

APPROVED
OCTOBER 6, 2015

Item #VI-11
October 6, 2015

MINUTES – BOARD MEETING
August 11, 2015

Submitted for: Action.

Summary: Minutes of the August 11, 2015, meeting of the Illinois Board of Higher Education held at Kishwaukee College, Malta, Illinois.

Action Requested: That the Illinois Board of Higher Education approve the Minutes of the August 11, 2015, meeting.

**STATE OF ILLINOIS
BOARD OF HIGHER EDUCATION**

**MINUTES - BOARD MEETING
August 11, 2015**

A meeting of the Illinois Board of Higher Education was called to order at 1:05 p.m. in Rooms A-1273E and A-1273W, at Kishwaukee College, Malta, Illinois, on August 11, 2015.

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

The following Board members were present:

Jay Bergman	Robert Ruiz
Sean Fouts-Anderson	Tyler Solorio
Jane Hays	Christine Wiseman
Alice Marie Jacobs	Addison E. Woodward, Jr.
Lazaro Lopez	Eric Zarnikow
Santos Rivera	

Also present by invitation of the Board were:

James L. Applegate, Executive Director, Illinois Board of Higher Education
Karen Hunter-Anderson, Executive Director, Illinois Community College Board
Eric Zarnikow, Executive Director, Illinois Student Assistant Commission

Presidents and Chancellors

Douglas Baker	Sharon Hahs
Julie Furst-Bowe	Jack Thomas
Elaine Maimon	Jose Torres

Advisory Committee Chairpersons

Marie Donovan, Faculty Advisory Council
Ron Kimberling, Proprietary University Presidents
Tom Ramage, Community College Presidents
Doug Baker, Public University Presidents
Dave Tretter, Private 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 President Thomas Choice, Kishwaukee College

President Thomas Choice welcomed everyone to the Kishwaukee College.

3. Welcome and remarks by Chair Lindsay Anderson

Chair Anderson thanked President Choice and Kishwaukee College staff for its gracious hospitality. She also thanked President Choice and Northern Illinois University (NIU) President Douglas Baker for hosting a reception the previous night at President Baker's home.

It is a privilege to travel around the state and hold board meetings at institutions of higher education. While the board reflects much of the diversity of the state, perspectives are improved when they see first-hand how the education system works in different institutions and regions across the state. The Board has enjoyed hearing from local legislators at recent meetings. Many of the local legislators had conflicts with this meeting including the House of Representatives as they are in session later in the afternoon in Springfield. The staff met with Representative Robert Pritchard earlier in the day. Senator Steve Stadelman was unable to attend but his Chief Staff Mark Bonne is in attendance.

Representative Tom Demmer also could not attend. Chair Anderson and Representative Demmer had the privilege of participating in the Edgar Fellows Program at the University of Illinois Institute for Government and Public Affairs in Champaign last week.

Chair Anderson announced that Southern Illinois University Edwardsville's (SIUE) Chancellor Julie Furst-Bowe, was attending her last Board meeting as Chancellor. She has accepted the position of vice president of instruction at Chippewa Valley Technical College and will assume her new responsibilities next week. As the eighth chancellor at SIUE, her work on strategic planning, diversity and sustainability initiatives should be commended. Chair Anderson thanked her for her contributions to higher education in Illinois and gave best wishes for her future efforts.

Higher education is on the threshold of a new school year. Many of the college campuses are already seeing the fall semester students and activities getting underway. There were many students at Kishwaukee for orientation during the Board meeting. While there is uncertainty and challenges, it is a time that is filled with promise, expectation, and excitement. With the budget uncertainty, students and their families, faculty and administrators have a lot of questions. More cuts are likely to be made, hiring, and building or renovation projects are on hold, and in many ways the path forward is not clear. One thing that is clear, however, is that budget pressures will only continue to grow. One example that was discussed over lunch with the proprietary institutions was how some of their students who were enrolled have had to drop out due to a loss of childcare. Without dwelling on the particulars of the budget debate, emphasis was given to what is at stake for the higher education system and the citizens of Illinois whom it serves.

President Randy Dunn of Southern Illinois University recently gave a radio address discussing how education as a whole is going through a “transformative, transitional phase, but in all, despite our challenges, education is going to be quite amazing over the next quarter-century.”

In order to get there, the higher education community must work together and think innovatively. If institutions have new ideas or are doing something well that should be replicated at other institutions in Illinois share those ideas with the rest of the community. If institutions have developed partnerships that improve the efficiency and effectiveness of the delivery of higher education, the Board wants to hear about them. Illinois has some of the best institutions in the world in a state with a diverse economy. The state must work together.

