

**MINUTES – BOARD MEETING
October 4, 2011**

- Submitted for:** Action.
- Summary:** Minutes of the October 4, 2011, meeting of the Illinois Board of Higher Education held at the Harper College, Palatine, Illinois.
- Action Requested:** That the Illinois Board of Higher Education approve the Minutes of the October 4, 2011, meeting.

STATE OF ILLINOIS
BOARD OF HIGHER EDUCATION

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A meeting of the Illinois Board of Higher Education was called to order at 1:10 p.m. in the Amphitheater at the Harper College, Palatine, Illinois, on October 4, 2011.

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

The following Board members were present:

David Anderson	Proshanta K. Nandi
Jay Bergman	Santos Rivera
Frances G. Carroll	Robert J. Ruiz
Alexi Giannoulis	Ari Shroyer
Heba Hamouda	Elmer L. Washington
Allan Karnes	Addison E. Woodward, Jr.
John P. Minogue	

Also present by invitation of the Board were:

G. W. Reid, Executive Director, Illinois Board of Higher Education
Geoffrey Obrzut, President/Chief Executive Officer, Illinois Community College Board

Presidents and Chancellors

Al Bowman	William Perry
Rita Cheng	John Peters
Sharon Hahs	Glenn Poshard
Max McGee	Jack Thomas
Elaine Maimon	Wayne Watson

Advisory Committee Chairpersons

Marie Donovan, Faculty Advisory Council
Ken Ender, Community College Presidents
Susan Friedberg, Propriety University Presidents
John Kite, Student Advisory Committee
Elaine Maimon, Public University Presidents
Tom Thompson, Disabilities Advisory Committee
Paul Frank, Private University Presidents

A. Call to Order

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

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

Chairwoman Carrie Hightman said, “Board Members Heba Hamouda and Kym Hubbard are unable to attend today’s Board meeting in person due to employment reasons. So, I would like to have a motion from the Board allowing them to attend this meeting via conference call.

The Illinois Board of Higher Education, on motion made by Dr. Carroll and seconded by Dr. Woodward, unanimously approved Board Members Heba Hamouda and Kym Hubbard to participate via conference call.

“I wanted to tell you how impressed I am with this building and this campus. I worked with Kay Wojcik so I am proud of all that she did to get you this building. It is phenomenal and just think about what a great legislator she was.

“I want to thank President Ken Ender and the Harper College staff.”

2. Welcome by Dr. Kenneth Ender, President, Harper College

Dr. Ender welcomed everyone to Harper College’s campus.

3. Welcome and remarks by Chairwoman Carrie J. Hightman

Chairwoman Hightman said, “Thank you very much and we really have enjoyed your hospitality so far, and Linda says as far as locations go this has been wonderful and she knows.

“I should also mention that you are sitting up there representing the Community College Presidents today and you are substituting for Gayle Saunders who every time I want to welcome Gayle in that new role, Gayle is not here. So one day before Gayle’s term is over we will be able to see Gayle in person. Thank you for being there in that role.

“I also want to welcome Jonathan Kite as the new chair of the Student Advisory Committee and I also want to welcome all the students who joined us today for lunch. Just from the brief conversation we had I know that Jonathan is all over everything. He will keep us on our toes as we need to be. So I am appreciative of his efforts and I do have to say we did have a great lunch. It seems to me, no offense to everybody else in the room, but our Student Advisory Committee lunches are the ones that seem to stick in my mind afterwards for longest and seem to raise the kinds of issues that make me feel good sitting in this role. I am sure that my fellow Board Members would say the same thing. Always a good lunch, I look forward to that once a year.

“I want to thank the students for their service. One of the issues that arose in our lunch was the lack of funds to be able to get to meetings and we know how difficult it is for us just time wise, well if you add the cost to the time constraints as students have to, it makes them very hard to be as involved as they are. I really think we owe all the student participants who are here in

various capacities a thank you for being as involved as you have been and for the commitment to the upcoming year all of you, David, Ari, everyone else. I did not even mention the fact that they have to study on top of that.

“We have a couple new but familiar faces at the Advisory Committee table this afternoon. Marie Donovan is sitting in for Abbas Aminmansour representing the Faculty Advisory Council, welcome. Paul Frank is pinch hitting for David Tretter who represents the Federation of Independent Illinois Colleges and Universities. Thank you for being here.

“I also want to express our appreciation to Dr. Rita Cheng, Chancellor of Southern Illinois University Carbondale who is going to present today’s *Public Agenda* showcase item. Thank you for being with us Dr. Cheng.

“Performance funding, the topic du jour and not just du jour, du week, du year. We will have a much more detailed presentation on this initiative in a few minutes from people who are much smarter than I am and who have been much more actively involved, but it is fun to be at the higher level and just offer reflections on the process and where I see this endeavor heading. I would say that the Presidents and Chancellors meeting that preceded our lunch this morning had as the topic performance funding and Representative Pritchard was there as well. So clearly this is a high focus, high priority, big deal issue and we are all treating it as such. I would say it is clear from the meetings that have been held thus far that the central theme, thankfully, of this effort is collaboration.

“Lieutenant Governor Sheila Simon has noted in her tour of community college campuses across the state that she has encountered some apprehension about the effects of performance based funding and allocation of state resources. In fact, the students were telling us the same thing today. Interestingly by the way, I think that the representatives of the institutions of higher education in the state should feel really good that the students were not saying boy they better perform and give us what we want and give us what we need. They are saying be careful if you do something bad to them it will impact us and we are worried about them. I thought that was very heartening and well put and we are worried about that and thinking about that. But everyone, I think it is safe to say, shares the apprehensions about allocation of precious few state resources. We are concerned about also being sure that all of our views are being heard by the Performance Funding Steering Committee. At this point let me just say, do not worry about that. The Committee is listening to everybody. The Committee is a collaborative body just like when we put together the *Public Agenda*. We want to hear from all the stakeholders. We need to understand what everybody thinks because if we have a result that is not bought into by everybody, it will never be implemented successfully and it will not have the results that we need to have here. I want to reassure everybody on this point, everything we have done to date has been collaborative, everything we are going to do going forward will be collaborative.

“There is going to be two more meetings scheduled downstate, one in Decatur and one in Carbondale. I am confident that the collegial spirit that has been evident so far will continue to move the steering committee forward and if anybody at any point has any concern about whether that is the case and is in fact happening, I want to be the first person you call.

“I am also confident that the upcoming budget overview meetings with the institutions and agencies at which performance funding will be a critical topic of the conversation will be carried out with the same cooperative spirit. We have always done that, I think you all know that by now and certainly the Board wants and needs the engagement of the higher education

community as we play out our role in this important endeavor. It seems weird that it is already that time of year again, but it always seems weird because it just happens quickly. My pledge to you, and I am saying this on behalf of the full Board, is that we will continue with our collaborative approach, we are going to continue to listen, we are going to continue to take your ideas, suggestions, and concerns seriously, and in that same vein, I would ask everyone in the room to bring that same spirit to the table as we have these conversations. This entire performance funding effort is about achieving vital state goals and raising educational attainment in the State of Illinois to rank us among the best states in the country and among the best nations in the world. The focus must be on students and what we can do to make them successful. That is what performance funding, that is what the committee is attempting to do, and that is what performance funding is all about. Clearly all of us that agree on that. If there is anybody that does not agree come and talk to me at the break.

“I wanted to cover one other item that is on the agenda today and it is a rules change. It is related to a statutory change. As you are aware the Board of Higher Education has to weigh in on proposed non-instructional capital projects undertaken at public universities. Our review of those kinds of projects has evolved over time. This Board realized a couple of years ago that it was sort of going backwards in the process and we were jumping in at the wrong time, not because of anybody’s fault but because of just how it had been done for years. We established a new process where you all, the institutions, tell us in advance if you are thinking about a project that would fall under this category and you let us know in advance and it makes our involvement more meaningful and more relevant. I think that process has worked very well. I have not heard any complaints, and from the Board’s side it feels like we are doing it better. We have had a lot of spirited conversations about the propriety or necessity of some of those projects as you all probably can recall.

“Our agenda today includes an item for initial approval by the Board of changes to our administrative rules that govern our review of these kinds of projects. As of January 1 of next year, our oversight of these kinds of projects, the review of them is going to be a little more limited than it has been in the past and it is going to be limited to projects that exceed \$2 million. That statutory change was a result of a recommendation of a blue ribbon committee on higher education mandates that looked at a lot of different things, and maybe like the extent of regulation and oversight, and whether it was costly and not providing the intended results. The change was embodied in Senate Bill 1883 which became Public Act 97-610. So by limiting our authority to review only these kinds of projects that are about \$2 million, what we are basically doing is limiting our authority to major capital initiatives and that makes sense. What we learned was that we were actually looking at routine projects like loading docks, roof replacements, energy efficiency, all those fall below the \$2 million threshold and they really did not demand the scrutiny of this Board. By the way, I think you guys know how to run your institutions when it comes to those kinds of projects. Under the new law we are only going to be looking at projects of a more significant cost and those have typically involved student fees to pay for them. That is where we always have the discussion about the necessity and propriety of those projects. We will still look at those kinds of projects and we are adopting rules today that are being promulgated pursuant to the new statutory limitation.

