

**MINUTES – BOARD MEETING
December 6, 2011**

- Submitted for:** Action.
- Summary:** Minutes of the December 6, 2011, meeting of the Illinois Board of Higher Education held at Moraine Valley Community College, Palos Hills, Illinois.
- Action Requested:** That the Illinois Board of Higher Education approve the Minutes of the December 6, 2011, meeting.

STATE OF ILLINOIS
BOARD OF HIGHER EDUCATION

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A meeting of the Illinois Board of Higher Education was called to order at 1:05 p.m. in Moraine Room 3 at Moraine Valley Community College, Palos Hills, Illinois, on December 6, 2011.

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

The following Board members were present:

David Anderson	John P. Minogue
Randy Barnette	Santos Rivera
Jay Bergman	Robert J. Ruiz
Frances G. Carroll	Ari Shroyer
Heba Hamouda	Elmer L. Washington
Kym Hubbard	Addison E. Woodward, Jr.
Allan Karnes	

Also present by invitation of the Board were:

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

Presidents and Chancellors

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

Advisory Committee Chairpersons

Abbas Aminmansour, Faculty Advisory Council
Peg Lee, Community College Presidents
Susan Friedberg, Propriety University Presidents
John Kite, Student Advisory Committee
Elaine Maimon, Public University Presidents
Tom Thompson, Disabilities Advisory Committee

A. Call to Order

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

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

Chairwoman Carrie Hightman said, “Is there a motion to allow Board Member Heba Hamouda to attend this meeting via conference call because of her employment situation?”

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

“First off I want to thank President Vernon Crawley and the staff for their hospitality in hosting this meeting today. This is really a cool campus and Linda told me, Linda is the expert on this, that you actually have all the right facilities and you made it easy for us to be here, so we appreciate that. I know that President Crawley wants to make a few words.

“I just want to also note that I understand that you are soon to be retiring and so I want to wish you well and congratulate you on your career and say that I am jealous.”

2. Welcome by Dr. Vernon Crawley, President, Moraine Valley Community College

Dr. Crawley welcomed everyone to Moraine Valley Community College’s campus.

3. Welcome and remarks by Chairwoman Carrie J. Hightman

Chairwoman Hightman said, “I want to welcome Illinois Community College Board (ICCB) member Randy Barnette who is sitting in today for Alexi Giannoulis. Welcome Randy. Peg Lee is here in lieu of Gayle Saunders representing the Illinois Community College Presidents advisory group. Welcome Peg.

“We had a great lunch. I could not stay for a portion of it but we had a great lunch with the Disabilities Advisory Committee which was the featured group for this meeting. Great conversation, I think that these lunches are really a good opportunity to hear firsthand about issues of concern from the advisory groups and I think that what the Disabilities Advisory Group has done has really taken to heart Goal One of the *Illinois Public Agenda*. So, appreciate all the work that you are doing and thank you all for being here.

“I also want to recognize a few other folks who are here and want to express our appreciation to Dr. William Perry, President of Eastern Illinois University who is going to present today’s *Public Agenda* showcase. Thank you for being with us today Dr. Perry.

“Representative Bob Pritchard, the minority spokesperson for the House Higher Ed Committee. Thank you for joining us here today. Julie Smith, thank you for being here from the

Governor's office. Julie has been a great help to us in so many ways on higher education issues, so we are so glad that you are here.

“Southern Illinois University Carbondale's Chancellor Rita Cheng, you are going to be outlining the principles that the Steering Committee has adopted for shaping the performance funding model. We talked about this at the last meeting so I am looking forward to hearing how we resolved all the pending issues from the last meetings. Welcome back.

“Mike Baumgartner sitting over there in the corner, how does it feel not sitting at the table behind us here? Vice President at Complete College America, Washington D.C. He has come home today and bringing with him a national perspective on how our plans are shaping up, our performance funding plans compared to other states. Mike, it is always good to see you here.

“Sheila Chalmers who is here from the Lieutenant Governor's office who brought with her a videotape, I understand. Thank you for being here. We hope you come back again. We hope we meet every expectation.

“Senator Maloney, first of all we are always happy to have our elected officials who support higher education with us and today is no exception, but while you are here and given your recent announcement I wanted to just thank you for all your years of service and in advance, well to make sure everyone knows here that Senator Maloney announced that he is going to be retiring from the State Senate at the end of 2013 and you have done so much for Illinois higher education, chairing the Senate Higher Education Committee and all. We want to congratulate you on your decision to retire, but also want to tell you we are a little sad, because you are somebody that is a stalwart supporter and we know we can always turn to you. We have Representative Pritchard and other legislators, but the more the merrier in terms of folks who support higher education in the General Assembly. It was clearly under leadership and sponsorship of performance funding legislation that we even have the topic that we have today as our focus of the meeting. Thank you for serving on the committee, thank you in advance for the comments you are going to be making in a few minutes and let us know maybe you want to decide not to retire.

“There are a couple of issues that have been in the news that I wanted to comment on and the first is a report that was released in mid-November by researchers at the University of Pennsylvania Graduate School of Education and that report was the subject of some newspaper stories over the past few days in Chicago. You might have seen stories in the Tribune and the Sun Times on Sunday. The report takes a historical look at higher education in Illinois and in four other states as well. I really feel like it requires a response to put the story in context and so if you will indulge me here I do want to respond. Simply put the report focuses on the period up until 2009 and it does not address nor even consider where we are today and what we have been doing since that time. It does not reference how adoption of the shared goals and priorities in the *Illinois Public Agenda for College and Career Success* were designed to address the very serious issues that they identified that we know exist. It does not even acknowledge that the higher education community in Illinois knew that improvements were needed and implored the prior administration to help us make those improvements and to give us the funding that we need and that really irritates me and I am sure it irritates all of you too.

“The headlines pointed to a story of Illinois higher education in decline, but neither the Sun Times nor the Tribune nor any other publication for that matter contacted us for comment and I really appreciate Stan Eikenberry's perspective and his quote in the Sun Times where he said, and I am quoting him, 'I don't think the actual quality of education has suffered.' That is

what he said and he is well acquainted with those times a decade ago, as are many of you here in the room, the painful painful time under prior administrations. Unfortunately the report ends with all of us here today where we have taken up the challenge and it does not talk about what we have done and we have done a lot. We are constructing a pathway to one Illinois where all the citizens of Illinois will have an opportunity to access affordable high quality educational opportunities to prepare them for the jobs of the present and of the future. Let me just, if I can, because I feel strongly about this, just remind us all the *Public Agenda* identifies four goals and provides strategies and action steps to make Illinois one of the five best performing states in the country and we all take that very seriously.

“Interestingly the report suggests that the very strategy that we have in the *Public Agenda* be employed by state policy leaders to increase educational attainment and educational opportunities in Illinois. So it is saying what we already decided to do, but it does not mention that we already decided to do that. We are a step ahead of them on that front and I think it is something we can be proud of and talk about. The Illinois *Public Agenda* has been the pathway to change even in the midst of the worst economic crisis in decades. The General Assembly has taken the four goals very seriously and I know Representative Pritchard and Senator Maloney can also talk about that, so have Governor Quinn and Lieutenant Governor Simon. In fact, they have been our best advocates in the executive branch for many many years. Of course, that is not mentioned in the report or in the articles. Since December 2008, which is actually when we adopted the *Public Agenda*, the Board has relied upon the Illinois *Public Agenda* as the statewide vision and direction for the state’s educational and economic development planning and policies. With the higher education community’s full support we are moving ahead and we are actually improving student success, but the articles did not mention anything about that either.

“Let me just give you a couple of examples of proactive steps that we have taken. We have established a statewide longitudinal data system, we have developed a K-12 college and career readiness curriculum common core as it is referred to, and we have improved teacher and school leader standards, we have enacted, we are in the process of implementing legislation that was enacted by the legislature to create performance funding, it mandates performance funding, and that is going to help us do better. The report does serve one purpose; it confirms that what is past is prologue here. I am not suggesting in any way that we are there. I am not suggesting that we have done everything that we need to do. It is a process, but we have started that process and I want to make sure that we recognize that we want to continue to build on what we started together three years ago. I do not know about all of you, this has come up a couple times since, but I remember oh so well that wintery day in December in 2008, it happened to be an interesting day in the history of the State of the Illinois. The day that Rob Blagojevich got arrested was the day we passed the *Public Agenda*, three years ago. Almost the anniversary, but I remember that day so well for so many reasons, but we unanimously adopted the Illinois *Public Agenda* and we have acted on it since then and I am not going to let those stories go without a response. We are going to put something together that we are going to send to the two publications that published stories. We are not resting on our laurels gang, but we have done a lot and I resent the fact that they write stories like that without asking any of us, except for Stan who did a great job in responding to it. Maybe I have said too much, but I am pretty passionate about what we have done and I know all of you in the room are too. I hope you are all in agreement with my views here.

“I want to just really really briefly touch on the other higher education issue that has been in the news nationwide, probably worldwide actually, sorry to say, over the past several weeks, and it is not about Illinois but it is about higher education. It is the scandals and allegations at

Penn State and Syracuse and even close to home there is an issue about a sexual attack that was alleged and reporting and investing of it. I bring these up only, I feel like duty born to mention that as the Board of Higher Education in Illinois we take those kinds of issues very seriously. We do not micromanage universities. All the universities here and the campuses have their rules and their processes and procedures and all for reporting allegations of those kinds of criminal or sexual issues, and I bring it up only to say that I think that we as the Board should think about providing a public service by maybe working with the universities and community colleges and making our Board of Higher Education website a repository for information on how to report those kinds of allegations. I do not want to create work and I do not want to step on anybody's toes, but I think that we could possibly, maybe working with the university presidents help them to get information out on how to report suspected criminal or sexual wrongdoing on campuses. I want us as a staff and George, we talked about it generally, but I am still in formation. I do not want to make a work project and do not want to stop any progress that is being made. I know the University of Illinois, Board of Trustees met and talked about it last week. I know they have a plan. I am sure all the universities have their plans. I am sure all the local law enforcement agencies have rules and whatever, but if there is some way we as a coordinating board can help the public make reports about wrongdoing I think we should think about that and figure that out. George and I will talk and maybe Elaine as the convener for the University Presidents we can figure out if there is anything we can do to ensure that does not happen in Illinois, because I think our representation is so important and I know all of you do too."

Dr. Frances Carroll said, "Madam Chair I would just like to add my support to that idea."

Chairwoman Hightman said, "Dr. Carroll I was referring to you when you were not there. Then someone got you back here.

"My understanding is that last month, or two months ago actually, the University of Illinois at Chicago's Chancellor's Committee on the Status of Blacks and the Illinois Committee on Black Concerns in Higher Education paid tribute to you as a former University of Illinois Trustee and current Board of Higher Ed board member for your dedication and service to access and equity in higher education. I wanted to let the whole world here know that you got such an honor and we wanted to congratulate you ourselves. Congratulations to an honor well received.

"I wanted also to report on two recent actions of the General Assembly that are good news in our continuing efforts to implement the goals of the Illinois *Public Agenda*. First, at the special session on November 29, the budget bill, Senate Bill 2412 included more MAP funding for this fiscal year. Our request or I guess it was ISAC's request for additional spending of \$33.5 million to help pay for this school year's MAP awards was adopted. So, that means that awards for the spring semester will not be reduced. Great job in pushing that forward and we are happy that the General Assembly did that.

"Second, the General Assembly has sent a bill to the Governor for his signature that transfers regulatory oversight of private business and vocational schools from the Illinois State Board of Education (ISBE) to IBHE. Senate Bill 1795 gives IBHE the responsibility to streamline the approval process and insure greater emphasis on consumer protection of students at approximately 300 private schools that offer post-secondary certificate programs in a variety of fields ranging from dog grooming to allied health and computer technology. All of the costs for administering this program will be covered by fees charged to the schools, which is similar to the current fee system for proprietary schools that we put into place maybe two years ago. The transfer of this program to IBHE is effective February 1, so in the future at future board meetings

you will hear us considering and approving those kinds of programs. Also I am sure we will have some rule makings that will be required with this new authority. So Vinni you are probably happy we are doing that.

“One last note and then I am going to turn it over to Dr. Reid. This Board is going to be meeting in executive session at the end of today’s meeting, and so at that time I am going to ask everybody that is not on the Board to leave the room promptly, if you will, so that we can continue our work and then finish up promptly, so just telling you all in advance.”

Mr. Randy Barnette said, “I wanted to pay my conveyances for the Chairman of the ICCB not being here today. He is sorry he regrets and sends his regrets that he is not here. He always is disappointed not being in your presence. I just wanted to say something as representing Community College Board; I just wanted to say something about President Crawley. President Crawley is a giant in the community college system. As you look around and you drove here today he is the architect of all you see and he may leave, but he will never be forgotten. So thank you for all your work.”

4. Remarks by Executive Director G.W. Reid

Dr. George Reid said, “Madam Chairwoman, my friend President Vernon Crawley, members of the Board, distinguished guests, all of you, ladies and gentlemen. Since July 1, 2011 the staff and I have been working together on the second strategic internal plan called The Number One Agenda, Closing the Achievement Gap, Dual Credit, Performance Funding and Dropout Re-Enrollment Made Real. The following are the goals of this plan: to increase the number of dual degree programs in the state by two. Secondly, to implement all aspects of performance funding which you will hear lots more about today, and the third to write dropout re-enrollment proposal that hopefully will be funded by agencies nationally and within the state.

“I must admit to you that performance funding has bowled over us, have taken over and we have not had as much progress with the Number One Agenda as we had liked at this time, but I did want to report to you some progress that we have made with regard to raising money for writing grants for re-enrollment. We have contacted agencies and individuals, who are interested, community organizations who want to sign onto the project. We are talking to many funding agencies who look as if they would like to receive a proposal from us in this regard.

“On the matter of dual credit, Bob and I have been talking, there are some activities going on with Chicago public schools that look interesting, and we are going to be, probably be looking into whether or not there is a role for the Board to play in those dual degree activities that are going on there. But, as I said, you will hear perhaps more about this or in some degree at our February meeting. Having said that, the February meeting is going to be dedicated primarily to the presentation of the impending budget. So it might even be April before you hear more about the internal strategic plan. The timeframe for that plan so we are in good stead is July 1, 2011 to June 30, 2012.

“Part two of my report today is going to be about performance funding. You will hear lots about performance funding today. You will hear why there is performance funding, not just because we have the law, which we are grateful for, because the law does clear the way for other activities, but the principles upon which performance funding is to be based, and you will hear more about those principles today. Those discussions about principles lasted into our third meeting before we sort of got some consensus belief about them. We got that consensus and we

moved forward on solving a few unresolved issues which were resolved in the fourth meeting for the most part. You will also hear today, and that will be presented by Rita Cheng, the Chancellor of SIU Carbondale, you will also hear today the report on the formula that we would like for the Board to say at the end of the report, we like your principles, and we like your formula so go ahead, you have our blessings and our support in building, in refining those things in completing your activities and building an FY 2013 budget.

“There have been five meetings of the Performance Funding Steering Committee. We started in the sweltering days of July and our last meeting was November 30. The hallmark of our work, the method that we have used to get the work done is that we feel that everybody should be heard whenever it is that they want to talk to us about performance funding. It could be in that meeting or it could be in any other meeting. We have had some private sessions with presidents. We have had some budget meetings with presidents where this has come up. Whenever people within this room and stakeholders in higher ed. in the legislature and the Governor’s office, whenever anyone wants to talk to us about performance funding and give us some critical assessment of our work, and some constructive criticism, we will listen to you, we will stop, we will take stock of what you say, and we will try to incorporate. The hallmark of our work has been broad and wide collaboration. Our staff, the staff and I do not believe that we have the answers to what performance funding ought to be in Illinois. As you know nationwide the states have not been so successful that have tried to implement the performance funding throughout the United States. There are glimpses of good things and bad things that are going on. We are trying to implement the best practices, the good things here in Illinois and become the standard for what performance funding ought to be. We feel that with all of you in here participating we can come upon a great performance funding initiative. The people on our committee have been students, they have been faculty members from the community colleges and the four-year institutions, there have been university presidents, there have been union executives, non-governmental employees, non-profit organizations, profit organizations and several interested other stakeholders. We are grateful for people like Julie Smith, and Senator Maloney and Representative Pritchard and Lieutenant Governor Sheila Simon who has been at every meeting and all of you for your help. We feel like today is a turning point for performance funding. Let me just also say to you that the work for performance funding will not end in one day. We think that the problem that has existed in other states is that other states wanted to get to a point where they said [inaudible] with performance funding. We believe that it is a dynamic process, be iterative to be ever added to and refined, and that is what the Performance Funding Steering Committee wanted me to tell you today, and what we need from you members is to say to us you are on the right route and the right path, continue your work and bring us back a budget for 2013.

