be difficult to get me, personally, to agree with that. However, if we offer them an alternative that says we are not only going to get enough money for us, but we are going to get more money for you. Why not take that approach and try to get more money for everyone?”

Mr. Schmidt said, “I think to answer your root question, and it is in your binder of appendices, the House Joint Resolutions 75 and 54 resulted in a slate of recommendations. We found that our Task Force duplicated some of them. Two of them that overlapped, for instance, were encouraging that the pilot project of the Illinois Student Assistance Commission working with community colleges and four-year institutions to bank MAP dollars was one of them. The other recommendation came forward to at least give strong consideration to this MAP-COIN proposal.

“The other comment that I would share with you is that given that we were commissioned in December and called upon to provide a report today, as Chairperson, I took liberty right from the get-go to outline that our charge was to look at the COIN proposal, which is what the charge from the Board was and not to go too deeply into a full spectrum of other opportunities. Whether they are meritorious or not, I kept them playing in one sandbox.”

Chairwoman Hightman said, “I totally agree with what you said. In the past there have been times when various revenue options were before the Legislature or were just being talked about by governors or whoever. I remember gross receipts tax. I remember all different ones over the time that I have been in this role. We have always taken the position that we were not going to get into the question of those alternative revenue sources because it is really above our pay grade and not within the scope of what we are really supposed to be doing. We agree, if we had more revenue, that would be great.

“When it comes to this particular matter, I could not agree more with Mr. Schmidt. The idea here and the reason that I proposed it back in December was to just get more information on this one proposal that was actually out there and to see if it could in some way be tweaked or even if it was OK in the form that it was in as a way to help supplement MAP funding. Their charge was not to look at every possible revenue source, and I do not think we have the capability to really do that. I think this is a good place for me to say what I think are the next steps.

“We knew that this proposal was out there. The entire higher education community knew it was out there. We knew there was a debate going about the viability and the benefits of the proposal. As sort of the umbrella organization that we are in higher education, I thought it would be responsible of us and a good idea of us, and we would show a leadership role if we got some independent smart people together to look at the issue at arm’s length. There are people who are involved in the industry, but there are also a lot of people who have nothing to do with the particular issues day-to-day. I view their work as providing a reasoned analysis of the proposal. They have done that, and I am very appreciative as is the Board. We do not take actions. It is not our job as the Illinois Board of Higher Education to pass legislation. We are not even pushing legislation.

“But now, we as a Board, are enlightened, and we are in a position that we can actually answer questions about this proposal should it come up again. We do not even know until we see what happens tomorrow exactly what the situation is going to be and how relevant or how needed this kind of proposal will be. We do not want to put the cart before the horse. We are not looking for every revenue source. That was not the charge. I do not think we have the resources, and it is not our job to do that. But from my perspective, we take this report, and it is going to be shared, and it is going to be public. It is going to be on the website. Everyone who has an interest in the issue will see the work of this independent group of smart people. So we can talk about it. We can say here is the answer. Here is what our smart people determined. Yes, there are some differences of opinion. We are all adults. We can talk about that, but here is what the concerns have been, and here is what we thought could address those concerns. To me, we have done a good job by having evaluated the issue. And after tomorrow, we will see where it goes.

“I want to say, because I know you are probably sitting here thinking what do we do next, it is not for us to do anything. It is for us to be enlightened, to be knowledgeable about the issue, and to be prepared should we be asked as the higher education overseers, what is the next step? This was a great piece of work and helpful to me personally, and the presentation has been helpful.

“Does anybody else have any questions or comments on the Board? Do any of the advisory groups or anybody from the audience want to say anything? This affects all of us. I would rather have it on the table, be transparent, and have a good conversation.”

Mr. Benjaih said, “When we talk about the 30 percent increase of the community college student, what I do not see is data that relates to the cohorts. Personally, I know that when I was at that age, my increase in salary was probably about 200 percent. So, I think in that age group, there is a pretty massive increase of salary during that period of time unless you continue to work at McDonald’s.”

Mr. Schmidt said, “We did look at the data related to individuals that did not benefit from MAP programs, and there seems to be substantial evidence that going to college has a positive effect on earnings. That study that was commissioned, I believe, by the Illinois Community College Trustees Association in 2007, is currently being updated in partnership with Northern Illinois University. We do not have the results of that study yet, but I am hoping that some of the data might be in there.”