“I want to talk about veterans. We have not talked about veterans in a long time. We used to talk about it a lot because of that unfunded mandate if I recall correctly. Illinois public universities and community colleges report that 22,670 veterans were enrolled during fiscal year 2011, 6,400 of them in public universities and the remainder of over 16,000 in community colleges. This is the first time that we have collected this kind of data from the institutions and it

was collected as part of the fiscal impact survey pursuant to the Higher Education Veterans Survey Act. So it is interesting data in case anyone was wondering.”

4. Remarks by Executive Director G.W. Reid

Dr. George Reid said, “Thank you Madam Chairwoman. Please remember in the June meeting I asked your indulgence to have my reports to be in two parts. One is an update on the internal strategic plan of the staff and me and the other is an update on performance funding along the way. Performance funding is now Public Act 97-320 which was signed into law by Governor Quinn at the Quad Cities campus at Western Illinois University.

“So part one an update on our internal strategic plan. Remember that the internal strategic plan is called the Number One Agenda: Closing the Achievement Gap, Consumer Protection, Dual Credit and Performance Funding and Dropout Re-enrollment Made Real. Also just as a connector, in August at the Board meeting then I gave you the vision statement. You have copies of this report and it will be posted online. The vision statement was approved at the August meeting. It said that basically we have initiatives underway on college readiness and completion and performance funding and that the complement of these activities comport with the *Public Agenda*, and if we want to accelerate the implementation of the *Public Agenda*, we need to move this program further. That is in essence what the vision says.

“We have four goals. One goal was to increase dual credit by three new programs. Another goal was to increase the public awareness of consumer protection rights and information. Another goal was to write proposals that would be funded by private entities for scholarships for re-enrollees in college. And the fourth goal was to implement the *Public Agenda*. Let me give you just a quick update on the four goals.

“September 22 Bob Blankenberger and I and some others met along with Elaine Johnson of the Illinois Community College Board with the joint education leadership committee/council where we talked about dual credit programs. We encouraged leadership to look into it and they indicated that they would. Also Bob and others have been involved with the Illinois Education Research Council encouraging them to be in support of new dual credit programs. We have met with the Academic Leadership group and the private institutions of the State, all encouraging more dual credit program.

“On the public awareness campaign which is handled primarily by Don Sevener and staff, Candace Mueller, they are in the early stages of the development of a website and looking into that to see if that is an appropriate thing to do to better inform the public of how to increase the awareness of the importance of the different kinds of colleges and universities that our students are faced with. What Don and staff are trying to do is to make certain that students understand exactly the kinds of colleges that they are getting ready to enroll in with good public information.

“Arthur Sutton is working to secure more private or extramural funds to establish scholarships for college dropouts who want to re-enroll. He has talked with at least a dozen organizations, community foundations, community college boards, University of Illinois Springfield, Chicago State, Northwestern University, Presidents of the independent colleges and so on and so forth. He is doing great work there.

“The fourth goal is the implementation of performance funding and the staff person for that is Al Phillips. The Performance Funding Steering Committee has met three times. We met in July, we met August 30, and we met September 28. The Performance Funding Steering Committee is a broadly based committee as I indicated that it should be by the legislation, House Bill 1507. Performance funding is, as Madam Chairwoman said, the topic of the day.

“Let me just introduce an analogy for that. Bring me up to the finely grown onion. What we would like the Board to see in this performance funding activity project is a finely grown onion, when mixed properly becomes a delicacy in some ways for many people, but an onion has a core and then many layers that make up this onion. So our work with performance funding is like that onion. We have a core, we have a vision statement, and the vision statement is that we have an opportunity here to introduce a new kind of funding to the State that needs to be considered. On top of the vision statement we have a set of principles. The principles are the other layers of the onion that surround the core, and then we have some metrics. Now, you will hear a lot about principles, the vision, and metrics regarding performance funding. The vision is that which everything should revolve around. The vision should speak to the *Public Agenda* as well. The other layers, the principles of performance funding, should be whatever it is that we are trying to do with performance funding. Those will be your principles upon which performance funding would be based. So what are we trying to do with performance funding? And then finally we are going to have some metrics and the metrics will be the measurements by which we can determine whether or not performance funding is going well.

“The work in performance funding is designed to help the State to achieve lots of things. One, the Finance Study Commission report that was made several years ago and many of the members of this Board participated in the Finance Study Committee. Governor Quinn and Lieutenant Governor Simon, as well as this Board and the P-20 Council, have all agreed that this State should enter into a higher education goal. The higher education goal that we all agreed to is called 60/25. I know that you all remember what 60/25 is all about. That is 60 percent of all college age Illinoisans should have completed some form of post-secondary education by the year 2025. Euphemistically that is what we call 60/25. That is our goal.

“The second layer is really what we want to concentrate on today. I believe that we are making significant progress with the implementation of performance funding. Now as we are making progress, I am always conscious of the fact that we are working with so many groups of individuals, we are working with the Governor’s office, the Lieutenant Governor’s office, the legislature, the Presidents of the colleges and universities, working with students who are here today, faculty members, and business people trying to implement performance funding. And, as your executive director, I sort of stand in the middle here, sort of in the wake trying to pull all of these sides together and as I sit before you today I am saying to you that we are making tremendous progress, but also I need to just offer a word of caution as we move forward that the most important thing that we could do is to make certain that as we move forward with implementing performance funding, because it is something that concerns a lot of people both positively and negatively, that we should have tremendous buy-in. So I did spend the morning today with the Presidents and we had a lively discussion about performance funding. We had a lively discussion at lunch. Our staff here is dedicated to the proposition that we will go anywhere and talk to any group of people about performance funding. Anybody who is involved with this process in the college or university, any student body, any faculty group who wishes for us to talk to them about performance funding, our staff will go and talk to them. Also, the steering committee for performance funding has agreed that they are to be ambassadors of this. That is, they are not just a committee member but that they have a constituency that they represent. For

example, Dr. Karnes represents a large constituency of faculty. So it is likely, altogether likely that he will bring up to us faculty issues. Bob Pritchard, who was with us this morning when we talked to the Presidents, is in the legislature and so is Ed Maloney. Each of them is bringing up their concerns with regard to the legislature. Julie Smith is talking to us about what the Governor's office would want to see in performance funding. So as we go forward, the most important thing is to make progress at the same time that we have buy-in, because if we do not have buy-in, then I think down the line a bit we will have some tremendous problems.

“We fully expect at the December meeting we will bring you some recommendations on performance funding. I fully expect that those recommendations will be the first cut to the recommendations. It will probably need to be, to have a lot of back and forth from you, a lot of guidance from you, because the bottom line of all of this is that you at some moment as a Board, you have to agree that this is what we like when we say performance funding. I would say to you also that I am gratified that there are several members of this Board who are working with us on this committee. It is one thing to have a committee of the board and then board members sort of wait until the business of the committee is over. It is another thing to have those board members to participate in the thinking and deliberations that take place that the committee is coming forward with. Addison Woodward, Santos Rivera, Allan Karnes and Dr. Washington are involved with our meetings. Eight or ten of you are coming to our meetings and we are so happy. Jay Bergman is coming, Frances Carroll is coming and of course, our two students are there, Ari Shroyer and David Anderson. As I come forward with my reports on performance funding each time understand that your members also have participated in this process. They are able to on this day and coming forward to add anything that they want to add about this report to you today.

“We are making good progress. We hope to bring you some type of preliminary report at the December meeting for you to look over and give us some more advice and counsel. We are going to have a couple more meetings before the December meeting. We will have a meeting on the 24th of October. That meeting will be at the great Southern Illinois University, Carbondale. Carbondale is a long ways from Chicago, we know that, but what we said in the beginning of this process is that we would have one meeting in the south, one meeting outside of Chicago and that we decided that it would be Carbondale and so we hope that every member who has come to any Performance Funding Steering Committee meeting in Chicago will also come to Carbondale. Then we will have a meeting just after Thanksgiving to track some more progress that we are making.

“To say that this is a difficult task is really to put it lightly because this Board and its staff are trying to pull together the State in a new funding mechanism for higher education. This is very serious business. A lot of people are concerned, but we are making some good progress and hope to continue to make progress and more to discuss on this issue.”

Chairwoman Hightman said, “There is one other thing I meant to say and I forgot to say it in my opening comments, and it is that Don Sevenser has announced that he is retiring before the end of the year. I did want to call that out and let everyone know. Even though you are not going to retire before the next meeting you are not going to be at the next meeting so we want to wish you well, congratulate you, and thank you for all the work you have done for the Board over fifteen years. The State is indebted to you for everything that you have done. Thank you for your hard work and good luck in your retirement or whatever else you do after that.