“We will be joined by significant leaders who have been involved with us along the way. We will be joined by Ms. Julie Smith from the Governor’s office, Lieutenant Governor Sheila Simon will join us by video, Bob Pritchard who is in the back of the room will join us, and then we will talk about the way forward. We know that many of you in this room are concerned about the way forward, because the fact of the matter we are in a recession, and the fact of the matter is that in most states that did not have new money, that they did not do that well. We were heartened indeed by comments from our own Dr. Washington who said to us in a meeting that pushed us across the finish line that even if we do not have new money that this is such a magnificent idea, that the idea that Steve Jobs had, the I-Phone and other things he did, that we just have to go forward with performance funding, and today that is what we are trying to do.

“So today Madam Chairwoman and Members of the Board we will be presenting to you the formula for performance funding. Those for the most part are my comments.”

B. Performance Funding

1. The Way Forward from the Governor’s Office and Legislature

Dr. Reid said, “I want to ask the following people if they would come forward: Julie Smith, Sheila Simon will be with us by video, Representative Bob Pritchard and they are going to talk to us about the way forward that they see as state leaders in terms of how we go forward from this day.”

a) Remarks by the Honorable Sheila Simon

Honorable Sheila Simon said, “Hi this Sheila Simon. I am in Springfield right now while I am taping this. Tomorrow while you are meeting I will be in a conference. I would love to be there to talk more about performance funding. It is something that I am very much committed and I think it [tape inaudible]. It is easy for all of us to agree on the broad strokes of performance funding, of where we want to go as a state in higher education. [Tape inaudible] the details but that this is what this first [tape inaudible] what performance funding is doing. I am impressed with where we have gotten so far. We put it in the political context [tape inaudible] listen to the radio, they had a story about the sentencing of Governor Blagojevich [tape inaudible] and they compared his criminal sentence possibilities with those of the former Illinois governors who have also been sentenced for crimes. That is the state we live in and I think performance funding helps move us in a direction of making sure that our decision [tape inaudible] are based more on results than on who you know or other kinds of connection or other inappropriate ways to make decisions. So I see this first step ahead in performance funding as a way to pave the new movement in the direction of objective, supportable, meaningful funding for higher education, something that the public can understand and it is something that the public can get behind in terms of eventually increased funding for higher education. So thanks for what you are doing and I am sorry I could not be there to join you. I would like to catch up with you in [tape inaudible]. Thanks very much. Goodbye.”

b) Remarks by Senator Ed Maloney

Senator Ed Maloney said, “Good afternoon and thank you. I would like to thank Carrie and George for your leadership in the higher education community and I would also like to thank Dr. Crawley for his long length of service here at Moraine Valley in transforming, and I have personally witnessed this college transform from what it once was. I was a teacher at one of the feeder high schools here for many many years and this in my prejudice view is the finest community college in the State of Illinois. Thank you very much.

“The whole concept of performance based funding has been a long time coming. It began with, from my perspective, with a hearing we had on graduation retention rates several years ago and indicating that there was a need for greater communication and what we could do about this. We were part of, as Carrie mentioned, the *Public Agenda*, the National Center for Higher Education Management Systems (NCHEMS), Senate Joint Resolution 88, and our membership in the Complete College America (CCA). The whole theme of performance based funding was consistent throughout all of those organizations and meetings. The philosophy is pretty hard to argue with. It [tape inaudible] it basically says that if you do a better job you are

going to be rewarded. So it is consistent with our budgeting for results that we have adopted this year in the General Assembly [tape inaudible] on the other budgets as well. So it has been a long road. We were able to pass the law unanimously out of both the House and the Senate and many of you know that is a pretty unusual situation, and the reason we were successful in doing that is I think we did our homework. By that I mean we did not just walk into committee with a bill and begin informing the committee about the merits of that bill at that time. All of us, and I mean everybody who was involved, the community colleges, the universities, the presidents, legislators, we went to the committee ahead of time and we told them about the importance of this type of legislation, the fact that it will result in better service for the students that we serve, and that is why I think we were successful in getting the legislation passed as it was. The testimony of Lieutenant Governor Simon was very very important in moving that legislation forward. That was really the easy part. The next step was establishing the metrics, that is exactly how we will measure performance, and to that end as George mentioned, we had five meetings that have been very very enlightening. I think that people have taken their role very serious on this. The level of commitment and hard work has been demonstrated throughout these meetings. We have had some unresolved issues, and when I say unresolved I do not mean that they could not be resolved, the fact that people have come back with alternatives, and I think that you will hear and see evidence of the hard work that has been done.

“Going forward once those issues are resolved and we adopt the Board’s proposals I think that what we need to do politically is that, as George mentioned, we have sold this concept as a positive thing to the General Assembly and anybody who has come in contact with it, and while it can be done, it can be accomplished with no new money, I feel that in order if we are going to make this a positive thing rather than switching the philosophy to a negative thing we do need to see some increase in funding, and that it is, because if there is an increase in funding and we tell universities and institutions of higher education if you do this you will be rewarded, if there is a reduction in funding I think in my mind the philosophy becomes negative. It is if you do not do this you are going to be punished. To that end I have called already in anticipation of his hire on January 1, Dave Gross who was prior with the Southern Illinois University, he will be the Senate’s new Chief of Staff. I had an extensive conversation with Dave the day before yesterday, and trying to set up a meeting for January which all the principles will be involved in this to discuss higher education’s budget in January, rather than wait until the Governor’s February 21 address and then fight him from there. I think we need to make our position clear and that point, and that the philosophy of this performance based funding must be positive. I have had a conversation with Julie Smith about this and we will move forward with that in January after the holidays.

“Finally, we have made the case for the importance of higher education for individuals, the economy and the long-term implications for the State of Illinois. So I think it is time to say that we really do something about it and I think we need to be aggressive about this. I think we need to be aggressive about this, whether it is working with your local legislators, whether it is working with leadership in the General Assembly, or whether working with the Governor’s office, and I think together, and again, the philosophy is there, the rationale is there, and if we move forward and take an aggressive stance on this I think we will be successful. I am going to be around for over a year, I am not disappearing, and I think this could be a game changing year for higher education and I hope to be a part of that positive change. Thanks very much.”

c) Remarks by Representative Bob Pritchard

Representative Bob Pritchard said, “Good afternoon, it is a pleasure to join you and to bring another legislative perspective and support for what Senator Maloney has said. If you have not noticed this last year has been one where members are more engaged in the legislative process and we work for bipartisanship in any number of things, but certainly we look at performance funding and what we have been able to accomplish in a number [tape inaudible]. It has been done in a very bipartisan basis. Senator Maloney is going to be retiring. I want to give you assurance that there will be a number of us that are advocates for higher education that will continue to be present, to continue to be a voice for reason, and a voice for the objectives that the Board has set very clearly in the *Public Agenda* that give the state a vision of where this investment is going to go.

“I know you are well aware that the legislature has been dealing with very serious issues on resource allocation. This last year was a classic case where members for the first time in some two decades actually rolled up their sleeves and had to make the choices and to had to argue their case before their colleagues on why we should invest in one expenditure rather than another. Higher education is no different. Certainly those in this room feel it is maybe the number one priority of this state, but let me assure you that other legislators do not agree. So I think it is critically important that we move forward with a performance based funding model that demonstrates that we are willing to set the table and have measureable results that give measureable results for the investments that are made.

“House Bill 1503 was passed this summer. A year ago in the budget enactment legislation was embedded a concept of budgeting for results. This is a philosophy that the members of the legislature also embraced, and I think that is one of the reasons why performance based funding for higher education sailed through so easily, because it resonated with the idea that with limited resources we have got to make sure that we are investing in areas that produce the results the state needs. I know you are all in agreement that education plays a critical role in turning this state around and helping our citizens achieve their career goals, but more importantly help our state achieve the economic objectives and results that are going to be necessary for us to operate in this next decade. So I urge you to come with new ideas, with perhaps new insight into how you can carry forward your very critical role, because that is one of the messages that we have to look at.

“Yesterday I attended a conference sponsored by the Gates Foundation that challenged the K-12 institutions to look at how they can improve results when we are facing a budgets that is not going to produce more revenue, in fact, may be less revenue for K-12, and when you consider the significance of that over the last decade you know that our state is in some real serious situation and we are going to have to make very tough choices about how we allocate those resources. So as the Board looks at the work that the steering committee has done, as you look at the *Public Agenda* and ways that you can select items out of that for performance funding,

“I would leave you with a couple of encouragements. The first is to keep it simple, keep the metrics few, make it transparent so that everyone can understand not only how you got to the answer, but why that answer is important to reaching the four key goals of our *Public Agenda*. Secondly, I would say that we must begin right away. As the Senator indicated let us do not wait for the Governor’s address, let us get out there sooner. Some people have urged us to ask for a delay in the implementation of performance based funding. That is not going to happen. The law was very clear that it is going to be implemented in the FY 2013 budget. So we

are going to need a strong recommendation from the Board on how to proceed. Thirdly, we come to the question of resources. I think we need to make a very strong case for why investing in higher education is critical for our state objects and goals, as well as how to use limited resources. But at the end of the day, that strong argument may not produce more results, but it may defeat efforts to reduce the money for higher education. So I think we need to have a very strong case and I urge the Board to help take the leadership in examining that and to communicating that with the legislature, and certainly we will try to do our part, but we are going to need extra voices, voices in the districts of many of our colleagues, and that is where you certainly can play an important role. And, I would suggest that as we look at the funding issue we perhaps have as a fallback position carving out percentages of certain allocations, but do it on an institution by institution basis, so that institutions do not feel they are going to be disadvantaged by someone else who may cook the books or that is larger and has more resources and more student interest to be able to achieve the goals, but I think is significant for that institution, whether it is a community college or a four-year institution, so that the money would be carved out from their allocation that they could earn back to 100 percent level. I think we have to put dollars behind it as the Senator has said they need to be small dollars that are going to grow over time. We heard indications that some states have moved to about 25 percent of their funding for performance based results. That is going to be a few years away.

“We have got to build confidence in the system that you are going to be recommending. Confidence in faculty, as well as confidence in the administration of our institutions, but move forward we must, and I urge you to take a strong position on what you are recommending to the legislature, the dollars behind it, the urgency in getting something moving quickly, and that we start with few ideas and expand them over time. I think we are on the right track. I compliment the staff, and all of those that have been part of the steering committee. It has been interesting to watch how very diverse ideas have coalesced around some very strong principles. So as you hear those recommendations this afternoon I encourage you to accept them with the idea that they have been developed with a lot of input, with a lot of different views, and a coalescent around solutions that we feel will take us in the right directions. I wish you well. I look forward to working with you these next few months.”

d) Remarks by Deputy Chief of Staff for Education Julie Smith

Ms. Julie Smith said, “Thanks very much. Thanks for having us here today. I just wanted to add a couple more words to what Senator Maloney and Representative Pritchard have already outlined. I did want to convey that the Governor sends his thanks to all of those who have worked so diligently and so hard on coalescing around all of these ideas that we have with respect to performance funding.

“It has been an interesting conversation. There has been engagement from all sides around these issues and I think that as Representative Pritchard said, it has been a very diverse set of goals and outlooks that have come to the table, but they really have done a very good job in building to a consensus around those principles and ideas that are of most concern and interest to the higher education community. I also want to thank the members of this Board who have been also very actively engaged in the discussion, and have been very helpful in keeping the group focused on the issues, in resolving the issues that have come up as we have been moving forward, and helping to device strategies around establishing the metrics that we hope to use as we go forward with performance funding. The working group I think has been informed by very thoughtful ideas that have come from all sectors of education, two-year, four-year, by faculty, by student, by staff from across the state and I think that this has really also been

extremely helpful as they have done the work to try to establish and come up with a group of metrics that will be meaningful in consideration of performance funding.

“The Governor remains committed to education and economic development as his highest priority for our state, and really they go together just like this. I mean we cannot do one without the other. We cannot have a successful workforce in the state unless we have quality higher education. Student success at all levels of education is critical to the economic wellbeing of the state. The Governor however, though also fully understands the challenges that the state universities and community colleges have faced over the last few years in a time for them that has been really shrinking resources. So as we think about performance funding in concert with what Senator Maloney said I think we have to think about ways that we can positively impact what is being done in higher education, and as we go through the budget process of the next few months we need to recognize ways that we can define both efficiency, but ways to establish some incentives to education to do the kinds of things that we know we all want to invest in.

“More than two-thirds of the new jobs that will be created in Illinois over the next ten years will require that those individuals have some type of post-secondary credential, and so it is going to really be incumbent upon all of you in higher education to find ways to see how we go about achieving that for our state. The primary focus as we have said has been establishing metrics that are easy to understand, ways that can be easily measured, and counted as we go forward, and so I think we are getting very close on these. As we continue down the road everything will need to be fine tuned but it is an important step that we take and I think it is very important that we include this as part of our thinking for the FY 2013 budget, and the Governor looks forward to working very closely with the legislature in finding and devising a way that we can get this established into our process for thinking about higher education funding in the state as we go forward. So thanks a lot.”

2. Recommendation of Principles, Dr. Rita Cheng, Chancellor, Southern Illinois University Carbondale

Dr. Reid said, “Madam Chairwoman and Members of the Board when we first saw this activity we were constantly asked what are you doing this for, we know that it is the law, but why are you so excited about performance funding, what is the basis for your excitement, what are the principles upon which performance funding will be based. So I have asked Chancellor Cheng if she would come forward to talk about the principles on which performance funding will be based.

Dr. Rita Cheng said, “What you will see is that very early on our committee aligned the performance funding with the *Public Agenda*, and the proposed principles that I will be sharing with you today are grouped as general principles, processed principles, and principles related to the proposed metrics. They are also grouped in the easy metric first and those more complex principles later.

“The general principles that we are recommending are that there should be a clear vision and common goals for what we wish to achieve, and our committee was determined to make sure that we were connected to the *Public Agenda*. The process would strive to eliminate achievement gaps and reward performance of institutions by promising access, success, quality, and affordability, and I purposely highlighted these in red because we will need to come back to those. Those are a part of the complex unresolved issues that we spent a great deal of time on. Including first generation students, low income, and students who have been traditionally underrepresented was also a clear principle from the very beginning of our committee. Focusing

on the key goal of increasing college completion, that is courses, certificates, degrees, and measuring institutions against themselves, a continuous improvement model rather than a competitive model. Relating to process, the committee felt strongly that significant changes would need to be made in an orderly fashion. You heard Representative Pritchard speak to clarity and transparency. We also looked at other states and knew that what we propose today would be reviewed, and likely further developed as the performance funding goals and metrics and impact are evaluated. We also wanted to make sure that there was enough lead time for key leaders to engage constituents in this process, and as you heard from the other speakers, we were determined, as well, to make our process in the steering committee as open and engaging, and if additional money was not available to fund we had the strong recommendation that the initial fund set aside be kept at a minimum, and we will come back to that later. You can see there is quite a bit of red on that screen.

“Regarding the measure we had a highly consultative process with stakeholders from the institutions, as well as from agencies and organizations outside of higher education. The measures themselves were always evaluated based on how they would support the *Public Agenda*, and the measures needed to be acceptable to the educators as well as to the legislators and those responsible for the state level review and control, simply restricted to the most essential items, selected so that there would be a difficulty to game the system, and a use of widely accepted historical data that we all agree is sound and readily available.

“Finally performance measures will be tailored to recognize the differential missions of our institutions. They would recognize the unique and broad mission of public, community colleges and would focus both on quality and quantity indicators, so that our efforts would not result in any lower lowering of the standards.

“At our September 28 meeting we were able to agree on these general principles regarding process, measures, and overarching guidelines, but there were eight outstanding issues that were unresolved. So a subcommittee made up of Tim Harrington, Elaine Johnson, Anne Ladky, Senator Maloney, Santos Rivera, Wayne Watson, and myself were charged with addressing these eight issues. The first of those the subcommittee, the process-wise, they held several telephone conferences. We sought input from all the steering committee members, we presented a draft at our October meeting, and a final report just a few days ago at our November meeting on all eight of these issues.

“First one you have heard a lot about today. How do you finance the performance funding effort? A strong recommendation from the subcommittee to the steering committee was that we seek increase funding for this effort, and use performance funding as a focal point for discussions on the importance of higher education to the future of the State of Illinois. Performance funding should also be structured to provide positive incentives to all institutions to graduate more students, and colleges and universities should receive additional funds for meeting their performance goals. We felt very strongly that in this stressful budget environment, a carve-out of money may indeed run counter to the achievement of our goals.”

Chairwoman Hightman said, “Can I ask something? So, I was thinking about what Representative Pritchard said, when you look at your first sub-bullet that, should we not also have on here, and recognize that performance funding could be a way to avoid a reduction in funds allocate to higher education. I think we are failing to note a benefit that we get from arguing for performance based funding. We all want more money so do not get me wrong, but I think Representative Pritchard’s point was well taken.”