President Dunn’s interview also highlighted the important stewardship role the higher education community has in Illinois. The education community educates the workforce and prepares graduates to be engaged citizens, community leaders, and responsible and productive members of society, turning ideas into products and products into businesses, and businesses into a growing economy. Our institutions have been asked to do all of this and more, with fewer resources. Higher education takes seriously the stewardship of the future of Illinois, and earnestly encourages the leaders to agree on a state budget that invigorates the promise of a new school year. We need to maintain the excellence and prestige of our institutions while continuing to become more efficient and effective in the delivery of higher education. Although we all have different challenges and serve unique roles in Illinois, we can emerge from these budget challenges even stronger.

Last week Chair Anderson was honored to be a participant in the Governor Edgar Fellows program in Champaign. Together with 30 leaders from around the state, including elected and appointed public officials, members of labor, business and non-profits, the Fellows heard from leaders in Government, discussed current public policy issues, and heard from Governor Edgar on the lessons that he learned throughout his public service. Among this year’s speakers were Governor Bruce Rauner, House Speaker Michael Madigan, Supreme Court Justice Ann Burke, Attorney General Lisa Madigan, former White House Chief of Staff Bill Daley, and Excelon President and CEO Chris Crane who helped the Fellows understand that Illinois education system could do better. Higher education came up on so many of the policy discussions. Despite the diverse backgrounds, the Edgar Fellows all worked toward a common goal, learning how to work together, despite differences, toward problem-solving for a better Illinois. “Civility, Compromise, and Compassion” were the three C’s which Governor Edgar opened the session with. Chair Anderson learned a lot, gained new perspectives, and left with optimism for the future of Illinois. She is grateful to Governor Edgar for the opportunity and wanted to share with everyone what she took away from the experience and say that if everyone stays focused on these ideals and take a problem-solving approach, Illinois will emerge even stronger despite our challenges.

4. Remarks by Executive Director Dr. James L. Applegate

Dr. James Applegate congratulated Chair Anderson on being selected as an Edgar Fellow. Dr. Applegate also gave a special thanks to the IBHE staff who continues to work diligently on a variety of initiatives around affordability, closing gaps, and getting more adults through college. Recently the staff was recognized for exceptional giving by the State and University Employee Combined Appeal (SECA) charitable giving campaign. IBHE is fortunate to have a staff with that level of commitment and generosity.

Today, the panel discussion will be on affordability. The remedy for affordability is a combination of both increased state investment in higher education and increased efficiency and effectiveness and innovation in the system. Illinois cannot get there alone simply through increased efficiency and effectiveness. It will take thoughtful priority setting investments by the state to reverse the billion dollars in reductions since 2002.

A recent national study clearly showed that 80 percent of the tuition increases in public universities in this country from 2001 to 2011 were directly attributable to reductions in state support, another eight or ten percent to capital, and another eight or ten percent to personnel. However no one is absolved of the responsibility to continue to innovate and remodel the systems to make them as efficient and effective as possible to serve the most students at the least cost.

It will take the higher education community working and thinking innovatively about ways to be more efficient and effective. Everyone has worked hard over the past several months making the case for increased state investment with the legislature, the Governor, media and others. Higher education has come together as a system to develop a consistent message about why higher education is a worthy investment with common talking points. Analyses show that if Illinois had reached the goal of 60 percent of Illinois adults with a degree or certificate by 2025 (or 60 x 2025) today it would mean nearly a billion dollars in additional tax revenue to the state every year. A higher education legislative caucus was. They have met and continue to be engaged. Hopefully it will be useful for ongoing and deeper conversations around higher education with the legislative leadership. The executive branch has been engaged on a regular basis in conversations about the work. In the long term this will have payoffs for providing consistent and coherent message from higher education about what it can do for the state and why it is worthy of this investment.

In the more immediate term the focus has been on how to best communicate the impact of the current budget impasse. There will be a more extended discussion about the budget situation and the impact with Kevin Schoeben, Deputy Director for Fiscal Affairs, NIU President Baker, Western Illinois University (WIU) President Jack Thomas and Eric Zarnikow, Executive Director, Illinois Student Assistance Commission later in the meeting.