Mr. Benjaih said, “Then that does follow these cohorts as far as people who have a high school education and get a decent job.”

Mr. Schmidt said, “It is tracking the community college market, yes.”

Mr. Benjaih said, “Other than the community college market, those who excel at their job?”

Mr. Schmidt said, “That, I am not recalling. Peg, do you remember if the 2007 study actually tracked other than community college students? I doubt it.”

Dr. Peg Lee, President of Oakton Community College, said, “No.”

Mr. Schmidt said, “By the way, it is a quick commercial. It concluded, if I am not mistaken, that investment in the community colleges would generate in the State of Illinois a 13 percent return.”

Mr. Andy Davis, Executive Director, Illinois Student Assistance Commission, said, “The data that we saw which involved over 100,000 Illinois residents looking at the tax years and returns from 2002 through 2007 showed that folks who are low-income people -- people who received MAP, who did not go to school, their incomes went no place virtually, approximately a one percent increase per year across six or seven years, while the various cohorts of the community college COIN students have increases that range from 30 to 100 percent. I am glad that you did so well. But the average person flipping burgers in this state who does not go to community college several years later is still flipping burgers and has not gone anywhere.”

Mr. Benjaih said, “Thank you.”

Chairwoman Hightman said, “You did a yeoman’s job. You did a great job of summarizing, and presenting it in a way that was easy to understand, and to understand the positions of the parties involved in this and the sectors.”

“So, this is going to be posted on the website. I guess your only hope is that this issue does not become a hot issue, and then we have to ask you to come to Springfield for something. We will hope it does not. Again, thank you very much and great work.”

Dr. Alice Hayes excused herself from the Board meeting.

### III. ACTION ITEMS

#### 8. Fiscal Year 2012 Higher Education Budget Recommendations: Operations, Grants, and Capital Improvements

Mr. Mike Mann briefly outlined the contents of this item. There was no discussion following his presentation.

Ms. Heba Hamouda excused herself from the Board meeting

*The Illinois Board of Higher Education, on motion made by Ms. Georgouses and seconded by Dr. Washington, approves the fiscal year 2012 budget recommendations for higher education operations, grants, and capital improvements in the amounts and for the purposes outlined in Item #III-8(a) and #III-8(b).*

Mr. Benjaih voted no on this item.

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

Dr. Blankenberger said, "Madam Chairwoman, we have included in the memo a listing of all pending academic programs and all authorization proposals submitted to the Board through February 7. Since then, one additional proposal has been received. This was from a public university. As of Friday, February 11, there were no new requests for program modification in addition to the 47 reported in the memo.

"At the last Board meeting, I was asked by the Board to include an update regarding withdrawn applications, as well as approvals, to provide a context. Illinois Board of Higher Education records indicate that between 2001 and 2009 there were over 200 withdrawn applications. Since the electronic application system began in July 2008, there have been 67 withdrawn applications. Two applications have been withdrawn since the last Board meeting."

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

*The Illinois Board of Higher Education, on motion made by Dr. Carroll and seconded by Ms. Georgouses, unanimously hereby grants authority to Kaskaskia College to offer the Associate of Applied Science in Web Development and Administration 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 Lake Land College to offer the Associate of Applied Science in Health Information and Medical Coding 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 Lincoln Land Community College to offer the Associate of Applied Science in Emergency Medical Services 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 Network Security Administration 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 Paralegal 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.*

#### **10. New Operating and/or Degree-Granting Authority for Independent Institutions**

Dr. Blankenberger briefly outlined the contents of this item. The Board had the following discussion following his presentation:

Dr. Addison Woodward said, "As the Board members and staff know, I have had a lot of questions about the academic quality of Dan EL. I have been assured that Dan EL will address those academic issues as part of seeking approval for their degrees. If I understand things correctly, they will begin to offer coursework at Dan EL. I would hope that they will put a disclaimer in the catalog that transfer of that coursework cannot be assumed. They also talk about the dual enrollment program, and I would assume, also, that the transfer of that work cannot be assumed by other institutions."

Chairwoman Hightman said, "You are saying that because they have not gotten accreditation yet."

Dr. Woodward said, "That is right."

Chairwoman Hightman said, "Do we ever require that of any other institution that comes before us, and there are others that do not have accreditation when they ask for their operating authority?"

Dr. Blankenberger said, "Yes. Institutions are required to report accurate information about the terms."