Dr. Cheng said, “Yes, I think clearly the focal point for discussions about the importance are also a flat funding or not seeing a cut would be important.

“The second complex issue was relative to a hold harmless provision and whether or not there should be a hold harmless as performance funding is phased in. Obviously that also is connected to whether or not there is new money or a carve-out. As we worked through this issue we felt that performance funding really needed to be thought of in two stages. There are short-term challenges for universities. We will focus on changes to campus policies, procedures, and begin data collection, and after several years there may not be the same need for a hold harmless provision, because there will be institutional changes that had implemented and more understanding of the model by all institutions.”

Chairwoman Hightman said, “Just one question on the last point, is that how other states have done it?”

Dr. Cheng said, “That would be a question for the Illinois Board of Higher Education (IBHE) staff.”

Dr. Alan Phillips said, “Typically the answer is yes, they will start off with a very small percentage. In the case of Tennessee they actually implemented performance funding over a period of five years. Some of the other states they have also taken a number of years to implement this. In the states where it was more successful they took more time to make sure they had it right before they increased the amount of money allocated to performance funding.”

Chairwoman Hightman said, “So more time is closer to five?”

Dr. Phillips said, “Well I am just saying that is what Tennessee did as an example. Some it has been less.”

Chairwoman Hightman said, “But you said that the ones that are more successful do it over a longer period of time. So I asked you how long a longer period of time is.”

Dr. Phillips said, “In the case of Tennessee five years. I think in Indiana it may have been three years. Typically because that gives the colleges and universities more of a chance to adapt, to adjust, they are held harmless, it is not viewed as punitive in nature, and those states have been more successful over the long term.”

Chairwoman Hightman said, “Then are they held harmless for the entire phase in period?”

Dr. Phillips said, “No, typically they are held harmless for a small percentage of their overall education funding and then every year it will increase slightly over time until you reach a certain percentage that is where you are going to hold performance funding. In some cases it is five percent. In the case of some other states it may be 25 percent. I think one state it is 100 percent is based on performance, but it is done differently and there are a lot of other factors involved and it took them a long time to get to that point.”

Dr. Cheng said, “The third issue is very very much related, it is whether or not there should be a stop loss provision, and, if so, the extent. This is also related to the amount of

funding dedicated to performance funding, and our committee felt that since performance funding is focused on improvement, each institution should be able to work toward establishing goals and achieving those goals, and again there may need to be a short term where there is a stop loss provision before it completely comes into play.”

Chairwoman Hightman said, “I am not sure if I understand the difference between this and the hold harmless.”

Dr. Cheng said, “Hold harmless from our committee’s perspective was that there would be a period of time when your budget would not be cut, or if there was a carve out there would be a known quantity amount. It would not be going up to 25 percent immediately. With this it is if one particular institution was not as ready as another institution there would only be a certain percentage that they would lose. There would be a stop loss so it would not completely be zero sum.

“How do you differentiate between the different types of four-year institutions? We are recommending the mission differential, the Carnegie classification, and demographics to be used to differentiate the institutions across the state, and I think you will see that very clearly when the metrics are presented next.

“What qualifies as underserved or underrepresented? We spent a great deal of time on this important issue, and came back with the recommendation that for the purposes of performance funding we wanted to blend the traditional underserved in higher education race and ethnicity measures with two other measures that people felt strongly about, needs based financial aid, students in the lower quartile, Pell, MAP, and Veterans, as well as students that are coming in underprepared, the underserved, underrepresented connecting to both affordability and preparation.”

Chairwoman Hightman said, “How about students with disabilities? Were they considered as a possible group under this?”

Dr. Cheng said, “Yes at this point students with disabilities are, the measure is not as clean and clear as measures for lower quartile or Pell or MAP recipients. It is on the list of metrics to consider in the future, but right now it is self-reported and sometimes not reported in our current data.”

Chairwoman Hightman said, “Not to belabor the point, but if a student is willing to acknowledge that they are disabled would we not be willing to include them in this.”

Dr. Cheng said, “Yes we would be, currently different campuses have different methods of reporting that data, so we would need some time before we would add that into the model. Otherwise, we would not be comparing the same data across institutions.

“How do we address affordability? We felt it was a very critical issue that there were things that we could do as colleges and universities to reduce the time to degree, and engage in financial advising, and other support programs, but as important or more important it is the federal and state governments’ support for the student through the Pell and MAP funding that is broader than performance funding but certainly critical to our success.

“The quality issue was also one that we spent a great deal of time on. We felt strongly that performance funding can and should support quality, and that to address that, it is important that institutions engage their faculties in the shared governance process around curriculum committees, faculty senates, and councils to make sure that we were going to implement particularly time to degree issues around very high quality programs, continue to measure learning outcomes as we implement performance funding.

“Economic impact and the contributions that universities make are broad, and we wanted to make sure that the performance funding models that we recommend to this Board allow each institution to justify their role in creating both the programs, and the human resources necessary for economic recovery, and we are suggesting that research expenditures, patents, license, business startups, be considered as measures for economic impact in addition to the college graduates at the baccalaureate, master’s and Ph.D. level.

“Those are the principles.”

Dr. Reid said, “Chairwoman and Members of the Board I want to express my appreciation to Chancellor Cheng, and compliments to your group on the many unresolved issues that you solved on the board, and with the other fellow presidents on the steering committee. That is a magnificent job your committee members focused on, and the kinds of things that colleges and universities were interested in.”

3. Recommendation of Metrics Formula, Dr. Alan Phillips

Dr. Reid said, “Now we want the crux of all of our work is the point of what are we going to use as the numbers to measure performance. What are going to be the categories, what are going to be the measures, and those other things, so I asked Al Phillips if he would come forward to make that presentation.”

Dr. Phillips said, “I have to say after listening to the esteemed speakers who preceded me, I feel like it is the ninth inning, there are two outs, we are two runs behind, they have just loaded the bases, and that I am stepping up to the plate, so we will see how we do here.

“I do want to start off by saying that even though I am standing up here giving this presentation, there has been a great deal of work that has gone into this, not so much by me, but by a large number of the people in this room. This has been a very collaborative process, I received a lot of help and assistance from my staff and the IBHE staff, but also a great deal of help, assistance, input, insights from especially a lot of the people that you see sitting here before you. So, as we go through this the purpose is to talk to you about where we are, how far we have come, and to discuss the model that we propose for how we should distribute funding based on performance.

“The purpose of this effort is to propose a performance funding model for public universities that is linked directly to the goals of the *Public Agenda*, and the principles as outlined in the performance funding legislation that is equipped to recognize and account for each university’s mission and unique set of circumstances, it is adjustable to account for changes in policy and priorities, and is not prescriptive in how to achieve excellence and success. So, while we may establish what we want to accomplish, the intent is not to tell the universities how they should go about doing that. Of course, we have talked about it several times today, one of the guiding factors in the effort has, of course, been the Illinois *Public Agenda*, and the goal of

performance funding is to help us to increase educational attainment, insure affordability, increase the number of post-secondary credentials, and better leverage, research, and economic development to meet the economic needs of the state. More specifically, the performance funding legislation requires that we develop performance funding measures, and accords with the following principles. The first one is to consult with public institutions of higher education and others. We have a wide array of individuals and organizations. I would say most of the senior key leadership institutions and organizations in the State of Illinois are represented on the Steering Committee, and every member of the Steering Committee represents their own organization that they have gone back to and consulted with to provide input into this process. We have also talked about that the legislation requires that we reward performance in advances in success of students who are academically or financially at risk, predominantly underrepresented and underserved students, that we account for the differentiation in missions, we focus on increasing completions at colleges and universities, and regarding community colleges that we also focus on enrollment, progress or key academic milestones, transfer to baccalaureate institutions, degree completion, and while doing all of this we maintain quality.

“So what have we accomplished? So far we have identified the key issues, we developed performance funding principles which Chancellor Cheng just discussed, we identified appropriate performance measures and subcategories, we have developed performance funding models for both two-year and four-year colleges and universities. The reason for that is that the community colleges are quite different than the four-year institutions, they have different missions, they have different types of students, they are funding separately, and, so as we start down the path to performance funding what we have done is develop two different models. However, over time we certainly expect that these models would be linked together, that some of the measures we would use would follow through from a community college to the four-year model, because it is also important that we tie higher education together for both kinds of institutions. We have acquired the initial data. We certainly have received input from steering committee members, colleges, universities, other groups and individuals, and we have made significant progress. We are in the process of adjusting the models to account for variables unique to each college and university. We are reviewing and considering the input and we are continuing to move the process forward.

“We have received a great deal of input. As I said, this has been a very collaborative process. One of the things or what the input has done for us, it has made sure that we were on the right path, it has identified areas that we need to address, and that we maybe had not thought of. It has given us ideas for the future, but it has been very helpful to us, and as you can see we have received quite a bit, and not only have we received written input, but we have had extensive conversations in budget reviews, in steering committee meetings, one-on-one with a wide range of institutions and colleges and universities, presidents, administrators, who were all involved in this process, and it has been very very helpful as this is a collaborative process. This is not our performance funding model or as in IBHE’s, this is higher education’s funding model, and if this is going to work we have to have participation for everyone involved, and especially for those who are going to have to live with the results of the effort. So, I cannot thank the folks enough, and as I have said before we have read every single word, and the challenges are we have incorporated it where possible. Some of the things we have incorporated into the model where it made sense. Some recommendations are still under consideration. Some of the input was rather involved, and as you take a look at whether it applies or not, will it work or not, given that we have a relatively limited timeframe to pull this together and present something to the legislature, some of it we just cannot get to, or we are still in the process of evaluating.

“A frequent problem is that while we have a lot of very good recommendations, in many many cases the data does not exist for measures that we would like to include, and I will talk about that here shortly. The problem is that we never really needed the data before, and so we really did not either collect it, we did not track it, and in many cases the data is either not available, it is not verifiable, it is not complete, and it is not of sufficient quality that we can use. So, that has created a problem, however now that we are getting started we can identify those areas where we do need data, we can start to compile that, we can start to track it, and over time we anticipate that we will add additional measures as we get data that is of sufficient quality that we can use.

“Some of the recommendations actually apply more to the colleges and universities it is beyond the scope of the steering committee and IBHE to impact the colleges and universities. Once again, this gets back to we are kind of trying to establish what we would like to accomplish, but we are leaving it up to the colleges and universities as to how they think they should best try to accomplish that, and in some cases the recommendations would require legislation which went in as beyond the scope of this effort.

“At this point what I would like to do is turn it over to Geoff, and let them briefly talk about the community college model. We have a couple of charts, and they can address that briefly, and then I will talk in more detail about the four-year college model.”

Mr. Geoffrey Obrzut said, “I would like my CFO, Ellen Andres to come up. Hello everyone. I just wanted to say that we met, I think, four or five times as a group within the Illinois Community College System, and we came up with five principles and six different metrics that we felt that were very important to our system, and we felt that if we passed this unanimously, and brought it to the full steering committee on October 24, and got warmly reception by the steering committee, and we appreciate the support that we got that day, and thank you very much. Let me turn it over to Ellen Andres, who can tell you more about the metric system that we came up with.”

Ms. Ellen Andres said, “Thank you. The community college system got a group together, actually two times the Community College Board asked for a funding formula committee, and then all the President’s Council asked for a funding formula committee. So, we put the two together and had a committee that was compromised of presidents, trustees, our board members, faculty, students, chief financial officers and adult educators. We put this committee together and started it out looking at the community college system and the mission, and what you will see in our metric that there are a few things missing, and as we have said this is a very fluid process, but because the community college mission is so diverse we could not hit everything. There would have been 20 metrics.

“A few things that were missing on here, one is just plain employment. The person that comes in wants to just beef up what they are doing, and skills, we cannot measure that. Another thing is the person that does not want a certificate, they just want to come in and learn how to paint a car, and the guy down the street does not care about the certificate, they want to get in, get some skills, get out and get a job. So, we are missing pieces like that, and obviously as performance funding goes on further we are going to have to update this and move to catch some of the economic pieces.

“But, what you have in front of you is our metrics the way that we looked at it. So, obviously we have degree and certificate completion, certificate is a big part of what we do, not

just degrees, but we have the certificates. The second piece is degree and certificate completions of at-risk students, and we defined those as both economically at-risk and then also educationally at-risk. The third is transfer to a four-year institution. Obviously some students will leave before they get an associate's degree and so we are just looking at those that transfer onto a four-year institution.

“We have the most remedial students in the public higher ed. system so we looked at remedial advancement to college coursework. We also looked at adult education advancement to both remedial and college level coursework.

“Momentum points looks at several things. Adult education right now has momentum points they do pre and post testing. So, we looked at pre and post testing and those standards are set by National Reporting Standards (NRS). So we are going to use momentum points. Also, we have momentum points on full-time and part-time students, because looking at getting a part-time student, obviously when you look at somebody who comes to us and they want a degree or certificate, but they are going at night, and so we cannot hurry them along, that is not in their plan, they just want to take a few classes at a time. So, we have momentum points for that.

“Then finally, transfer to community colleges. We have a lot of students who transfer from one community college to another community college, and we look at that as a success, because one community, they may move, there are many issues of our students coming in and out, and what they are looking at. Many of them come in and are not quite sure what they want to do, they are not sure where they want to go, and so they are kind of shopping around.

“So that is what we looked at. Right now we have all the data to finish our metrics, and we have actually been collecting data for years and years, so we are ready to go with ours, and the President's Council has weighed in on this, the trustees, and it will go to the board, but the community college community has all agreed to this funding model.

“Actually this is one metric of the six, and the only reason we put it up here is to show you how we are doing it. One of the big questions we had was we did not want community colleges to compete against each other. So what we came up with is that you are competing against yourself from one year to the next. This is our first metric which was degree and production of at-risk students. So what you look at is we took for college one the number of Pell recipients, the number should be remedial recipients, and get a total for 2008, we get a total for 2009, and that college is competing against itself. It had a 15.7 percent increase. If you look at college number four they did not have an increase, they had a zero percent change, so in this if we plugged in \$200,000.00, college number four would not be getting anything for their performance, and the same thing with college 39, they would not be getting for their performance. So, for this example we used \$200,000.00 and it basically paid off \$19,000.00 per percentage increase.”

Chairwoman Hightman said, “I am not sure I understand the numbers here so what is the 10,473 and the \$19,096.00?”

Ms. Andres said, “If you take, actually it is 10,473 is the total number and this is an example of percentage points over zero, and to divide it into \$200,000.00 you get \$19,096.00 per percentage point.”

Chairwoman Hightman said, “I am not sure what 10,473 is a total of.”

Ms. Andres said, "It is a total of percents over zero."

Chairwoman Hightman said, "It is a dollar amount not a percentage."

Ms. Andres said, "It should not be a dollar amount, it is just 10,473."

Chairwoman Hightman said, "Oh okay, so wait, so tell me again. What is \$19,096.00?"

Ms. Andres said, "If you look at the second to last column where it says greater than zero, we added up all the percentages greater than zero and came up with 10,473. This is made up, obviously, there is dot dot dot. It went from college one to 39, so it is an example of how we would allocate \$200,000.00 for this one metric. Each metric will have an allocation. So for example, if it was \$1 million each metric would have \$166,000.00 allocated to that one metric and then each college for each metric it would add across and that is how we would come up with the amounts.

"But, one of the big problems that we had is if you are looking at just degree completions, any college that has a high enrollment is going to do better than any college, like in southern Illinois where they do not have high enrollment, so we had to have a way that you could compete against yourself and try to produce better against yourself."

Chairwoman Hightman said, "And is the way this going to work, I know you are just trying to show us like how it would play out for different accomplishments on this point, but is the way it is going to work when we actually do this is that you assume a certain amount of dollars that go that are the reward for this metric or that are the funding?"

Ms. Andres said, "The allocation, we call it an allocation."

Chairwoman Hightman said, "By dollars or is it going to be a percentage?"

Ms. Andres said, "We are doing it by dollars, we would plug in a dollar amount, so if the community college system had \$1 million that was allocated towards performance funding, we have six metrics so that would divide out to \$166,000.00 a metric, and for each metric they would all compete."

Mr. Randy Barnette said, "This is a dynamic process and we have gotten all of our constituencies together to hear this and it is, like everything else in performance funding, I think there are a lot of questions and there is not a lot of answers, but I think it is a dynamic process and I think by starting out with a smaller number and working up to where we want to be, I think is a very good way to be able to measure success for community colleges and for the other four-year schools too. So, this is a really important thing as I think the legislature said, this is not just a choice we have, but this is a mission we have now, and the community colleges came together, worked very hard as Ellen said before. One of our strengths is the fact that for 45 years through our whole existence we have collected data as part of our statutory requirement, and we have data on all kinds of things for the IBHE and ICCB. So, we can start tomorrow. Whereas if you are looking for a baseline for the four-year schools that do not have that data, we can start right away, and that we are ready to step up to the plate and talk to the General Assembly about this formula."