In Dr. Applegate's most recent blog he wrote "It's Time to Remodel Higher Education: Creating a Home for 21st Century Students." The use of the word "remodel" was very intentional. Using terms like "disruptive innovation" and/or "creative destruction of higher education" do not bring excited faculty and higher education folks to the table. The word "remodel" is more appropriate. If you look at the good research that is going on at the best universities, the economic return on investment of that high quality research is unquestionable – some parts of our higher education home need minor changes. There are parts of higher education that need to be remodeled more dramatically. Illinois higher education needs to take a hard look at things like developmental remedial education and a variety of other areas that require significant attention and redesign. During lunch with the Proprietary Advisory Committee the Board had a discussion about thinking more about innovative approaches to competency-based education as a way to begin to address the affordability issue.

There is much good work going on in Illinois and some of that will be discussed. Illinois has broad participation around efficiency and effectiveness and is one of the larger states involved in a regional shared purchasing contract with the Midwest Higher Education Compact (MHEC) where you can buy insurance, technology and things in collaboration with multiple states. That saves Illinois \$30 million every year. Universities are working actively with IBHE looking at academic programs and identifying those that are not producing the numbers of degrees they

should and deciding to either close the programs or redesign them so they are more productive. This is a partnership, the universities are already in this process and IBHE is working with them to make it a more systemic and strategic process. The discussion today will include how Illinois is going to work with the National Governors Association on a statewide effort on efficiency and effectiveness.

IBHE understands that to reach the 60 x 2025 goal and reap the benefits it will take a “both/and” strategy, investment and greater efficiency and effectiveness. Today the focus will be on the later part: on how Illinois can do things to make it more possible for students to have an affordable college education. What can be done now to make college more affordable and possible for students, particularly for those who would not otherwise be able to have access to college – low income, students of color, and adult learners who need to complete their degree.

Dr. Applegate introduced new staff member Dr. Eric Lichtenberger, Deputy Director for Information Systems and Technology. Eric will work diligently to improve the quality effectiveness of the data produced at IBHE to improve performance.

5. Advisory Committee Report – Dr. Ronald Kimberling, Proprietary Advisory Committee

Chair Anderson noted that the Proprietary Advisory Committee was the luncheon guests of the Board. The Board appreciates their time and attention to more effectively advise the board on their programs. Dr. Ron Kimberling, President of Argosy University is Chair of the Committee. Chair Anderson welcomed him to report on the Committee’s activities.

Dr. Kimberling on behalf of the Proprietary Advisory Committee thanked the Board for the opportunity to have lunch with the Board on an annual basis. Each luncheon is interesting and fun and very productive, particularly working together for a number of common goals.

The group represents degree granting proprietary sector institutions. There are 41 institutions in Illinois offering associate degrees, bachelor degrees, master’s degrees, and doctoral degrees. The group does not represent the Private Business and Vocational Schools that were transferred to IBHE from the Illinois State Board of Education (ISBE) a few years ago. As an employer in Illinois the proprietary universities pay out \$298 million in salaries annually. Proprietary colleges had a total student population of 72,749 for 2014 and awarded 19,620 degrees. Of all of the sectors the proprietary population is more dominantly female than any other sector (67.7 percent).

In 1974 a resolution of the Board created the Proprietary Advisory Committee. In 2012 the oversight of the Private Business and Vocational Schools was transferred from ISBE to IBHE. In 2015 the group changed its structure, adopting formal bylaws and elected a chair and vice chair and appointed recording secretary positions with term limitations giving them a better structure to serve as a viable resource to work with the Board.

Enrollment figures for proprietary colleges by race and ethnicity from Fiscal Year 2014 IPEDS is as follows: Hispanic, 10.6 percent; Asian, 3.5 percent; African-American, 24.3 percent; two or more races, approximately two percent; white or Caucasian, 40.7 percent; and race unknown/international/resident alien, 18 percent.

The sector confers approximately 19 percent of the degrees given out. Proprietary degree production is a significant and important contributor toward the 60 x 2025 goal.

The sector does not receive any direct institutional funding from the State of Illinois, however they do have institutions that participate in MAP programs or other student oriented grants. The Proprietary Advisory Committee asks that the Board maintain its long standing policy position that MAP Grant funding is assistance to students, not to institutions and to be used at approved institutions in the State of Illinois regardless of sector.

The group appreciates the Board's acknowledgment and thoughtfulness in recognizing the contributions that this sector makes to the *Public Agenda* priorities and the 60 x 2025 goals. They pledge to continue to engage with the Board in a constructive dialogue that will result in better opportunities for all citizens in the State of Illinois.

