

MINUTES – BOARD MEETING
February 7, 2012

Submitted for:

Action.

Summary:

Minutes of the February 7, 2012, meeting of the Illinois Board of Higher Education held at Kendall College, Chicago, Illinois.

Action Requested:

That the Illinois Board of Higher Education approve the Minutes of the February 7, 2012, 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 1:05 p.m. in the Grand Vista Room at Kendall College, Chicago, Illinois, on February 7, 2012.

Carrie J. Hightman, Chairwoman, presided.
Cindy Kolley was Secretary for the meeting.

The following Board members were present:

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

Also present by invitation of the Board were:

G. W. Reid, Executive Director, Illinois Board of Higher Education

Presidents and Chancellors

Al Bowman	Elaine Maimon
Rita Cheng	John Peters
Sharon Hahs	Jack Thomas
Michael Hogan	Wayne Watson
Susan Koch	

Advisory Committee Chairpersons

Marie Donovan, Faculty Advisory Council
Gayle Saunders, Community College Presidents
Susan Friedberg, Propriety University Presidents
Anthony Cozzi, Student Advisory Committee
Elaine Maimon, Public University Presidents
Tom Thompson, Disabilities Advisory Committee
Dave Tretter, Private University Presidents

I. 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, “Good afternoon everyone, welcome to our first meeting in 2012, and welcome to Kendall College.

“Board Members Heba Hamouda, David Anderson and Kym Hubbard are not able to attend the meeting today in person due to employment. Is there a motion from the Board to allow their participation via conference call because of her employment situation?

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

“I want to thank President Knight and Kendall College for the hospitality they have shown us in holding this meeting here today, and what I would like to do is invite, is to ask Dr. John Sabatini, who is the Corporate Vice President Laureate and Owner of Kendall College, to actually welcome us, and then introduce to us President Knight.

2. Welcome by John Sabatini, Corporate Vice President Laureate and Owner of Kendall College

Mr. Sabatini welcomed everyone to Kendall College.

Welcome by Ms. Emily Williams Knight, President, Kendall College

Ms. Knight welcomed everyone to Kendall College’s campus.

3. Welcome and remarks by Chairwoman Carrie J. Hightman

Chairwoman Hightman said, “Thank you and welcome to the Higher Education Community in Illinois. So, we had a great luncheon today with the Illinois Community Colleges presidents and I want to thank Dr. Gayle Saunders for leading us in the conversation and you are right behind that picture, it is really funny. The Illinois Board of Higher Education (IBHE) student advisory committee met at Joliet Junior College on Saturday and I want to give you some information on the results of their elections. We hear about the Nevada, we hear about Florida, but the important elections for us here in Illinois are the IBHE student advisory committee elections and there are new officers that were elected and Anthony Cozzi and I did not have a chance to meet you before this, but welcome, was elected Chairman so he is here today. He is a graduate student at Governors State University so I assume that Elaine and you have already bonded. Congratulations on your new leadership role. Elaine wanted us to give him a round of applause for Governors State so let us make Elaine happy, give him a round of applause. Is Courtney Jennings here? She is a Northeastern Illinois University student and she was elected Secretary. Sharon probably wants us to give Northeastern a round of applause. We love you all equally. And Justin McDermott, a Harper College student will join us in August as the non-traditional student board member. There is probably nobody here from Harper, right? Alright, I

did not mention, which I should have, I skipped over this that Ari was reelected for another term as student board member, and Ari Shroyer we appreciate all that you do, you have been around for awhile, so everybody knows you there is no additional round of applause for your higher education institution necessary but we need a round of applause for you, Ari. So, we do look forward to working with you all and the student leaders that will be, the additional student leader that will be joining us, so welcome, congratulations. Also, Marie Donovan has joined us today at the advisory committee table representing the Faculty Advisory Council. So welcome, a familiar face.

“I want to also express our appreciation to the members of the Disabilities Advisory Committee for presenting today’s *Public Agenda* showcase. I am thanking you in advance. When we met with you in December at the luncheon it was really enlightening to hear how this group of educators and their colleagues are breaking down barriers by providing effective accommodations for students as well as faculty and staff with disabilities. Because it was evident that this committee has indeed taken to heart Goal One of the *Illinois Public Agenda* which is increasing the academic success of students with disabilities we invited them back here today to share their good work with everyone in attendance here today. So we will hear more about that shortly.

“I think it is probably appropriate just to mention that the luncheons that we hold with our various advisory groups prior to the Board meetings are really important part of the work that the Board does, and they are really helpful to educate us about the issues of concern that maybe we do not necessarily fully appreciate as we meet in this formal setting. Today’s showcase was a great example. I think the community college discussion was wonderful, and as I said last time, we had a great meeting too. So, we really think it is important and useful to have these luncheons and want to thank everybody for helping us make the most of that time together.

“George is going to speak in a minute about some new staff appointments at the Board of Higher Education, but I wanted to take this opportunity to thank the Board for the work that they do for us. They are a small staff, but a very effective staff, and I also want to in advance of the announcement that George is going to make congratulate our newest staff members.

“Turning to the agenda today there are several important items that we will be going through and hopefully going through rather quickly. I think our last meeting took a long time, which is unusual for us. The Board will receive the final recommendation of the Performance Funding Steering Committee and then take action on the implementation plans for performance funding for FY2013 budgeting purposes. So, this will be a very important step that we are taking. I would note that what we are doing here in Illinois matches up elegantly I would say, to what President Obama is doing at the national level or trying to do at the national level, and if David joins the call, I do not know if he has yet. David are you on? David wanted to speak up because he is there in the heart of it all and talk about what is going on in D.C., so if he joins later we will give him the opportunity to do that, but it is nice when a plan comes together, whether it is by luck or by design, I take either way. So, what we are doing here in Illinois does match up and that is a great affirmation of what we are doing. As to the recommendation that the staff is going to present to us today, it really is the result of a lot of hard work and effort by the Performance Funding Steering Committee, many members of which are in the room with us today, and then a lot of key stakeholders being involved. As we did with the *Public Agenda* development this committee took information and opinions and viewpoints of all stakeholders and we really think that that is an important way and a necessary way to do this. So, there were representatives of the students who are the beneficiaries of the higher education community, the faculty whose quality

teaching ensures the progress of the students towards graduation, leadership of the community colleges, public institutions and private institutions of higher education, the business and labor communities who reap the benefits of the work of the higher education sector, and the State's legislative and executive branch leaders who are setting the policies for completion in student success. They were all involved. We are really grateful for the time and effort spent on this important issue. You held seven meetings since the summer many of them were not short. You shared position papers and other information all of which can be reviewed on the IBHE website. In addition, all the other material generated as part of this effort is available and accessible on our site, so I encourage you to look at it if you are interested. You listened and you learned from our consultants, Dennis Jones from National Center for Higher Education Management Systems (NCHEMS), and Mike Baumgartner from Complete College America (CCA), and you compared other states experiences to what would work best for Illinois. And you worked towards meeting the goals of the *Illinois Public Agenda* as well our statewide goal that by the year 2025, 60 percent of all Illinoisans will have a college degree or credential of marketable value, and we thank you for keeping those goals in mind. I am speaking on behalf of the entire Board of Higher Education when I sincerely thank you for the hundreds of hours that you put into this and that you basically donated to the State of Illinois to accomplish the historic endeavor that we are going to start implementing today.

“In addition to that and actually related to that effort, we are going to be adopting our budget recommendations for FY2013. And, as all of you know, we began our budget planning at the start of this year with an announcement from Governor Quinn that his budget recommendations will keep higher education at level funding. Well, we can always hope for more and we are going to ask for more and we are going to work to get more, but the commitment that the Governor made to protect the State's investment in education is really not a bad place to start from as we start the discussions and we work with the Legislature to get a budget approved and to get money for us. This is especially true in these really difficult budget times. As you would expect, we are going to be considering a multi-state budget proposal so what we will do is show the General Assembly that if they wish to invest more in higher education as we hope that they will, we will give them the plan for where the additional funding should be allocated including additional funding for performance based initiatives which is great. So, with that, I am going to turn to Dr. Reid for his remarks.”

4. Remarks by Executive Director G.W. Reid

Dr. George Reid said, “Thank you very much Chairwoman and Members of the Board. One of the goals of the us, the staff and the Board, is to make Illinois one of the best states education-wise in the country. The organization most highly regarded for rating states' educational systems is the Data Quality Of Campaign. Data Quality Campaign has a rating system of ten points, a ten-point rating system. Illinois has accomplished four of the ten points. That is not such a good standing at this moment. One of the reasons that the Data Quality Campaign has told me that we are not higher is because of the way that we have our longitudinal data system organized. Right now we have a federated longitudinal data system. That means that each of the higher educational agencies has and manages their own longitudinal data. There is no overarching governance board. This overarching governance board is what the Data Quality Campaign would like to see the better states have. I discussed this matter with Chris Koch the State Superintendent of Education (ISBE) and with John Sinsheimer from the Illinois Student Assistance Commission (ISAC) and with Geoff Obrzut from the Community College Board (ICCB) and several others, including Jason Tyszko of Department of Commerce and Economic Opportunity (DCEO), etc., that we need to think about how to organize a governance structure

that is centralized. They all agreed with me, we took the matter to the Joint Education Leadership Council, presented this idea about a centralized governance structure, the Lieutenant Governor, who chairs that council agreed, and so did that council. We further took it to the P-20 Council which also supported the idea. The agency heads that own the data, IBHE, ICCB, ISAC, ISBE, DCEO, and the Department of Human Services, we have had two meetings to talk about how we go about organizing this, the principle. The question is whether or not we will need legislation to do this or interagency agreement. The Data Quality Campaign says that the stronger of the two is a governance structure that is bound in legislation. Before the end of this month we will have a couple more of those meetings with the agency heads and also the central technology people, the chief technology people of the campuses, to go through some of these issues related to organizing the longitudinal data structure. I will keep you posted because this is an item, that as I said in the beginning of this comment, that will control how Illinois is going to be rated by the top rating agency, the Data Quality Campaign. We believe that if we get this governance structure organized in the right fashion that we will pick up several points and will be more in line with the federal government funding, some of that funding that we have missed over the past few months.