Chairwoman Hightman said, "All the community colleges you are saying?"

Mr. Barnette said, "Yes."

Dr. Elmer Washington said, "Let me just see if I have this correctly. My understanding is that your 10.473 should be the sum of all the values over zero. Is that correct?"

Ms. Andres said, "Right we just add them out, so in this example, number four and 39 would get nothing, they would not be in there."

Dr. Washington said, "Then you take the 10.473 divide it into \$200,000.00 and you get \$19,000.00 per point. That is the way I understand it."

Ms. Andres said, "Then you multiply it out."

Dr. Washington said, "Yes and then that is the allocation."

Chairwoman Hightman said, "Thank you."

Mr. David Anderson said, "Madam Chairwoman, I like the model, I get the model. One of the questions I had about one of the measures, and I think the students are very interested with this, is transferring to a community college being a measure. Can you kind of break down to the philosophy behind why, myself being a student, or when other students transfer into a community college from a community college would be advantageous, and why is that?"

Ms. Andres said, "I am actually going to ask Dr. Lee to answer that because she sits on the President's Council, and they had a long discussion about it, and we took this one actually very seriously, and had probably one of our bigger discussions about it, so you can give a better example."

Dr. Peg Lee said, "Sure, I think it is one of the markers of community college that we try to encourage the progress in higher education, and the complexity of our student's lives. Their place of employment will demonstrate that in many many community colleges the colleges to which most students transfer are community colleges. For example, Oakton students transfer to Harper, Harper students transfer to Oakton, and they keep maintaining educational progress. I think this has been underlined in importance by the recent announcement of the voluntary framework for accountability which also recognizes the transfer to a community college is part of the progress along the trail of higher education. So, it is a very important component."

Chairwoman Hightman said, "Anyone else have any other questions?"

Mr. Tom Thompson said, "What is the thinking about accounting for the fact that a huge number of students that enter a community college are undeclared and the ability of campuses to capture a goal or major, and maybe a major that will change over time, because you have to relate that to what the attainment is."

Ms. Andres said, "Well, where we would pick that up is, there is a couple things, we would pick it up under momentum points, because full-time or part-time students that are moving towards, maybe they have not declared a major, but they are moving towards getting basic skills or their basic skills out of the way, so we would pick up under there, or maybe they have not declared, but they then go ahead and transfer to a university after they decide they want to get in

the door and get over there. So, we would pick it up when they transferred also. Where you would miss it is, well actually no, I mean we are going to pick them up even if they have not declared, we are going to pick them up along the way as long as they are maintaining a goal towards either a transfer or if they stick around they are going to get a certificate or a degree and they would have declared something. So, I do not think it takes declaring something at the beginning to actually be counted.”

Dr. Washington said, “In regard to the six metrics that you have indicated here, it seems to me that different colleges will have different strengths and some might elect to build on something they are already doing to make significant improvements in several areas without having all six. Is there any provision for a case being made for emphasizing certain improvements that perhaps could be more readily demonstrated and allocated for?”

Ms. Andres said, “No, and actually we had a big discussion about that, and what we came up with were the six points. We decided these are six most important, so everybody really should be working towards either degree or certificate completion, working towards the at-risk students working towards degree or certificate, obviously remedial, if you are high in remedial working towards getting them into college-level coursework. Like I say what we are really missing here, and as performance based funding moves forward, is employment, because we have a big number of students that just leave the college for employment, and that is the piece we are missing, and we talked about it and we just had to stop some place. It just came down to where do we stop?”

Mr. Obrzut said, “I would just like to thank Ellen Andres, who is one of the three co-chairs that we had, also Terry Bruce from Illinois Eastern and Dr. Jerry Corcoran from Illinois Valley who headed up our committee, and also want to thank George and Al and everyone on his staff for working with us on this. We very much appreciate it. It was a pleasurable experience. Thank you.”

Chairwoman Hightman said, “Thank you all for the presentation.”

Dr. Phillips said, “And now onto the four-year model. With regard to the four-year model we developed a number of criteria to guide the effort which was consistent with the legislation, the *Public Agenda*, and performance funding principles. The first one was the measures have to address performance of a college or university in a holistic manner with primary emphasis on completion. Colleges and universities do a great many things, not all of which is confined to graduating students. So, when you look at the totality of what they do we tried to capture that which also allows us to address unique differences between all the colleges and universities. The measure will be weighted based on each institution’s unique mission, environment, challenges, and the ability to meet the state’s *Public Agenda* goals and objectives. Subcategories will address predominantly the underrepresented and underserved students, and those that are in critical programs such as STEM and healthcare, and they will be weighted based on state goals and objectives.

“The other criteria was, there were two pieces, the first one was as we identify the measures as we get started with this they had to make sure that they were very clearly understood, there was no room for subjectivity, that they were straightforward, that we had existing data so that we get started off on the right foot. So, the data had to be readily available from widely recognized sources and had to be data that could be verified and validated. We normalized the data, and I will talk about that when we get into discussing the model or scaled the measures so that roughly each of the measures was equivalent to the others. Because as you will see when

you start trying to come up with a performance funding value it is very difficult to add the number of graduates to the amount of research spending for a university and get a number that means anything, so we normalized the data. Once again, all measures and results are counts rather than rates, and the reason we did this was if you want to improve performance based on percentages one of the easiest things to do is make it more difficult for the least performing students either to get into a college or succeed, and so if you have fewer of those students your graduation rate goes up substantially and so your rates improve, but the problem is that is exactly the opposite of what we are trying to accomplish. So, what we are looking at are total numbers, not rates or percentages.

“These are the steps involved in the funding model and I will go into each of those in more detail. The first step is you identify the performance measures or metrics. So what we have chosen for the initial model are the measures you see here and we have also listed the source. Wherever possible we also intend to use averages so that you are not dealing with one year at a time, that will help to average out spikes or situations where something may have happened in a particular year that may skew the data. As you will see for graduate degrees for 100 FTEs and cost per FTEs, we are still working with these measures, because one of the challenges is to make sure that the data that we have actually says what we want it to or it represents that which we need it to. In the case of graduate degrees per 100 FTE that data is not broken out by type of graduate degree so it includes master’s degrees with all the doctorate degrees and so you may have a two-year program balanced against a seven-year program and so we are not quite sure that that is the right measure to use, and so we are still looking at that.

“Additionally, under research and public expenditures that is an input measure where we are trying to focus on outputs, but at this point in time that is about the best data we have in terms of evaluating research, but as we go forward with this efforts we anticipate getting into the other areas that Chancellor Cheng commented about such as patent, businesses started up as a result of research done at colleges and universities, and other things, but we are trying to keep it very straightforward, simple, easy to understand to get started with the model, and over time we will evolve this and add more measures as we get better data.”

Chairwoman Hightman said, “Explain to me what an education and general spending per completion means.”

Dr. Phillips said, “That is RAMP data that the colleges provide to us. So, that includes all spending categories with the exception of public service, and that should say public service not just public, research and public service. So, that is all the expenses that could be tied to the direct cost of education or support to provide education at the college. That would be an efficiency measure, so the intent there is to determine how much it cost per student or per completion as a measure of efficiency. So, ideally what you would want is that number to be lower rather than higher, because one of the issues is affordability.”

Chairwoman Hightman said, “And then compare that to the last item?”

Dr. Phillips said, “The research and public expenditure, those are the only other two items included in the RAMP submission, and those are more addressed to the public service, the research for some of the larger institutions, so that we can capture some of the other missions they do as well.”

Chairwoman Hightman said, “And to not penalize them if those costs are included in the prior category?”

Dr. Phillips said, “They are not included. They are both separate, but between the two of them we capture all of the costs associated with education at a college or research.”

Chairwoman Hightman said, “I guess one thing I was wondering is when you were saying as to the second to last one, last measure, you said lower is better which intuitively makes sense. So, as to the last item here, the last measure is lower still better?”

Dr. Phillips said, “Well not necessarily.”

Chairwoman Hightman said, “Right, so it is different?”

Dr. Phillips said, “It is different, because ideally the large research universities that is what you want them doing, so in that case more spending would be better, but what we are trying to do is balance out the unique missions of each of the different colleges and institutions.”

Chairwoman Hightman said, “Right, so you do not want to penalize schools for having, if you put it altogether, they get penalized for doing more research which is a good thing.”

Dr. Phillips said, “Correct.”

John Minogue said, “Why are we including anything graduate? At the master’s level let the markets decide it, they will take care of the performance problems, they will just wipe out the ones that are not good, and at the doctoral level most of the grants and stuff like that, if it is a grant, you know, based or research based, those are highly competed also. I do not see the need for the master’s because the market will control it, and the doctorate, because the grant funding will control it. That seems to muddy the waters. I mean not to knock research institutions, but you have seen which takes about eight years to get a doctorate, are we going to penalize them, because it takes so long to get a doctorate? I mean that does not make any sense. What we are concerned about is the undergraduate degree that is what we need, you know, people are kind of a little more on their own at the master’s and doctoral level.”

Dr. Phillips said, “Correct. Our concern though is that a lot of the colleges and universities that is part of their mission and we did not want them to be penalized.”

Mr. Minogue said, “But you can, it is a piece of cake to isolate the undergrad data. So, I just do not see, our problem is not doctoral programs and master’s programs, our problem is getting people graduated who start college or start some kind of degree post-secondary.”

Chairwoman Hightman said, “I am not sure if I would agree with your statement, because I would think first of all that we recognize there is competition for even undergraduate degrees that is the proprietary industry, right, higher ed. industry. So, I think you can argue there is competition for all, but we have it separate so if it is one measure among other measures, so even if we were to agree with you, it is just one of the measures you look at.”

Dr. Phillips said, “And what you will see when get further into the model, we weight those differently so those are not weighted as heavily as we weight the importance of bachelor’s degrees in the model.

“One of the challenges is, first of all, to keep it limited initially and to have measures with good data. These are other measures which we very much would like to include in the model. A number of these have been recommended to us. The challenge here for most of these measures are that the data is either not available or is not of sufficient quality. In the case of the quality measure, the other challenge is that is a little less objective, and so in order to figure out how to address quality it is going to take a lot more effort to make sure that we do that right, although that is certainly something that we plan to address in the model at a future point in time.

“So, the next step is to collect the data on the measures, and what you see here university one is a large research university, university two is a small research university and university three is a large master’s institution. As you can see the numbers are quite different. The large research institution obviously a great deal of spending on research, and as we have already talked about, more emphasis on master’s and doctor’s programs, but for each of the institutions they are quite unique in their own way and so the numbers are going to be different for each of those institutions. So, we collect the data.

“The next step is to award an additional premium for the production of certain desired outcomes such as completions by underserved or underrepresented students. Basically what this means is, and this gets to, specifically to the legislation, and what we are trying to accomplish in the *Public Agenda*. The way this works is that if you have 1,000 graduates of bachelor’s degrees and 100 of them are Hispanic, based on this model the Hispanic students would receive a 40 percent premium. So, instead of 100 they would account for 140. So the graduate weight would be actually instead of 1,000 it would be 1,040, because we are putting added emphasis on these particular types of students, because we view them as critically important, and ones that we want to provide incentives for the colleges and universities to help get through the system and graduate. Additionally at the bottom, there is also a focus on STEM and healthcare programs, and so those students would also receive additional weight.

“Once again there are a number of other subcategories and this brings up the disabled, veterans. Once again, the challenge is insuring that we have comprehensive data, reliable data, and we certainly plan to add these subcategories to the model at a later date.

“The next thing we do is we normalize the scale. Basically, what that means is you take each of the measures and you count them as equal to each of the other measures. As I said before, one of the challenges in this case is adding 4,445 to \$10 million in education research and getting a number that you can use. So what we do is in this case, what we did was we averaged all the measures, we took bachelor’s degree as the base number, and we scaled all of the rest of the measures to bachelor’s degrees. Now, this is better than we had done before. We are still not there yet. We have to take a look at this because one of the questions you might ask is, based on this model what you are saying is a master’s degree is worth four times a bachelor’s degree and a doctorate degree is worth 16 times a bachelor’s degree. Not sure that is right, so, but what we have done is normalize this so what you end up with are numbers that are roughly equivalent so now you can add or subtract them and get a number that is meaningful, but once again this is still a work in progress we are not sure we have this quite right, but we are getting more close.”

Mr. Minogue said, “Let me go back to the point about doctorate’s and master’s. State funding does not help those. I mean you can get student grants for undergrad, but you cannot get student grants for master’s. You might get a research grant or something like that, or you might get a fellowship, but what are we messing with that for. Not to knock that the universities do not

do research great, but that is not where the state money is going other than paying the building that they do it in which is an issue.”

Dr. Phillips said, “Well when you look at the research public expenditures education general spending to make sure that we are looking at all the colleges do, that is all they are funding, that is not just the state funding, because our concern was once again, if you go back to one of the principles of gaming the system. If you do not account for all the spending then it is very easy to move money from one place to the other to adjust your measures, and so what we are trying to do is be all inclusive, capture all that, and corresponding also address all the things that they are held responsible for.”

Dr. Washington said, “I think you make a very interesting point, but I would also point out in addition to what Al says, most universities who are doing research now, they have undergraduate students participating in that research, and that has been found to be one of the key elements in retention of students. So, there is a fair amount of overlap if the university is doing the right thing.”

Dr. Karnes said, “Another reason, what we are trying to do here is to provide skills for the future worker, master’s degrees and doctor’s degrees those are the kinds of degrees we need, very highly skilled workers.”

Dr. Washington said, “I would add to that that certain fields, as I pointed out in the past, we have international students in those fields, and virtually no Americans, period.”

Dr. Phillips said, “The next step is to weight the measures that reflect the mission and the uniqueness of each of the colleges and universities, and the first thing we did was we took a look at the Carnegie classification to identify how each of the colleges and universities were ranked.

“The next thing we did was we took a look at other states that have performance funding models to see how they did this and kind of an idea of how they weighted the measures, and so in this case, once again on the left, you have a large research university, small research university and a large master’s university on the right. As you can see we have assigned different weights to the different measures based on the particular mission and environment and focus of the colleges and universities. One of the things that has made this challenging is what we have are 12 completely different and unique colleges and universities in the state. They all have different types of students, they are in different areas of the state, they serve different populations, they have different missions, and so by using the weights we are able to adjust measures for each of the colleges and universities based on their uniqueness and what they provide in terms of higher education and research to the state.

“As you can see on the far left there is much less of a focus on bachelor’s degrees then at a large master’s university. For doctor and professional degrees, a lot of our master’s universities do not provide them, so that would get no weight. So, this is an example of how we have looked at weighted the measures for the different colleges and universities. Of course, if you take a look at the master’s universities those weights would be similar, but the same thing applies they are not all identical, because they are all different in their own way. So step five is you weight the measures.

“Step six is essentially the calculation of the performance value. So, you start with the data, you add the premium, you scale it, you weight it, and that gives you a value for each college

and university for each measure which then you add up. So, now the performance measure for this university which was the small research university is 4,435 and that is a value.

“The next step is to add up all the values from all the universities which gives you a total and then you take a pro-rata percentage of the total, and that is how you allocate funding based performance. So, in this case if you had a million dollars and you had three universities, you would take a look at the percentage and you would allocate the money accordingly. Now once again the large research university on the left gets more in performance funding, but that is because their pro-rata share of the funding is much larger. They obviously are going to produce more graduates, they are obviously going to have more research than a small university, but when you look at the pro-rata share of the money gave up it is consistent with what they gave up. So, larger, obviously larger universities would get more, small would get less, but it would be relative to the amount of funding that in the case of a set aside they gave up in the first place.

“The performance funding model all steps are identical for each university. We have accounted for each institution’s mission by adding weight to each measure based on their mission, each institution’s formula is calculated independently, the funding allocation is competitive, funds are distributed on a pro-rata share, and this would be the model, would be run every year depending on how the performance changed from year to year.

“The conclusion is performance funding is linked to the goals of the *Public Agenda* and the principles. The model is equipped to recognize and account for university’s mission and circumstances, it is adjustable, and once again, it is not prescriptive in terms of how the college needs to implement performance funding, just what the kinds of standards and the kind of performance that we are expecting to see. So, what we are trying to do is provide incentives not necessarily tell them what they have to do.

“The way ahead, we still have to finalize the adjustment of the model which is what we are doing now with real data. We will be meeting with the college and university presidents to get their final input. We will then meet with the steering committee one last time, and then in February we will present our final performance funding model recommendations to the IBHE Board along with our budget submission which we do every year in February. As soon as we do that we will start work again on the next generation of the model. I have already had some discussions today with some folks about all the things that we need to do to move the model forward and we will continue to work and preparation for the FY 2014 budget submission.

“Last but not least, this is a dynamic process and we will continually work to improve and refine the model.”