II. Action Team Reports

Advocacy for Quality Higher Education – Ms. Jane Hays gave the report. The team has been holding weekly conference calls to keep everyone apprised of the external activities through staff and Dr. Applegate, what is and is not occurring with respect to the budget, and other legislation. The conference calls are available to all members of the Board. The action team is developing an advocacy plan for communication with timelines, strategies, and approaches related to how the Board can help achieve the 60x2025 goal emphasizing the three priorities: increasing affordability, reducing gaps for underserved students, and increasing adult completions. A new bi-weekly bulletin is being developed and will be sent out explaining progress and notable develops around the board priorities. A trustee education program is being developed and will likely occur next spring. The team in conjunction with staff is working on outreach with editorial boards and the governor's office, and developing better communication tools including the website and social media.

Recently Dr. Applegate testified at two senate hearings. One was the Senate Subcommittee on executive compensation in Chicago. IBHE staff prepared a comprehensive report with data comparing Illinois executive compensation with other states that was provided to the Senate. The other hearing was the Senate Committee of the Whole on college affordability in Springfield. There were eight pieces of significant legislation that recently passed which are noted in the Legislative Report provided.

Increasing Non-Traditional and Adult Completions Aligned with Economic Needs – Mr. Tyler Solorio gave the report. The team had updates on three initiatives. (1) The Higher Education Commission on the Future of the Workforce which will be led by IBHE and will focus on the connection between educational pipelines and workforce needs. The Commission will begin work this fall and the Non-Traditional Learner action team will be called upon to contribute ideas, data and recommendations to help form the agenda for the group. (2) The Multi-State Collaborative on Military Credit is a collaboration between IBHE and ICCB around state work focused on scaling up military articulation efforts in Illinois. Monies received from the Lumina grant will focus on bringing more pilot schools into the effort to assess military training for academic credit and to create bridges to licensure. The action team will be updated on this effort and will examine the project to consider as a model for collaborative work focused on veterans. (3) The Military Prior Learning Assessment Taskforce which will also begin this fall will tie together veteran focused projects around the state. The action team hopes to use the models and recommendations that emerge from the taskforce to apply more broadly to all non-traditional student populations. During the next two meetings the group will delve more deeply into comparative state-level data to set ambitious goals for non-traditional learners across the state to match the highest performing states in adult degree completion and to begin to identify key

strategies to help the state reach these goals. The team would like to bring a CAEL representative to one of the next two meetings.

Reducing Attainment Gaps – Dr. Lazaro Lopez gave the report. The team had a general discussion around underserved student populations and the overlap between the work that is being done by the affordability action team and the work that is being done by this team. There have been discussions around an effort for a potential symposium and setting system-wide goals. There was also an extensive conversation around developmental education and identifying a program called AVID addressing the need that the issue begins as early sixth grade and middle school and working through high school before they recharge state colleges and universities. The team is scheduled to meet again before the next board meeting.

Improving Affordability – Ms. Christine Wiseman did not give a report as the *Public Agenda* discussion is on college affordability.

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

6. Roundtable Discussion on College Affordability

IBHE's comprehensive report on five year trends in Illinois higher education shows between 2009 and 2014 Illinois became less affordable faster for middle and low income families than almost any other state in the nation. The affordability action team is going to present recommendations on how it believes some of the pressing affordability issues can be alleviated for Illinois students and families. College should be an affordable opportunity that leads to being prepared for a productive career without an unmanageable debt load. The team is drafting a blueprint meant to engender dialogue among the Board about ways to make college in Illinois more affordable. As part of the affordability discussion, IBHE is excited to promote the partnership with the National Governors Association (NGA) in an effort to provide efficiency and effectiveness strategies at Illinois colleges and universities. IBHE is working to bring together higher education and business partners from across the state in order to engage in discussions on how to best maximize resources and potential Illinois institutions and to better meet the needs of the workforce.

The discussion was lead by Ms. Christine Wiseman, President, St. Xavier University and IBHE Board Member. Joining the Board in a roundtable format was Ms. Kelle Parsons, Policy Analyst, Education Division, National Governors Association; Dr. Lisa Freeman, Executive Vice President and Provost, Northern Illinois University; Mr. Kevin Schoeben, Deputy Director for Fiscal Affairs, IBHE; and Ms. Brook Stewart, Chief, Fiscal Affairs Division, IBHE.

The action team has been working on the white paper for about a year with a series of discussions about the question of affordability and the approach that should be taken. The group read volumes of material and talked to experts for the formation of the paper. Brook Stewart and Kevin Schoeben were instrumental in bringing the ideas and resources together in a white paper that could be presented to members of the Board and could be disseminated for further discussion.