“The second thing I want to talk to you about is, I am not going to say a lot about performance funding today, because Al Phillips is going to come up and he is going to go through that, but I do want to say a few things. One is that we must see performance funding as a work in progress. This is something that we will not finish this year. We are presenting to you our best recommendation that should go into our thinking for FY2013. But it is a work in progress. It is something that will be refined over and over again. The better states that have gone to performance funding have had this refinement process each year. That is what we plan to implement. So we are going to organize a Refinement Committee, Subcommittee of the Performance Funding Steering Committee that will be recommended by Al and Bob. They will meet regularly, the Performance Funding Steering Committee will meet quarterly, and we will go through the recommendations from the Refinement Committee. So that when we get to you with our recommendations, let us say September or October or December of next year, you will see some refinements and what we will recommend for next year. For this year, we are recommending the best that we can put together for this particular cycle. The second thing I want to say about performance funding is that we decided to go with a small amount of money to kick off this process. That is, that we did not want to have a large amount of money dedicated to this, because we did not want people to see that a lot of their money would be at risk this first time around before we get it sort of more refined. So, that is the second thing. The third thing is that this performance, as you will see from Al’s recommendation, we have a couple of goals that we are trying to reach in the Governor’s State of the State address which he delivered last week. Even last week he talked about the goal of 60/25. That is by 2025, 60 percent of all adults in Illinois will have completed some form of postsecondary education, 60/25. Well, this is one of the goals that we are trying to attain with performance funding. Another goal is that we are trying to close the achievement gap, that gap that has been identified in the *Public Agenda*. The *Public Agenda* do not forget said that we have two states, one that was doing well, one that was not doing so well. A part of what performance funding is supposed to do, by our recommendation, is to help us to continue to close that gap and to close it at a faster pace than we would ordinarily close the gap.

“I want to also mention to you a couple of other things I want to bring to your attention. Today we are joined by some staff that are in new positions. I want to introduce to you Cindy Kolley who is sitting at the Chairwoman’s left. She replaced Linda Oseland as your Secretary, Secretary to the Board, and the administrative assistant to me. We are glad to have Cindy. She is doing a magnificent job actually. The other person I wanted to introduce is right behind me and

she will be making a presentation in just a few minutes, Karen Helland. Karen is our new Senior Associate Director for Research, Policy Analyses, and Publications. Most coordinating Boards have this kind of position, we did not and we were looking around for a person who could do it, we found the person on the inside of the organization, which always makes it good and Karen Helland will be heading that operation. You will see some of her work coming up shortly as we review the underrepresented groups report, you will see some of the influence of her work.

“Next I want to just say a word or two about something that the Senate Democrats are working with us on before I introduce a final person. The Senate Democrats called us over to the House about three weeks ago and said to us that they were interested in something that we had been interested in for a long time. Bob Blankenberger has been working on this for a number of months and that is dual credit programs and courses. So, what the Senate wants to do is to encourage colleges and universities to get more involved with this and I do not know what the details are going to be because we are beginning to help them write the legislation now but there will probably be legislation to encourage colleges and universities to do more with dual credit programs and courses. Dual credit programs and courses, as you know, give high schoolers some opportunity to take college courses before they are finished with their high school curriculum. And so we will be working with the Senate to get that accomplished.

“I want also to say a word or two about HCM Strategies. HCM Strategies, this is an organization that was founded as a result of their work with Complete College America and funded by the Lumina Foundation. HCM Strategies is looking for states that are pursuing broad and big goals in higher education, goals like reducing time-to-degree, goals like increasing the number of graduates, goals like reforming remediation, goals like performance funding. They want to identify ten states that they can partner with and bring aboard with them for those states a lot of resources to help those states to accomplish the big goals. We think that while they were here they met with the Governor’s office, Lt. Governor’s office, and leadership of the legislature and we think that we are pretty good stead and we think that we might become one of those partners and we will keep you posted on that as well. The leaders of HCM Strategies, some of you may remember a few of them, one is Jimmy Clark of Louisiana, another one is Christine Marson who is fairly new with the Lumina Foundation, but many of you may remember Lana Oleen. Lana Oleen is a former CEO of the Midwest Higher Education Commission.

“Madam Chairwoman and members of the Board I want to also talk to you about one other initiative and that is the Illinois Pathways Initiative. The Illinois Pathways Initiative. In our December meeting you approved our involvement with the Illinois Pathways Initiative. That is an initiative that the Department of Commerce and Economic Development has developed or will be developing with the colleges and universities and the business community. Department of Commerce and Economic Development will be working with the colleges and universities with us and with the business community to develop curriculum that as students go through the curricula and graduate at the end of that process the businesses will be there with a job for them. Pathways, Illinois Pathways Initiative. It was something that was we thought important for us to go along with. All of the other agencies had signed on, we presented it to you in December, you agreed with us, with the staff. The Illinois Pathways Initiative was also now part of the Race to the Top #3. You know we did not get #1 Race to the Top or #2 Race to the Top, but we did apply for #3 Race to the Top and we did get funding for Race to the Top #3. In Race to the Top #3, the federal government allocated to Illinois \$42.5 million, in excess of \$42.5 million, and a big part of that is going to be dedicated to the Illinois Pathways Initiative. So, we will keep you posted. Many of the business people in the State are really gung-ho and very supportive of this initiative

and think this is the right thing to do for many students who graduate without the prospects of jobs.

“Finally, Ladies and Gentlemen of the Board I would like to introduce to you and have him to come forward now, the new Deputy Director of Advancement, External and Governmental Relations, Mr. Jonathan Lackland. You remember on the 31st of December our former director retired. We have been searching for a director for the past two and half, almost three months. Mr. Lackland comes to us as a senior officer in the Illinois Department of Transportation, one of the largest state departments in government over 2,000 employees. He was the senior officer advising the secretary of the department, Ann Schneider, in terms of legislative affairs, and governmental affairs, and gubernatorial affairs. Mr. Lackland has also been a ten-year executive, not only in state government, but also with the non-governmental organizations, like the Alzheimer’s Foundation and many others that he has led. So it is with great pleasure that I introduce to you our new Deputy Director for Advancement, External Relations and Governmental Relations, Jonathan Lackland.”

Mr. Jonathan Lackland said, “Thank you. Very briefly, it is a pleasure to be here to meet with you today. I am very eager to hit the ground running, to work not only with the Board of Higher Education, its staff under the direction of Dr. George Reid, the Board itself under the direction of Madam Chairwoman, Ms. Carrie Hightman, in addition to higher education community partners and other partners. We have a hefty agenda to push. I am looking forward to the challenge and I definitely look forward to working with each and every one of you here today. Again, thank you for your indulgence, I appreciate it.”

Chairwoman Hightman said, “Welcome.”

Dr. Reid said, “Madam Chairwoman that ends my comments at this point.”

Chairwoman Hightman said, “Okay, then we are next going to turn back to you for the *Public Agenda* update.”

II. The Illinois Public Agenda for College and Career Success

5. Public Agenda Update

Dr. Reid said, “We, our staff to come forward to present to us the Underrepresented Groups Report. Basically, this is a Report that describes how well those groups that we identified in the *Public Agenda* as being on the underside of the achievement gap, how things are going for them, and this is a report that we give annually, that the Division of Diversity and Outreach headed by Dr. Arthur Sutton, is in charge of. This year he is joined by two other staff members from IBHE. As I told you, Karen Helland is one, and Richard Tapia is the other.”

Dr. Arthur Sutton said, “Chairwoman Hightman, Board Members, Staff, distinguished colleagues, thank you very much for this opportunity. I just want to share briefly the annual report that goes to the Governor and General Assembly on the status of underrepresented students in the State of Illinois. As you will notice, the actual report has changed and we have made modifications. We have kept the same general information, but we have tried to make it streamline into the point, as far as you will be able to see, charts and information, and go right to the point, as far as looking at the progress, and plan movement that the State of Illinois has done. We have worked with the public universities, the ICCB, their institutions, and various

organizations throughout the State to see improvement, and we hope, and plan, and work towards further improvement. So what I will do is, just even as we have changed the report in some format, I am also going to change, as far as how it is actually presented. We will come up as a group and talk about it. As Dr. Reid even talked about, he gave some general information as far as information about the report, it is an annual report. It goes to the Governor and General Assembly. It goes before the IBHE Board and is reviewed, and then we go from there to present it further. So, I will take this point to allow Karen and Richard to say something about the report.”

