

APPROVED
APRIL 1, 2014

Item #IV-10
April 1, 2014

MINUTES – BOARD MEETING
February 4, 2014

Submitted for: Action.

Summary: Minutes of the February 4, 2014, meeting of the Illinois Board of Higher Education held at Concordia University, River Forest, Illinois.

Action Requested: That the Illinois Board of Higher Education approve the Minutes of the February 4, 2014, meeting.

**STATE OF ILLINOIS
BOARD OF HIGHER EDUCATION**

**MINUTES - BOARD MEETING
February 4, 2014**

A meeting of the Illinois Board of Higher Education was called to order at 1:05 p.m. in the Christopher Center at Concordia University, in River Forest, Illinois, on February 4, 2014.

Lindsay Anderson, Chair, presided.
Cindy Deitsch was Secretary for the meeting.

The following Board members were present:

Jocelyn Carter	Adrian Miller
Teresa Garate	Robert Ruiz
Jane Hays	Elmer L. Washington
Allan Karnes	Addison E. Woodward, Jr.
Paul Langer	Eric Zarnikow
Justin McDermott	

Also present by invitation of the Board were:

Harry J. Berman, Executive Director, Illinois Board of Higher Education

Presidents and Chancellors

Sharon Hahs Elaine Maimon

Advisory Committee Chairpersons

Marie Donovan, Faculty Advisory Council
Susan Friedberg, Proprietary University Presidents
Sarah Rens, Student Advisory Committee
Elaine Maimon, Public University Presidents

I. Call to Order

1. Call Meeting to Order, Chair Lindsay Anderson

Chair Lindsay Anderson called the meeting to order. A quorum was present.

2. Welcome by Dr. Alan Meyer, Interim President, Concordia University

Dr. Meyer welcomed everyone to Concordia.

3. Welcome and remarks by Chair Lindsay Anderson

Chair Lindsay Anderson welcomed everyone to the meeting, thanked Concordia University for its gracious hospitality and thanked the Student Advisory Committee for meeting with Board members over lunch prior to the Board meeting.

Chair Anderson summarized Governor Pat Quinn's State of the State speech, highlighting the Governor's five-year blueprint for jobs and economic growth in Illinois with a focus on education. Chair Anderson also spoke of the Governor's focus on early childhood through a Birth to Five Initiative being launched, as well as his proposal for doubling Monetary Award Program (MAP) scholarships over the next five years. Given the focus on early childhood, recipients of the Early Childhood Educator Preparation Program Innovation Grant were announced. Six public universities and five private universities, including IBHE board member Christine Wiseman's institution, St. Xavier University, are partnering with 26 community colleges to improve curricula for early childhood educators under a collaboration involving the IBHE, the Governor's Office for Early Childhood Development, Illinois State Board of Education (ISBE), Illinois Community College Board (ICCB), and The Center: Resources for Teaching and Learning. This grant initiative will help these two- and four-year institutional partners further develop models of effective early childhood educator preparation and promote articulation and the alignment of curriculum between two- and four-year programs.

Chair Anderson also highlighted the significant accomplishments of 2013 in which IBHE made significant strides toward the goals of the *Public Agenda*:

- Partnered with NCHEMS to develop an update to the background and accountability data for each of the Public Agenda's four goals and to identify areas in which Illinois has made progress in the intervening five years, as well as areas in which progress has not been made.
- Strengthened our collaboration with Complete College America to implement strategies to increase college completions.
- Finalized a governance structure for the Illinois Longitudinal Database System in collaboration with other partners.
- Developed a Faculty Fellows Program with the assistance of the Faculty Advisory Council. The two faculty fellows selected for the spring and summer terms of 2014 are Ms. Julie L. Peters and Dr. Allison F. Doubleday.
- Selected Dr. James Applegate as the next IBHE Executive Director.
- Began a collaborative to make military training count for articulation programs in mechanical, computers, security, police, and health fields in an effort to ensure success on college campuses for veteran students in conjunction with the Illinois Department of Veterans Affairs, the Illinois Community College Board, and U.Select.