Chairwoman Hightman said, "So what was just proposed is what they do."

Dr. Blankenberger said, "That is what all institutions are required to do."

Dr. Woodward said, "I also have some general questions about Sanford-Brown and Strayer."

Chairwoman Hightman said, "Before you do, are there any other questions or comments about Dan EL?"

Mr. Benjaih said, "That was an overriding concern the last time this came up, and if that concern has been addressed, I think that helps a lot of us."

Dr. Woodward said, "I have some concerns about Sanford-Brown. I think there is a class action suit in southern Illinois against Sanford-Brown. This is a concern to me.

"Strayer is asking for operating authority. Strayer also has reported difficulties with refund policies and the quality of education. I think the latter issue will be addressed when they apply for degree authorization, but I think in general, the academic review committee, I would ask the academic review committee to review the policies and procedures for authorization and degree approval. I am concerned. I think the citizens of Illinois expect the best education, and I have questions. I think we are rushing into a lot of degree approvals, and there may be questions of the quality."

Chairwoman Hightman said, "Let me say a few things. First off, clearly we cannot make our decisions based on Internet reports and newspaper stories because occasionally, the things reported in the newspaper are not true, I have learned. When there are lawsuits pending, until the lawsuit is resolved, you really cannot assume either. And I do not think it is fair to assume something based on a pending lawsuit. And I am not even sure what lawsuit you are talking about. But I understand that there is a general issue that you have raised regarding the rules that currently exist that we have promulgated related to our approval of these kinds of institutions. And I do not know if I should even be saying these kinds of things because there are different issues for different kinds of institutions, but I think you are referring primarily to the for-profits and the privates."

Dr. Woodward said, "The concerns are about all institutions and the quality of education."

Chairwoman Hightman said, "Sure. But the particular issues that you talk about that have come up are not what comes up in the context of public four-years. Occasionally, they do come up. But there are a lot of issues nationwide now, and we actually started looking at some of the issues in our working sessions, probably one year ago, regarding some of the problems in the for-profit industry. Actually, it is funny because now looking at these issues today that are not necessarily related to what those issues were about, but I think that it is a good thing because I do not think we have ever actually looked at our rules that we operate under when we are approving operating authority or even program approval. I do not think we have ever really looked at them carefully since I have been on the Board, and I do not know if anybody else here has. Dr. Washington or Dr. Carroll, have we really looked at what we are looking at?"

Dr. Woodward said, "I think we looked at them about four years ago."

Chairwoman Hightman said, "But not for this purpose, I think."

Dr. Elmer Washington said, "Not recently. We actually were concerned, initially when we looked at them, with the number of proposals that came before us, and we just felt that the quality had to be somewhat suspect due to the large quantity."

Chairwoman Hightman said, "Right because the other issues were not in the news at the time."

Dr. Washington said, "I think it might be time for us to revisit this issue because, clearly, it is very important."

Dr. Frances Carroll said, "About six years ago when we really started getting so many proposals, there was a lot of firsts among the Board members, but we were brought to task for criticizing the proprietary and moving on all the others. So, there was no real reason. It was just the concern that there was so many coming forth."

Chairwoman Hightman said, "But I think it is a good point to be fair and to be doing our job fully. It makes sense to look at the standards that we apply to all. Dr. Washington once volunteered to chair the academic affairs committee. I think it was way before I got on this Board. Since then, he has been called into duty multiple times that I am aware of. So, it seems as if he is being called into duty again, and he never says no, and that is what we appreciate. What I think we should do is go back and look at our rules. It is time. It is always good to look at your rules anyway over some period of time. It is a smart thing for us to do."

"I do not want any preconceived notions, and I certainly hope that the Board does not have any preconceived notions about any particular sector or anything in particular, but instead, that we will look at this from a viewpoint of just trying to make sure that, logically, what we are looking at is the right thing and that our standards that we have in place are the appropriate standards in this day and age."

Dr. Washington said, "I would also add that previously we tried to get at some of this through post-program review, and that simply is not working out because we do not have the staff to do that. But that is the other dimension of it that is out there. But with so many programs, it is hard to really do that effectively."

Chairwoman Hightman said, "The task that we have just discussed that your committee will take on is a broad task, and I would leave it up to you and the committee to figure out how you want to do it and what you want to look at."