The purpose of the white paper is to bring focus on affordability issues to the Board and to the system at large. The issue of affordability has no single silver bullet. After considering how best to facilitate discussion at their meetings and among interested parties, the team decided a white paper was the way to go. It is designed to serve as a resource paper for the different constituencies regardless of individual institution. The white paper is intended to produce a

discussion and that incorporates resources that can be further examined. From that discussion the team framed some best practices that ultimately demonstrate themselves in a series of recommendations. This is designed as a roundtable discussion for the Board and constituents. The plan is to produce a final document which will be presented to the Board with a resolution on October 6.

The action team needs to focus on things that can be done. Unfortunately, there is no direct control over many affordability factors. There is no control over the job market or families' economic situations. Ninety-three percent of families surveyed by Sallie Mae do find value in higher education. How families pay for education has changed significantly in terms of students themselves borrowing and contributing to that debt. Of those students, 16 percent are paying for their college education themselves and 73 percent of them are working. That affects the affordability environment.

The group did consider both the increasing cost of higher education and why costs are rising. Regulatory compliance and healthcare costs are growing steadily. Administrative costs are sometimes cited as a factor. Colleges and universities receive fewer state resources than in the past. While the group considered the increased costs and the causes of those increased costs contextually, they have not considered their impact in terms of precisely what they will do to the cost of education. They have been considered in terms of the unfunded mandates and other issues that need to be faced. The group outlined recommendations upfront with the report putting those recommendations in a broader context in terms of what is driving those recommendations. Whatever results from this discussion, the action committee will ultimately make a decision about how and to what extent those are included and then they would like to present the final draft to the Board on October 6.

A first step is bringing money into the institution, not only from the state but also tuition dollars. Direct service aspects like admissions counselors and faculty are vital. Over the last decade and a half there has been a growth in administrators. Some of this growth is because of technology and unfunded mandates. There has also been a significant increase in costs for instruction and academic support programs.

Student fees have grown. Typically what happens is that students vote on an increase in fees that do not impact them but impact the next set of students. That is an add-on and a way of hedging tuition escalation.

The recommendations in the white paper are not in any particular order of priority. Promotion of institutional efficiency and effectiveness and revisiting the Truth in Tuition law would be fundamentally important. Some of these things operate simultaneously. The consumer population must be better informed and more sophisticated. Also, look at institutional efficiencies. One looks at it from the institution's part and the other looks at it from the part of the students who are applying and attending the university. The action team will look at all these suggestions or recommendations and decide to what extent they should be implemented.

Other states have been looking at the affordability issue through multiple lenses. There are several factors impacting affordability. Shortening time to degree so students can actually complete their degree with the minimum number of credits is one of the most important paths to affordability. Then there are the costs to students, tuition and financial aid. Efficiency and effectiveness of institutions is a subset that indirectly affects costs for the students. Reducing student time to degree is slightly easier to effect in some cases whereas institutional effectiveness and efficiency takes time to see the fruits of that labor.

Increasing affordability also needs to include discussions on communication and education financial literacy programs so we have knowledgeable students and parents working together to make sound decisions. When talking about time to degree, many are familiar with the Complete College America agenda. Also, a holistic approach is much better than a piecemeal approach. Some states have seen great progress from having a high touch and high tech approach to guided pathways to success. This requires investment in IT platforms and advisors who “touch” the students directly.

Another recommendation is to reduce unfunded mandates. Illinois has spent a lot of time talking about procurement issues but there are other regulatory cost factors. For example, the federal government defines equipment (for inventory purposes) as something that costs \$5,000 or more; however, Illinois defines it as \$100 or more. Complying with Illinois law, therefore, means that a typical chemistry department has an addition 4,000 items to be tagged and inventoried. That system is inefficient and should be brought to the forefront.

NGA’s vision focuses on a three-legged stool of accessibility, affordability, and quality of education as well as outcomes for the state’s economic agenda. Knowledge creation is a tremendous economic driver and an essential element of higher education. NGA stresses the importance of clear articulation and coordination of paths to degree among colleges and universities. Effective transfer and articulation are also big contributors to affordability. Because NGA focuses on quality, for which there is no good measure, the discussion tends to be about labor market or learning outcomes. However, it is important not to lose sight of efficiency and effectiveness. NGA is working with IBHE, ICCB, and Illinois Secretary of Education Beth Purvis on a statewide initiative around this subject.