“One last thing and then I will turn it over to you Alexi. I wanted to and we have mentioned this before, but we have a newly inaugurated President of Western Illinois University.

So since we mentioned that you were going to be on board in the past meetings, you actually had your inauguration. So congratulations and welcome to Jack Thomas.”

Alexi Giannoulis said, “If I could just comment on two of the goals. The first is dual credit. I know that right now performance based funding is the sexy topic of the day, but I had a chance to be at Moraine Valley College yesterday and hear firsthand how dual credit is working and I think it is something we should expand, we should be aggressive on and it is something that our Board is going to continue to highlight. It is a terrific opportunity for us to go into schools to sort of provide some college level training and courses for these students. The colleges love it, the students love it, and it lets them out of our community colleges even faster. All studies have shown that it is the right thing to do, so I hope it is something that this Board can focus on and we can continue to highlight on this Board as well as ICCB.”

Dr. Reid said, “You can count on it, we will. Thank you.”

Chairwoman Hightman said, “So you know what we can do is have it as one of our showcase items at an upcoming meeting.”

Mr. Giannoulis said, “The second thing is obviously thank you for including some of my Board Members and ICCB staff on the performance based funding. Obviously everyone has got some concerns but we are excited to be a part of that conversation and let our concerns be heard.”

Dr. Reid said, “Thank you so much sir.”

Chairwoman Hightman said, “Absolutely it is going to be, and it has been, and will be a collaborative process with all stakeholders.”

B. The Illinois Public Agenda for College and Career Success

5. Public Agenda Update

Dr. Reid said, “What I am getting ready to show you now is the work of the Performance Funding Steering Committee. While Alan Phillips is the chief staff person working with us, he is not the only staff person. Almost each of our senior officers is participating in this process, but Alan is the one that is organizing our work and getting it back out to the committee. We have a roster, I have given you the roster of the Performance Funding Steering Committee and we have added to that roster, the one that you have, Mike Hogan in the last few days. Mike is President of University of Illinois, our flagship institution. The Performance Funding Committee said overwhelmingly that if Mike wants be involved, we want him to be involved, and we invite him to be a member and we did.

“We met on September 28 as I said to you earlier. It was our third meeting. At our first meeting we talked about what performance funding was all about. It was just a primer on performance funding. We had Stan Jones who is President and Founder of Complete College America (CCA) there with us. Mike Baumgartner, who used to be here at IBHE who has now gone on to CCA, was with us along with Dennis Jones who joined us later, but all of these persons gave us primers, some background work on what performance funding is all about. To put it simply, performance funding is the establishment of some goals that each college and university can accede to help the State to meet its goals in higher education and then be awarded some performance money for that. That is what performance funding is all about.

“At our next meeting which took place in August, we presented to the Board a vision statement and the vision statement was approved unanimously by our Performance Funding Committee. At the meeting on September 28 we peeled one more layer of the onion and we started to talk about what is it that we are really trying to do with performance funding.

“So what you will see for the 15 minutes or so are the principles upon which performance funding is to be based as we go forward. These are the things that we say as a State we value and therefore, we want to award colleges and universities who perform in ways to attain these things.

“The first item is that performance funding is not going to be a cure-all for all of the higher educational ills and needs. We know that the colleges and universities are owed perhaps hundreds of millions of dollars and performance funding should not be seen as the answer to getting them that money in return. Performance funding should be seen as just a small portion of the State’s higher education allocation, whether or not it is new or existing money, to do very specific things to move the State forward in trying to accomplish the goals of the *Public Agenda* and also 60/25.

“The second bullet here is something that is unresolved, even though we have begun the discussion of it, we have not resolved the issue of implementation with or without new money. However, we have appointed a small group of the Performance Funding Committee to study this issue and make some recommendations to us about what the wording ought to be. The person who is going to chair that small group is Rita Cheng of SIU. She is going to work with six other folks who are going to come to grips with several issues that are today unresolved.”

Chairwoman Hightman said, “I have not been at all the meetings and I do not want to say this yet to scare anybody, just I am looking at this and thinking about it. When I look at one, given one and it sounds like nobody disagrees with one. It is only going to be a small component. Right? Then it seems to me that why do we have to worry about two. We are not talking about changing everything, we are not talking about changing a major component of funding, and it seems like in my view that there always will be a reason not to do it if we do not want to do it. But, if we agree that it will be a small component then it seems like that is the safety catch here, that you can do it even if you do not have new money. I understand that all the institutions are worried that they are going to get cut, but cannot we do it in a smart way that is phased or something so it is a small amount, but we start because the legislature has said and we all generally agree that this is where we want to go. With the economy the way it is, and the growing conclusion that if it is not fixed that you cannot do anything then for a couple, two or three years, still if you can only do it if you have extra money. It seems to me that is an easy way out, to say if I do not have extra money I am not going to do. That does not seem how we want to operate as a sector. So is everyone going to throw tomatoes at me?”

Dr. Reid said, “No, not at all. I do think that.”

Dr. Frances Carroll said, “I think you are saying the same thing if you eliminate that second bullet.”

Chairwoman Hightman said, “Right, that is my point I guess. It seems like it is too much protection and it is like we really, we want to do it, but we do not want to do it if we are looking for every reason not to do it. I would be shocked if we get more money.”

Dr. Reid said, "Pleasantly shocked."

Chairwoman Hightman said, "So I am just making us think, I am asking you, I am posing the question, maybe it is a rhetorical question, but I do not buy into this idea that you have to have new money to do it. That you can still do it safely without new money is what I am thinking."

Dr. Elmer Washington said, "The way I read that was that it will be done regardless whether you have new money or not."

Dr. Reid said, "My point was that this item is still under debate."

Chairwoman Hightman said, "I would agree if that is what it said, but what I am saying is they have not decided it."

Dr. Washington said, "I thought it was decided."

Chairwoman Hightman said, "By attending the meetings you thought?"

Dr. Washington said, "No it was mandated that we do it. Regardless, that is the requirement."

Chairwoman Hightman said, "Right so I do not understand how you meet the statutory requirement. So, why it is on the table, is the question, I think."

Dr. Reid said, "If the Board wants us to, I certainly will pull it off the table, but we expect that the committee will come up with some wording and to come forward with the recommendation with or without new money."

"The other agreement that we reached is that the year to begin this is consistent with the law, it is the fiscal year. We will start with performance funding on July 1, 2012, and that the goals of the metrics that will be established will be consistent with the State's goal of 60/25 that you see there in the fourth bullet."

"The next item being discussed is the affordability issue. Our consultant asked us to take affordability off the table. There is considerable opinion that we cannot do this unless we look at the affordability item. The affordability item then will necessitate new money for students and scholarships, and so I fully expect that item will be in our recommendations to do so, to add to student's affordability in the State of Illinois."

"Just a reminder, these are the goals of the *Public Agenda*. Right now item two is being discussed but I fully expect that it will be a part of our final recommendations to you. The recommendations of this Steering Committee are ongoing. I do not mean to say to you that these are going to be our final recommendations, but I am just telling you what some of the areas of continued conversation are."

"Here is the one I really bring to your attention. On last Wednesday, Complete College America came out with a new figure that says 67 percent of all new jobs in Illinois by 2020 will necessitate some form of post-secondary completion. Right now we are at not 41 percent, but Complete College America reported that we are at 43 percent. So there are some new figures"

since last week. So 67 percent and 43 percent. We have to make certain as we move along in this process that our guiding document is always the *Public Agenda* and is always 60/25.

“So, once we got to this point in our discussions of some overall principles upon which performance funding would be based, then we went into some specific funding principles that are a little more detailed. This is another layer of the onion, a little more detail. The specific principles that we say we are looking for we will be looking for in performance funding.”

Dr. Alan Phillips said, “When we took a look at the proposed performance principle, we took a look at a lot of different things to determine what should go into those. We took a look at the *Public Agenda*. We took a look at the Finance Study Commission findings. We took a look at the performance funding legislation, input from legislators, the Governor’s office and others. We looked at lessons learned from other states. We took a look at other available research. We got input from experts such as Dennis Jones and Stan Jones and we also received input from a number of folks here in the room who are also members of the Steering Committee. We took all those, we took a hard look and these are the general principles that we decided upon.

“First one is there must be a clear vision and common goals for what we are trying to achieve and I believe that is spelled out very well in the vision statement and the *Public Agenda*. The new process will strive to eliminate the achievement gap, reward performance of institutions by providing access, success, quality, and affordability to all students, with special emphasis on students who are academically or financially at risk. That is pretty much straight out of the performance funding legislation. This includes first generation students, low income students, students who have traditionally be underrepresented or underserved, which would also include additional categories such as disabled and veterans which we talked about this morning, and as we get more into this we will take a look at the various categories.”