Dr. Washington said, "Let me just suggest that the members of the committee -- Dr. Woodward, Dr. Hayes, John Minogue and anybody else who wants to be on this committee -- submit e-mails to each individual regarding the issue that you are concerned with, and to see if by communicating among the committee members, that before the next Board meeting, we will be able to come with some kind of evaluation of what the problem is."

"I think we need to recognize that anyone who wants to be a member should communicate with Linda or with any Board member. But we do have a quorum of the academic folks who have been concerned about this for quite awhile."

Chairwoman Hightman said, "I think it is the right thing for us to do, and it is the right time. But I also think that our rules that are rules today are the rules we have to follow until we make changes, and that is what we all understand. So we are doing our best with the rules that are in place. Are there any other questions or comments about any other of these?"

Mr. Jay Bergman said, "Yes. I have a question about Lewis University. I must apologize. I was out of town. I got back late Sunday night, and I only got this package yesterday. I would have communicated previously to now. I do not know that I really have any problem with it, but in looking at Lewis University's proposals, they are giving a degree that seems a little specious to me. What type of an individual with what prior background would enter a program like this, and what would they be trained to do when they have completed it?"

Dr. Blankenberger said, “These programs are adult completion programs that are going to be focused exclusively for those who are 24 years of age or older. Since it is agreeing that this is a completion option for the program, as with many such programs, it is going to be relatively open-ended so that it can be incorporated to accommodate as many students as possible. This is essentially a capstone experience for students who come from a variety of backgrounds.”

Chairwoman Hightman said, “If you are asking about the program, typically in corporations, there are organizational development experts who are part of the Human Resources Department who work with groups within a corporation to work better together, work better with other parts of the organization. It is a very common expertise that usually resides in corporations, or they hire consultants to do it for them. So this does not seem unusual to me.”

Mr. Bergman said, “Is what Carrie said generally what is expected, what is the result of completion of this program?”

Dr. Blankenberger said, “That is right. In fact, this is a pretty common trend.”

*The Illinois Board of Higher Education, on motion made by Dr. Carroll and seconded by Dr. Washington, hereby grants to Dan EL Institute of Higher Learning the Certificate of Approval and Authorization to Operate 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.*

*And grants to Lewis University the Authorization to Grant the Bachelor of Arts in Organizational Leadership in the Chicago and the West Suburban Regions and the Master of Arts in Organizational Leadership in the Central, Chicago, Fox Valley, and Western Regions subject to the institution’s implementation and maintenance of the conditions that were presented in its applications and that form the basis upon which these authorizations are granted.*

*And grants to Logos Evangelical Seminary the Certificate of Approval and Authorization to Operate and to Grant the Master of Arts in Christian 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 Rush University Authorization to Grant the Doctor of Philosophy in Health Sciences 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 Harrington College of Design Authorization to Grant the Master of Arts in Communication Design and the Master of Fine Arts in Communication Design in the Chicago Region subject to the institution’s implementation and maintenance of the conditions that were presented in its applications and that form the basis upon which these authorizations are granted.*

*And grants to Sanford-Brown College Skokie Campus the Certificate of Approval and Authorization to Operate and to Grant the Associate of Applied Science in Dental Hygiene 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 Strayer University the Certificate of Approval and Authorization to Operate and to Grant the Associate of Arts in Business Administration, Bachelor of Business Administration, Bachelor of Science in Accounting, Bachelor of Science in Criminal Justice, Bachelor of Science in Information Systems, and Master of Business Administration in the West Suburban and North 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.*

#### **IV. Consent Agenda**

Chairwoman Hightman said, "Is there a motion to approve the Consent Agenda except for Item No. 15?"

*The Board of Higher Education, on motion made by Mr. Ruiz and seconded by Dr. Washington, unanimously approved Item Nos. 11, 12, 13, 14, and 16.*

##### **11. Board Meeting Minutes - December 7, 2010**

*The Illinois Board of Higher Education unanimously approved the Minutes of the December 7, 2010, meeting.*

##### **12. Fiscal Year 2011 Financial Report as of December 31, 2010**

*The Illinois Board of Higher Education unanimously approved the fiscal year 2010 financial report dated December 31, 2010.*

##### **13. Illinois Cooperative Work Study Program Fiscal Year 2011 Grant Allocation**

*The Illinois Board of Higher Education unanimously approved Fiscal year 2011 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.*