Ms. Karen Helland said, “Good afternoon. Thank you. First of all, I need to thank Dr. Arthur Sutton for letting me come in and join him on this project. It was kind of like the last few weeks of his finalizing the project and I came in, and I really need to thank him and say you know I really appreciate you inviting me in. As Arthur mentioned we changed the report a little bit to make it a little bit more up to speed, and one of the things that we looked at of course is the educational pipeline and how the underrepresented students are moving through the system. First of all, we looked at high school graduation, we looked at the drop-out rates and as you notice in the report the African-Americans were very high. Even though they have come down in the past year they are almost double what the state rate is for the drop-outs. Secondly, I looked at the enrollment in college, and what we did is we looked at all the under representative groups together as one, and they make up about 33 percent of the total enrollment in public and private colleges and universities. We have seen a slight increase and over the many years that we have done this report, we continually see a little increase as we go along. African-American at about 14.5 percent of the population in college education and Hispanic at about 12 percent. Then also we looked at the graduation from college. Of course, with the Complete College America and the 60 by 2025 goal, this is the key thing that we want to watch. As you can see in the report there is a big disparity in Illinois between the minorities that are completing college and the underrepresented groups. Illinois is pretty down towards the bottom. In fact 43 of the 50 states are doing a better job at addressing this disparity issue than Illinois is. And as we look at the states we see that Illinois is way down there at 44, even below the U.S. average of 16.2 percent. When we looked at Illinois, looking at the associate and the bachelorette degrees awarded, the underrepresented group number was about 28,000. This is an increase over last year and we are seeing an increase in African-American at about 12,000 and Hispanic at about 8,000 to 9,000. So all in all our numbers are going up but we still have a huge disparity gap to cover. Just to go back and talk about the *Public Agenda* a little bit. We said in the *Public Agenda* that Illinois must overcome this disparity gap so that all residents have affordable access to high quality educational opportunities that prepare them for the jobs of today and for tomorrow. And, next Richard will speak a little bit on the commitment.”

Mr. Richard Tapia said, “Good Afternoon. I just want to make a brief statement about pipeline issues. For Illinois students it is increasingly evident that success in postsecondary education is connected to a student’s preparation and persistence in attaining their academic goals. This means students must have a solid foundation as part of the preparation for the college enrollment. This solid foundation throughout the educational pipeline better ensures a student who is ready for college and better prepared for employment in the global economy. Thank you.”

Dr. Sutton said, “Again two points. How we are working across the spectrum as far as trying to address and to see improvement in all spectrums. We are working with the high schools, with colleges, universities, to see student goals as far as being able to be successful in college participation and completion. Working with various organizations throughout the State, as well the community partnerships that we have and with the universities, so, as we have seen

improvement this year we expect to see improvement next year and as we progress through the goal to see 60 percent of the population by 2025 have a certificate or an employable certificate or degree by that time is our goal especially in this area, because this is a student group that can actually make the greatest achievement the quickest. So we look forward to continuing development this area and we will diligently work to prepare further on this. So thank you very much for your time and any questions.”

Chairwoman Hightman said, “Does anyone have any questions, any Board members or any of the other people in the room?”

Dr. Proshanta Nandi said, “Arthur, in explaining the gaps between whites and minorities, what was the single most variable that comes to your mind or you have not done analysis on that front yet?”

Dr. Sutton said, “Again, one of the most straightforward things is services to students. Some of the issues are poverty, as far as students being able to afford and to be able to remain in school if family demographics and situations have been identified, as far as things that have been problematic, as far as students in college have enough to deal with not only their situation but things that are going on also outside the college experience, so support services has been a dynamic part of activities that help students be successful and remain successful on the pathway to degree completion.”

Dr. Elmer Washington said, “Arthur, do you have any idea as to regions or communities that have been effective in dealing with some of these issues? Is there significant variation from community to community as far as you can tell?”

Dr. Sutton said, “Well, as the report identifies, we look at as far as college participation and enrollment from one year to the next year. What the information at the institutions provide have been basically where the university is. The high school report that we look for as far as information as far as students not completing, that is something that the State Board would provide and they provide as far as is on their website, but ours is specific to just to university and what they have done to help their students complete. So for example, at the last Board meeting we had one institution talk about a support program that has helped the students that were on their campus and so we have looked at information based on the campus-wide participation and completion from that perspective.”

Dr. Francis Carroll said, “My request is, this is an excellent report and I would like to have had it the night before, two days before the meeting so I could have had really studied it. So would there be any way that we could get these reports maybe via email, etc., so that we could at least have some time to read the information that is in here.”

Dr. Reid said, “Yes, we do apologize about that. There was so much information that we were trying to get into the report and it kept coming and so some of it we had to cut it off and said we have to get this report to the Board. And, so we apologize we will do a better job at that.”

Ms. Marie Donovan said, “Arthur can you elaborate a bit on how what kinds of conversations you are having about integrating this effort, with P-20, with ICCB, ISBE, etc., what are some of the recommendations?”

Dr. Sutton said, “We have a committee that meets, we actually have met, and many of those have representatives as far as institutions being a part of the P-20 or Community College Board. So the dialog between the groups, among the groups are being involved across the P-20 spectrum. So yes we are connected very much so with that and we are.”

Dr. Reid said, “I am also a member of the P-20 council and thank you Marie for that. I will ask that this report be delivered at the council as well. So thank you so much.”

Chairwoman Hightman said, “I have a question, if you look at the chart on page 3 of this handout, it is a graduate from college section and it shows Illinois at number 44 in terms of gaps between whites and minorities in college attainment. Do we have any idea on the, at the pace that were operating now, with the initiatives that we have now, how long will it take us to get in the top ten?”

Dr. Santos Rivera said, “I said a 100 years according to a report that IBHE put out about 20, 15, 10 years ago.”

Chairwoman Hightman said, “But we now have the *Public Agenda*, now we are working on it, so is it, I mean how long really do we have a clue?”

Dr. Sutton said, “Well we can do is next year, we have tried to look at this longitudinal from this year to next year as far as where we have made improvements, so we want to look from this point how we might do that. So in strictly answering your question right now, I do not have an answer but we will look into and look to provide you a more specific answer at a point further, so we will look into that.”

Chairwoman Hightman said, “Yeah, because I mean you know the public, we have the goals and the *Public Agenda* but I do not think we have ever said you know we will get there. Have we said that we will get there by X date? I do not think the *Public Agenda* can say that, because we do not even know the answer to that, but I think that maybe we need some context within which we do all this and to understand how the pace at which we are moving. You know when we really think we will get there sort of like kids in the car, are we there yet, are we there yet. I mean, you know, I know we are not there yet and I know we are not going to be there next year and I am sure we are not going to be there in five years, but when will we be there. I am asking rhetorically. I am asking it with the suggestion that maybe staff think about that and put together something that will give us a better understanding of really how well we are doing.”

Dr. Rivera said, “You know what, I was not kidding when I said that, because I have been very disappointed in a lot of the studies and everything that tend to attempt to give the impression that we are being successful in addressing the needs of the minority students in particularly the African-American and Latino communities. During this time that you were doing your work were you able to identify any best practices at both the community college and at the four-year institution, sort of like what Al Bowman has been doing at Illinois State University (ISU) for these years. That is demonstrating a very success rate with minority students when some in many cases are academically unprepared.”

Dr. Sutton said, “Right, from the information that has been provided as far as from the institutions and the various boards and organizations that we work with in putting the material together support services programs have been identified as probably one of the best practices as far as being to, I mean with the, I would say the prethra of situations that at-risk students come to

school at, helping students to be prepared as far as having effective study habits, being prepared and being on time, and being responsible as far the practice of being an effective student, so those things have been identified as strategies to help students move forward, to be committed to school, and to be successful, and again those things are identified, and the universities are identifying what they are doing to address those situations with students also, as well as the community college system.”

Dr. Rivera said, “Yeah because this is a major concern especially when you see that for example most recently for the past ten years as far as the Latino graduation is concerned been pretty flat-lined. It has been the same for the past ten years. Eventually you are going to have to say we are looking at demographic. Supposedly, the Latinos are becoming the largest population across the nation and then you see that they are still faltering and we are looking for a strong workforce, well we are looking for one today. Now what exactly can we do to do that rather than, because also what are community colleges doing? The majority of Latinos, I am talking right now about Latinos, are going into two-year institutions and their graduation rates have to be questioned.”

Dr. Sutton said, “Again, the structural support programs and helping students to be able to effectively identify themselves as far as the needs that they have when they were going to student services to talk about things that they have and seeking out the support from the institution to help them to move forward having things that have been identified across the system of higher education to help students move forward and to remain in school from year to next year to the next year.”

Dr. Nandi said, “Arthur your answer leaves me intellectually and philosophically dissatisfied when you said poverty seemed to be the most important way in analyzing this. Illinois is fourth or fifth most industrial state in the country. You mean to say Kentucky and Vermont and West Virginia are better off than Illinois? How do you explain this disparity? It has to be something in addition to poverty and I wonder if your research would think about going further deeply into this and making some kind that we can address it from this committee.”

Dr. Sutton said, “One of the points that were made was that some of the key factors, I said that students preparation and poverty were a part of. I did not say it was the number one thing. I said it was some of the things that came out as far as in the studies that were identified as to how students, because financial need is going to be an issue, student preparation are going to be an issue, as far as being able to successfully stay and be prepared for school, students commitment to education, personal life situations, personal family life situations were also all key variables in studies that have been done to identify why students struggle and have difficulties going from one year to the next year in school. So those are just components not necessarily, I did not rank order anything. I just gave an answer as far as saying some of the things that were identified through the studies. So, it is an important thing to be able to say that students need to be prepared students need the financial resources to be able to go to school and students need to be committed to be able to say across from day one my plan is to be able to stay here and to complete my degree program so that I am able to go out into the workforce.”