Dr. Reid said, “This is the crux of our work. These two are, the committee agreed are, the most important principles that we are working toward. The idea is that by 2025 60 percent of all adult age people in Illinois will have some college completion. We cannot get there, the Finance Study Commission and the *Public Agenda* say, without recruiting new categories of people and the new categories of people that we must reach out to, as established two years ago by the *Public Agenda* and by the Finance Study Commission, are these students – students who need more access, more success, higher quality, students who have affordability issues, students who are academically and financially at risk, first generation students, low income students, and students who have been traditionally unrepresented in higher ed. These are going to be combined with our traditional students, the new students the *Public Agenda* says that we need to reach out to in order to achieve our goals.”

Dr. Phillips said, “Additional general principles include obviously the focus on the fundamental goal of increasing completion of college courses, certificates, and degrees for it to reach 60 by 25, and the new process will measure higher education institutions against themselves as opposed to against each other.”

Dr. Reid said, “This is what I call the Wayne Watson Rule. I embarrass Wayne every time I say that. It is the Wayne Watson Rule because Wayne was concerned that if we have a new funding mechanism that compares Chicago State to another kind of college in Illinois, that Chicago State students and Chicago State would suffer. So we said no, what we are going to do is to compare each college or university to itself. We are going to have what is called funding based on baseline. We are going to establish a baseline. We are thinking the baseline is going to

be fiscal 2012 and we are going to have data from fiscal 2012, 2011, 2010, and so on to say on a certain idea or goal you achieved at this level. Let us say college completion; you were at 55 percent in college completion over the past three or four years. So, Illinois State University which is at 80 percent or more, what is it that you can do to help us to reach our 60/25 goal? Is it 81 percent, 82 percent or is it something else? That is the way we are going to go about developing these goals. Each college will be judged against its own performance.”

Dr. Phillips said, “Principles concerning process, significant changes will be made in an orderly fashion to minimize confusion and disengagement, and we will also develop an orderly review process to ensure that goals, metrics, funding impact, and program success are reviewed and evaluated on a regular basis. In fact, the State of Tennessee, which has probably had one of the longest running performance funding systems, recently went in and completely revised their performance funding process. So, this is something that will have to be relooked at on a regular basis and we plan to do that.

“Additionally, the way we are proceeding is very much in a collaborative process. We are receiving input from everyone. As a matter of fact, we have solicited input, we received input, we spent a lot of time going over it to make it provides us with an idea of whether or not we are headed in the right direction with the effort. It identifies critical areas we may not have thought about that we need to. It also identifies those area that will have to be resolved if we are going to be successful. So, this is very much a collaborative process because our thoughts are that if we are to be successful with this, we are all going to have to go through this together and make sure that everyone is on board every step of the way.

“The review process will also include sufficient lead time for key leaders to engage their constituents. Pretty much every person who sits on the Steering Committee represents a constituency and between the meetings they go back, they meet with those folks, they discuss the issues and we have been fortunate enough that they provide us with lots of good feedback and input. As a matter of fact, we had lunch with the Student Advisory Committee and part of the discussion was on performance funding where they had gotten together in their organization and discussed this and will be providing us input as well.

“Once again, if additional money is not available, then the initial funds to be set aside will be kept to a minimum.

“Performance measures – they will be developed in consultation with public institutions, state agencies, other higher education organizations, associations and stakeholders. So, pretty much everyone is involved in the development of the performance measures or metrics. They will clearly support State goal attainment and they must be acceptable to educators as well as to the Governor, legislators, others, balancing institutional autonomy with State level review and control. If the measures that we come up with are not acceptable to everyone involved, the chances of success will be much less than if we all agree and go forward together. If this creates problems, difficulties, then as in many states, the chance of our success will not be good. So it is very important that they are acceptable to all parties concerned.

“Performance measures and funding formulas will be simple and restricted to the most essential elements. This has been something we have learned from other state’s efforts – keep it simple and keep it few in number. In some states, I think there are only one or two people in the entire state that can figure out how they do their funding formula. But, those where everyone understands how it works and where it is kept simple, it seems to work the best. The measures

will be selected and funding formulas will be designed to the extent possible to make it difficult for institutions to game the system. We know that people tend to do things based on where they can achieve the most benefit to the institution. So by making everything transparent, making sure we pick measures that are objective in nature, the intent is to limit the gaming of the system or trying to figure out how to get around the system so that one institution may gain more than another.”

Chairwoman Hightman said, “I am just curious about who will do this review?”

Dr. Reid said, “At the end of an evaluation period, it will be done by, in concert between the President and IBHE staff.”

Chairwoman Hightman said, “Say it again.”

Dr. Reid said, “Between the President of the institution and his/her team and the IBHE staff.”

Chairwoman Hightman said, “Because in the prior slide you talked about a review on a regular basis. Is that a different review and that would be by who?”

Dr. Reid said, “That is a different review. That is a review of the basic tenants of performance funding.”

Chairwoman Hightman said, “And that will be done by who?”

Dr. Reid said, “The IBHE staff in concert with the Presidents and their teams.”

Chairwoman Hightman said, “Well would not we want to, just a thought, have the Steering Committee back involved?”

Dr. Reid said, “Yes and all the reports will come through the Steering Committee into the Board. Like I am doing today.”

Chairwoman Hightman said, “But the Steering Committee would be involved.”

Dr. Reid said, “The steering committee would be involved in the work and give us feedback and we will go back and forth until we are ready to come to the Board.”

Dr. Phillips said, “And the intent is that this would be something long-term. That pretty much every year after we go through the process to take a look and see if it is about right or whether or not we need to make changes. So this would be not only initially, but much longer term.

“Performance measures will be tailored to recognize and account for the differentiated missions of institutions and sectors of higher education. You have, for instance, community colleges, you have comprehensive four year universities, you have research universities. Every college in the State is unique in its own way and so as we go through the process we make allowances to account for that. Talk specifically about community colleges – that is language that is specifically in the legislation and performance measures will focus on both quality and quantity. There has been quite a bit of discussion on quality. You can certainly improve

performance if you drop the bottom 25 percent of your students from your rolls. That is not the intent. So the question is how do we make sure that we are looking out for those typically lowest performing students, the underrepresented and underserved, and make sure that they are accounted for? We account for them as we go through this process and develop the methodology for implementing performance funding.”

Dr. Reid said, “We fully expect that the conversations will get to be more pointed and the questions tougher as we move forward because at our next meeting we will put to rest the principles that we went over with you today, and will be opening the discussion of the metrics. The metrics are measures, are goals, you can call it what you want to, they are called different things by different people, but metrics are going to be those things that we are going to use to evaluate performance. We are going to have two levels of metrics. There will be some State level metrics. Some metrics that the State thinks that all of us, all the colleges and universities need to achieve, and then there are going to be individual institutional metrics that will pursue the State metrics.

“This is a difficult project, a very complicated situation. I would say to you that overall we are making tremendous progress. I have led many of these things before and I know in very difficult and complicated situations there may be times when you need to stop, take stock, and then try to get more buy-in if there is some considerable opposition. We will be doing lots of talking, lots of negotiating, but negotiation is not going to be successful if the sides are convinced that their side is altogether right and the other side does not have any grounds to be right. What a compromise is, which is what we seek to do in the final analysis is to pull the sides close together so that we can all agree on something that is common to all of us in this performance funding. We might not all like it but we can at least see that in performance funding there is an opportunity for our institutions to grow, and to prosper, and to be better tomorrow than they are at the present time. So that is our goal and I as I go about it I will be in advisement with you and let you know how it is going. Right now it is going very well.”

Dr. Allan Karnes said, “I think the opposition to moving forward without new funding is rooted in the problem if you look at the groups of students we need to reach. Those are students that in order to help them succeed it is an expensive proposition. Schools are concerned that they cannot do that with less money. In other words, they need more money to make this happen. We can make it happen with more money, but if they peel off money it is going to be very difficult for us to do it because I think if you looked at headcounts around the State right now they are as low as they have been in a long time. We have had substantial cuts for years and it is not like we have a lot of resources to reallocate.”

Dr. Washington said, “Let me make a comment regarding that. I have been around higher education for over 40 years and I remember when we had a lot of money and we did not do what we are trying to do now. I do not think the money is the factor even though it could be useful. I think the commitment to do this has not been around. I know of so few people who have been on board, working on this for many many years, now it has risen to a State level, indeed is a national level. The National Science Foundation has known this for many, many years and put a lot of money into it. Still the problem exists. I can understand why the issue of money is raised, but I think there is something deeper than money involved here and I think we need to move regardless.”

Dr. Karnes said, “I agree we need to move, but I do not think we can just dismiss out-of-hand concerns raised about the money issue.”

Dr. Washington said, "I am not dismissing it. I can understand it fully, but I do know that when we had money we did not do the job."