Mr. Minogue said, “Have you taken the mathematical model and tested the data on that to make sure those variables continue to have a consistent implication to the model? Cause that is how you game the model, you find one of those variables that alters the data.”

Dr. Phillips said, “And the answer is no not yet.”

Mr. Minogue said, “I would recommend it.”

Dr. Phillips said, “I will tell you, and one of the last things I will say is for everything that we do the first thing I ask myself is how does this impact the University of Illinois Champaign-Urbana, and then I ask myself how does this impact Eastern Illinois University and then how does

this impact University of Illinois Springfield, because this has to work for everyone across the board. We are very cognizant that obviously there is real money on the table so people are going to do things that are, which are in their own best interest and we understand that. The challenge we have is a relatively short amount of time to get this put together. Our view is that this has to be transparent, you have to be able to understand the model, you have to understand how we got here, and how everything works if everyone is to agree that this is the way to proceed, because I have had the discussion with a number of the presidents. I understand that this may not be something that they like a whole lot, but if we get to a point where it is acceptable, and it makes sense, and they can agree to it then I think we will be successful. We have only started, and as an engineer with somewhat of a math background I understand all too well that people are going to look for every opportunity to game the system, and so we are trying to make it simple and transparent so that it is more difficult to do that.”

Chairwoman Hightman said, “Any other questions or comments?”

Dr. Addison Woodward said, “I would just say that we are actually telling institutions what to do we are just not telling them how to do it.”

Dr. Phillips said, “Correct.”

Chairwoman Hightman said, “So what do you want us to do today?”

Dr. Phillips said, “What I would like for you to do is say that you support the work to date, that we are in agreement that we are on the right path, and that we should continue to finalize the model in preparation for our submission in February.”

Chairwoman Hightman said, “Before we say that, just so I am clear and the Board is clear, so the subcommittee worked on these complex issues and Dr. Cheng provided a report, at the same time, or maybe subsequent to that, I guess they had to be subsequent, because some of those issues related to what you just put together. You worked with the committee and you came up with this model that covers both community colleges and then four-years. Is there a consensus now on the committee that this is the right way to go?”

Dr. Phillips said, “I believe there is. I will refer to the committee chair.”

Dr. Reid said, “I think there is. It stretches wide and goes deep into our thinking, but I think in general the overwhelming support for the recommendations that have come forward for the principles and the formula.”

Dr. Karnes said, “Madam Chair, I would say that there is wide agreement on the steering committee with the concept of the model itself, how the model works. I do not think there is general agreement on individual metrics at this time yet.”

Chairwoman Hightman said, “Even what Alan just went through?”

Dr. Karnes said, “No.”

Mr. Jay Bergman said, “We really are not that far yet. We talked about at the meeting last week the need to meet at least one more time. So, it is maybe not that we are arguing about things, but we have to take it a step at a time, and we are really not that far yet. Does that?”

Dr. Karnes said, "I would agree."

Chairwoman Hightman said, "Representative Pritchard did you want to say something? I wanted to give you an opportunity if you wanted to speak. So, do you have another meeting scheduled of the committee?"

Dr. Phillips said, "We are planning on having another meeting at the end of January."

Chairwoman Hightman said, "Okay, and you are going to have your other meeting before the February board meeting for the Board of Higher Ed.? So, I guess what I want to make sure is that if we are giving you as the Board our sign-off on these principles, I want to make sure that everyone does agree, because I think that what Allan just said is a little different than what I understood, because I thought that the principles for these metrics, that the basic metrics that you just outlined and that the community colleges outlined were metrics that are generally agreeable to everyone. I do not know if that is what you are saying, or if I am hearing it wrong."

Dr. Karnes said, "Yeah, we did not walk away from the steering committee last time in agreement on the metrics."

Mr. Bergman said, "But, again, we did not necessarily disagree. We just did not get that far."

Dr. Karnes said, "Right."

Chairwoman Hightman said, "Okay I do not know how we can say to you okay, because I would want you to go further in the conversations, but if everyone has not yet said we agree in principle with these metrics then I do not think the Board should be jumping in and saying go ahead."

Dr. Frances Carroll said, "This is the first presentation to the Board and the first time that the entire Board has heard it from this perspective. I had the feeling that we were going to move forward and continue to look at this model, and have an opportunity to digest it before we say go ahead and close it up. George that is the impression I had from the steering committee that this would be the first presentation to the Board, and we would have an opportunity to digest it. I think we have to look at Father Minogue's comments and any other comments, and then come back maybe in February and say let us tie it up."

Dr. Reid said, "That is right, that is why I was trying to say that the steering committee wants to know whether or not we are on the right track, we are going in the right direction enough to say continue in your thinking in order to build the budget for 2013."

Chairwoman Hightman said, "I guess I am concerned, and I know Elmer wanted to say this, but let me ask this. I think what you are saying Frances is what Allan just said is true with regard to the committee itself not just the Board, that the committee has not even seen this as a whole and talked about it just like the Board had not seen it, and had a chance to think about it. So, we are all in the same boat here. You are presenting this for the first time for everybody to hear."

Dr. Karnes said, "No we saw that presentation."

Dr. Woodward said, "We saw it."

Dr. Washington said, "No there was a complete presentation at our November 30 meeting."

Chairwoman Hightman said, "But no decision from the full."

Dr. Washington said, "And the presentation was done after we just received the report, so we did not have time to digest it, so the details of the metrics we have not even had a chance to talk about. The model itself, the push I thought we were pretty much agreed to that, but there are details in terms of metrics, and I guess community colleges are ahead of the universities, because they have done it."

Chairwoman Hightman said, "Theirs seems simpler too in a way."

Dr. Washington said, "Right, but I think we are close and we need to have another meeting which we have planned to finalize what we are going to present."

Chairwoman Hightman said, "So my concern is with regard to the timing of development of the 2013 budget, because if you have your meeting in January, and then we have our board meeting in February you are going to be presenting the budget to us in February before we have even had a chance to say we like the metrics, and if we do not like the metrics then we have no time to fix them to have a budget in place in time for the whole process."

Dr. Elaine Maimon said, "On behalf of the public university presidents and chancellors we discussed the metrics for the four-year universities today and we are in general agreement that we are on the right track, there is some tweaking that needs to be done, but I just want to make clear that all of us, we have reached consensus on the direction that things are going in."

Dr. Phillips said, "I will say this is still a work in progress."

Chairwoman Hightman said, "I understand that that is why I am asking what I am asking."

Mr. Anderson said, "I just wanted to say that from what I could ascertain at the last committee meeting that the principles, as you were talking about principles Madam Chairwoman, I think the ideology and the principles of the performance funding that there is an overall consensus. It seems like that most of the universities and the constituencies at the table wanted to do due diligence on the metrics and kind of vet them through to, you know, that they would deem appropriate."

Chairwoman Hightman said, "Yes my guess they want to understand what it means to them. So I still have my question. I am after how we get this done in time for the 2013 budget development."

Dr. Carroll said, "I have a suggestion, perhaps now that we have heard the total presentation, I am speaking for the Board only, that we review it, and then in January have a conference call as to how we all are understanding, and then can move forward so that we will be ready for the February board meeting."

Chairwoman Hightman said, “We would have to have like a full board meeting, we cannot just do a conference call. We have to have a majority of board members present is what we have to do. We can do that if we want to pick a date, but everyone cannot be on the phone, but we could set up an additional date if we want to do it. My concern is I do not want to end up not having this implemented for the next budget year, because then we would be in violation of the statute. But, the other way of doing it would be for you, the staff to distribute to the Board after the next committee meeting the results of your meeting, because I think you cannot wait till the end of January to have your meeting. I think that totally screws us up.”

Dr. Phillips said, “The challenge all along has been is that we have had a limited amount of time to pull this together, but reach consensus and identify the measures, what data is available.”

Chairwoman Hightman said, “I get that. That is why it is going to be limited no matter how much you have you are not going to have enough. So here is what I would propose, I think you cannot wait until the end of January to have your committee meeting. That is way too late. You have to do early January, and I think that what we can do is if you have consensus, my feeling is, and I do not about, because I am hearing it for the first time, so I want to hear what the rest of the Board thinks or if anyone disagrees with this. It seems like it is a sound approach, it seems to make sense, I do not see any big red flags, I know that Jack has an issue, but really seems like the only issue that I have only heard, it does not seem like a big one, because the results in the end, by the way, basically address what you wanted, what your concern was I think. It seems like unless somebody, in fact maybe I am asking the Board just to get a pulse here, does anyone have any big issue with what you have seen? No, okay. So, if you can get your committee to agree to this and maybe send us whatever the final results are of your next committee meeting which hopefully can take place early enough in January that were there to be an issue we can figure out what to do with that issue, because we have to implement this with the budget we propose in February, and we could perhaps have an emergency board meeting or an extra board meeting, it cannot all be by phone, but if we know early enough in advance we can get it done. What is the date of our February meeting? The 7th Linda is saying, so that is pretty early that is why you have to do it in early January. Does that make sense for everybody?”

Dr. Reid said, “Get something to you maybe by the second week in January.”

Chairwoman Hightman said, “I would be surprised if there is a problem in the end honestly from what I am hearing, so this is probably a big to do for nothing, but I just want to make sure that we have a backup plan, because we have a statute we have to comply with.”

Dr. Reid said, “Okay we will call a meeting of the steering committee in early January to get a report to you by the second week.”

Chairwoman Hightman said, “I am saying the second week or whatever. Is everyone okay with that?”

Mr. Minogue said, “Just a thought. So that the universities that will be affected by this formula, if some real numbers could be tossed in there in last year’s performance just to show what that means to a university that way the troops will not revolt after we approve it.”

Dr. Phillips said, "Actually one of the problems is all we have are previous numbers. In other words..."

Chairwoman Hightman said, "But that is okay. That is not a problem."

Mr. Minogue said, "But it might be good so that the universities can see what this formula means to them."

Chairwoman Hightman said, "It is a baseline."

Dr. Phillips said, "And actually that is where we are with the model is trying to balance it out, and making sure that it is fair and equitable across all of the colleges."

Chairwoman Hightman said, "I think it is important to show relatively how it effects the universities, does not matter about the amount, but just proportionally or whatever."

Mr. Minogue said, "Last I heard we were at two or three percent of the total state allocation going to this."

Chairwoman Hightman said, "Well that is part of your proposal you are going to make right?"

Dr. Phillips said, "Part of the proposal has to be our recommendation for what the set aside should be if there is going to be one. If there is additional money it is not so much of an issue. As we have said before, as we get started smaller is probably better until we get this."

Chairwoman Hightman said, "What if there is no additional? What is plan B?"

Dr. Phillips said, "Then one of the characteristics of this model is it does not matter what the funding is, we can allocate it based on however much funding there is. It can be allocated based on performance using this money."

Chairwoman Hightman said, "I am not sure you answered my question, so if there is no additional funds are we still going to say two percent of the funds that are."

Dr. Phillips said, "I would say probably that is too large for the first."

Chairwoman Hightman said, "Some percent. If there is no additional funds, then we would say some small percentage?"

Dr. Phillips said, "Or a specific dollar amount."

Chairwoman Hightman said, "And does everyone understand that, like the universities understand that?"

Dr. Phillips said, "For instance the community colleges are recommending."

Chairwoman Hightman said, "Oh I see a funny look on all the universities faces. What I think you need to do, we had this conversation at the last meeting, you need to figure out how to show that we are complying with the statute if there is no additional funding. Okay, so I just

leave it up to all the smart people in the room that have a lot at stake here. That would be a way to show you are meeting even if there is no new funding. So you figure out how you can do it, and I think you all can figure out creative ways to do that if you absolutely have to, but the consistent with the spirit and intent of the statute.”

Dr. Reid said, “So at our next steering committee meeting Madam Chair we will invite all the presidents to come as well so we can have this discussion among all of us.”

Chairwoman Hightman said, “Well they are always welcome to come, anyone is welcome to come. Let me ask you this, why did nobody not make a presentation to us on those key issues that are sort of like the big elephant in the room?”

Dr. Phillips said, “Which issues?”

Chairwoman Hightman said, “What percentage and what to do if there is no new funds, because we know that is an issue.”

Mr. Bergman said, “We have not agreed yet.”

Chairwoman Hightman said, “But are there not parameters or something even, like a range of options?”

Dr. Phillips said, “All we have, all we can look at is what the other states have done, there is no specific parameters. Basically we have not figured out how to recommend this especially in conjunction with our usual step recommendation.”

Chairwoman Hightman said, “What if it is like Representative Pritchard said, you know we mitigate our losses here, that by having performance based funding we get less of a cut then we otherwise would which I guess you never know what you would not get. You do not know what you avoided, but how do you deal, is there some way that you can figure out how to deal with that scenario. We all hope we get more money so do not get me wrong.”

Dr. Phillips said, “We are still trying to figure out how to recommend, for instance, one of the challenges is if it based on 2013 performance, you cannot, it does not make sense to set aside money at the beginning of the year and hold it until the end of the year and then pay it out at the end of the year. So, a recommendation might be that part of the FY 2014 funding would be based on FY 2013 performance, and that would be paid at the front of the year with the rest of the funding. So, that would be one way to talk about doing that, because we were trying to figure out how would you keep the money aside, set it aside, which is probably not what we would want to do until the end of the year and then pay it out at the end of the year. I am not sure that would work very well, but if you allocated it based on the previous year’s performing and paid it out with the next year’s funding, when the funding was allocated that would probably work. Those were some of the issues we are trying to address.”

Chairwoman Hightman said, “I am just asking us to be careful, because here we got what we asked for right, and we are saying how great it is and how it is the right way of doing it, so we have to make sure we do not say we are not going to do it, because that would look bad.”

Dr. Phillips said, “I have not once thought that we were not going to do this.”

Chairwoman Hightman said, “Good. So we have a plan. Anybody else have any questions or comments about this? Obviously a ton of work has gone into it and some great thinking and on behalf of the Board I want to thank everybody who has been involved. Thank the staff, thank George, thank you Alan, we do really appreciate what you are doing. I know we have tough questions that we are asking you, and I know you are all up to giving us answers to those really tough questions. I look forward to hearing the answers to those last questions.”

Mr. Minogue said, “Skipping how the sausage gets made, it might be interesting to see a little spreadsheet of what or 211 the various universities got, what possibly they could gain, we have to decide what the pool is whether it is \$20 million or \$2 million or something, what that could be should they had performance measures, so people can see what the goal is, a very simple one page or two pages if it is a long list of universities. I think that would be helpful and it would skip how you make the sausage or the formulas and show you what the results are.”

Chairwoman Hightman said, “But, the problem is that you are missing the incentive, because they had it, you would be looking at performance when there was no carrot and stick. So, I mean looking at a baseline year I can see relevant, looking at multiple baseline years seems to me to be not relevant because they did not have the incentive to perform which this kind of funding is supposed to provide.”

Mr. Minogue said, “Well it would seem to me in 2012 you are going to identify how big the carrot is.”

Chairwoman Hightman said, “I agree.”

Mr. Minogue said, “And in 2013 you get that part of the carrot.”

Chairwoman Hightman said, “I am with you on that, but going back to the prior years I am not sure it would be as useful.”

Dr. Phillips said, “That is actually where we are trying to get to is so that we can lay out and actually show the results of the model. We are not quite there yet.”

Chairwoman Hightman said, “So in the interest of not having this meeting go through until 6:00 p.m. tonight, I want to thank you, want to call Mike up to give his presentation and then what we will do is take a quick break after that.”

4. The Public Agenda for College and Career Success

5. Public Agenda Update, Dr. Michael Baumgartner, Complete College America

Dr. Michael Baumgartner said, “Thank you Madam Chairwoman, Members of the Board, Dr. Reid, I find myself in the position that I often find myself up here. I had prepared a lengthy presentation, and was told to do it in a minute or two. Nothing has changed. I do sense in the crowd that people are anxious to get a break. I am going to expedite this over what I had.

“Dr. Reid had asked me to provide some national context and thoughts on the development of Illinois performance funding formula from Complete College America’s perspective. We are working on this in a number of states, so I think we do have a pretty decent perspective. We are working in Illinois, Georgia, Arkansas, Oklahoma, Missouri, Texas, and

Louisiana on various aspects of this. It is something that, as you know, is very important on the national scene, and each state is approaching it a little bit differently. However, I wanted to go through some of the principles or good practices that we have put together as we work with the states, and kind of give an assessment of where Illinois is and do that real quickly at the same time.

“First, on getting agreement on the goals before putting performance in place, it is very important to have a clear statement of the goals that has broad bipartisan acceptance. Without that there is no opportunity for the funding model to be a lasting funding model, and from our perspective Illinois gets an A+ on this measure. Many of the sponsors of HB1503 and its unanimous passage, and the Governor’s signature to make it Public Act 97320, are a testament to agreement on those goals, and not only is there legislation, but the process imbedded in the legislation to create the funding formula speaks to consensus. So, we had about two hours of discussion here on the process and the consensus reached through that process, and it is a slow process. It has been a slow process today. It was a slow process putting the *Public Agenda* together, but I think that this process works in Illinois, and I think that you are doing very well on that.