Dr. Carroll said, “I do not think that, Arthur, that you can answer this question. I think everyone of us sitting around the table knows the answer, you do not have to be a rocket scientist to know what the issues are and I think that the commitment now with the performance agenda with the *Public Agenda*, with the performance funding and the seriousness, George, to make sure that some of these things happen and that we get the presidents involved, I think that this situation

can be resolved. We are going to always have the poor with us, we are going to always have not enough money, but we know that it is not just that. Elmer was discussing with me, Carrie, earlier that he had done some research on the colleges that are making a difference and they are already doing it and maybe we need to look at that and see how we can ensure that we have the students coming to school, they do not graduate, or they do not complete their course, because there is something in that environment does it not help them to go on. I think we need to look at some of these non-money issues in order to see how students succeed. I think we can all sit around, we have people here in this room that can testify that they did not all come from the millionaire families, but somehow they were successful in completing school. And I think that we need to look at some of those generic items and help our students. I certainly would like, we got a young black president back there, Jack, that I think could up with some ways that we could be successful in helping our students graduate. There are other people here. I think the proprietary colleges have graduated more students than our state colleges that are known as African-American or Hispanic. So I think that we may need to have a conversation, Carrie, that will take a look at what you can really do.”

Chairwoman Hightman said, “So maybe what we can do is put this on the agenda during the upcoming year and, or maybe even have a working session of the Board on it, we can brainstorm some and then come back to the Board. I think that that is a better venue to have the conversation.”

Dr. Addison Woodward said, “Carrie, just a quick comment. You know I am looking at the first two graphs. There is a higher dropout rate or pretty high dropout rate with minority students. The second graph shows that underrepresented students only compose about 33 percent of enrollment and then we get to graph three it should not be a surprise that if you have input that is insufficient you are going to have differences in graduation rates. So I think it is important always to keep in mind what is going on first, and it is P-12 has been and will be, and we keep forgetting that. We need always to focus on P-12.”

Dr. Reid said, “I just want to add that there is extraordinary success in Illinois. We have brought many of the colleges by the Board to demonstrate how they are having success. We know for example, that Illinois State University that President Bowman has had extraordinary success with African-American students. We know that Bill Perry at Eastern, who came before you, I think it was maybe December, to demonstrate in the *Public Agenda* update the success that he was having and then we have had other colleges and universities to come by here to talk about their programs. The characteristics of success with these students is that you have to reduce the teacher-student ratio, number one, so that each of those students involved can feel a connection with the teacher and the teaching process. The second thing that I have found with these programs is that before they are integrated into the largest society, the larger university community, they are in a program designed just to enrich their skills at Southern Illinois University for example, we have that type of program. So we have some examples of best practices and success that we brought by here to you, but it is very, very expensive, by and large to do these kinds of programs, every college and university president I have talked to said that they just had to make the sacrifice to say well we are going to take 100 or we are going to take 200 of these students and we are going to make certain that they are successful. And, that is what they have done.”

Chairwoman Hightman said, “Okay I think in the interest of time we need to move on. I think that you all have an idea of what we are looking for and we know how we are going to tackle this issue. So, thank you for your time. Moving now to the *Public Agenda* showcase item.

I am going to let Dr. Reid do the introductions of the Disabilities Advisory Committee's presentation."

6. Public Agenda Showcase

Dr. Reid said, "We had lunch with the Disability Advisory Committee and we were very intrigued by their conversation with us. It was a very serious conversation, a very purposeful conversation, and we asked Tom to come by to talk to us more to give us some of the research that he is found and some more information. So this is from the Disability Advisory Committee."

Mr. Tom Thompson said, "Thank you, Madam Chair and Board Members and distinguished guests. Thank you for giving us the opportunity. I am going to speak briefly at the beginning and at the end, and then Eric Lichtenberger, who is here from Southern Illinois University-Edwardsville will be going through the bulk of the actual study we want to share with you. For those of you that may be new I just want to let you know as a reminder that the Disability Advisory Committee was established in 2004 by the then Chair, Jim Kaplan. From the beginning of our formation we have been very interested in what I would call disability metrics. You know, wanting to understand more about the numbers of students with disabilities that are in higher education and then how they are doing. And, that is one of our major goals now particularly building the infrastructure to know more about the performance and the achievement of students with disabilities. As you just saw from the brief report on the underrepresented groups report all we know about students with disabilities is that they are in the pipeline. We do not know anything about their performance characteristics at all. We will get you a snapshot of a study that was done by Southern Illinois University-Edwardsville and I think this will give you a pretty good handle, and Eric will explain how they arrived at the data and so forth. The high school class of 2002, this is going to look at all those students six years later, what were their actual accomplishments, and when they did the original study it was on the entire high school class of 2002, and then they did an additional study and they abstracted out of that all the of the students with disabilities that began in 2002 and it was a fairly large group. It was seven percent of all the students that were enrolled. At the end when I come back I will talk a little about what our committee is doing, two particular projects that concern disability metrics and kind of where we would like to see things go. I am going to turn this over to Eric now."

Dr. Eric Lichtenberger said, "As Tom mentioned my name is Eric Lichtenberger. I hope I am pronouncing that correctly. I am the Associate Director for Research at the Illinois Education Research Council. I am also an Assistant Research Professor at Southern Illinois University- Edwardsville. Here is the context of the current study, within the past 18 months there have been two rather large national studies that have been released focusing on students with disabilities and what happens to them once they enroll in college. One study takes somewhat of an institutional perspective and the other study's a little bit more student centered. So, there is the of 2011 and they established that nearly all degree granting, postsecondary institutions enroll students with disabilities, not very surprising. In academic year 2008, there were roughly 700,000 students with disabilities enrolled in colleges, half of which were enrolled at community colleges. And the largest categories of students with disabilities were in the specific learning disabilities category and the ADD/ADHD category. Those finding are pretty similar to what we found with the Illinois cohort.

"The more student center study was Newman it was conducted in 2010 and what they found were growing enrollments of students with disabilities in post-secondary education. In

fact, the rate of enrollment doubled from 1990 to 2005, from roughly one-quarter to one-half, and they were focusing on any post-secondary enrollment within four years of high school graduation.

“In terms of their enrollment patterns, students with disabilities were less likely to enroll overall. However, they were more likely to enroll at community colleges or in a vocational program relative to same age peers without disabilities. In terms of their outcome attainments, they were less likely to graduate or complete a program overall, but they were more likely to complete a certificate or an associates degrees at a community college. That differed somewhat from what we found with the Illinois cohort.

“The current study, let me describe the study group, we started with 113,000 public high school students who took the Prairie State Achievement Examination which happens to be the ACT in the Spring of 2001. They also indicated that they would be graduating the following year in 2002. Our study had some delimitations therefore it did not include graduates of private high schools from Illinois nor did it include out-of-state high school graduates who migrated to Illinois post-secondary institutions. Essentially, we started with Illinois high school graduates and tracked them wherever they went using national student clearing house data.

“Being that we were only provided with 20 minutes, I cut the research questions down today focusing on two. The first one being to what extent do students with disabilities differ from students without disabilities regarding key demographic factors that potentially could impact post-secondary enrollment or degree completion. The second question was what are the differences between students with disabilities and students without disabilities in terms of their post-secondary enrollment and degree completion patterns? This is how we captured the disability information. There was a specific item on the student interest profiler that proceeds the ACT as part of the Prairie State Achievement Examination. So these were the categories we used and we found that seven percent of our cohort self-identified as following within one of these disability subcategories. More specifically, roughly 50 percent of our cohort fell into the specific learning disability or the ADD category which parallels the findings of ROW, from their 2011 study.

“In terms of answering research question number one, what we found is with students with disabilities had overall characteristics that would suggest a lower likelihood of post-secondary enrollment and degree completion. They were significantly less likely to be ready for college based on the Illinois Education Research Council College Readiness index. Now keep in mind this combines one’s high school GPA with their performance on the ACT, specifically their composite score. So what you see here is that while 15 percent of the students with disabilities fell into our top two categories, that being the more and most categories, roughly 40 percent of the students without disabilities fell into that category, for a difference of practical significance. Students with disabilities they were also more likely to be male.

“Not to sound like a commercial, but the educational pipeline for male students is far leakier than the educational pipeline for female students. And this was established in some of our previous study and in recent national studies as well. Kind of related to what Arthur was talking about earlier, students with disabilities were also more likely to be within the low family income category. So, while 38 percent of the students with disabilities reported family income of less than \$30,000, only 26 percent of their same age peers without disabilities reported that same level of family income.

“Moving forward, we also found that a high proportion of students with disabilities were enrolling in college. Roughly two-thirds of the students with disabilities enrolled at either a four-year institution initially after graduating high school or at a community college initially after graduating high school or they delayed their post-secondary enrollment. But, in terms of their enrollment patterns they differed slightly from students without a disability. You can see on this graph the students with disabilities were slightly more likely to utilize the community college system. They were significantly less likely to enroll in a four-year college. There was 20 percentage point difference between the students with disabilities and the students without disabilities. They were slightly more likely to delay their post-secondary enrollment and as a result, they were significantly more likely to have not yet enrolled during the study period. And, as Tom mentioned we tracked this students six years after college. So, our study period ran from the fall semester of 2002 through the end of the spring semester of 2008.

“Now in terms of sector among those initially enrolling after high school graduation students with disabilities were slightly more likely to stay in state. They are also more likely to utilize in-state public two-year and four-year institutions rather than private institutions. As you can on this graphic, nine percent of the students with disabilities enrolled at private institutions that were in state while 14 percent of the students without disabilities enrolled at similar institutions.

“Now once we control for college readiness the difference is in overall enrollment were fairly minimal especially at the top of our college readiness index. When we focus on combined enrollment that is combining their initial four-year enrollment rate, their initial two-year enrollment rate and their delayed rate of enrollment. So in comparing the most ready students without disabilities to the most ready students with disabilities it was only a difference of 1.9 percentage points. So college readiness appeared to eliminate the gap in terms of enrollment and for the more ready students it was actually a smaller difference. The difference was only 1.4 percentage points. So at the top end of our college readiness index the differences were somewhat muted by college readiness.