Dr. John Minogue said, "One day as President of DePaul, and I had nothing to do, I got some numbers out and crunched them. I figured out if I put one percent better retention, we had about a 69 percent retention rate at DePaul, one percent change gave a million and a half off the bottom. There is a payback for getting students through and keeping them in school. So that is a private institution, but the same is true. This is not all just eeking out the dollars, this is making bucks and I think it is important to understand retention is going to work in your favor. Kids will have better jobs with a degree, not half a degree, and loan companies, the private loaning, will be much more willing to give your students money. It is a win win proposition. This is not something difficult to figure out."

Ari Shroyer said, "My question, and there will be a number of people who might be able to answer this a little bit better and will know a little bit more since we are so early in, but looking at the reminder on one of the slides about the *Public Agenda* goals, the fourth one says better integrate Illinois' education, research, and innovation assets to meet economic needs of the State. So like I said, this might be a question more for the individual leadership or leaders at the various institutions, but at least from the staff's point of view, do we have a projection on the magnitude of proposals for either opening or perhaps even closing of certain programs at institutions? Will the performance based funding, will that have an influence on one, meeting this *Public Agenda* goal of number four in addition to perhaps some of the cost savings that could come from either eliminating or maybe in the aggregate, opening new programs, and I wonder if anyone can speak to that or is it still just too early in the process?"

Dr. Reid said, "It is a bit early but I think that this committee and its charge is far above that. That is, the kind of decisions that you are talking about are institutional. Individual colleges and universities will make those decisions as they go forward. In fact, they make them already on a yearly basis. College and university presidents say, well you know this program is running well and so we should put more faculty here, this program is not running well perhaps we should consider closing it down. They already do that. So this performance funding will not be about that *per say*. We have no role in telling colleges and universities what to open and what to close. We only judge what in fact they do. But, we are hopeful that in the end of this process all of us will be more efficient and effective with how we deliver higher education. One of the presidents said today there are some inefficiencies that we can tighten up. Certainly there are always inefficiencies and I think what performance funding will do is to help us see these inefficiencies more clearly.

"Rita Cheng is the Chancellor at SIU. Are there other members of that small committee working with Rita in here today? Santos is on that committee. Elaine Johnson is on that committee. The committee is about seven people and these are the unresolved issues that they will be working with. What we said was that we put those unresolved issues in a parking lot for our last meeting. We said let us give a smaller group the opportunity to think through these issues carefully and come up with some wording for the Performance Funding Steering Committee. So on the 19th of October all of the steering committee members are suppose to get in their ideas by that time to Dr. Cheng and her group. They will come up with some wording they will present to the performance funding steering committee at the next meeting.

“The issues are about finance, another issue is about holding the universities harmless in the event that something happens, we will create a system in performance funding where institutions cannot be harmed. The third bullet is at a certain point in the process can we stop the loss which is a part of bullet two as well, and can we differentiate, I think this is the easiest one of the group, can we differentiate between the types of four year institutions. There are research institutions, teaching institutions, there are comprehensive institutions, and there is an organization called the Carnegie Foundation that gives labels to these various institutions so we can do that. A more difficult question is what do we mean when we say underserved and underrepresented, precisely what do we mean? So that the definition will be something that everybody then would agree to when we come up with it, and the whole issue that I spoke to you earlier about is affordability. Our consultant said do not put affordability in your performance funding. Our committee has said there is no way we can do anything regarding performance funding without affordability being taken up as a major issue. The faculty has asked Dr. Blankenberger this question on several occasions. The faculty has said to Dr. Blankenberger, listen Bob we want to go along with you, but we cannot sacrifice quality in order to do so.”

Chairwoman Hightman said, “George I would also note that the students, that was one of their big issues today at lunch which I think was really cool. They are saying, you know we want to make sure we get a quality education, do not do anything that will diminish the quality of what we are getting and I am sure we all agree.”

Dr. Reid said, “Correct. And finally, how do you put into a performance funding formula something that can evaluate how higher education is contributing to the economic development of the State of Illinois. So those are the issues that Rita and her group are looking at. Come to our meeting. Our meeting will be in Carbondale on the 24th of October where we will be discussing these issues. The meetings usually last for only about two hours and then we will be out, but you will get a pretty good idea of the ongoing conversations. We have very good conversations about something very serious that is going on in our State, the changing of funding in higher education.”

Chairwoman Hightman said, “So would it be fair to say that these are the core issues. So we might have done a lot, but if you do not have answers to these you have done nothing. I do not mean it negatively, I am just saying these are so key to the whole concept, right?”

Dr. Reid said, “And some of them we are further along with the answer than others. The one we just answered today was the funding one that the Board gave me direction on just a few minutes ago, and then the differentiation between the institutions, we are far along on that. We are farther along the way on some of them than we are others. We fully expect that we will have the answers to all of them at our next meeting.”

Chairwoman Hightman said, “I just wanted to ask you a question about the third question, the third bullet, the stop loss. The way it is worded says to me, and maybe I am reading it too literally, that everyone agrees there should be some stop loss provision, it is just a question of how far it goes or am I reading that too literally?”

Dr. Phillips said, “That basically refers, it is back to the previous question. The first question is do you hold them harmless and to what extent, and then that would be a stop loss. In other words...”

Chairwoman Hightman said, “So you have not decided you should hold them harmless.”

Dr. Phillips said, “That is correct.”

Dr. Reid said, “Correct.”

David Anderson said, “I just wanted to maybe also ask Rita Cheng and their committee on the stop loss, the bullet number three, students are concerned, and were concerned, and tell me if your committee is addressing these about in the case that there in a degree program in which it has to be revamped or eliminated, that we do not lose credit if we have to transfer to another institution inside the state if a program was to be modified or changed. In the effort of like a stop loss, I do not know if that means just fiscally, what also from a student’s perspective students are concerned about that measure. I wanted to bring that to the table.”

Dr. Reid said, “That one was referring to performance funding only, fiscal only. So as the presidents and their teams make the decisions about these fiscal issues then they would go back after the decisions are made and make some qualitative and programmatic decisions to follow those fiscal decisions, but that would be what the presidents would do on their campuses.”

Dr. Washington said, “Let me just make one quick comment. David you did this earlier but I think for the larger audience Dennis Jones pointed out a principle to us that is very useful in looking at performance funding and I think I should articulate it for the whole group, because what he points out is that we already operate with a performance funding system. The performance funding is for enrollment, that is what we have done traditionally. So performance funding is not new. What we are trying to do is create incentives to do some of the things that we have itemized in goals one, two, three, and four in our *Public Agenda*. I think it is very useful to think of it in that context.”

Chairwoman Hightman said, “I think we have had a great discussion and we are going to be talking about this again at the next meeting and I know there is a lot of work that is going to happen between now and then. I think we have teed up, you have teed up, some great issues and you have heard some perspectives on some of those issues. We appreciate all of the work of the Steering Committee and the staff and Dr. Reid on your part. I think it is great and I look forward to seeing the final product.”

6. Public Agenda Showcase

Chairwoman Hightman said, “Dr. Cheng you are going to be doing a presentation for us on our *Public Agenda* showcase area about how to create a campus culture that promotes student success, aligning it, structures, raising expectations. Great topic.”

Dr. Rita Cheng said, “Thank you for the opportunity to spend a few moments talking with you about some significant changes that are underway at the SIU Carbondale campus. Changes that we believe are positioning our university to be your solution. We want to make sure that everyone in Illinois has an opportunity to earn a degree. Our focus is on the goals of the *Public Agenda* and on embracing performance based funding.

“When I arrived on the Carbondale campus in June 2010, the university faced four central challenges. Working with President Poshard I set about addressing each of these and today I would particularly focus on the student recruitment and retention efforts that we have

been making as they were a primary cause of our structural and cyclical budget deficit along with the declining state support.

“This fall we welcomed nearly 20,000 new and returning students to campus, and while it will take time to reverse a nearly decade long decline in enrollment, we are optimistic that we are turning the corner. For the first time in four years, our new first time, on campus, entering undergraduate enrollment increased by more than five percent. This increase of 116 students is a major turnaround from a year ago when we had a decrease of 136 students. Transfer students enrollment is also up by 3.2 percent and clearly our renewed focus on this critical area is having a positive effect. In addition to creating an office of transfer student services, we have revitalized SIU service centers at the community colleges. We increased the staff presence and added training, technology, and connectivity. We have a very close relationship with the community colleges in our region and in the Chicago area. Additionally, we are working with the seven southern most community colleges to offer courses to their students, have active two plus two agreements, hundreds of articulations, and participate in the Illinois Student Assistance Commission (ISAC) two plus two tuition savings program. We have also slowed the rate of decline among continuing students, and while our retention rate has held steady at 69 percent we know that we must maintain our focus on helping more students succeed and remain in school.