Chair Anderson discussed the FY2015 operating, grant, and capital budget recommendations, which will be offered in more detail by Dr. Alan Phillips. Chair Anderson stressed that the Board will always advocate for proper higher education funding, especially if we expect to increase the proportion of Illinoisans with high-quality post-secondary credentials or other credentials to 60 percent by 2025. Chair Anderson further stated that the budget that will be presented is a solid investment in the future of Illinois' higher education system while ensuring that the necessary administrative funds and federal grant matching fund requirements of the State's public institutions and education agencies are supported.

Resolution Honoring Harry J. Berman, Ph.D.

Dr. Elmer Washington read a Resolution honoring Dr. Harry J. Berman who is retiring as Executive Director of IBHE. Justin McDermott read a letter from Lieutenant Governor Sheila Simon. Eric Zarnikow, Executive Director for the Illinois Student Assistance Commission and Dr. Karen Hunter-Anderson, Executive Director of the Illinois Community College Board also thanked Dr. Berman for his leadership to the Board and to Illinois' higher education system during a time when higher education has been expected to do more with diminished resources.

4. Remarks by Executive Director Dr. Harry J. Berman

In his final remarks as Executive Director before retiring, Dr. Harry Berman discussed the nonmonetary and monetary benefits of higher education. Nonmonetary benefits include better physical health, lower dependence on the social safety net, and improved civic participation while the main monetary benefit is the earnings premium, higher wages, full-time employment, and an increased likelihood of being employed at all. Dr. Berman cited SHEEO data showing that each level of degree attainment (associates, bachelor's, graduate/professional degrees) increases average salaries by \$10,000 or more. He concluded his remarks by briefly mentioning the continued importance STEM fields to Illinois's students and economy.

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

5. Advisory Committee Report – Student Advisory Committee, Sarah Rens

Sarah Rens, Chair of the Student Advisory Committee (SAC) gave a report on the actions of the SAC over the past year, including breaking into subcommittees to focus on several key issues: MAP funding, student debt, textbook affordability and the Federal College Score Card. Ms. Rens indicated that in the past several years involvement from some schools has been very limited, but this year SAC has had great participation from schools across the state.

6. *Public Agenda* Showcase – Illinois Cooperative Work Study Grant Program Update

Dr. Harry Berman described the Showcase that would be presented which is tied to Goal 3 of the *Public Agenda; High Quality Credentials to Meet Economic Demand*. Rich Jachino, IBHE Senior Grants Administrator highlighted the success of the program and introduced the Showcase presenters.

Dawn Koeltzow, Project Director, Bradley University; Bailey Miller, Bradley graduate who interned with The Heartland Partnership; Jennifer M. Neef, Associate Director, The Career Center, University of Illinois and Mark Niemeyer, Engineering Supervisor, Caterpillar all made

presentations on the success of the Illinois Cooperative Work Study Grant Program. A brief question and answer session followed the presentations.

III. Action Items

7. Fiscal Year 2015 Higher Education Budget Recommendations: Operations, Grants, and Capital Improvements

Dr. Alan Phillips gave two budget presentations to the Board: the Fiscal Year 2015 performance funding recommendations and the Fiscal Year 2015 IBHE budget recommendations. Both presentations are available for download at <http://www.ibhe.org/Board/agendas/2014/February/Default.htm>.

Performance Funding Recommendations

Fiscal Year 2015 is the third year performance funding measures have been applied to higher education budgets. Community colleges and four-year universities have separate goals, with community colleges' funding based on six, equal weight measures. Four-year universities adhere to a more complex and dynamic model.

For 2015, two of the eight steps in the four-year model were altered to better address persistent issues. Step 3 affords additional premiums for underrepresented and underserved groups while Step 8 adds an adjustment factor to high cost entities like university hospitals and medical programs, which by design do not generate high numbers of graduates.

The proposed funding system recommended for 2015 follows a four step process. Step 1 is flat or level funding, with .5 percent of four-year university funding reallocated for performance funding. Each subsequent step increases the funding request and comparably increases performance funding reallocation. Community college performance funding reallocation stays at \$360 million in each of the four steps.