Affordability comes at a cost but also with a return on investment. The Commission on the Future of the Workforce will have an affordability conversation that includes not only costs on the front end, but return on investment on the back end. A degree may look expensive but if it leads to a high quality job then the affordability conversation is different. Illinois is working very hard to do a better job of connecting higher education data with workforce data and quality completion. However, we do not want the white paper to be too restrictive in terms of quality. There have been a lot of discussions about the meaning of quality in higher education beyond simply jobs.

Another focus is on making sure administrative positions are understandable and necessary, though care must be taken here. That recommendation came from the Student Advisory Committee. There was a lengthy luncheon discussion with the students about what they needed to successfully be able to navigate in a particular institution. Board member Sean Anderson was instrumental in explaining and bringing that particular recommendation to the committee. Initially, the committee considered integrating financial and academic advising or four-year financial planning for students. Finances cut across academic performance. We must understand students holistically and consider the issues and disadvantages that can make timely completion difficult. While not necessary advocating for new positions, the committee discussed the need for clear and direct guidance. The days when students save for college during the summer and only occasionally think about financial aid are long gone. Our notion of traditional students and their needs are also changing.

Students often do not know what they need and when they need it. For example, they may not realize how changing their major can affect their completion and financial burden. An academic advisor or dean might not have financial knowledge and financial aid advisors are not

experts on academic policies or the curriculum. Students need someone who can understand, on a high level, what a student needs to complete their degree. This does not mean universities have to staff an entire department but it is a needed function. The investment will pay for itself.

The action team had a certain amount of difficulty and discussion with that issue. How are you going to find someone that is that knowledgeable across all sectors? Because institutions have different structures, there is no universal recommendation for operation. This is going to require some effort on the part of institutions to develop a model that works for them. Another challenge is that the service provider is going to have to know the individual student and be fairly directive about the options for that particular student. This is one recommendation where we are particularly looking for guidance from the members of the Board and other constituents.

There may be a more holistic approach to this matter rather than focusing on an individual person. It will probably involve bringing together some work that was done by Complete College America around Guided Pathways to Success, recommendations around intrusive advising, and work done around MAP. In 2012, ISAC created a taskforce and brought together experts from across the state, sectors, professions, and diversity to look at the MAP and whether there was a better way to deliver that. Some of its research and discussions might be a role for advising in helping to improve outcomes not only for MAP recipients but for all students. That led to a requirement by the General Assembly for ISAC to run a MAP advising working group, in lieu of legislation requiring two advising sessions per semester no matter what to meet a legislative requirement. They again brought together experts from across the state, sectors and professions and looked at advising. The outcome of that was MAP advising rules that actually go into effect this fall and set a goal for institutions to improve their graduation rate by five percentage points over a six year period with appropriate progress along the way. The schools are required to have some sort of intrusive advising program. Because schools are so diverse, the advising group recommends that the schools figure out how they structure it, using people, technology, or a combination of both.

This is limited to MAP recipients under ISAC's administrative rules but could work for all students. There is also a data collection element with the goal of being able to look across sectors to find programs that are and are not working. It is more of a holistic approach rather than adding to a headcount that specifically has this title. It is up to the schools to figure out how to bring together a holistic approach to try to improve completion rates.

The group was very aware that there is several ways to improve completion rates. You can provide better supports for students, lower standards, or only enroll students you are confident will graduate. The latter two choices are ideal. A better informed consumer and a better informed student can make choices that help them graduate more quickly. There is an opportunity to bring technology as well as intrusive advising and relationships with the student to potentially get a better outcome.

This should be done for all students. Goals should be set to increase by more than five percent in six years. We have seen institutions increase by 20 and 30 percent. That should not be limited to MAP students. Initially the rules were to apply to all students and ISAC received push back in the public comment period that they did not have the authority to put out rules that create requirements for all students. If it is helpful for MAP recipients it is likely to be helpful for all students.

Recent research shows Illinois' Truth in Tuition law has not necessarily produced a cost savings for students. The policy should be reviewed in terms of its impact on affordability.

Education Commission of the States (ECS) has a national initiative on the design of student financial aid and student support. They created a 50 state database of those programs and they are interested in working with Illinois about the kinds of supports the state has for student, not just MAP, but institutional aid and student support programs. That will also be fed into this conversation.

IV. Discussion Items

7. 2016 Budget

Mr. Kevin Schoeben, Deputy Director for Fiscal Affairs, Illinois Board of Higher Education

During the August meeting staff usually come to the Board for approval of an enacted budget by the Legislature and the Governor. Illinois is proceeding into the second month without a budget and facing some very unusual circumstances in the operations of the Board and all of higher education.