“Principle two, do not construct performance metrics too narrowly and promote mission differentiation, not mission creed. The focus rightly, as it is in the *Public Agenda* is on completion. That is the focus nationally. That is the reason Complete College America exists, and the completion portion is well entrenched in the formulas that you are looking at. However, we also believe it is important for all institutions to have the opportunity to benefit by excelling at their different missions, and this gets to some of the discussion about graduate education and research. The institutions are different, the main goal of the *Public Agenda*, goal one, goal two, goal three is toward more degrees, closing the attainment gap, and that is rightly where much of the performance funding is targeted. However, we also do believe that institutions are different and need to be rewarded for the difference they have. In your formulas that you are looking at that is in the public service and research expenditures for the universities. For the community colleges, it is rewarding students who advance from adult education or remedial education to college level courses and the proposed weighted system is another way to do that.

“Good practice three, include provisions that reward success with underserved populations. That is in your statute, that has been a hot topic of conversation, not only among the group and among the subcommittee, but at the last meeting, and I have been at all five of the meetings and that is why I feel pretty good about your process and what I am saying. Dr. Carroll, Dr. Rivera, and Dr. Washington all had comments about the importance of maintaining that commitment to closing the attainment gaps in this formula. That is something that the Board has to keep its eyes on as it moves forward. There are lots of things that the colleges do, but what it is, what is most critical in the *Public Agenda*, why are you doing this?

“Provisions that reward progress as well as ultimate success, this is especially important in early stages of performance funding. Degree production is difficult to increase in early years, but you can see students moving from one point to another and the community college formula talks about the momentum points. That is a very important part of the community college formula. We also think it is an important part of the public university formula, because those students also pass through momentum points, and you heard Dr. Phillips talk about the data issues that come with that. It is good to know that you are not settled on metrics yet at this point and that the committee is going to continue into the future because not every state does have a complete set of metrics together to do that right now. Illinois is not alone, and as we work

nationwide toward those momentum points, toward finding out did you successfully transfer, did you complete 15 hours, and did you complete a gateway course after completing remedial education. Those are important points to rewards at institutions, at universities as well as community colleges. So, keep that focus on progress as well as just the number of degrees that are awarded each year.

“At the same time that we talk about that though, limiting the categories of outcomes to be rewarded is important and we have seen states that do an awful lot and states that focus on very few. I think from the *Public Agenda* you have a very good sense of what you need to reward and need to keep that focus. Do not try to reward everything, do not try to fund everything that institutions do, focus on the *Public Agenda* goals.

“The metrics that are unambiguous and difficult to game. I think that has been a topic of conversation throughout the process with the subcommittee and with the steering committee and that is well done. Rewarding for continuous improvement and not attainment of a fixed goal. Again, I know that has been a principle that you have been working on from the beginning.

“Finally one I do worry a bit about and that is the part, Madam Chairwoman that you said was kind of the elephant in the room. The pool, always turns out as you would expect to be the most controversial part of a performance funding formula. Institutions are typically arguing for a small percentage and policy makers often taking a different tack on that. Different states have different answers and there is not any right solution. Some are up to 100 percent or are going there. Tennessee is one; others are Colorado and Louisiana at 25 percent. Arkansas approved a formula of 25 percent, at five percent each year, increasing five percent each year. Indiana is just above six percent though. So there is room and you have to find the right one. However, it worries me a little bit when you are on one percent, because if you are talking about less than one percent of the funding it is hard to see how that is going to move policy very far.”

Chairwoman Hightman said, “Hey Mike, what do you do if there no new funding.”

Dr. Baumgartner said, “Well I do not work here anymore so let me tell you, and I can pull arrows out of my back later. What we did in Indiana was allocate according to the formula and then make an across the board cut so that we rewarded the institution. This is with a cut, not with just no new funding, but when there was a cut we rewarded; we made the calculations based on what they would have done if there was funding. So, if we were offering certain number of funds, \$2,000.00 per extra degree, do everything just like there is money, then take it down pro-rata to what you have left, and that maintains the goals that you set for yourself. Our goals were to incent an increase in the number of degrees, in the number of transfers. So, we are being true to the policy that way even though we do not have money left over. Now that does reallocate, but you can put a stop loss in there without a hold harmless.”

Chairwoman Hightman said, “Are there other states that have not done it that way or have done something different where there has been a reduction or hold?”

Dr. Baumgartner said, “A lot of states when there is a reduction throw it out the window, but from our perspective is the wrong way to do it. Did you not just say that these are the most important things you were supposed to be doing? If this is the most important thing that you are doing, why are you throwing it out the window? To get passed your current dilemma if there is no funding, I think I would run a formula the way it looked and then, so that you saw what the goals were, so that you saw where the institutions were, and then back it off to a level that people

found acceptable. Either with a one percent stop loss, a two percent stop loss. Nobody is advocating take everything to five percent, ten percent, twenty percent immediately. You have got to do it slowly. Institutions have to react. Institutions have to make plans and this is not, and I think the point has been made very well in the steering committee, this is not to punish people. So, when there is no funding I would not punish people, but I would implement it so that it is clear what would happen and where you are going and where can it go in the future whenever you are able to fund it.

I think that is wrapping it up for me.”

Chairwoman Hightman said, “I apologize for making you feel like you do not have a lot of time. Is there anything else that you wanted to cover?”

Dr. Baumgartner said, “I would like to say from Complete College America’s perspective Illinois is a stellar state, you have a fantastic team coming off the *Public Agenda*, but you have got so many people right here in the room that have been to our events, who have participated in a completion academy, that we worked with the performance funding committee with Dennis Jones, we worked last summer with the finance committee, you have a great state liaison in Candace Mueller who really keeps information flowing which I know because I get it, I receive the stuff. I really think the confluence between Complete College America and the *Public Agenda* and where Illinois is going has been very good, smooth. You heard from our president two years ago, two and a half years ago at DePaul University in August 2009 back before we were Complete College America, but I would commend the process that you have used here. I think it is working well. There are some measures that I want to see implemented that I would want to do before. The data that gets at those measures that makes them work, but I think that this committee is doing a good job and really proud of the way the *Public Agenda* has moved along in these last three years.”

Chairwoman Hightman said, “Any questions or comments from the Board? Anyone else in the room that has any questions or comments for Mike? If not, appreciate you being here and your support and all the work you have done before and now. Thank you very much and thanks for the good comments about Illinois.”

6. Public Agenda Showcase

Chairwoman Hightman said, “I am going to turn the mic over to Dr. Perry who has others with him and so I am going to let him do the introduction and I am not going to give you a fancy introduction, because I already referenced you before.”

Dr. William Perry said, “Chairwoman Hightman thank you very much for the opportunity to present to the Board today about the Student Success Center at Eastern Illinois University. Eastern Illinois University like the other public universities has been working for years at improvement in many of the areas important to the *Public Agenda*. *Public Agenda* is new on the scene, performance funding is new on the scene, but the public universities have been performing for years, and this is just an example and other universities, other public universities could give similar examples as to efforts that we have made in the past.

“What we want to present today and report on is our Student Success Center. This is a center that was developed by means of a grant that once we saw the success of the efforts we hardwired this Student Success Center into our budget. It is a focus on retention which obviously

has an important impact on the *Public Agenda*, but we have worked on it long before the *Public Agenda* was articulated. The PI on the grant was Dr. Jeff Cross who is Associate Vice President for Academic Affairs and a professor in counseling and student development at Eastern Illinois University and he deserves a lot of the credit, although he will give the credit to many other people for getting this initiative going and bringing it along to its current state, and he is going to present to you a little bit of the history of that and some of the results we have been able to obtain in our Student Success Center. So, I will now turn the microphone over to Dr. Jeff Cross.”

Dr. Jeff Cross said, “Thank you Dr. Perry and thank you Chairwoman Hightman and also Board Members for giving us an opportunity to showcase the Student Success Center at Eastern Illinois University. I will be saying a few words, but there are four other people here who are much more intimately associated with the Student Success Center and I would like to introduce them to you at this time.

“First, Ms. Cindy Boyer is the Director of the Student Success Center, Ms. Taisha Mikell is a student success specialist, and we have two students at Eastern Illinois University who have had some involvement with the Student Success Center and they are Mr. Andrew Lutz and Ms. Jasmine Parks. At the Student Success Center we are building a culture of academic success at Eastern Illinois University and I would like to give you a road map about how this presentation will proceed. We are going to start off by telling you what we have achieved, telling you a little bit about how we have done it, and then give some student perspectives and then look a little bit to the future about what is coming next.

“Every year at Eastern between 500 and 600 students go on academic warning; that is, their cumulative GPA drops below a 2.0. Before we implemented the Student Success Center only 34 percent of the students who went on academic warning ever regained good academic standing which means they never completed at Eastern. They may have completed and been successful somewhere else but they were not at Eastern. After implementing the programs of the Student Success Center and its activities, two semesters after a student at first goes on academic warning 86 percent regain good academic standing.

“We also are affecting minority student attrition in our programs at Eastern. Before the Student Success Center three semesters after a cohort of minority students entered the university, either first time freshmen or first time transfer students, 46 percent had left the university for any reason whether it was for transfer, whether it was for dropping out, whether it was for academic dismissal for any reason. After the Student Success Center was implemented that percentage has been reduced to about 20 percent, and any given year 500 to 600 students comprise that cohort of minority students who are first time at the university.

“President Perry mentioned that we were successful in acquiring a Title III Grant that was a five year grant to create the Student Success Center. It was for \$1.85 million and the grant funds actually got used in three buckets. The first bucket obviously was to create and operationalize the Student Success Center. The grant also provided funds matched by the university and this is again part of the commitment that President Perry has talked about to establish an endowment, the proceeds of which provide funds for operating the center after the grant. Then lastly the grant also provided funds for construction of a building. In this case the addition to a building and for creation of the Student Success Center in both real and virtual space.

“This slide depicts the addition to Ninth Street Hall. The building here, this was the original footprint of the building on the campus and actually this building was slated in a previous master plan to be demolished. With the addition, one of the reasons it was slated to be demolished was that it was not accessible on all of its levels. With the building of the addition of the Student Success Center, here that is the shaded area, we included an elevator and because the entrance here is accessible then all levels of Ninth Street Hall were now accessible and this building is now the useful life of that building has been extended greatly. If you visit the campus and enter the Student Success Center this is Ninth Street right along here. The main entrance is right here and this is what you will see when you enter the Student Success Center in brick and mortar. This is what you see when you enter the Student Success Center online, and I would invite you to follow the URL here if you have an opportunity and look at the array of programs and services that are available online as well as in the center. And, to tell you more about the programs of the center I would like to ask Ms. Boyer to come to the microphone.”

Ms. Cindy Boyer said, “Good afternoon. It will be my pleasure to talk to you a little bit about the day-to-day operations of the Student Success Center. In terms of staffing we have two full-time administrative and professional staff, Ms. Mikell and myself, but we also have six graduate assistants and four graduate interns, and has proved to be an invaluable model in the center for relating to the students. We provide direct services to the students, we teach and we also put on workshops and presentations.

“The empowerment course is called EIU 2919 Strategies for Academic Success. This is the course that is required for students who go on academic warning the first time. It is a one credit hour course focused on changing student behavior which is why primarily they fall on academic warning in the first place. The course has proved to be unbelievably successful. As Jeff stated before, prior to the course and our set of programs only 34 percent of students ever regained their good standing, now that number sits at 86 percent. The course is instructed by our graduate assistants and our graduate interns, as well as one section online by Ms. Mikell, because again, we feel that those graduate students can relate better to those undergraduate students in terms of age and life experience and so the message is being received as opposed to someone like myself who sounds like their mother telling them what they should, they are hearing more from a peer who has been successful.

“Last year we had 24 sections of EIU 2919 with 475 students enrolled and I am anticipating yet another successful cohort of those students. We have been tracking between 82 and 92 percent achieving good standing over the last five years.

“Additionally, we have departmental tutoring schedules posted on our website so students have easy access to that information. When the Student Success Center was first developed we developed a faculty referral network whereby faculty could go into our website to securely refer a student to the center, we would conduct outreach to that student, and hopefully have them come in for some intervention and then reconnect with faculty. That is slowly being phased out with a new and improved model called our early alert system, and Taisha will be speaking about that in a moment. Additionally, we conducted 32 workshops and classroom presentations last year with over 1,000 student attendees, mostly voluntary, and these workshops are also available online on our website through podcasts that we run through YouTube and iTunes U, and last year we had over 8,000 hits on those podcasts and some of those podcasts were being shown in large lecture halls, so there is really no way to determine how many students were actually impacted by that information.

“In terms of some other programs that are housed in the Student Success Center, the boost program is an alternative admission program, it was developed to provide access to underrepresented student populations, and we have admitted 50 students each year who are at-risk underrepresented minority first generation or low income students, and have had great success with that program. Additionally, we provide intervention with students who are reinstated to the university following academic dismissal. Students who are dismissed from the university remain out of the university for a semester, and then when they return they are assigned a mandated coach from the Student Success Center who they meet with regularly to help them with GPA recovery and continued enrollment.

“Finally the Student Success Center both coordinates referrals to and from the center from a variety of sources on campuses and I am going to let Taisha Mikell address this next component in more depth.”

Ms. Taisha Mikell said, “Good afternoon. As Cindy said an additional result that we got from the creation of the Student Success Center is that we were able to coordinate what was once a serious of disconnected student services across campus into a more coordinated effort to support our students. We work to connect students with various supports that will aid in their academic success, and as you can see we work with the counseling center, athletic support services, the writing center, academic advising, minority affairs, career services, the reading center, financial aid, and a variety of other academic departments across campus.

“I am now going to introduce you to a few of the students who have been beneficiaries of our coordinated efforts across campus. First, I would like to introduce you to Ms. Jasmine Parks.”

Ms. Jasmine Parks said, “Hi, my name is Jasmine Parks. I am from Champaign Illinois and I am a sophomore at Eastern Illinois University. I came to Eastern through the boost program where I was appointed Ms. Cindy Boyer as my advisor. Being part of this program I had to come visit her at least once a week. At first I did not want to go because I was kind of embarrassed about it, and after a while I seen the progress that I was making, and I started looking forward to going to these meetings. Mrs. Boyer and the Center helped me achieve a 3.0 my freshmen year and get over my anxiety and fear of being in college. I now voluntarily go to the center once a week and I meet with Ms. Boyer, and they continue to help me stay focused in classes and encourage me to stay successful in my college career. It is always nice to know that you have people who care about your education and achievements just as much as you do. I am thankful that I started through boost program and the Student Success Center. And, now Andrew will share his story.”

Mr. Andrew Lutz said, “Hello. My name is Andrew Lutz and I came to Eastern Illinois University as a transfer student during the fall 2009 semester pursuing a mathematics and secondary education major. After earning a 0.0 term GPA for the spring 2010 semester my cumulative GPA dropped to 1.96 and I was academically dismissed. I returned to Eastern for the spring 2011 semester as an English major with secondary education major. I was enrolled in EIU 2919 where I learned proper study skills, time management and to focus on the good things that I was accomplishing rather than the bad that I had. Ever since the beginning of that semester I voluntarily met with Mrs. Boyer on a weekly basis. She has help keep me accountable for big projects and tests that I have had. She has helped me set up a working study schedule, foster habits that help with me academically, and simply been someone I can come talk to if the need arises. Last semester I earned a 3.25 term GPA raising my cumulative to a 2.57. Because of the

help I have received from the Student Success Center and my previous academic experiences I plan on obtaining a master's in educational psychology so I can provide students with the same help that the Student Success Center has provided me. Now Ms. Mikell will discuss another student success story."

Ms. Mikell said, "The third student that I want to introduce you to today could not be here with us, but you can learn a little more about him if you visit our website. You can see a picture of him and his family up on the screen. This is Dillon Dorset, and I will just share Dillon's words with you. He said that he struggled from the start at Eastern. The fall semester of his freshman year he earned a whopping 1.86 GPA. The following spring he did a little bit better and got a 2.25 GPA which brought his cumulative GPA up to a 1.9, but he was still on academic probation at that point. The next fall he fell behind again and got a 1.88 GPA which essentially got him dismissed from the university. He did not really understand why he had gotten kicked out, he had done the best that he knew to do, but did not understand what had happened. At Eastern our reinstated student program requires all students, if they return to the university, to meet with staff from the Student Success Center, and that was a turning point for Dillon. After he started meeting with staff in our office he learned the study skills and the time management skills that he needed to become successful, and at the end of that fall back at EIU he earned a 3.07 GPA. The shirt that he is wearing in this picture is the shirt he wore home to greet his parents over winter break. He did not tell them how well he was doing. Of course, they were very pleased with his progress. Dillon continues to be successful at EIU, he has improved his cumulative GPA up to a 3.2 and at the end of this semester he hopes to have a 3.5 GPA. He has just been named the outstanding health studies major at EIU.