##### **14. Nursing School Grant Program Fiscal Year 2011 Awards**

*The Illinois Board of Higher Education unanimously approved the Fiscal Year 2011 awards totaling \$836,124 for Expansion and Improvement Grant projects under the Nursing School Grants as detailed in this item and shown in Table 1. The Board also authorizes the Executive Director to make pro rata adjustments to the grant awards in the event that appropriated funds are reduced or unavailable.*

##### **16. Ratification of Employment Agreement**

*The Illinois Board of Higher Education unanimously hereby ratifies and approves the Employment Agreement for the position of Executive Director executed on December 20, 2010, by Dr. George W. Reid and Chairwoman Carrie J. Hightman on behalf of the Board.*

## 15. Public University Noninstructional Capital Project Approval

Chairwoman Hightman said, "Item 15 will be handled separately."

Mr. Benjaih said, "There are four items. If there is someone here from Western Illinois University, could we have the answer to this? Last year we had passed the first phase of the steam replacement plan. Now, this is Phase II. Do we know how many phases there are?"

Chairwoman Hightman said, "Mike, do you know?"

Mr. Mann said, "Two."

Mr. Benjaih said, "Is this it? Are we done with it? OK. That is good news."

"I am a little concerned with No. 3 considering the environment of the lack of funds generally. The students who are going to go for the Greek Living-Learning Community Center and want this improvement, that is fine. We hope for the improvement. That is fine. We are willing to have a 40 percent increase in the living expense of being involved in this. That is fine. However, are those very same students going to be receiving MAP grants? Somehow or another, it does not sit well with me personally."

Mr. Mann said, "MAP does not cover room and board rates."

Mr. Benjaih said, "I understand that. But those students are able to make this assessment -- that they can afford this greater expense because it is pulling from this pool of money that should be available to those who need education and cannot afford these types of expenditures."

Mr. Mann said, "My feeling is that that is beyond the purview of what we are responsible for."

Mr. Benjaih said, "Right. I also recognize that. I just wanted that for the record."

Chairwoman Hightman said, "So noted. Are there any other comments so that we can move on?"

Dr. Carroll said, "On that one, I would like to just say that if the students decide that they want to pay for a particular appropriation, it is not our purview to decide whether or not a poor student can have something as opposed to a student who is not getting a MAP grant. I think that is an error."

Mr. Benjaih said, "I believe I have been misunderstood. It is not saying that a poor student should not get something. I am saying that a poor student should get something."

Mr. Bergman said, "I just bring up the subject of the Southern Illinois University Carbondale Students Services Building at \$34,000,000. If you recall, maybe two years ago, Southern Illinois University came to us. They wanted us to approve a new, I believe, it was a new football stadium and a renovation of their basketball arena. It was approved, but not unanimously. The concern that we had, those of us who voted against it at that time, was that we were trying to keep the costs down. As part of our agenda, everything we want to do is keep schools more affordable. Yet, we are approving projects that require student fees to pay for

things that are not really academic-type things. This is essentially the same thing. I think it is actually the third part of the overall project that we approved the first two before.

“I think we really have to decide on a procedure or a strategy that our universities can use. Are we just going to approve any of these things -- these noninstructional-type buildings that come along in the future? Or are we going to say we want to put a halt on these student fees? I think it is fair to the universities if the Board of Higher Education takes a position on this. Again, last time, Southern Illinois University’s plan was almost defeated. It was approved. We have this. We have other universities I am sure that want to come to us with projects in the future. I guess that is my point. I do not know if it is that I am totally against this project, but we should decide on a strategy or a policy and then apply it uniformly to everybody.”

Chairwoman Hightman said, “If I recall what happened after that, and maybe it was not right after, but eventually after, was that we decided, first of all, that we have very limited authority here. We do have to approve these, but there was no requirement the way the statute was worded for them to come to us first or to come to us prior to the time that they were so deeply committed that there was no way we could say no because they had invested too much money in it already.

“What we did in response was set up a process whereby these institutions would let us know in advance and provide a notice to us. I believe we changed our rules, too. We promulgated rules to reflect this new process where they would give us notice in advance when they first decided to do one of these projects. I remember things change over time with them. Sometimes I think they are better when they do not do it or whatever, but when they first think they are going to do it, they let us know. And you -- the Board -- gets from Linda or from somebody at the Illinois Board of Higher Education, an email that a notice of intent has been filed by one of the institutions of higher education. So we fixed the process so that we would have an opportunity before it was too late -- before the project was already too far ahead. We had an opportunity to say no if we wanted to say no.