Despite not having a budget, staff has tried to proceed into the new fiscal year as business as usual. Since then appropriations have been made and enacted for the K-12 education budget and other payments are going out the door from the Comptroller's office due to court orders, consent decrees, and continuing appropriation clauses. This includes payroll for state employees and officials in executive, legislative, and judicial branches. It also includes the debt service payments, local government transfers, medical and social programs. The legislature is also considering including federal reimbursements a part of that package as well. It is estimated that three-fourths of the budget is still being processed by the Comptroller's office despite not having a complete budget.

In terms of the Board budget, we are thankful that we are able to meet our bi-weekly payroll but certainly other operating and grant lines are frozen along with other state agencies. The agency is limiting travel and by not having a budget it has curtailed the ability to have academic reviews around the state. The Diversifying Faculty in Illinois (DFI) program that was approved by this Board in June will halt the fellowship of 111 graduate students before the fall semester, as well as suspend the awards of a potential 160 candidates for the fall semester for those pursuing a teacher's certificate under the Grow Your Own (GYO) program. Not having a budget also has operational impacts on the grants for the University Center of Lake County and the Graduate Studies Center in the Quad Cities.

For the universities and colleges there are two elements to consider as we passed into the new fiscal year. The backlog of payments because the state is in arrears with the backlog of bills, going into July 1 there was \$286 million that was held in the Comptroller's office. The state Comptroller was still allowed to issue payments into the new fiscal year that will continue throughout the summer and until the end of September until the Fiscal Year 2015 appropriations are exhausted. As of the end of July, the estimated backlog was around \$206 million (\$150 million for universities and \$56 million for community colleges). Community colleges may have received some payments in the last few days.

The second element that has allowed for operations to continue past July 1 is possible from the locally held funds that are generated by tuition revenue, and in terms of community colleges, also by the local tax revenue. These are limited resources. The troubling dilemma facing the

universities and colleges is not knowing how long this is going to continue but the fact of not knowing what level of funding will be ultimately enacted. With the start of the fall semester just a few weeks away it presents a problem for the students and the institutions in the administration of programs. A particular concern is the lack of appropriation for the MAP program. Without a budget in place institutions are faced with a difficult decision of how to credit the individual student accounts beginning in the fall semester without an appropriation. This leaves students wondering the exact status of their financial aid profile.

At a time when the Board usually works with higher education partners for the next budget cycle for Fiscal Year 2017, it is virtually impossible for the Chief Financial Officers to put together a successful strategic budget plan without knowing what level of funding is going to be enacted in Fiscal Year 2016. We are looking at a range from 8.6 percent (\$105 million) to 31 percent (\$387 million). There is no indication what level of funding could ultimately be enacted. Many of the institutions had to implement furlough and layoff plans and had to limit funding for graduate assistants programs due to the unpredictability of the budget. Lastly, we have concerns of the halting of state support through grants from other state agencies, as well as the freeze of 85 capital projects totaling \$118 million.

Dr. Jack Thomas, President, Western Illinois University

The presidents and chancellors met to discuss the impact of the budget on their universities. Since 2002 the public universities have experienced reductions in state appropriation of over \$1 billion. For the past 13 years they have continuously looked for new ways to find efficiency, trim costs and improve overall operations while maintaining or improving student programming. They have been responsive to student and state needs. Each of the university communities has an enormous impact on the Illinois economy and the communities that they serve. The citizens of Illinois should view universities as a profit center rather than a cost center. Rather than being an expense line in the budget they are an investment in the future citizens and economic growth in the State of Illinois. The continued disinvestment in higher education has repercussions on the ability to generate jobs, increase incomes and create educational opportunities that would not otherwise be present. The uncertainties created by not having their state appropriations create challenges in the planning processes. Schedules are already developed, students have enrolled in classes and faculty members are ready to teach for the academic year. Furthermore, they are currently in the process of planning course schedules for the fall of 2016 semester. One of the immediate issues they now face is the Monetary Award Program (MAP) and its unintended consequences on the most needed students. The universities are taking a huge risk to fund MAP grants while they wait on a final budget to be passed. Approximately 125,000 students receive MAP funding currently.

The universities are working hard to continue to function and continue to provide a quality education for their students. It has become more and more difficult to retain and recruit faculty, recruit staff and to recruit students and retain those faculty, students and staff. The State of Illinois is the second largest exporter of students in the country. The current budget situation entices students to consider other options outside of Illinois. Higher education serves as an economic engine for the State of Illinois. We must protect the ability for us to deliver that education for all of the citizens of Illinois and bordering states. The unpredictability of the budget creates problems both immediate and long term. As we move forward we must consider the implications and the unintended consequences from the budget impasse. The public universities appreciate the Board's continued support of public higher education and the need for adequate funding.