"So what are we doing next in terms of student success at Eastern? As Cindy mentioned earlier we have developed an early alert system. This is a system that is designed to identify students who are at risk for academic failure and get them connected to the appropriate campus resources. This fall we piloted that program and we have participation from about 100 faculty members and got about 800 referrals through the system. We are still analyzing the data, but everything is looking like it is going to be success, and we plan on rolling that out to all of the courses that we currently require faculty members to submit mid-term reports for.

"We also are looking to expand our supplement instruction program at EIU. Currently that is just offered in our college of business. We are thinking that if we also implement that in some of our gateway courses, the more challenging math and science courses, we will see the same level of success that we are seeing in the college of business.

"Our online tutoring program is currently being researched. As Cindy mentioned we see much success from the students who are viewing our video podcasts online through YouTube and iTunes U and so we are thinking that, and we know they love to be online, they are on Facebook all the time. Hopefully offering some of the tutoring services online will give them the same level of success that they are seeing in updating their status.

"Lastly the summer institute for higher learning, this is a bridge program that EIU is going to be offering to select freshmen by invitation only. It is a five week program designed to help students make a successful transition from the high school environment to the EIU college environment. The three main goals of this program are to improve access to higher education, to enhance summer and overall enrollment at EIU, and also to improve the success and retention of newly admitted students with potential academic risk factors. Coordination of the program is through the Student Success Center and we also collaborate with many departments from across

campus. In addition to the academic curriculum that these student will be going through with the summer institute including co-curricular activities that are designed to support a successful transition from high school to college. We discuss topics such as academic skill development, diversity and social justice awareness, campus activities engagement, undergraduate research, skill development, and the list goes on and on.

“This concludes our presentation of the Student Success Center at EIU. We are EIU and we thank you for the invitation to this meeting on today and for your attention this afternoon. We welcome any questions or comments that you may have at this time.”

Chairwoman Hightman said, “Great success story and great presentation. Thank you.”

Mr. Minogue said, “How much success to you attribute to self confidence and emotional support versus skill development, not versus but?”

Ms. Mikell said, “Sure, that is a good point. I do not know an exact percentage on that, but very much we see students who – they are just afraid – they are not sure that they can do well in math, and they are not sure that they can do well on presentation, and so part of what we do is pump them up and give them the confidence that they need to go in and talk with the faculty members to challenge a decision that they think is unfair, or to initiate conversations with other students in their classes to form study groups. Once they are able to do those things, develop some success in that area, and see that, okay yes I can be successful in college, they start to take more risks, they start to become more successful and do things, as Andrew said, like decide to go to graduate school.”

Mr. Minogue said, “Do you think it would be fair to get rid of their freshman and sophomore grades and only do their GPA off their junior and senior grades?”

Ms. Mikell said, “I do not think that would be fair, but certainly would be something to consider. As a former college drop-out, flunk-out, whatever you want to say, I wish that someone had erased my freshman grades, but taught me some valuable lessons about personal responsibility, and that is one of the things that has gotten me to the place that I am now. So, every stone is a learning lesson. Thank you.”

Chairwoman Hightman said, “I was going to ask and I am not really going to ask this, but I was thinking about asking how you get a 0.00 grade point average, but I do not want to know the answer. I do not want to know the answer. With that, any other questions or comments?”

Dr. Reid said, “Just when I visited Eastern had a long talk with President Perry about the program, and after hearing about it and seeing the center itself I said we have got to have you at one of our board meetings. Thank you for coming.”

Dr. Perry said, “Thank you for the opportunity.”

Chairwoman Hightman said, “Sorry it was so late in the meeting.”

C. Action Items

7. New Units of Instruction at Public Community Colleges

Dr. Robert Blankenberger said, “Madam Chairwoman we have included in the memo a listing of all pending academic programs and all authorization proposals submitted to the Board through November 21. Since then one additional proposal has been received. It was from an independent institution. No applications have been withdrawn since the last Board meeting. As of Monday, December 5 there were no new request for program modification in addition to the 32 reported in the memo.

“A brief update on the rule revisions, the IBHE staff have been working with the Joint Committee on Administrative Rules (JCAR) staff to post the rules in the Illinois Register at the Secretary of State’s office. The process has been delayed by staffing issues at JCAR, the complexity and scope of the revisions and grammatical and definition clarifications. The rules for the public universities Section 1050 were actually accepted yesterday and they will be posted subsequently and the rules for the private institutions Section 1030 will be ready shortly. The rules should be posted in the January 3 issue of the Illinois Register to begin the 45 day public comment period.

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. Frances Carroll, unanimously hereby grants to Joliet Junior College Authorization to grant the Associate in Applied Science in Digital Media Production 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 Computer Information Specialist: Server Specialist 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.

8. 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. Elmer Washington, unanimously hereby grants to Embry-Riddle Aeronautical University – Worldwide Authorization to Grant the Bachelor of Science in Aviation Maintenance Management, Master of Science in Project Management, and Master of Systems Engineering in the Fox Valley Region subject to the institution’s implementation and maintenance of the conditions that were presented in its application and that form the basis upon which these authorizations are granted.

And grants to Lewis University the Authorization to Grant the Master of Arts in School Counseling in the Central 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 Northwest Suburban College of Basic and Allied Health Sciences Authorization to Grant the Associate of Applied Science in Physical Therapy Assistant in the

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

And grants to REALTOR® University the Certificate of Approval and Authorization to Operate 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 Chamberlain College of Nursing the Certificate of Approval and Authorization to Operate and to Grant the Bachelor of Science in Nursing in the South Metropolitan Region subject to the institution's implementation and maintenance of the conditions that were presented in its application and that form the basis upon which this authorization is granted.

And grants to DeVry University-Illinois Authorization to Grant the Bachelor of Science in Healthcare Administration degree and the Bachelor of Science in Communications in the Chicago, Fox Valley, North Suburban, South Metropolitan, and West Suburban Regions subject to the institution's implementation and maintenance of the conditions that were presented in its application and that form the basis upon which these authorizations are granted.

And grants to ITT Technical Institute at Springfield Authorization to Grant the Associate of Applied Science in Computer Drafting and Design, Associate of Applied Science in Computer and Electronic Engineering Technology, Associate of Applied Science in Information Technology - Computer Network Systems, Associate of Applied Science in Paralegal Studies, and the Bachelor of Applied Science in Criminal Justice 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 these authorizations are granted.

And grants to Midwestern Career College the Certificate of Approval and Authorization to Operate and to Grant the Associate of Applied Science in Magnetic Resonance Imaging Technology 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 Sanford-Brown College – Skokie Campus the Authorization to Grant the Associate of Applied Science in Nursing in the North Suburban Region subject to the institution's implementation and maintenance of the conditions that were presented in its applications and that form the basis upon which these authorizations are granted.

And grants to Strayer University the Certificate of Approval and Authorization to Operate and to Grant the Associate of Arts in Business Administration, Bachelor of Business Administration, Bachelor of Science in Accounting, Bachelor of Science in Criminal Justice, Bachelor of Science in Information Systems, and Master of Business Administration in the Chicago and Fox Valley 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.

9. 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 Dr. Elmer Washington and seconded by Dr. Santos Rivera, unanimously hereby grants to Northeastern Illinois University authorization to establish the Bachelor of Arts in Latino and Latin American Studies 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 Northern Illinois University authorization to establish the Master of Business Administration 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.

10. Operating Authority to Offer Lower Division Program and Admit Freshman Students at Governors State University

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

Mr. Bergman said, "One thing kind of concerns me here is that GSU was created as an upper level institution pursuant to a plan put together a number of years ago. The plan was put together in conjunction with the four-year public universities and the two-year community colleges. It was designed as an upper division school. We are now considering a significant change in an overall plan for state higher education, and I would feel more comfortable and think we ought to take a look at what that plan was and see if a significant change like this is warranted. This is not just approving a new area of education this is changing an overall plan for the State of Illinois of higher education that was put into place some time ago. So, I guess one point I would make is I would at least be in favor of tabling this today, getting together prior to our next board meeting in a work session as we have done in the past, looking at what the overall plan was, and see if we wish to change the plan, because that is essentially what we are doing.

"I might also add that if we do end up voting today, if we do not put it off, I am inclined to vote no, and the reason I guess is that if you take a look at page 202 in our booklet here it shows that many of our public, well just about all of our public universities have declines in students this year. The average community college has a decline of three percent of students this year. I mean we have plenty of lower division instructional capacity. I do not see anything to be gained by creating even more. I can see something to be lost in that those students that go to Governor's as freshman now and in the future and then sophomores would more than likely go to a community, if they did not go to Governor's they would go to a community college or they would go to one of the other public four-year universities and they would pay tuition dollars there. Well those tuition dollars are going to be lost to the other institutions in a time when finances are tight for everybody in higher education. I guess my concern is partially that we should not take the tuition dollars away from the other schools, but frankly we have gotten plenty of instructional capacity. We do not need another four-year public university. In fact, we could probably get by with one less than we have now, but we do not need another one. So those are my comments."

Chairwoman Hightman said, “Perhaps it would appropriate Bob for you to address the issue of what the staff looked at and how the staff developed this recommendation to approve the request.”

Dr. Blankenberger said, “Sure, the material submitted by Governor State were wide ranging, because obviously this is a substantively different sort of approval that we have considered, and it was based on the revision of approval that had occurred with the University of Illinois at Springfield that had been Sangamon State University. As you know in 1969 with the growth in the community college system two institutions were created essentially as receivers of those students, Sangamon State and Governors State, and that was some time ago, 42 years, and we have seen really a substantial change in the overall nature of community college relationships with all of the institutions. There are very few such institutions that are receiving only upper division only institutions left in the country, and in fact I believe we are down, this might be the last one, if the research is correct.”

Chairwoman Hightman said, “Sangamon State no longer.”

Dr. Blankenberger said, “Sangamon State was changed in 1999.”

Chairwoman Hightman said, “So is this sort of an antiquated way of providing?”

Dr. Blankenberger said, “This is an acronym at this point. Right, this is an unusual situation, and in fact they really will have no peers after this. The last institution just voted recently, I believe it was in Texas, to make this change themselves. One of the other things that struck us, as we have met with the institutions during the budget cycle we found that in order to increase the capacity for Illinois to deliver degree programs to as many students as possible we have found that many institutions are in fact at a point where they really cannot expand significantly without capital investment, and that is not something that at this point is a likelihood. Some of the few institutions that do have the ability to expand and have a desire to expand are institutions like Governors State that have a plan for capturing more students into that pipeline and then helping Illinois to meet the *Agenda* goal of expanding degree attainment by 40 percent by 2025. So we are talking about the need for significant expansion. Now at this point as of last year that is a legitimate concern that there were some institutions that have declined in enrollment and that is absolutely true.”

Chairwoman Hightman said, “So just let me ask you a question and then I will let other questions be asked, but just as a follow-up quickly. So in your view, would approval of this request be consistent with the goals of the *Public Agenda*?”

Dr. Blankenberger said, “Yes.”

Dr. Santos Rivera said, “I wanted to ask, he said that, kind of going blank. I believe you said Governors State felt that it would provide and increase their efforts to get more students enrolled. Is that what you were saying if they become a four-year institution?”

Dr. Blankenberger said, “They have designed a program that is cohort based. It is a model that will allow to have students captured in a kind of systematic fashion and progress them through in a model is in fact an inventive model, it is an unusual one.”

Dr. Rivera said, "If I recall was not the concept of Governors State to be an upper level institution was based on an environmental scan that they did as far as the needs of the southland region. Is that correct?"

Dr. Blankenberger said, "That is correct."

Dr. Rivera said, "How much of that has changed, especially when you have, what is it, several, besides Prairie State, what are the other institutions that are feeders to that, the community colleges?"

Dr. Blankenberger said, "There are five primary community college feeders. I believe Kaskaskia, Moraine, South Suburban, Kankakee, and Joliet."

Dr. Rivera said, "I just do not seem to understand what is going to, how that is really going to reinforce the *Public Agenda* by us approving them going to a four-year institution which I would say, I would need more time myself, because if the matter is brought up to a vote my vote of course would be no."

Dr. Blankenberger said, "Well the expansion of this region since 1969 has been substantial, population growth in the area, the expansion southward in the suburban area quite frankly has been tremendous, and it is an area if you are talking about place bound students or students who are likely to stay in a particular area I do not think this is particularly challenging. In addition, we had some concerns that institutions in the area would have some objections so we asked for corroborating letters of support and we did receive those. There were two that we did not receive yet as we had gone to the proposal, but the reigning community colleges in the area had submitted letters in support and private institutions had as well."

Mr. Minogue said, "This is kind of more to protect our own butts, but if we allow Governor to get freshman how can we stop Harper from getting juniors?"

Mr. Barnette said, "Exactly."

Mr. Bergman said, "Yes, exactly."

Mr. Minogue said, "That is a totally speeches argument that is to keep headaches down."

Mr. Bergman said, "It is legitimate."

Chairwoman Hightman said, "I think we have had that debate in the past and actually I thought Harper is doing that now at least on a limited basis."

Mr. Barnette said, "At the risk of sounding self-serving, the move to make Governors State a four-year school will affect the community colleges in that district, there is no question about it. It will impact. As we talked about before, mission creed, a few years ago Harper was looking at expanding, several community colleges were looking at expanding into baccalaureate degrees, and I think as we talk about mission creed we have to be very careful this institution was set up specifically for what it does now, and any kind of movement into expanding its role affects everybody as Mr. Rivera said."

Chairwoman Hightman said, "I thought that all the community colleges that are in the geographic area that would be impacted by this proposal actually support it."

Dr. Blankenberger said, "We received five letters in support for the proposed program from Kankakee, Moraine Valley, Prairie State, and Triton College, as well as Lewis University had sent letters in support."

Chairwoman Hightman said, "So are you saying you do not agree with them and they are the ones that are geographically impacted by it?"

Mr. Barnette said, "Well I think the community colleges, is no question that, there is so much market for students and this is going to affect Prairie State fairly significantly since it is the closest institution. Some of these schools are very far away. Joliet is very far away."

Chairwoman Hightman said, "I thought these are the ones that are primarily the closest."

Dr. Blankenberger said, "These are the feeders based on the high school to college success report."

Chairwoman Hightman said, "I think what might be appropriate is to give Dr. Maimon a chance to come up because I think she probably is going to jump out of her seat in a second."

Dr. Woodward said, "So am I. I will point out that part of the argument is that Governors State is located six miles from the Indiana border, and a lot of students probably in the South Holland area and along the border that go to Hammond for, I think that is Purdue in Hammond, and they also go to a school in Gary, and those students could be captured by GSU. We are talking about projected 250 students. That would be wonderful. I do not think it, I think we are focusing on the wrong issues here, and if you are worried about a lot of programs taking students away from community colleges and public universities I suggest you look elsewhere, they are in our book, there are a bunch of them."

Chairwoman Hightman said, "I think we call those strawmen arguments for people who are looking for some other reason to not."

Dr. Woodward said, "I am pointing this out that is the concern."

Chairwoman Hightman said, "I am agreeing with you."

Ms. Heba Hamouda said, "My question is not exactly related to what you are talking about and I apologize as the microphone is going in and out, so I apologize if this has already been answered. Bob has anyone done an analysis on, for example University of Illinois at Springfield or any other type of institution that was an upper division school that went to a four-year structure and whether their tuition stayed comparably lower than the other four-year institutions? Assuming that, you know that, if Governors State was to become a four-year institution and they were still going to be able to provide the services they provide to students and kids who are coming from the community colleges, I am curious as to whether the tuition would stay low and if we have done an analysis, maybe in the past ten years to figure out if that is really a plausible argument."

Dr. Blankenberger said, “Well unfortunately the last ten years has seen significant tuition growth regardless of institution so, and given the isolation that it is a single case scenario it unfortunately is not a good measurement.”

Chairwoman Hightman said, “Probably the results would be masked by all the other economic stuff that happened in the state, but it is an interesting question. Dr. Maimon from Governors State is going to respond.”

Dr. Elaine Maimon said, “Good afternoon everyone. The Governors State University was founded in 1969 as a regional public university. There was nothing in the statute that says upper division. If we stay with a plan that was formulated in 1969 then how do we expect to get the results that we want in the 21st century? We have to be looking at Complete College America. I really am very influenced by what I learned there, and let me just say that Governors State University wants to be a model of a 21st century university. We just received a large grant from the Kreske Foundation for our dual degree program which creates seamless pathways and is recognized as something that is not being done anywhere else in the country and we are doing it here in Illinois. It is our way and you heard me make a presentation about that a few months ago here to IBHE. We are very very committed to increasing the number of community college students who have a quality experience and who then have a seamless pathway through bachelor’s degree graduation, and we are working very hard on it.