“Once we look at what the students were doing at the end of the study there were a different outcomes we looked at. We looked at whether or not they completed a bachelor’s degree within six years and if they did not complete a bachelor’s degree we looked to see what they were doing at the end of the study. Essentially, were they still enrolled at a four-year institution, were they still enrolled at a two-year institution, or were they no longer enrolled. As you could see here there were some differences between the students with disabilities and the students without disabilities. Students with disabilities were at a much higher risk of dropping out of college. A higher proportion of students with disabilities were still enrolled at the end of the study which suggests that its taking students with disabilities slightly longer to complete their respective bachelor’s degree programs. And more importantly students with disabilities were significantly less likely to complete a bachelor’s degree in six years. There was a 15 percentage point difference. However, over half of the students with disabilities had completed within six years which to me is a positive outcome.

“Now in terms of bachelor’s completion once we controlled for college readiness, we see that the more and most ready students with disabilities still lagged behind their same age peers in terms of bachelor’s completion. So to a certain extent it did not mitigate the gap in terms of bachelor’s completion to the same extent it did in terms of initial post-secondary enrollment, unfortunately. So there is still some work to be done.

“Another aspect of the study was that we looked at differences between the various disability subgroups in terms of their post-secondary outcomes. And we found some interesting things. First and foremost, students with multiple disabilities and those in the orthopedic category seem to outperform students in the other disability subgroups. We also found that this was in terms of not only basic enrollment but also degree completion amongst the students enrolling at four-year institutions. And in most of these measures these students approximated and in some cases had higher completion and outcome attainment rates than students without a disability, which was fairly interesting. Which means that the within group differences, or the differences where we are comparing the students in the various disability subgroups might be just as important as the between group differences or comparing the students with disabilities to those lacking disabilities. That leads to Tom’s portion of the presentation.”

Mr. Thompson said, “I just wanted to close by telling you that there are two things that the Disabilities Advisory Committee is working on and been working on for awhile. Prior to getting to that I wanted to just go over this. What we are hoping to see happen in Illinois is a systematic data gathering on students with disabilities, something like what you saw represented in this report. So that there is regular ability to disaggregate for this population in higher education and understand how they are doing, what their achievement is, you know, how they compare to other students so we would need to establish some benchmarks for this population, and then to build the capacity to track students, you know, in terms of their persistence or retention their time-to-degree or time-to-credential and completion.

“The two things that our committee is working on both of the projects were calling disability metrics, there is a subgroup of our group that is working with people that are working on the P-20 longitudinal data system and the principal thing there is simply to see that disaggregation by disability is included in the planning of that system. So when reports are run later then we can have that data on students with disabilities in terms of what their performance is. Brad Heddrick from the University of Illinois Urbana-Champaign is leading that group and the second subgroup is actually looking at the underrepresented groups report. The current reporting that is done on students with disabilities and were working on a template for what we are calling like an annual report that would give not only I think more useful data to the State but also more useful data to those who actually work in disability services throughout the State. So we are in the process of putting that together. That is it. Are there any questions? I know we are short on time.”

Chairwoman Hightman said, “Any Board members have any questions for the presenters?”

Dr. Carroll said, “I have a comment. I think it is an excellent report and I had forgotten that the committee had been appointed back in 2004 and that was an excellent presentation. It just hit me, Carrie, that the kind of information that we have received from the Disability Committee is the kind of information that will help up move forward with the performance evaluations. So that we were talking about the improvement of students and graduation rates, etc, etc., I think, George, that we can take from being a person of administrative disabilities program, I think that we can use some of this information to look at what we are trying to do with the regular program.”

Dr. Reid said, “I am sure we can. I think we can. I mean we work with Eric all the time and of course we will work with Tom, as well.”

Ms. Donovan said, “Okay, quick question I have noticed at our institutions sometimes students with disabilities they may graduate but they have a more difficult time getting a job, getting that first job. I am wondering, I know obviously that this ended in 2008 that was a very difficult time for employment but do we have any sense of the challenges they may have with employability once they complete that degree.”

Mr. Thompson said, “Yeah we do and there are some good efforts in Illinois there is some that are working on assisting with placement like disability works and some others around the State and some colleges and universities have their own additional assistance to help people because it is tough the underemployed even for people that are credentialed is much higher for students with disabilities across the nation.”

Dr. Lichtenberger said, “We have that data but we have not analyzed it yet so, I hope that I did not disappoint you with my answer. If they gained employment in Illinois, it is Illinois specific.”

Chairwoman Hightman said, “Okay, we really appreciate your report. Thank you for all the good work that you do and we will tie this into performance funding in a minute I guess as Dr. Carroll just suggested. So with that we are going to turn to the action items on the agenda and the first one is the budget recommendations.”

III. Action Items

7. Fiscal Year 2013 Higher Education Budget Recommendations: Operations, Grants, and Capital Improvements

Dr. Alan Phillips said, “I am happy to have the opportunity to talk about my very favorite subject in the whole world, performance funding. First of all, I want to thank everybody that is been involved in the process. As you know it is been a rather lengthy process, it is been a difficult process starting from ground zero to pull this together. It took a lot of help and support from not only the staff but the Steering Committee as well as a large number of the individuals in this room. So I appreciate your feedback, your guidance, your help, your directions, as we work through some of the very difficult issues to pull this together and get it to where we are today.

“I am going to go through this quickly as I think most of you have seen a large number of these charts before. These are simply our performance funding objectives and the Public Act that directed that we implement performance funding. I do want to comment to one of the bullets going back to the report that was presented earlier. One of the intents of performance funding is to advance successive students who are specifically traditionally underrepresented in higher education and that was one of the goals of performance funding and one of the things we tried to do as we put this together. What we have accomplished, very briefly this lays out the process which brought us to the last bullet which is the finalized performance funding model and recommendations for the budget for 2013.

“With that I will briefly cover the four year performance funding model. The model essentially consists of seven steps that are listed here and I will go through them briefly in order. Step one: identify the performance measures. The metrics support the achievement of the goals and then collect the data. A lot of discussion, a lot of involvement in which of the measures we should use. There are a number of measures we would like to add. The challenge was having good quality data. These measures are not all inclusive but they do give us a good representation

performance at the universities and these are the final measures that we decided on and we used in the model. Subcategories, step three. You award the additional premium for the production of certain undesired outcomes. This once again gets back to the underrepresented report. These are typically the students who are underserved or underrepresented and so by putting a premium on these students that provides incentive for the college and universities to help them be more successful. We weighted them 40 percent, this is cumulative. What that means is basically that if you have a low income Hispanic student that is in a STEM program you get triple credits. So that student would count for over two, or double your standard student would count.

“The next challenge was scaling. The difficulty is if you have data that is not consistent such as trying to figure out how to add numbers of graduates to millions of dollars of research spending. It is difficult to add those two numbers and come up with something that is meaningful. We had a lot of discussion over this, this is one of our largest challenges. I am not sure we have achieved success quite yet. We had in fact had a couple discussions this morning on scaling factors, better ways to do this, this is one of the things we are going to work on as we go forward. However, it was important that develop a scaling factor that people understood, that makes sense, that was fairly straightforward, and did what we wanted to do. As you can see they are basically we averaged the numbers of bachelor’s degrees, that was the base, we normalized the rest of the numbers to that base, came up with values and scaling factors which is the second column, and then the third column basically is the next to the last bullet, we applied a little common sense and took a look to make sure that the numbers we had were what we thought would work, and as you can see we adjusted the numbers of Ph.D.’s as well as the master’s degrees to what we thought was a more acceptable level.

“Weights, one of the challenges was to treat each college and university differently. As you can see these are the Carnegie classifications what we tried to do was based on the mission and the purpose for each of the institutions, tried to weight the measures appropriately. As you will see from left to right the numbers change. We are fairly consistent. The bottom row is the master’s universities. We did in fact make some allowances where appropriate and some cases master’s universities did not in fact have doctoral programs so for that measure there was a zero.

“Another challenge was Governors State and University of Illinois Springfield (UIS). Governors State is or used to be an upper level college. I think we took care of that at the last Board meeting, but because they do have freshmen and sophomore because UIS has few freshmen and sophomores they used to be an upper level institution we had to make allowances for that as well.

“Step 6, basically this is merely the calculation for you, how you determine the performance value. We used the same process for each of the institutions and each of the institutions would end up with a different value. As you can see if you had three universities, each of them would get a pro-rata share of the total amount available for performance funding whether that was a set aside or additional funds.

“Bottom line is all steps are identical. We have tried to account for each institution’s unique mission by weighting the measures differently. All the calculations are independent. The funds are distributed on a pro-rata basis and we are not telling them how to achieve performance and excellence, but we are setting the goals for them in terms of how they would be rewarded.

“Now, I will talk briefly about the community college model. And their model is a little bit different although at the end we achieve the same result. There are 39 districts. There are six

separate measures, same number as in the four-year model but each measure is allocated a portion of the overall funding. So each measure is calculated, the performance for that measure calculated separately. Those districts that show decrease in performance receive not funding and then those that have an increase get a pro-rata share of the pot.