“You are asking the question should we set up some standards for approval that do not exist now by which we would judge these kinds of projects. It seems to me that the kind of analysis that is done for each of these projects is sufficient for my purposes to decide. We do not always agree. I understand that. Good minds can disagree. But I am satisfied that I get the information that I need to make the decision here. Maybe you do not feel that way. Do most of the Board members that are here think that they get enough information?”

Mr. Bergman said, “I think I get enough information. I guess what I am saying is I think that the Board should consider establishing a position of what our position is with respect to future noninstructional buildings that are going to be funded by student fees, in effect, raising the cost of going to the university. I think on the individual projects, we have enough information, at least I have enough information, but let us say somebody else comes to us two months from now and they have got something for \$60 million for a new hockey stadium, and they are going to raise student fees to pay for the bonds for this. I guess we could look at each individual thing that comes before us, but on the other hand, it might be easier for the universities if we took a position on what we are in favor of or not in favor of that will increase the cost of going to school.”

Chairwoman Hightman said, “My view is that no university has come to me and said I really want more standards. So I do not think the issue is universities. If you have an issue, that

is one thing, but there is no university that has come to me or to the Board. Has anybody heard from any university saying they want more clarity?

“So I think there is a problem -- that we are fixing a problem that does not exist. You might not like some of these. I understand that, but I do not know that we need to create more rules when there does not seem to be a lack of direction here.”

Mr. Ruiz said, “I think what Mr. Bergman is suggesting is that we should look at how much the Board is comfortable with allowing institutions to continually supplement their noninstructional projects with student fees, and should we look at the issue and maybe offer some guidance to the institutions on what we think is an appropriate comfort level. If you look at it from a student’s point of view, it is one thing to say here is your tuition, here is what your room and board is going to be, here is what the cost of the books are, but then you have got all of these additional fees that may be tacked on that add to the total cost and may not be covered anywhere except from the student’s pocketbook.”

Mr. Mann said, “I want to respectfully point out that by the time these projects come to you for consideration, they have been approved by their boards of trustees, and prior to that approval, the fee increases have been fully vetted on each campus with the student groups and the administration. So they never make it to you until they are approved.”

Ms. Dimitra Georgouses said, “At Roosevelt we had a \$25 fee added on to our tuition. It was 80 percent in favor of the fee from the students because they wanted more activities on campus. Unanimously, it usually rolls through members who do go to the students, especially the student governments first.”

Chairwoman Hightman said, “I meant to say that, and I am glad that you added that, and it was a good question. So here we are. The universities are not asking us for help. I think they are satisfied with the situation now. The students have an opportunity to give their views before it comes to us. Had we ever had a project where the students said no?”

Mr. Mann said, “Not that I am aware of. They probably would not get to us if they had said no.”

Chairwoman Hightman said, “So it seems like the students are protected and the universities are happy.”

Mr. Benjaih said, “Excuse me. This project under consideration four years ago the students did say no, and thereafter, the \$20 fee was added and incremented year after year.”

Chairwoman Hightman said, “Is that in this?”

Mr. Benjaih said, “That is clearly my understanding.”

Chairwoman Hightman said, “I do not know if that is true.”

Dr. Rita Cheng, Chancellor, Southern Illinois University Carbondale, said, “I obviously was not on the Carbondale campus in 2006, but this building was part of our campus mapping plan, and it is integral to the improvement efforts that we are making currently. The students were engaged in conversation of the master planning process, and the formation of the fee. We

have been collecting fees since 2006 for this project. The Board of Trustees has two student representatives, who all voted in favor of this project. So there were multiple layers of the project, the fees, and then the Board's approval for this when we look back at the history."

Chairwoman Hightman said, "Here is what I think. And again, we can have a difference of opinion. We usually do not on this Board, but we can, and that happens sometimes with regard to any particular project, I am not convinced from anything that I have heard that there is anything broken so we need to fix it. I like the concept of 'if it isn't broke, don't fix it.' I am not saying that I am not willing to consider this, but I do not think today sitting here, like with the other issue, that we are ready to say that we should do some big thing. I would rather take the vote and get these items approved. If you want to think more, Mr. Bergman, about what it is that you think we should be doing, and maybe get some other viewpoints from others here because I know we have not talked about this. So it is not an emergency. So I do not want to say that we would never do it, but sitting here today, it just does not feel like it is something that needs to be done. I have not heard anything yet that is a compelling reason to start looking at this. We have so much on our plates. I think that the other project that we initiated today is going to be more time consuming than we realize to do it right. So, for now, I propose that we move forward and look at these particular projects, take a vote on these, and then move forward, if that is OK."