In discussion following the presentation, Mr. Allan Karnes, a member of the performance funding refinement committee and performance funding steering committee, questioned the change to Step 3, saying it did not sufficiently solve the problem and that his proffered solution was dismissed. He also expressed displeasure that the refinement committee was not given full access to the model's computations, just the results.

Dr. Phillips then clarified a question from Dr. Teresa Garate regarding improvement from Fiscal Year 2014 and Chair Anderson commented that performance funding is a complicated and controversial issue.

Dr. Elmer Washington returned to a comment made by Mr. Karnes, asking why the refinement committee was not given the full performance funding model and calculations. Mr. Karnes clarified that the committee was given the full model, but at the end of January, long after the calculations were completed and reallocations was finalized. Dr. Phillips explained that if the universities had access to the full model, they could potentially use other the other institutions' data to their competitive advantage. The best way to ensure objectivity of the data was to restrict model access to IBHE staff only. (Several members of the refinement committee are representatives of the four-year universities.)

Ms. Jane Hays expressed her concern that voting against the entire budget recommendation because of one or two very specific concerns about one aspect of the budget could send a mixed message to the legislature.

Dr. Phillips and Chair Anderson also reiterated the complex nature of the performance funding process and provided some background. Mr. Karnes made another comment about the model's potential shortcomings and Dr. Phillips emphasized IBHE's objectivity and lack of bias toward any school or measure.

Budget Recommendations

Dr. Phillips briefly outlined the Fiscal Year 2015 budget recommendation. Like performance funding, it follows a four step process. Step 1 requests level funding or no change from Fiscal Year 2014. Step 4 requests a 6.3 percent increase from last year, which would bring the budget to its Fiscal Year 2012 levels. Steps 2 and 3 are midpoints between the two. Each step also outlines specific funding priorities; for example, each step includes increases to ISAC and MAP, which saw its federal funding slashed. Dr. Phillips explained that the legislature is much more receptive to priorities and steps than total numbers alone.

Dr. Phillips also mentioned the ongoing need for capital funds that, in the absence of a Capital Bill, take the form of deferred maintenance funds.

In discussion, Dr. Addison Woodward asked about the income tax increase scheduled to end in January 2015 and how it might affect the education budget. Dr. Phillips acknowledged that ending the tax increase could dramatically affect the state budget, though Governor Quinn has said he wants to keep education funding level. Chair Anderson mentioned that Governor Quinn will deliver his budget address before the next Board meeting, so Dr. Phillips might have more specific information then.

A roll call vote was taken and the voting was as follows: Yes – Anderson, Carter, Garate, Hays, Langer, Ruiz, Washington, Woodward, and Zarnikow; No – Karnes, McDermott, and Miller.

Dr. Daniel Cullen reviewed the pending academic programs and authorization proposals, stating “we have included in the memo a listing of all pending academic programs and all authorization proposals submitted to the Board through January 21. Since then, five additional proposals have been received and ten applications have been withdrawn since the last Board meeting. As of Friday, January 31, there were eight new requests for program modification in addition to the 30 reported in the memo.”

8. New Units of Instruction at Public Community Colleges

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

The Illinois Board of Higher Education, on motion made by Mr. Allan Karnes and seconded by Mr. Justin McDermott, unanimously hereby grants authority to College of DuPage to offer the Associate in Applied Science in Music Business 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 hereby grants authority to Joliet Junior College to offer the Associate in Applied Science in Diagnostic Medical Sonography 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 hereby grants authority to Kaskaskia College to offer the Associate in Applied Science in Web Design and Systems Master 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.

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

Dr. Cullen 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 Mr. Allan Karnes, unanimously hereby grants to Franciscan University of Steubenville the Certificate of Approval and Authorization to Operate in the Fox Valley Region subject to the institution's implementation and maintenance of the conditions that were presented in its application and the form the basic upon which this authorization is granted.

And hereby grants to Northwestern College-Southwest Authorization to Grant the Associate in Applied Science in Diagnostic Medical Sonography and the Associate in Applied Science in Physical Therapist Assistant in the South Metro Region subject to the institution's implementation and maintenance of the conditions that were presented in its applications and that form the basis upon which these authorizations are granted.