“These are merely the six performance funding measures. Once again, much like the four-year model there were a number of other measures that were considered. To get started these were the ones that were selected. Very briefly this is the calculation for how they distribute the funds. It is actually not as complicated as it might look. I will go through this very briefly. Basically what they determined is the percentage change plus or minus. If you look at college one there was a negative change of performance so they get no funding out of this pot of money. College two had a 30 percent increase so that is greater than zero, you add those up that gives you the total percentages 2.58, you divide the total amount set aside for this which is \$80,000 by that number and then that gives the pro-rata share which you then in turn multiply back by each colleges percent change to get the value. In this case the total amount or the pro-rata share was \$9,579 so they would each get a piece of that percentage. For measure one this is how all of the colleges did. The range was minus 14.3 to plus 30 percent increase. Twenty-six of the districts received funding, the others did not. And, the range of allocation was the lowest allocation was \$74 went to one college and then one college received \$9,579. Now there are five other measures. I am not going to go into them here. If you would like to go through each of the measures they are at the back of the presentation.”

Mr. Jack Minogue said, “Does this assume that greed will dictate how these enormous funds, \$74 for instance, are used to improve the system? I mean, is there, I guess what I am saying is is there any formulas for the post use of the funds you actually get?”

Dr. Phillips said, “Well actually what you see here in the bottom bullet you add all of the allocations together for each of the institutions and the spread was \$8,914 to \$30,000. Now once again we are starting off with a very small amount of money to get started. Had a discussion with the community college president who basically commented that this was good because it kind of showed them what was down the road and it gave them an opportunity to adjust to it gradually and to start making the necessary changes so as the amounts increase which we expect them to and become larger they will have been able to adapt to that, change their systems programs to accommodate that.”

Mr. Minogue said, “But the assumption is they will change it because of getting extra money. Is that the assumption, there is no post-award follow through?”

Dr. Phillips said, “No, however, the formula is recalculated every year so if your performance does not increase then the next year your funding goes down.

“Budgetary considerations/recommendations, our recommendation in throughout all the discussion is that it is desirable that additional funding be allocated and in the states where this is most successful that is in fact what took place. However, understanding that the fiscal situation of the State of Illinois we realize that may or may not happen, but that is certainly something that we would aspire to and that is built into our recommendations. If there is no additional funding available we have recommended a set-aside, and, once again, as I just discussed, it should be started slowly with small funding to give the colleges and universities a chance to adapt and make the necessary changes before we increase the amount allocated over time.

“This is our recommendation based on performance funding. Now what you see here is our actual FY2013 budget recommendation. Step one, flatter level funding, what we are recommending for the four-year colleges for performance funding is one-half a percent set-aside which works out to about \$6.5 million and that is how we allocated the funding for step one. For the two-year colleges our recommendation is \$720,000 set-aside.

“Step two is a restoration of the FY2011 funding. The four-year colleges took a 1.1 percent reduction from 2011 to 2012. We are recommended that they be restored and all one, in this case, it because 1.2 percent when you increase it, be allocated towards performance funding which would be additional funding for the colleges. For community colleges since they did not receive a reduction in funding for this year, once again their recommendation would be the same as step one, is a \$720,000 set-aside.

“Step three, for the four-year universities we are recommending a total increase of \$33.7 million of which \$19.4 million of that would be for performance funding. This came out of a discussion we had at the last Steering Committee meeting whereas if we thought that if we had any chance at all of achieving additional money out of the budget process that if we allocated a large portion of that to performance, that might improve our chances for getting funding, because we are meeting the intent of trying to achieve the *Public Agenda* and the goal of 60 percent of the population with a secondary credential or a post-secondary credential by 2025.

“Step four is very similar, an overall. Six percent increase of that \$54 million would go to four-year college/universities and \$25.9 million of that would be based on performance. For the two-year colleges we are recommending an additional \$12.5 million of which \$4 million of that would go to performance funding.

“Now we believe we achieved the initial performance fund objectives. We have developed a model, we have linked it to the goals, we have adjusted it to accommodate each university’s mission and circumstances, that suggest to account for changes in policies and principals, and it is not prescriptive. The effort was a success. The Steering Committee provided effective guide, structure, and oversight. We did everything we could to make the process inclusive and transparent. We met the intent of the legislation and the goals of *Public Agenda*. We feel that we are making reasonable performance funding recommendations, but there is much more work to do and starting tomorrow we will start working on refining and improving the model.”

Mr. Minogue said, “I think whoever did this, I mean it is brilliant the way you put that together. Can I offer a thought beyond the money? You might publish this publically to kind of dig people’s egos a little bit about being at the bottom of the list as opposed to the top of the list. I think sometimes egos are more powerful than money.”

Dr. Phillips said, “One other thing we are doing is we are drafting a performance funding report that outlines all the work that is gone into this and some of the challenges that we have ahead of us, but that is one of the goals is to make this as transparent as possible.”

Mr. Ari Shroyer said, “In addition to ego too, I think strategy. You know we hosted the community college presidents today and we were talking about the possibility of referendum being on the table as a means to obtain greater revenue, but we need the public support, obviously, and I think that this is very innovative and we have the means now to start waging the

public campaign saying that we are now serious about finding ways with the resources that we do currently have and expanding upon them in the future. So I think this is a job well done.”

Chairwoman Hightman said, “Any other Board member want to make any comments? Jay.”

Mr. Jay Bergman said, “I attended most of the committee meetings and I just have one comment. There is one thing and I am going to of course vote for this, I think it is a good product of the best we could do with the amount of time that was available, but one thing that is not in here is something to encourage economic efficiencies at our different institutions. To my university president friends, no I am not talking about illuminating research, but the State is broke and we have to do the best we can with what we have and I know we had talked at one or two of the meetings about economic efficiencies. I do not think that we were had the formula or the way to promulgate it, but I am hoping that as we move on that we will be able to institute something that will reward universities that become a little more efficient.”

Chairwoman Hightman said, “Is that not the whole purpose of performance funding?”

Dr. Phillips said, “That is part of the purpose. The other purpose is to serve the underrepresented and underserved students and to help further their completion through college but that is certainly one of the.”

Chairwoman Hightman said, “But efficiency alone without getting the results, I mean it is all together I think so, you know.”

Dr. Phillips said, “It is something we tried to get at. We, one of our measures were education general spending per completion, and so the better job you did with that the better your score was. We are not sure we have figured out exactly how to do that yet. A lot of these measures are proxies for what we really wanted to do was the best we could do with what we had, but that is certainly something we will work on and add to the list of things we want to try to accomplish.”

Chairwoman Hightman said, “And by the way, we have not talked about this, but where do we go from here? Do we work to refine the measures? Do we wait and see one year, two years results before we do anything more? How do we get to the question that Jay just asked and you just said was you did not really cover it because we really could not do it at this point?”

Dr. Phillips said, “We already have a list of to-do list in terms of the measures. There is a number of measures we discussed in some of the earlier meetings that we just could not add because we did not have the data. Same thing with subcategories, there is additional subcategories such as disabled, veterans that we did not have the data to add. However, as we work through and are starting to compile the data for the Longitudinal Data System we should be able to acquire some of that data. Additionally, like I said starting tomorrow we will start to refine the scaling factors, take another look at the other pieces of this we wanted to work on, and to make better. It is still, even though it is accomplished what we wanted it to do, it is still somewhat of a blunt instrument, there is only six measures, there is only a number of subcategories, and there is a lot of improvement we can make as we go forward and prepare for the FY2014 budget.”

Chairwoman Hightman said, "So we will expect you all to come back to us, for the staff to keep us in the loop on what you are doing, and to use the time that we have because we did have. I mean you always have a limited amount of time. But here we are sitting here today in February that if we take advantage of the full year you know we can actually do a lot."

Dr. Reid said, "I plan to meet with the Performance Funding Steering Committee quarterly. In the meantime we are going to organize a Refinement Committee that will study ways to make a better recommendation of this in FY2014. We plan to come back to you at the third quarter with a report for FY2014."

"Dennis Jones is here from, Al, would you introduce him briefly?"

Dr. Phillips said, "Yes, Dennis Jones, President of NCHEMS is here. He was our advisor and helped keep us pointed in the right direction, and was a great help as we figured out how best to approach this and asked that he comment on this as he has worked with a number of states in terms of developing performance funding systems and would like to get his thoughts on our effort."

Chairwoman Hightman said, "Welcome back to the Board."

Mr. Dennis Jones said, "It is good to be here. At my age it is good to be anywhere but Madam Chair and members of the Board, Presidents, others, Alan and George have asked me just to make some comments about the process, the product and put it in a national context and heeding the Chair's wish for a short meeting, I am going to keep this very brief, but a couple of points. First, I really do want to congratulate the staff and the members of the Steering Committee for the work that they have done on this over the last several months. I think I sat through most of the meetings and I would say that they were thorough, they were inclusive, there was an awful lot of participation, a lot of questions were asked, it was a very open process, and I also say that they could be characterized as being pretty tedious meetings, that these meetings went for a long time. I think I was at everyone and I do not think I saw the end of any one of them because I caught an airplane before the meeting ran out."

Chairwoman Hightman said, "I saw, you would have seen the end of the last one, were you at the last one? That one ended on time."