Mr. Bergman said, "I do not have a problem with that. I think that if one of our goals of our *Public Agenda* is to make college more affordable, I think at some point we have to decide are we going to approve just anything that is put in front of us even though it raises the cost to the students or not -- at some point."

Chairwoman Hightman said, "First off, the idea is not to have the cheapest college possible because there are certain things that the students want and expect from their college experience, and that is what this is all about, I think.

"Second of all, I do not think that you can say that we will approve everything that comes before us. People have raised some very good issues. We have had additional information provided at various times. So I do not think we are just rubber stamps. I think we have improved the process so much so that we really have now a really viable say in this -- a really relevant say in this. I do not think that it means that it is ineffective because we have not said no. I just do not buy that theory. But we have a motion, we have had comment, and unless there is something that has not been said, I would like to move forward."

Mr. Benjah said, "We are delivered a notice of intent, but we do not act on a notice of intent. So we have to bring the notice of intent forward, vote on that, and then let that go forward. Otherwise, all we are is informed. It is better to be informed, I agree. But we are not acting in any way to halt a process."

Chairwoman Hightman said, "The reason to have a notice of intent is if we see something that seems not right, that is why everyone has a chance. You all have opinions that you express when you have something that you do not agree with -- if you do not like something, if you have an issue, if you have a question, then you should raise it. That is the idea. That is why we are sending those to you. It is not just to send it to you. So, if there is some issue you have, then we can dig more and get more information about it. If we did think we needed to do something, it gives us the ability to do so time wise. But just because you have not, does not mean that this whole process is broken. The heads of the universities know far better than we do what their students want, and their students know better than we do what they want. I do not think we

should be stepping into stuff that we do not need to be stepping into when all the stakeholders who are affected have a say in the process. Even our student representative has said that.”

Mr. Benjaih said, “I am also a student representative, but I also represent those who recognize that deficit spending is a problem. The one point on this is that they have actually, through the fees, garnered almost \$10 million. If they would continue on the same process for seven more years, they would have the full amount in order to cover the full expense wherefore they would not have such deficit.”

Chairwoman Hightman said, “If you do not like deficit spending, then you cannot be paying most of the faculty because everybody is getting their General Revenue Funds from borrowed money. We do not like it.”

Mr. Benjaih said, “When they have a building that is functional ...”

Chairwoman Hightman said, “I do not think you are the best judge of whether their building is functional to the extent that the students that go to that school, whichever one it is, think or expect, for whatever it is. That is the whole point. I really think we can have this conversation another time. In the interest and fairness to others -- I know this is running pretty late -- and I know that there are people that have to be somewhere. If you want to vote against it, that is your prerogative. I think we addressed the issue that Mr. Bergman raised about whether we want to create some new rules or standards, and I think we need to move this forward in the interest of time.”

Mr. Benjaih said, “The prioritization of academics should always be the guiding point for us.”

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

Mr. Benjaih voted no in regards to Item 15.

Dr. Elmer Washington and Dr. Addison Woodward excused themselves from the Board meeting.

## **V. Information Items**

### **17. Legislative Update (Don Sevenser)**

Chairwoman Hightman said, “In the interest of time, we are not going to do the Legislative Update, but there are written materials for everybody. If you have any question, you can reach out to Mr. Sevenser or to Dr. Reid.

“The action part of the meeting is over. What we initiated a couple of meetings ago was a Public Comment opportunity. We have one individual who wants to speak to us.”

## **VI. Public Comment**

Ms. Jay Travis, Executive Director, Kenwood Oakland Community Organization, made comments to the Board regarding the Grow Your Own Teacher Initiative.

## **VII. Other Matters**

Chairwoman Hightman said, "The next meeting of the Board of Higher Education is April 12 at the Northern Illinois Naperville campus, and we look forward to seeing you all there. Thank you. It was a very good meeting."

There being no further business to come before the Board, Chairwoman Hightman adjourned the meeting at 5:15 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 February 15, 2011, meeting.