“Accessibility is one of the pillars of our university. One-quarter of the enrolled students at SIU Carbondale are minority students. Our focus on student success continues to earn recognition in the national level. This summer the magazine *Diverse Issues in Higher Education* published its annual top 100 undergraduate degree producers and degree producers among graduate and professional programs. We earned recognition in 29 undergraduate and 15 graduate categories, including once again a remarkable top ranking for bachelor degrees in education awarded to African-American students. We broke into the top 100 for baccalaureate degrees in disciplines awarded to minority students and ranked 49th in the country for all universities in conferring bachelor’s degrees to all disciplines to African-American students. And among traditionally white institutions we rank 30th in the country.

“Our legacy of inclusion includes a strong history of welcoming international students and we are seeing growth in this area as well. Our on-campus undergraduate enrollment is up 16 percent and across all levels, international enrollment grew more than six percent. We also recently received recognition of our support for international students. SIU Carbondale was the first institution to be featured in the quarterly e-Newsletter of LASPAU in recognition for the outstanding education and international support we have provided for the past 30 years.

“We continue to receive top rankings from military groups as a campus that is friendly to active military and veterans, and recognitions such as this is worth celebrating because it reflects the long-standing commitment of our faculty, staff, and students to inclusion and diversity. It also encourages us to do more.

“We are a campus that has many high-risk students. Forty-two percent of our students are first generation. We also enroll a high percentage of students who rely on financial aid, over 75 percent. Thirty-five percent of our students receive Pell Grants, 40 percent receive state grants, and 31 percent receive institutional grants. So improving recruitment and retention is a very important component of the success of SIU. In an effort to provide more integrated and administratively efficient student support services, last December I announced plans to reassign the units reporting to the division of student affairs, thus eliminating one senior administrative officer on campus and breaking down long traditional silos across the campus.

“We established the University College with the purpose of centralizing and coordinating all services, supporting the success of new and transfer students. This reorganization has been accomplished with existing staff and resources and it is a cornerstone of our student success initiative. The University College model is firmly entrenched in higher education throughout the country. You will find it at small liberal arts colleges, at comprehensive state universities, and at research intensive institutions such as ours. While we already had many offices and programs, academic and service, that supported our new students, the University College model represents a comprehensive, coordinated, purposeful approach that enhances the effectiveness of these programs and significantly broadens the number of students who are benefited from these excellent services. It is sometimes called a progressive and flexible administrative model and is one we believe better supports our students and enhances their success, and in turn their retention. Conversations about the need for such a model at Carbondale go back to 1999 when we conducted a comprehensive first year experience study and implemented a program in 2008, and again in 2008 we conducted a self-study campus wide with more than 90 faculty, staff, and students through the Foundations of Excellence Program and determined that, indeed, we had much work to do in the retention of our students.

“The University College, now in its first full academic year, includes new student programs, Saluki first year program, our pre-major or exploring student advising, center for academic success, our supplemental instruction, career services, core curriculum and our university honors program. Our new student orientation was moved to the University College in the spring of 2011 to ensure that the first year services and advising for all new students was coordinated and aligned. The new student orientation program was completely revamped to a more efficient one-half day event. In the fall of 2010 as part of the many events welcoming new students and their families to campus, we began to incorporate more structured programming to enhance our student’s understanding of academic expectations. Expanding on the success of what we call Saluki Startup from a year ago, the fall 2011 version included the addition of a new student convocation, the inside scoop program which provides students with key co-curricular information they need to know prior to starting their classes, and an expansion of the Saluki survival skills that include a session with new students and academic advisors. More than 1,700 people attended our convocation. Throughout Saluki Startup students interacted with each other, faculty, staff, alumni, and returning students. Our assessment of Saluki Startup by students indicates that as a result of their participation, students feel more comfortable, more prepared, better connected, and have a stronger understanding of what is expected of them. Current discussions on campus now focus on strengthening our advising in the University College and across campus, and on expanding opportunities for undergraduate research experiences.

“I would like to take a few moments to highlight two programs in our University College that have been launched and we have some data on particularly around math and English. Our emphasis on student success led to the implementation this fall of a new math placement process for all incoming students. Our career services, new student programs, the math department, our admissions and records, and registration staff all worked together to ensure this program was developed and well instituted. Our math department redesigned Math 107 which is intermediate Algebra and Math 108 College Algebra. The redesign of the math courses were essential if we were to succeed in addressing the primary cause of students leaving our university, failure in math. Our new approach employs a hybrid model that includes traditional classroom instruction, expanded computer lab sessions, and enhanced mentoring. The results from several years of pilot studies are evident in this slide and we anticipate comparable results from this fall’s fully implemented program. And as you can see, the traditional statistics had very high failure rates.

The text supported in maroon less so, and the lab courses have a remarkable difference in student achievement. A lot of time on task, a lot of competency focused, and much instructor to student ratio concerns.

“Also this fall the University College is working with the Department of English to expand the development and institution of protocols for the testing and placement of all incoming students in our English courses. A \$40,000 grant from ISAC was secured to launch a new pilot program for our at-risk students to improve student learning and success in English, English 101, and 102 for fall 2011/spring 2012. This funding was part of the Complete College America initiative and key to positioning the campus for performance funding. The establishment of a flex syllabus treats the entire academic year as a learning cycle for writing skills that would otherwise be allotted to two separate semester-based grading cycles. In this way at-risk students who attend class and otherwise participate in coursework may take longer than a single semester to reach the minimum expectations of English 101 without facing the negative prospect of a lower grade than the requisite C for advancing to 102. When students in the current English 101 receive a D, an F, or a W, they must repeat English 101 in its entirety the subsequent semester, a potentially demoralizing spiraling backward of any academic gains. The flex syllabus allows instructors to take longer than one semester if necessary to insure student success and insuring the students reach the standards of performance to merit advancement.

“An assessment of both our math and English strategies will lead to further improvement in subsequent semesters and I just want to emphasize that our math and English faculty have been fully engaged and are very excited about this work.

“Student success also requires insuring students have challenging and rewarding academic experiences. A year ago we had 220 students enrolled in our university honors program. I announced to the campus that we would double the enrollment in over five years. Our target this year was 320 and we currently have 341 students, including 100 new students in this program and no small feat considering that we had graduated 54 from the program last year. There was a waiting list for every one of our ten honors courses in the spring and three of those have a long enough waiting list to warrant additional sections.

“We will break ground on a new student services building, a much needed, long awaited, services building in the spring. Our University College programs will be housed there as well as our admissions, our registrar, financial aid, and bursar. This is going to be in a very visible, very central part of campus to serve our students. We are also looking at our academic buildings, remodeling, and this is a picture of our transportation education center that will house both the automotive and aviation programs that we have national recognition for. We are also taking a very long-term look at housing and analyzing current and future competitive positioning for our housing options in terms of units, prices, amenities, and services as campus residency is so important for student retention.

“We have engaged in a complete overhaul of our enrollment management area. In addition to fully reorganizing we have also geographically assigned our recruiters. Why do I include this as part of the student success? Because as part of the goals of the *Public Agenda* I believe we have to reach out to students who may not think college is in their future and help them with that important decision. In addition to the reorganization and the significant outreach that we have done, including reaching out to nearly 400,000 prospective students, we are also engaged in reorganizing and aligning our academic and administrative policies for consistency and connection to student success. We have implemented a holistic admission philosophy, have a

provisional admission standard, a contract for success with students who may be at the most at-risk, and this includes intrusive academic support. And we are looking at all of our policies, our withdrawal policies, our readmission policies, our attendance policies, and making sure that they are aligned to student success. Student success is a priority, it is a primary concern because of the significant role that SIU Carbondale has for the region and the State.

“Our story includes the economic impact we have on Illinois. Our economists have recently completed a study that shows that our university contributes \$2.3 billion in annual economic activity to the Illinois economy. This is measured in our research, our jobs that we create, and the incremental salaries of those who graduate from our institution. *U.S. News & World Report* also has picked up on our positive story. We have moved up the rankings by 13 points and we now rank number 94th among public institutions, 170th overall. We continue to demonstrate impressive strength in several categories. Our high percentage of full-time faculty at 95 percent, and our low percentage of classes with 50 or more students, only six percent. We take our legacy of a dual mission, access, and research very seriously. We have recognized that as we are changing the culture of our campus it is also time to change the story about SIU Carbondale. Our research clearly shows that we have not been reaching the audiences that we need to reach and we need to reach more to encourage students to attend college and yes to attend SIU Carbondale. We have not been able to seek new resources other than grants for this activity but we have reallocated existing resources. This effort includes in this slide new materials to share the good news with perspective students and families. The story that we want to share with all of our audiences is that we are positioning SIU Carbondale to be the agent of positive change that this Board and the citizens of Illinois expect and that global society needs. The goals of the *Public Agenda* and the implementation of performance funding are focused on very critical issues. The challenges are great. President Poshard, our fellow Presidents and Chancellors share with me a commitment to working toward an increase in the number of graduates in the State of Illinois and we are supportive of the process of performance funding. Thank you very much.”