And hereby grants to Vatterott College Authorization to Grant the Associate in Applied Science in Medical Assistant with an emphasis in Office Management and the Associate in Applied Science in Medical Assistant with an emphasis in Ophthalmic Technology in the Western 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. New Operating and/or Degree-Granting Authority for Public

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

The Illinois Board of Higher Education, on motion made by Mr. Justin McDermott and seconded by Dr. Elmer Washington, unanimously hereby grants to Northern Illinois University authorization to establish the Ph.D. in Health Sciences 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 this authorization is granted.

11. Alternative Educator Licensure Program for Teachers by Not-For-Profit Organizations

Dr. Daniel Cullen outlined the contents of this item. Ms. Marie Donovan made a public comment on concerns about this program. Ms. Stacey Miles and Mr. R.K. Walker from New Teacher Project's Chicago Teaching Fellows answered questions from Board members and Marie Donovan.

A roll call vote was taken and the voting was as follows: Yes – Anderson, Garate, Hays, Langer, Ruiz, Washington and Zarnikow; No – Carter, Karnes and Woodward.

The Illinois Board of Higher Education, on motion from Mr. Robert Ruiz and seconded by Ms. Terese Garate, hereby grants to New Teacher Project's Chicago Teaching Fellows the Certificate of Approval and Authorization to Operate and to Grant the Alternative Educator Licensure Program for Teachers in Bilingual Elementary Education, the Alternative Educator Licensure Program for Teachers in Secondary Mathematics Education, the Alternative Educator Licensure Program for Teachers in Secondary Sciences Education, and the Alternative Educator Licensure Program for Teachers in Special Education subject to the not-for-profit organization's approval by the Illinois State Board of Education, pursuant to the 2012 Illinois School Code (105 ILCS 5/21B-50), and implementation and maintenance of the conditions that were presented in its applications and that form the basis upon which these approvals are granted.

IV. Consent Agenda

Chair Anderson next moved to the consent agenda. There were no discussions on consent agenda items.

The Illinois Board of Higher Education, on motion made by Mr. Allan Karnes and seconded by Dr. Elmer Washington, unanimously approved Item Nos. 12, 13, 14, and 15.

12. Board Meeting Minutes – December 10, 2013

The Illinois Board of Higher Education unanimously approved the Minutes of the December 10, 2013, meeting.

13. Fiscal Year 2014 Financial Report as of December 31, 2013

The Illinois Board of Higher Education unanimously approved the Fiscal Year 2014 Financial Report as of December 31, 2013.

14. Nursing School Grant Program, Fiscal Year 2014 Awards

The Illinois Board of Higher Education hereby unanimously approves the Fiscal Year 2014 awards totaling \$375,848 for Expansion and Improvement Grant projects under the Nursing School Grants as detailed in this item and shown in Table 1 of the document provided. The Board also authorizes the Executive Director to make pro rata adjustments to the grant awards in the event that appropriated funds are reduced or unavailable.

15. Illinois Cooperative Work Study 2014 Grant Allocation

The Illinois Board of Higher Education hereby unanimously approves Fiscal year 2014 awards totaling \$1,114,500 for Illinois Cooperative Work Study grants as detailed in Table 1 of the document provided. The Board authorizes the Executive Director to withhold payment or adjust a grant allocation, if necessary, to conform to existing statute, rule, or available funding or to assure compliance with any previous grant agreements.

V. Information Items

16. Private Colleges and Universities Capital Distribution Formula (Written Report)

VI. Public Comment

VII. Other Matters

Chair Anderson announced that the next meeting is April 1 at the College of Lake County and the featured guests will be the Faculty Advisory Committee.

VIII. Adjournment

There being no further business to come before the Board, Chair Anderson adjourned the meeting at 3:50 p.m.

Respectfully submitted by Cindy Deitsch, Secretary to the Board.

Note: Copies of all items referred to in the minutes (i.e., letters, statements, reports, etc.) are on file with the official minutes of the February 4, 2014, meeting.