Mr. Jones said, "No, so it is all my fault. You know, if I take a look at the product, you know, this effort came to a successful conclusion in my mind. The product that you came up with, the model that you have come up with meets the criteria that I would lay out for a model that meets best practice, and it fits the following characteristics: first of all and probably most important it ties directly to the *Public Agenda*. It is a device for implementing the *Public Agenda* and that is clearly one of the most important criteria in the design of any of such system. The metrics reinforce mission differentiation so different rewards for different kinds of institutions. It provides incentives for service to underrepresented groups and that is again one criteria that all states that have built good systems like this have put into it. It rewards both progress and completion at least at the community college level. And the four-year model is totally about completion not progress and I would say that that is a function of data limitation not good intent. So, as far as the design of what you have come up with, this model joins the short list of states that have gotten it right and that list really is short. Tennessee, Ohio, and Indiana are the only ones that have preceded you in this whole process and put together a model that fits all of these characteristics. I would say that one of the distinguishing characteristics between them and you is

that, and it is been mentioned a couple of times today, Illinois is handicapped more by data limitations than any of these other states. The other three states that have put this together have much more robust state-level databases on which to build their model. So, it is as Al said you got as far as could with what you had, but that really, and the next steps really are a function of more data. Al did indicate that, you know, more data would lead to more measures. I think you want to have more data lead to better measures, but I think you do not want to get a list of these things that gets so long that you lose focus on the three or four things, or six things, that are really important. More data can confuse as well illuminate and improve. With regard to implementation I would say that Illinois has a long way to go. Of all of the states that really have put such performance funding models in place, I would say that Illinois is by far the most tentative as far as implementation, and I understand the reasons for that when there is no money it is awfully hard to carve money off the top and turn it into something like this, but you are essentially doing a half of one percent. Indiana is five percent and growing. Louisiana to the extent that it is got its funding model, is not as sophisticated as yours, but 25 percent of their state appropriation goes to performance. Ohio because of the way they, it is not just performance funding it is not just the piece they also attach performance to their base funding. And so both Tennessee and Ohio essentially put 100 percent of their state money on some form of performance base. So of the states that have put this in place, you are putting a relatively small, you are anteing fairly small. If there is a trend in the country, the states that are now talking about it and talked to legislators, the number that keeps coming up is 25 percent. But that is the size of the pool that they are putting into performance and I would just say that part of the rationale for that very large number in comparison is the recognition that as tuition becomes a larger and larger part of the institutional funding base and essentially that is an enrollment driven funding model. You know its tuition is tied directly to enrollment and as the state chair goes down it becomes increasingly critical for that state money to be more focused than ever and so if you are going to really accomplish the *Public Agenda* it is important to put a substantially part of the state contribution to institutional revenues on a performance basis. So, a good design, a ways to go in implementation, but, you know, when you consider where you started, and the environment in which you did this, I would say nothing but congratulations.”

Chairwoman Hightman said, “Thank you and thanks for your help along the way and I am sure we will turn to you again in the future. Okay, so you want to finish up now with the rest of the budget recommendation?”

Dr. Phillips said, “Yes, this one is shorter. To put the budget recommendation in context we first need to discuss the state’s fiscal situation. Something that will not become, or be a surprise to too many folks in the room. Pension, Medicaid costs are exceeding the rate of state revenue growth. We have a current debt crises. Currently the backlog of unpaid bills total roughly \$8.5 billion. The state is months behind in its payments to colleges and universities and of course, and the subject that comes up frequently MAP funding. The State is facing potential decrease in financial aid funding for both MAP and PELL. The good news is the Governor’s recommending level funding for higher education for the next three years. However, the budget has to make it through the legislature so our hopes are that the Governor’s recommendation survives intact, but that remains to be seen.

“In terms of the situation for the colleges/universities, as we all know funding has declined for state funding for higher education the last 15 years. Minimal funding for capital projects, unfunded state mandates. Of course, financial aid has been eroding at the same time that low-income families have less ability to pay. Institutions often squeeze costs out of instruction student support and the burden of financing a college education increasingly fallen on students

and their families. So our budget framework, we are going to continue to use the step approach for the FY2013 budget recommendations. It will of course include a performance funding component, it will support the goals of the *Public Agenda*, and our priorities maintain core capacity, deferred maintenance, MAP, and funding for grants.

“In keeping with the *Public Agenda*, you can see we have tied specific funding proponents to the various elements of the *Public Agenda* and if you turn to page 4 of the FY2013 budget recommendations, all of our steps and all of our budget recommendations are broken down by the goals of the *Public Agenda*. So as you can see here this chart is clearly illustrated on page 4 of the budget recommendation.

“Step one, flatter level funding, this was the same recommendation as last year but as we know there was a 1.1 percent reduction in funding for FY2012. What we are asking for is a level funding, in this case we would do a half a percent set aside for performance for the four-year colleges. Community colleges there would be a \$720,000 set-aside for performance funding. In each of our steps our recommendation is to include the SURS funding at the certified amount which is \$1.4 billion. The scary part of all this is our total recommendation for higher education is only \$1.2 billion. So as we know pensions will continue to be a challenge as we try to address higher education funding challenges.

“Step two, what we are going to ask for in step two is that we restore the funding to FY2011 levels which is basically a 1.6 percent increase over step one. This includes \$15 million for public universities, 100 percent of which would be for performance funding. It also includes a restoration of the initial 17.2 percent or million dollar reduction in MAP funding for this year that was restored late in the year. Actually they found \$33.5 million that they put into MAP at the end of the year, but we are asking for \$70.2 million that was reduced at the beginning of the year. It also adds \$1.1 million for student grants. Additionally it includes restoration funding for the University Center Lake County, Quad City campus, and administrative funding for ICCB, IBHE and the State University Civil Service System and money for DFI grants.

“Step three, we have added in this case, it is an increase, we are asking for a 3.9 percent increase from current levels which is a 2.3 increase over step two, \$33.7 million for public universities of which \$19.4 million would be for performance which is roughly 60 percent.

“Our next priority is deferred maintenance, currently there is a \$3.6 billion backlog maintenance and repair at colleges/universities and then we have also added in additional funding for centralized administration. Community colleges were asking for \$7.8 million which includes \$3 million for performance funding, \$2.4 million for each, for base operating grants and \$2.4 million for equalization grants. We are asking for additional funding for adult education and career and technical education. In this case we are asking for \$35.5 million for monetary award program. That is a restoration of the \$33.5 million we received this year and it is an additional \$2 million for the LEAP program. As you can see there we are asking for additional for a DFI cooperative work study programs that help us serve underserved students and additional funding for matching grants and bachelorette completion grants. All geared towards helping students to complete their education.

“Lastly, step four, is a six percent increase overall. Once again, roughly half of the funding for higher education would go into performance funding and the remainder \$25.9 million would go to deferred maintenance and \$2.7 for administration. College communities include \$4 million for performance funding and then an additional \$4.25 million for base operating grants

and \$4.25 for equalization grants. Additionally here, we have put an additional \$50 million for MAP. That is actually the ISAC recommendation. The Governor has indicated that MAP is a very high priority to him. We are not sure where we will find the funding for this but it is certainly something that the Governor is concerned about is going to look for funding for. Additionally, we are asking for money for veteran's grants and additional funding for the other grants.

"Capital improvements as you know last year we did not have a capital bill and the FY2013 project list is essentially the same as we submitted for last year. To date nearly \$800 million in *Illinois Jobs Now* higher education capital funds have been released. We expect \$75 million to be released of private capital grant funds soon, but once the challenge is that the deferred maintenance backlog is currently almost \$4 billion. Our recommendation is support for the release of *Illinois Jobs Now* funding for projects and discussions that I have had with the Director of GOMB, there are indications that the State has had some success selling bonds recently and the plan, what I have been told, is that they are looking to sell additional bonds in the near future. A portion of the proceeds from those sales would go to higher education capital projects. Do not know to what extent but I do know it is something that they are looking at and we expect that to happen.

"We are recommending \$340 million for capital renewal which is consistent what we recommended last year and \$1.2 billion for capital projects. Just to give you an idea we had over \$2.3 billion in request for capital projects. This is roughly equivalent to what we asked for last year. Those would address the projects at the community colleges, 31 community college projects and the capital projects for public universities and math and science academy. Additionally, we have asked for \$48 million for emergencies and escalation. As you know, the longer the projects stay on the books they get more expensive if you have not started them so this is money that would help to account for the inflation costs of the projects that have not been initiated or are taking longer to complete.

"Summary, we have tried to focus the budget recommendations and the goal of the *Public Agenda*. The recommendation includes a portion on performance funding in accordance with the performance funding legislation. We are once again recommending a step level approach that has worked well in the past because even though we may not get all the funding we ask for what we have found is that frequently the legislators will go into some of the steps and find programs that they like and they may pull programs out of step two, three or four, and actually provide funding for those. Also in the light of the state's current budget situation we believe our budget recommendation is realistic and sensitive to the State's uncertain fiscal environment."

Chairwoman Hightman said, "A mouthful. Okay, do any of the Board members have any questions or comments? I guess I would say that, and we have had several conversations as you developed the proposal that you put before us today, that I think, you know, it is consistent with what we have done in the past in terms of the steps. I think it is logical. Each step in the progression is logical in my view. I like the layering-on of the performance funding aspect to the budget so all and all I think you have done a great job and the staff has done a great job in putting together the budget. Is there anyone that has any questions? No questions or comments? Is there a motion to approve this? All in favor? Anyone opposed? Motion carries and your recommendation's approved. Thank you very much.

The Illinois Board of Higher Education, on motion made by Dr. Elmer Washington and seconded by Dr. Addison Woodward, unanimously approves the fiscal year 2013 budget recommendations for higher education operations, grants, and capital improvements in the amounts and for the purposes outlined in Item #III-7.

Chairwoman Hightman said, “Thanks again for the work you have done on the Performance Funding Steering Committee, and thanks again to everyone in the audience who is worked on that as well. More to come, we will get better and better. We heard what Dennis Jones said as well so let us keep that in mind as we move forward. Thank you. Okay. What I would like to do is go through the rest of the action items before we even consider taking a break.”

Dr. Bob Blankenberger said, “Thank you Madam Chairwoman. I would like to take a moment to introduce a new member of the academic affairs staff, Dr. Dan Cullen, has joined us just a couple months ago and he comes to us from the University of Illinois at Urbana-Champaign and I will cut short his introduction. Dan, if you could stand up. He will be working with the institutional approvals as well as other projects.