Dr. Washington said, “I have one question. In your description of the University College you mentioned external involvement. Would you amplify that a little bit?”

Dr. Cheng said, “We have an advisory group on campus as well as external advisory groups and we also have funders. The Sutter Foundation has picked up on our efforts and has recently given us a \$1 million grant for first generation students and so we have advisory groups throughout that process.”

Chairwoman Hightman said, “Well that was a great presentation and great news about how you are doing. How long have you been in your role?”

Dr. Cheng said, “16 months.”

Chairwoman Hightman said, “So a lot of great progress over that time period.”

Dr. Cheng said, “That is why I had creating, and aligning, and raising expectations because the good work is yet to come.”

Chairwoman Hightman said, “Thank you, very well done.”

C. Action Items

7. 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 September 20. Since then two additional proposals have been received, both from independent institutions. No applications have been withdrawn since the last Board meeting. As of Friday, September 30 there were no new request for program modification in addition to the 36 reported in the memo.

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 Mr. Alexi Giannoulis and seconded by Dr. Frances Carroll, unanimously hereby grants to College of DuPage Authorization to Grant the Associate of Applied Science in Fashion Apparel Production 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 Frontier Community College Authorization to Grant the Associate of Applied Science in Paramedicine 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 John Wood Community College Authorization to Grant the Associate of Applied Science in Construction Technology subject to the institution’s implementation and maintenance of the conditions that were presented in its application and that form the basis upon which this authorization is granted.

And grants to Kaskaskia College Authorization to Grant the Associate of Applied Science in Horticulture Science subject to the institution’s implementation and maintenance of the conditions that were presented in its application and that form the basis upon which this authorization is granted.

And grants to Kaskaskia College Authorization to Grant the Associate of Applied Science in Welding Technology subject to the institution’s implementation and maintenance of the conditions that were presented in its application and that form the basis upon which this authorization is granted.

And grants to Moraine Valley Community College Authorization to Grant the Associate of Applied Science in Addiction Studies subject to the institution’s implementation and maintenance of the conditions that were presented in its application and that form the basis upon which this authorization is granted.

And grants to Richland Community College Authorization to Grant the Associate of Applied Science in Health Information Technology subject to the institution’s implementation and maintenance of the conditions that were presented in its application and that form the basis upon which this authorization is granted.

8. 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, “I am still very concerned about the quality of the offerings from Dan EL. There are a number of concerns. I am not sure if the books listed under their website which are also cross-listed with courses are those that are going to be used for the course, but if they are, those would be of great concern because they really are not of the rigor I would expect for an institution offering a B.A. or a master’s degree. There also seems to be some shifting with respect to their seeking accreditation. Initially it was going to be regional or central, now it will be north central and also a national accreditation. I am not sure if they do not get north central and they get the national accreditation, which is a distance learning accrediting body, what that means for our approval. Again, just a number of concerns about quality, I just do not see it there, I feel uncomfortable.”

Chairwoman Hightman said, “Can the staff address the issues that were raised, and by the way the Board was given in advance some document or writings about the issues that Addison raised and the response that staff provided to the issues. So I think these were all in the writings, but Bob if you could address it publicly that would be good.”

Dr. Blankenberger said, “First the accreditation issue for institutions pursuing approval with the Board. They are required to have accreditation from a Department of Education recognized accrediting body. The type of accreditor though does not matter. In the case of this institution the beginning process that they started with was Higher Learning Commission (HLC) accreditation which they still intend to pursue, however the length of time it takes to get HLC accreditation is pretty long and in the interim they are also pursuing the Distance Education Training Council (DETC) accreditation. As an online institution this is perfectly appropriate. The DETC accreditation is used by many online providers so this is essentially a secondary reassurance, or in a sense two accrediting bodies as opposed to just one providing a second check on the approval process. For our processes they have to achieve at least one of those accreditation within the appropriate timeframe. In this case for a bachelor’s program, of course five to six years depending on the progress they are making, and if they do not achieve that accreditation then that would be grounds for revocation.”

Chairwoman Hightman said, “What about the textbook issue?”

Dr. Blankenberger said, “The coursework or the descriptors that were provided to us as well as the courses that were provided for construction of the program appear to be appropriate for similar types of programs that fall into the same classification of instructional program code. What we have is a comparison the staff does against other institutions that offer similar programs. As for the very specific textbooks, those sometimes are fluid. What an institution will do is provide us a description of the course, its content, the outcomes for the course, and how those fit into the overall program, and then as the institution develops some of these courses they may not be offered for three or four years and so the textbooks that will be offered will be appropriate for achieving those outcomes but the individual textbooks are not always identified. So as for the books identified on the website, they would not be an exhausted list by any means.”

Dr. Woodward said, “You gave me a list of institutions and there is a vast difference between Wheaton and Liberty and what I have seen so far from Dan EL.”

Chairwoman Hightman said, “Do they meet the statutory requirements and the rules that we have implemented pursuant to the statute for the kind of request that they have made?”

Dr. Blankenberger said, “Yes, the staff analysis indicates that they are consistent with what other institutions that are providing new degree programs would describe for us.”

Chairwoman Hightman said, “I am not sure if you answered my question. Do they meet the statutory requirements and the requirements of the rules?”

Dr. Blankenberger said, “Yes.”

Dr. Carroll said, “Madam Chairlady, I think that we reviewed the staff’s recommendations and also the submission from the university. I feel that any other questions might tend to be more personal preferences and I see that the presentation has met the standards of this Board.”

Chairwoman Hightman said, “Any other comments?”

Dr. Washington said, “I think that coming from a traditional background there can be a feeling of ill at ease in terms of some of the things we approve. This is one of those, and I share the concerns, but my understanding at this point is that we have established a set of regulations and rules which reflect what the law says we can do and I think what the staff has done has been a fair review, and actually the institution obviously has worked hard to try to satisfy the requirements that we have. I can share with Addison some of his concerns but as far as the rules and regulations and the law, I think they have complied as far as I can tell.”

Mr. David Anderson said, “I wanted to also say that on Saturday the Student Advisory Committee had a very intense debate about this subject and overall the majority did decide that this was something to vote yeah for.”

Dr. Karnes said, “I support what Addison is saying and I have a concern about another of the programs that is being offered today and that is the Business Administration degree by Morthland.”

Chairwoman Hightman said, “Are there any other comments on Dan EL? Is there an amendment to the motion to vote on Dan EL separately?”

The Illinois Board of Higher Education, on motion made by Dr. Frances Carroll and seconded by Dr. Elmer Washington, moved to vote separately on Dan EL Institute of Higher Learning.

The Illinois Board of Higher Education hereby grants to Dan EL Institute of Higher Learning Authorization to Grant the Bachelor of Arts in Christian Leadership and the Master of Arts in Global Missions and Evangelism in the South Metropolitan 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.

Board member Dr. Addison Woodward voted no and Dr. Proshanta Nandi voted in absentia on this item.

Chairwoman Hightman said, "Which is the one that you have an issue with Dr. Karnes?"

Dr. Karnes said, "Business administration degree at Morthland."

Chairwoman Hightman said, "Any comments or questions?"

Dr. Woodward said, "I have another set of comments."

Chairwoman Hightman said, "For which institution?"

Dr. Woodward said, "For Chamberlain."

Chairwoman Hightman said, "Can we have a motion to approve all other programs in this items other than Morthland and Chamberlain?"

The Illinois Board of Higher Education, on motion made by Mr. Robert Ruiz and seconded by Dr. Frances Carroll, moves to remove Morthland and Chamberlain from this item and unanimously hereby grants to Mid-America Baptist Theological Seminary the Certificate of Approval and Authorization to Operate in the Central Region subject to the institution's implementation and maintenance of the conditions that were presented in its application and that form the basis upon which this authorization is granted.

And grants to Missouri Baptist University Authorization to Grant the Bachelor of Science in Health Sciences in the Southwestern Region subject to the institution's implementation and maintenance of the conditions that were presented in its application and that form the basis upon which this authorization is granted.

And grants to Rush University Authorization to Grant the Master of Science in Research Administration 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 The Institute for Clinical Social Work Authorization to Grant the Master of Arts in Clinical Counseling and Psychotherapy 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 DeVry University - Illinois Authorization to Grant the Master of Public Health in the West Suburban Region and the Master of Science in Education in the Chicago, Fox Valley, North Suburban, South Metropolitan, and West Suburban Regions subject to the institution's implementation and maintenance of the conditions that were presented in its applications and that form the basis upon which these authorizations are granted.

And grants to Harrington College of Design Authorization to Grant the Bachelor of Science in Web Design and Development 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 Pacific College of Oriental Medicine Authorization to Grant the Associate of Science in Massage Therapy/Asian Bodywork, the Doctor of Acupuncture, and the Doctor of Acupuncture and Oriental Medicine 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.