“The message that we want to send to Illinois and to the nation is that it is not either or it is both and. If the only universities that cared about the transfer of community college students were the one or two remaining upper division we would have a big problem in terms of Complete College America, so I want to make that point.

“Secondly in terms of just be responsible stewards fiscally, we are just about at capacity from 4:30 p.m. to 10:00 p.m. We have space during the day. We have designed a freshman, we are in the process of designing a freshman program that is directed to full-time daytime students where we have lots of space. We are also designing a cohort based program which will we hope attract students to a successful university graduation who right now may be going to Indiana as we have heard, may be going to the for-profits, may be going somewhere that does not fit their needs, and that we are going to be able to do and to develop, because the first freshman we would admit would be 2014. We will be able to design a core curriculum delivery based on the Illinois Articulation Initiative that will be state of the art English composition, state of the art mathematics, because we can do it from the ground up. It is very exciting, it is something that will serve Illinois and get us to the 60 percent graduation rate by 2025. If we keep doing things the same way we will not get there.

“I have one of my colleagues, who is hosting us today, wrote a very strong letter of support from Moraine Valley for our freshman program. Our nearest community college, Prairie State, wrote a very strong letter of support for us to move forward so that we can achieve the goals of Complete College America, and let us remember what the name of the research study that Complete College America put out: Time is the Enemy. We are taking that very very seriously and I would urge you, even if some of you feel you have to vote no, I would urge you to vote positively on this proposal today so that we can go forward and plan what will be a small but state of the art first year program.

“I also want to say we have made a commitment, we are not going to be recruiting sophomores. We are in fact going to take all of our advisors who will now be in the high schools

as well as in the community colleges and urging students who start at community colleges to complete the associate degree. That is one of the major principles of our dual degree program. We are going to cheerfully compete with ourselves in terms of a very inexpensive community college to university graduation pathway. And by the way, GSU has the lowest tuition and mandatory fees in the State of Illinois and we want to continue to offer that opportunity, but we do believe that there are students who would find a good option and may not want to start at a community college who would find a very good option in terms of a full-year four-year program in the way we design.

“Here today I think we have, we have most of the student senate here, would clap your hands if you are from the GSU student senate, who have supported this proposal very strongly. We have support from the community college presidents, we have support from our alumni association, we have support, in fact, would all the GSU people who are here today stand up, and we have the full constituencies, and by the way, Anthony, I think you sent me an email this weekend that the Student Advisory Committee has unanimously supported the lower division at GSU. So Board Members please do not table this. We would like to make an announcement that combines the dual degree program with the Kreske funding with our initiative to move forward with a state of the art first year program and to say it can be both and. That will send a very important message from Illinois to the United States, and I do urge you to vote positively for this proposal.”

Dr. Rivera said, “I have a question or a comment. Was it not several years ago you made a comment that one of the biggest concerns that you guys have at GSU is the fact that from 8:00 a.m. until 4:00 p.m. the campus is almost empty. Is that correct what you said?”

Dr. Maimon said, “We have capacity in the morning and into the late afternoon.”

Dr. Rivera said, “If I recall several years ago there was a plan at GSU, I cannot recall exactly the date and correct me if I am wrong, where this was being addressed by going more into partnership with community colleges in the area so they could hold classes there on your campus and stay. Why could you not continue with that same approach?”

Dr. Maimon said, “We explored that and, in fact, I was, I had experience with that in another state and really did everything we possibly could with the community colleges that are in our district, because of the way the district system works. It was not something that really worked for Prairie State. In fact, we have, Linda are you here, Linda is now working for us as our Executive Assistant to me for community colleges and for many years was the academic vice president at Prairie State. I do not know if you want to comment on why that whole space issue just was not going to work with Prairie State.”

Dr. Linda Uzureau, “Well I would be happy to. I think that the community colleges for obvious reasons want to keep the students who begin at a community college enrolled at that community college. Dr. Maimon extended to us an offer to have lower division coursework taught by community college.”

Dr. Rivera said, “Okay, I understand all of that. I appreciate you making those comments, but what I want to make sure that I know here is that, another thing you said that Governors State University has one of the lowest tuitions in the State of Illinois. That in itself I would say is going to impact on the community colleges, especially Prairie State, and Prairie State is one of the schools who is barely making it in the state if I recall.”

Dr. Maimon said, “Yes, but remember we have our dual degree partnership with Prairie State, where we are promoting the idea that students can do the first two years full-time daytime, get the associate degree from Prairie State and then have, not only seamless transfer, we are offering to freeze our tuition at the level that it was when the students were freshman at Prairie State. You know, as I say, we are ready to compete with ourselves. We believe so much that we have to offer multiple options if we are going to meet the Illinois *Public Agenda* and we are going to meet the goals of Complete College America. We have this dual degree program which exists now, and that if we admit freshmen we are going to be advising students if you want a less expensive option then you can do the dual degree, Prairie State to GSU. The thing here is that different students need and want different things, and this is not, look if we believed it was a zero sum game then we would not be aspiring to 60 percent of our population having bachelor’s degrees by 2025. This is not a zero sum game, and what we are trying to do are creative approaches to address the needs of a variety of students.”

Dr. Carroll said, “I am not clear on the goal for the *Public Agenda*, for Governors State’s goal to reach the *Public Agenda* by having a lower level student body. I do not see how the *Public Agenda* affects that, because they are doing such a great job in graduating the upper level. I do not know how it is tied to that, and I have a concern because this Board has been very passionate about extending to the community colleges the opportunity to move into senior level, because they feel that the mission has already been stated. I do not know where, and maybe George can help me on this, where in the *Public Agenda* it says that it would stymie Governors State from doing its mission by not having a lower division. Am I misreading that?”

Dr. Reid said, “I can explain it, but the proposition is that Governors State has vowed to add about 250 more students to the graduation roles, and toward that end these are 250 students who would not, as Governors State explains, not be treated by any other college or university, because they are going to offer cohort education. It is like they do in law school, you take this class and you are moving through the courses when they are needed and how they are needed.”

Dr. Carroll said, “Yes I understand the cohort.”

Dr. Reid said, “So they are going to add 250 more students to the graduation role that is the point.”

Chairwoman Hightman said, “Maybe Bob also, he answered the question initially when I asked it, so I want you to explain why you said what you said Bob.”

Dr. Blankenberger said, “Sure. The goal of the *Public Agenda* for increasing degree attainment in Illinois is to have 60 percent of adults to have a post-secondary credential by 2025. What we have done in going to every public university during our budget hearings, budget meetings rather, is to inform them what expansion of their capacity would have to occur in order for them to meet a 40 percent increase which is essentially what that amounts to by 2025 in the number of graduates they are producing. That is a substantial gain in the number of students who proceed through this system and come out with baccalaureate degrees. At many institutions there is no opportunity to increase capacity without significant capital investment. At Governors State the capital investment is already there. You have space being underutilized during the day. The notion that you would not allow students to utilize that space seems quite frankly counterintuitive and counterproductive.”

Dr. Carroll said, “So could I ask then to clear my conscience. Tell me since Harper, we blocked Harper, tell me what if Harper College per se has the capacity to increase or that. I want Bob to tell me.”

Chairwoman Hightman said, “Let me just say something before he answers. We never actually blocked Harper, we were not in a position to block Harper, and I took issue, in fact, every step along the way on that issue, because all we said, and remember when Judy was sitting in George’s seat I kept on saying why are we opposed to it. Well, because that is the way it has always been, and one of the things that I challenged the staff and Judy on at that time was just because we always did it that way does not mean it is the right way of doing, and ultimately what happened is Harper is now doing it on a limited basis. My fear is, and we will let Bob specifically answer your question, my concern is that we are looking, we are creating a strawman argument here. There is a specific proposal for Governors State to make a change that the only other entity that was in a similar position made many years ago to bring them into the 21st century to, as the staff, and consistent with the staff’s recommendation, which by the way I would remind everyone that we typically respect the position of staff, not that we cannot disagree, and we sometimes do, but the staff, and this is maybe one of the concerns I have with Jay’s point that it is not that the staff has not looked at this, and it is not that you have not had the board materials for a period of time like we always do, and this is the first we have heard of your concern. The staff has been working on this issue for how many months now?”

Dr. Blankenberger said, “Six months at least, may have been nine.”

Chairwoman Hightman said, “Yes, so they have done an analysis of the situation, they have made a recommendation, they think it is in the public interest and consistent with the *Public Agenda* for the reasons that have been explained to me. Bob will go fuller into this if you would like, and they are recommending that the one last institution in the entire country that does this should now be allowed to be like everybody else in the country, and it just seems to me almost counterintuitive and shocking in a sense that we would say let us stay in the 19th century or whatever, 20th century, let us not look ahead, let us not better utilize our facilities, let us second guess our staff, let us raise some argument that has nothing to do with where we are today which by the way even on that argument now Harper is doing it.”

Dr. Carroll said, “That is what I wanted to know. That is why I said I need to know if now that we have accepted the *Public Agenda* as our guide; I need to know if other issues similar will be, you have done an evaluation of capacity. So I want to know, I would like to know if at this point there will be other institutions that have capacity in order for us to reach our goal of 60 percent.”

Dr. Blankenberger said, “Most of the institutions, as we have talked to institutions during the budget hearing process we have found that most institutions have significant barriers and they are represented in the form of capital. Without significant investment in new building or even in infrastructure maintainment it is hard for them to expand capacity. We have a couple of institutions who have opportunities to do so, Western with the new Quad Cities campus for example, and Governors State is another that has expressed this opportunity for growth. UIS as well, and a couple of others who are looking to add online programs which will reach students that have not been reached in the past, but short of that we have significant barriers. The alternative for this, if the public universities and community colleges are not offering these programs then independent institutions will have to make up that slack, so we are essentially saying these are how many students that we can serve as we think about expansion over the next

25 years and if the public universities do not have that opportunity, then it is going to be independent institutions who have to make that up or we are not going to achieve these goals.

“Quite frankly Governors State already has the ability to grant bachelor’s degree. We are talking about an entirely different argument. If we talk about the community colleges starting to add baccalaureate degrees, that is an entirely different argument. Governors State in this proposal all they are doing is saying we already have the opportunity to offer bachelor’s degrees the only thing we do not do at present is have freshmen and sophomore experience within this. They have suggested a cohort model that is limited in scope and fashion consistent with the approval that occurred 12 years ago by this Board for the University of Illinois at Springfield’s expansion to add freshmen and sophomores. This is not a significant change to their mission. This is not a significant change, it is merely a recognition that what had been in the past was intended for the expansion of community college systems, it is an acronym and it does not serve the State of Illinois to continue that an acronym.”

Mr. Barnette said, “I just was going to clarify something that you said about Harper delivering baccalaureate degrees. Actually what Harper does and what many of our community colleges do is have arrangements with four-year institutions to actually graduate from, they do not graduate from Harper with a four-year degree, they graduate from whatever degree that they have an arrangement with. So, Harper does not contribute.”

Dr. Blankenberger said, “The resolution to that process was to have Northern Illinois have baccalaureate completion offered on Harper’s campus for the programs requested.”

Mr. Robert Ruiz said, “I served on the Board of Governors for a number of years of which Governors State was one of our institutions. At the time that I was there and even years before that we were looking at whether or not the model that was created in 1969 was something that we wanted to continue. That issue was never resolved on that board, but the University of Illinois resolved it when they took over Sangamon State University, and that was approved by this Board, and I am glad that you brought that up. It is a model that unfortunately time has left in the dust and I think that it is time that we move on. I do not see any reason to let Governors State stay where it is right now.”

Chairwoman Hightman said, “Can we move this to a vote?”

Mr. Bergman said, “Can I make one more comment? Not to belabor this much longer because we have all had our say I think, but it still gets back to the fact, you know we can talk about 2025, 60 percent that, but right now we have plenty of instructional capacity at our four-year schools, all you have to do is look at page 202. We have instructional capacity at our community colleges. Again, all due respect to my friend Elaine, there is absolutely no reason that I can see for this.”

Chairwoman Hightman said, “Just to be fair I think Peg wanted to say something. Everybody else has spoken, Peg you are the last one in the room left.”

Ms. Peg Lee said, “I am not going to address the issue of Governors State. I am going to say something about what Bob mentioned though on community colleges falling short and taking up, them ceding the program rights to independents and for-profits. I think, you know, we have two examples in your agenda that you passed today, one of which I sent a letter about and that was the physical therapy assistant program. The other one that concerns me is the ADN program

in Skokie. The community colleges are required to do labor market analysis. There is no labor market analysis reflected in the presentations of either of those programs and the reality is that for programs that are health related, clinical sites are really hard to come by, and this is a real problem, so as you are going forward and approving such programs I think it is only fair to ask for a labor market analysis and an analysis of the impact on clinical sites and usage, because it is.”

Chairwoman Hightman said, “I am going to cut you off only because this is totally irrelevant to the question at hand, and by the way, the statute does not require it, so you might want to us to look at that, but that is not what the statute asks us to do for the issue that you are looking at, but I appreciate it. I give you the time. I think it is time to call the question.”

Dr. Woodward said, “The question has been called.”

The Illinois Board of Higher Education, on motion made by Dr. Addison Woodward and seconded by Dr. Frances Carroll, moved to resolve that Governors State University is authorized to offer the proposed Lower Division Program to admit freshman students subject to the institution’s implementation and maintenance of the conditions that were presented in its proposal and that form the basis upon which this authorization is granted.

Board members Randy Barnette, Jay Bergman and Dr. Santos Rivera voted no on this item.

D. Consent Agenda

Chairwoman Hightman said, “Let us move to the Consent Agenda pretty quickly. Okay, Consent Agenda is there a motion to approve?”

The Illinois Board of Higher Education, on motion made by Dr. Addison Woodward and seconded by Dr. Elmer Washington, unanimously approved Item Nos. 11, 12, 13, 14, 15, 16 and 17.

11. Board Meeting Minutes – October 4, 2011

The Illinois Board of Higher Education unanimously approved the Minutes of the October 4, 2011, meeting.

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

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

13. FY2012 Nurse Educator Fellowship Awards

The Illinois Board of Higher Education unanimously approves the Nurse Educator Fellowship awards for Fiscal Year 2012 as detailed in the document provided.

14. Public University Non-instructional Capital Project Approval

The Illinois Board of Higher Education unanimously approves the non-instructional capital project as detailed in the document provided.

15. Intergovernmental Agreement for the Illinois Pathways Initiative

The Illinois Board of Higher Education unanimously authorizes the Executive Director to enter into the Illinois Pathways Initiative intergovernmental agreement with the Illinois Community College Board, the Illinois Department of Commerce and Economic Opportunity, the Illinois Department of Employment Security, the Illinois State Board of Education, and the Illinois Student Assistance Commission.

16. IBHE Administrative Rules: January 2012 Regulatory Agenda

The Illinois Board of Higher Education hereby adopts the proposed 2012 Regulatory Agenda as contained in the document provided to be published in the Illinois Register.

17. Adopted Rules: Collaborative Baccalaureate Degree Development Grant Program

The Illinois Board of Higher Education hereby adopts the rules for the Collaborative Baccalaureate Degree Development Grant Program (23 Ill. Adm. Code 1090) as detailed in the document provided.

E. Information Items.

Chairwoman Hightman said, “Informational items, I am not going to go through them all. There is no action required, but take a look, there is the calendar for next year, Our next meeting is February 7 at Kendall College and our featured lunch guest will be the Community College Presidents.

18. IBHE 2012 Meeting Calendar

19. Full-Time Faculty and Civil Service Salaries at Illinois Colleges and Universities

20. Preliminary Fall 2011 Enrollments in Illinois Higher Education

21. Legislative Report

F. Public Comment

G. Executive Session

Chairwoman Hightman said, “I am asking that the Board go into executive session. Under the Open Meetings Act, there must be a motion in open session to authorize this executive session. A quorum must be present and a motion must be approved by a majority of the quorum with a recorded vote. The Chair observes that a quorum is present.

“Is there a motion and second to authorize executive session?”

Dr. Carroll said, “I move that the Illinois Board of Higher Education go into executive session for the purpose of discussing employment issues, pursuant to Section 2(c)(1) of the Open Meetings Act.

Chairwoman Hightman said, “Is there a second?”

Mr. Bergman said, “I second the motion.”

Chairwoman Hightman said, “I will ask the Secretary for a roll call vote to go into executive session.

Secretary calls roll and a quorum is present.

The Board moved into executive session.

There being no further business to come before the Board, Chairwoman Hightman adjourned the meeting at 5:46 p.m.

Respectfully submitted by Linda Oseland, Secretary to the Board.

Note: Copies of all items referred to in the minutes (i.e., letters, statements, reports, etc.) are on file with the official minutes of the December 6, 2011, meeting.