8. New Units of Instruction at Public Community Colleges

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

The Illinois Board of Higher Education, on motion made by Dr. Elmer Washington and seconded by Dr. Proshanta Nandi, unanimously hereby grants to Black Hawk College Authorization to grant the Associate in Applied Science in Materials Science Technology 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 College of DuPage Authorization to grant the Associate in Applied Science in Game Programming and Development and the Associate in Applied Science in Information Systems Security 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 Sauk Valley Community College Authorization to grant the Associate in Applied Science in Multicraft Technology and the Associate in Applied Science in Sustainable Technologies 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.

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

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

The Illinois Board of Higher Education, on motion made by Dr. Frances Carroll and seconded by Dr. Proshanta Nandi, hereby grants to Adler School of Professional Psychology Authorization to Grant the Master of Arts in Industrial/Organizational Psychology in the

Chicago Region subject to the institution's implementation and maintenance of the conditions that were presented in its application and that form the basis upon which this authorization is granted.

And grants to Benedictine University Authorization to Grant the Bachelor of Arts in Clinical Life Science 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 Lindenwood University Authorization to Grant the Bachelor of Arts in Advertising and Public Relations: Corporate Communications, the Bachelor of Arts in Interactive Media and Web Design, the Bachelor of Arts in Mass Communications, and the Bachelor of Arts in Physical Education in the Southwestern Region subject to the institution's implementation and maintenance of the conditions that were presented in its applications and that form the basis upon which these authorizations are granted.

And grants to Midwestern University Authorization to Grant the Master of Science in Speech-Language Pathology in the West Suburban Region subject to the institution's implementation and maintenance of the conditions that were presented in its application and that form the basis upon which this authorization is granted.

And grants to Olivet Nazarene University Authorization to Grant the Master of Arts in Education: Curriculum and Instruction, the Master of Arts in Education: Library Information Specialist and the Master of Arts in Education: Reading Specialist in the Fox Valley, Prairie, and Western Regions subject to the institution's implementation and maintenance of the conditions that were presented in its applications and that form the basis upon which these authorizations are granted.

And grants to REALTOR® University Authorization to Grant the Master of Real Estate 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 Resurrection University Authorization to Grant the Bachelor of Science in Health Informatics and Information Management, the Bachelor of Science in Nursing, and the Master of Science in Nursing in the West Suburban Region subject to the institution's implementation and maintenance of the conditions that were presented in its applications and that form the basis upon which these authorizations are granted.

And grants to Robert Morris University -Illinois Authorization to Grant the Bachelor of Science in Accounting in the Central, Chicago, North Suburban, South Metro, and West Suburban Regions subject to the institution's implementation and maintenance of the conditions that were presented in its application and that form the basis upon which these authorizations are granted.

And grants to Rush University Authorization to Grant the Master of Science in Biomechanics and the Doctor of Philosophy in Biomechanics in the Chicago Region subject to the institution's implementation and maintenance of the conditions that were presented in its applications and that form the basis upon which these authorizations are granted.

And grants to St. Augustine College Authorization to Grant the Bachelor of Arts in Early Childhood Education with ESL & Bilingual Endorsement 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 ITT Technical Institute at Mount Prospect Authorization to Grant the Associate in Applied Science in Business Management, the Associate in Applied Science in Criminology and Forensic Technology, the Associate in Applied Science in Drafting and Design Technology, the Associate in Applied Science in Electrical Engineering Technology, the Associate in Applied Science in Graphic Communications and Design, the Associate in Applied Science in Mobile Communications Technology, the Associate in Applied Science in Network Systems Administration, the Associate in Applied Science in Paralegal, the Bachelor of Applied Science in Business Management, the Bachelor of Applied Science in Electrical Engineering and Communications Technology, the Bachelor of Applied Science in Information Systems and Cybersecurity, and the Bachelor of Applied Science in Project Management and Administration in the North Suburban Region subject to the institution's implementation and maintenance of the conditions that were presented in its applications and that form the basis upon which these authorizations are granted.

And grants to ITT Technical Institute at Oak Brook Authorization to Grant the Associate in Applied Science in Business Management, the Associate in Applied Science in Criminology and Forensic Technology, the Associate in Applied Science in Drafting and Design Technology, the Associate in Applied Science in Electrical Engineering Technology, the Associate in Applied Science in Graphic Communications and Design, the Associate in Applied Science in Mobile Communications Technology, the Associate in Applied Science in Network Systems Administration, the Associate in Applied Science in Paralegal, the Bachelor of Applied Science in Business Management, the Bachelor of Applied Science in Electrical Engineering and Communications Technology, the Bachelor of Applied Science in Information Systems and Cybersecurity, and the Bachelor of Applied Science in Project Management and Administration in the West Suburban Region subject to the institution's implementation and maintenance of the conditions that were presented in its applications and that form the basis upon which these authorizations are granted.

And grants to ITT Technical Institute at Orland Park Authorization to Grant the Associate in Applied Science in Business Management, the Associate in Applied Science in Criminology and Forensic Technology, the Associate in Applied Science in Drafting and Design Technology, the Associate in Applied Science in Electrical Engineering Technology, the Associate in Applied Science in Graphic Communications and Design, the Associate in Applied Science in Mobile Communications Technology, the Associate in Applied Science in Network Systems Administration, the Associate in Applied Science in Paralegal, the Bachelor of Applied Science in Business Management, the Bachelor of Applied Science in Electrical Engineering and Communications Technology, the Bachelor of Applied Science in Information Systems and Cybersecurity, and the Bachelor of Applied Science in Project Management and Administration in the South Metro 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 Mr. John Minogue abstained on this item.

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

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

The Illinois Board of Higher Education, on motion made by Mr. Robert Ruiz and seconded by Dr. Elmer Washington, unanimously hereby grants to Governors State University authorization to establish the Bachelor of Arts in Entrepreneurship and the Master of Arts in Teaching in Urban Teacher Education in the South Metro Region subject to the institution's implementation and maintenance of the conditions that were presented in its applications and that form the basis upon which these authorizations are granted.

And grants to the University of Illinois at Chicago authorization to establish the Bachelor of Arts in Architectural Studies 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 Center for Professional Responsibility in Business and Society 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.

IV. Consent Agenda

Chairwoman Hightman said, "I would suggest now that we are on the roll that we move to the Consent Agenda. Is there a motion? Are we able to do the entire Consent Agenda in one fell swoop here or is this one of those where we want to pull some out? I know of nothing being pulled out, so I am not suggesting we need to but in the interest of saving time."

The Illinois Board of Higher Education, on motion made by Dr. Proshanta Nandi and seconded by Mr. Ari Shroyer, unanimously approved Item Nos. 11, 12, 13, 14, 15, 16, 17 and 18.

11. Board Meeting Minutes – December 6, 2011

The Illinois Board of Higher Education unanimously approved the Minutes of the December 6, 2011, meeting.

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

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

13. Nursing School Grant Program, Fiscal Years 2012 Awards

The Illinois Board of Higher Education hereby approves the Fiscal Year 2012 awards totaling \$880,000 for Expansion and Improvement Grant projects under the Nursing School Grants as detailed in this item and shown in Table 1. The Board also authorizes the Executive Director to make pro rata adjustments to the grant awards in the event that appropriated funds are reduced or unavailable.

14. Private Colleges and Universities Capital Distribution Formula, Fiscal Year 2012

The Illinois Board of Higher Education hereby:

(1) Approves the final fall 2008 FTE and initial distribution of partial base grants for four additional institutions as shown in Table 1; and

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

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

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

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

(6) Authorizes the Executive Director to modify grant agreements to comply with the tax-exempt financing section of the IRS code of 1986.

15. Public University Non-instructional Capital Project Approval

The Illinois Board of Higher Education hereby approves the non-instructional capital projects included in this item.

16. IBHE Administrative Rules: Private Business and Vocational Schools

The Illinois Board of Higher Education hereby approves the proposed rules for the Private Business and Vocational Schools (23 Ill. Adm. Code 1095) as detailed in this item, for publication in the Illinois Register.

17. Adopted Rules: Approval of Non-instructional Capital Projects

The Illinois Board of Higher Education hereby adopts the amendments for Approval of Non-instructional Capital Projects (23 Ill. Adm. Code 1040) as detailed in the attached document.

18. Appropriation Transfers for Fiscal Year 2012

The Illinois Board of Higher Education hereby approves the following appropriation transfers:

Board of Trustees of the Illinois Mathematics and Science Academy

Transfer Request 12-01
Education Assistance Fund

From:	Contractual Services	\$67,600
	Telecommunications	16,400
	Travel	10,900
To:	EDP Equipment	\$94,900

Illinois Board of Higher Education

Transfer Request 12-01
General Revenue Fund

From:	Social Security and Medicare Contributions	\$ 3,000
	Commodities	3,000
	Printing	2,000
	Telecommunications	3,000
	Operation of Automotive Equipment	1,000
To:	Travel	12,000

V. Information Items.

19. Legislative Update

Chairwoman Hightman said, "Moving on to the legislative update. I think we have a written report, right. We do not need any kind of oral presentation. Okay."

VI. Public Comment

VII. Other Matters

Chairwoman Hightman said, "Then, it looks as if we will see you all again on April 10 at City College of Chicago, Truman College Campus and our featured lunch guest will be the Faculty Advisory Council."

There being no further business to come before the Board, Chairwoman Hightman adjourned the meeting at 3:10 p.m.

Respectfully submitted by Cindy Kolley, 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 meeting.