Chairwoman Hightman said, "So now we have the two left. Let us go to Morthland first."

Dr. Karnes said, "My principle objection is that this is a business administration degree that is not accredited. I realize that it takes a while for HLC to accredit a school, but in the meantime we are going to have Morthland offering business administration degrees to students and if they get one it will be very hard for those students to get a job. They are not going to find the kind of market that you would in a more established degree. So what I would rather see them do is wait for four or five years until they get that HLC accreditation before they attempt to go into a business administration degree. Right now I believe they only have 12 students total and now we are going to open up a new program."

Chairwoman Hightman said, "I recall that I read we also shared your question and the staff's answer to the question in advance of the meeting with the Board but can you publicly respond?"

Dr. Blankenberger said, "The accreditation process requires first an approval by a state agency. So institutions are required to come to us first for operating and then for the degrees they wish to offer and the institution has indicated their intent is to start with three degree programs, carry those out over several years and pursue their HLC accreditation, but the institution has indicated that in addition to the other two degree programs that were previously approved by the Board that business administration would enable them to better serve their community. The institution would be able to provide either additional support for students who were pursuing a more traditional liberal arts degree, a classic's degree for example by allowing them to take courses in business. The approval process also, as the Board may recall, requires a review process. Our staff will be reviewing the institution's progress towards accreditation throughout. If it appears the institution is failing to achieve that progress, then the institution will be notified that this could be grounds for revocation. If they fail to achieve the appropriate accreditation within the five year timeframe, then that is automatic grounds for consideration of revocation."

Chairwoman Hightman said, "So if I understand correctly they have to get what they are asking for from us first before they can get accredited."

Dr. Blankenberger said, "That is correct."

Chairwoman Hightman said, "There is no other way to do it."

Dr. Blankenberger said, "They have to get approval from a state agency first. They have to get authorization from the state both to operate and to grant the degrees before they are allowed to be reviewed by an accrediting body."

Chairwoman Hightman said, "So there is no other."

Dr. Karnes said, "But they have two degrees on the books and authorization to operate. They already have that. So their five year clock is already ticking."

Chairwoman Hightman said, "I guess I do not understand then the issue fully."

Dr. Blankenberger said, "I think his concern is that they are adding a third degree program and they could theoretically be tested for the two degree programs. In defense of the institution for other liberal arts faith-based institutions, private faith-based not-for-profit institutions in that business administration CIP code it is fairly common. In fact it is uncommon when they do not offer a business administration program of some sort. So it really becomes a matter of whether or not the institution has the capacity to add a third program. They have identified the faculty; they have constructed the curriculum appropriate to what would be expected in other similar programs. It is a model that is fairly common, business administration programs are very frequently found. The specialized accreditation which is the reply that I had provided to you, is something that although very common at the public institutions is not as common with private institutions. Of the 28 that were identified for you, only 12 have specialized accreditation in business so it is actually unusual for the private institutions to pursue the specialized accreditation in business. So if we were to require that they follow essentially a higher threshold then that would be a higher requirement than what other institutions currently follow or the path that they follow."

Chairwoman Hightman said, "So does their filing meet the requirements of our rules and the statute?"

Dr. Blankenberger said, "Yes."

Chairwoman Hightman said, "Any other comments or questions?"

Dr. Carroll said, "I have a comment and I am going to vote in favor of Morthland receiving approval from us. Having come from a very liberal university, Roosevelt University, I can understand how this university can start out very small and move into a big contribution to our state and so I know how traditional universities feel, but I would vote for Morthland receiving approval."

Chairwoman Hightman said, "Okay if there are no other comments I think we are ready to vote."

Chairwoman Hightman said, "Okay that leaves us with Chamberlain."

Chairwoman Hightman said, "Any discussion?"

Dr. Woodward said, "Yes again I have a good deal of difficulty voting for approval of a 30-hour online DPN degree. I think it is quite possible that you could have a DPN who also earned an online master's degree in nursing and when I look at other traditional programs they are 42 to 45 hours. There is a 37 or 38 hour program in Peoria at St. Francis, but that is affiliated directly with a hospital. These people are going to be frontline folks taking care of your mother, or father, or you, and it frightens me. I would be much more comfortable if it was a 43 to 45 hour program. I think 30 hours for a DPN is minimal. I know our rules allow it, but that does not mean I have to support it."

Chairwoman Hightman said, “Any other comments or questions? Bob would you like to respond?”

Dr. Blankenberger said, “Sure. In the case of programs, particularly in the healthcare professional programs at the doctoral level, what we do is hire an external consultant in order to provide a third-party analysis to help to bolster our position on this. In this case we were able to receive a separate analysis from the chair of a nursing department at another state’s flagship university and we brought the technical questions that came out of that analysis to the institution and they replied to it. We also consulted with the nursing board in both Illinois and Texas to make sure that they were meeting the requirements for that field. Additionally, the institution requires for entry into the program a master’s degree. Requirements are national certification as an advanced practice nurse, nurse anesthetist, nurse practitioner, clinical nurse specialist, or nurse midwife. So in this instance, once again, they meet the statutory requirement.”

Chairwoman Hightman said, “Okay, any other comments? I think we are ready to vote.”

The Illinois Board of Higher Education, on motion made by Dr. Elmer Washington and seconded by Mr. Jay Bergman, moved to grant to Morthland College Authorization to Grant the Bachelor of Arts in Business Administration in the Southern Region subject to the institution’s implementation and maintenance of the conditions that were presented in its application and that form the basis upon which this authorization is granted.

Board members Dr. Allan Karnes and Dr. Santos Rivera voted no and Dr. Proshanta Nandi voted in absentia on this item.

The Illinois Board of Higher Education hereby grants to Chamberlain College of Nursing the Authorization to Grant the Doctor of Nursing Practice 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.

Board members Dr. Addison Woodward and Mr. Jay Bergman voted no on this item.

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

The Illinois Board of Higher Education, on motion made by Dr. Frances Carroll and seconded by Dr. Proshanta Nandi, unanimously hereby grants Southern Illinois University Carbondale authorization to establish the Bachelor of Science in Workforce Education and Development in the Central Region subject to the institution’s implementation and maintenance of the conditions that were presented in its application and that form the basis upon which this authorization is granted.

And grants to University of Illinois at Chicago authorization to establish the Bachelor of Arts in Public Health in the Chicago Region subject to the institution’s implementation and maintenance of the conditions that were presented in its application and that form the basis upon which this authorization is granted.

And grants to University of Illinois at Urbana-Champaign authorization to establish the Bachelor of Science in Agricultural Leadership and Science Education and the Institute for Genomic Biology in the Prairie 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.

The Illinois Board of Higher Education, on motion made by Dr. Addison Woodward and seconded by Dr. Frances Carroll, unanimously hereby grants to Illinois State University authorization to establish the Doctor of Education in Curriculum and Instruction 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.

Board Member Jay Bergman voted present on this item.

D. Consent Agenda

Chairwoman Hightman said, "Okay, moving onto the Consent Agenda. We have six items on the Consent Agenda is there a motion to approve?"

The Illinois Board of Higher Education, on motion made by Dr. Santos Rivera and seconded by Dr. Elmer Washington, unanimously approved Item Nos. 10, 11, 12, 13, 14 and 15.

10. Board Meeting Minutes – August 16, 2011

The Illinois Board of Higher Education unanimously approved the Minutes of the August 16, 2011, meeting.

11. Fiscal Year 2011 Financial Report as of August 31, 2011

The Illinois Board of Higher Education unanimously approved the Fiscal Year 2011 Financial Report as of August 31, 2011.

12. Fiscal Year 2012 Financial Report as of August 31, 2011

The Illinois Board of Higher Education unanimously approved the Fiscal Year 2012 Financial Report as of August 31, 2011.

13. Adopted Amendments to Rules: Nursing School Grant Program

The Illinois Board of Higher Education hereby adopts the amendments for the Nursing School Grant Program (23 Ill. Adm. Code 1100) as detailed in the document provided.

14. Proposed Amendments to Rules: Approval of Noninstructional Capital Projects

The Illinois Board of Higher Education unanimously approves the proposed amendments to the rules for the Approval of Noninstructional Capital Projects (23 Ill. Adm. Code 1040) as detailed in the document for publication in the Illinois Register.

15. Executive Session Minutes and Verbatim Recordings

The Illinois Board of Higher Education unanimously approved the Executive Session Minutes and Verbatim Recordings as detailed in the document provided.

E. Information Items.

16. Legislative Report

F. Public Comment

G. Other Matters

Chairwoman Hightman said, “The next meeting is December 6 at the Moraine Valley Community College in Palos Hills and our featured lunch guest will be members of the Disabilities Advisory Committee.”

There being no further business to come before the Board, Chairwoman Hightman adjourned the meeting at 4:00 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 October 4, 2011, meeting.