Dr. Douglas Baker, President, Northern Illinois University

The year 2002 was the highest appropriation year for Northern Illinois University (NIU) of \$118 million. NIU did an examination of budget reductions and put it into inflation adjusted dollars to know what their buying power is today. NIU is half of the allocation that it had in 2002. The state has disinvested half of the buying power. The reaction has been to increase tuition. At NIU the tuition has not gone up at the same rate that the funding has gone down. They are over \$20 million less in actual spending in inflation adjusted dollars than they were in 2002. It has been done by reducing spending and increasing efficiencies. This 13 year glide path down has created a great deal of uncertainty and a loss of confidence by the faculty, staff and students. Illinois is the second largest exporter of students. Part of that is due to lack of confidence. The state is disinvesting in higher education. It is affecting the faculty. Very productive faculty are very mobile and are questioning if they should stay in Illinois. The University of Illinois wins about \$850 million in external grants a year. The productive faculty write those grants. Are roadblocks being thrown in front of them and making an uncertain future that they cannot stay in Illinois and be productive? That is going to have long term echo effects out into the state, in the intellectual property created here, and the businesses started here. The graduate students and undergraduates that are doing the research are going to be the human capital to drive the economy.

There are long run echo effects that are being put into place right now with this uncertainty and reduction in confidence. It is seen in the administrators and staff around the state. Many schools have frozen raises over the last few years as a cost reduction move. Schools are reducing employment to reduce costs. These are putting more pressures on staff that are not getting the compensation increases. It is creating a difficult morale environment in all of higher education.

The students are concerned too. Inadequate MAP funding is a huge problem. As tuition has gone up most universities have put more money into student financial aid. That means they are taking money out of their operating budget and putting it into student aid. That is an internal budget reduction to help students be successful. It is the right thing to do for students but it does squeeze the budget significantly.

Stakeholders have concerns. They wonder if the universities are going to be the strong human capital development organizations they have been in the past, if they will create the intellectual property and if this is a good place to put their business or to keep their business in. As those confidences are lost they will hurt the economy for a longer run.

The uncertainty also effects the planning cycles whether it is for course scheduling or hiring in the coming years. The universities need to be on a cycle to search and hire and have people in place for the coming fall semester. That cycle starts in the fall, and without it they lose a year. They need some certainty sooner than later. Costs have gone up over the last 13 years while funding has gone down. Universities have had to deal with those increased costs, increased procurement requirements, increased unfunded mandates and in reaction to those they have done a number of things to effect that. They have reduced employment, held back on salary increases, reduced administrative costs at the senior level and reduced the number of senior administrators.

They are also looking at cost reductions for students. Time to degree is one of the most important ones. If you can get a student through in three or four years you can save them a lot of money. The universities have invested in those areas, invested in having the right courses, the right advising and the right early intervention techniques. Those efforts a year ago for NIU

increased their retention rate by five percent. That will have positive effects long run. They have reduced their capital reinvestment, deferred maintenance have gone up for all in higher education. They are putting in place things like process re-engineering. They have in place a program prioritization process started last year. They are going to look at every academic and non-academic program in the university to see if they want to invest in that area or not. That is hard work. It has taken a lot of people's time. It is an investment they are making and one they absolutely have to do to best serve their students.

On the capital side, NIU has a state funded building that is now mothballed as of July 1, partially constructed named Stevens Hall. It will have anthropology and theater in it. The theater program is renting theater space off campus. So it is an increased cost. If this goes much longer it will not be done for fall 2016. They may have to have another expense for renting off campus due to the delays.

All of this is having impact on the communities. The universities are the local engines in many cases driving the communities. They drive the state's economy. Unfortunately we are driving students out of the state over the last 13 years of disinvestment. We are creating uncertainty for faculty and staff and creating uncertainty for businesses that rely on the intellectual property and innovation, human capital. We want the state to be an attractive place but we need more certainty so we have predictable assets. There is a revenue side and there is an expense side. We need to work both of those. The universities are dedicated to do that. All the presidents are working on those across the state and their focus is on helping the students be as successful as they can be.

Mr. Eric Zarnikow, Executive Director, Illinois Student Assistance Commission

The bad news about MAP grants is that the budget has not passed yet. It is not part of the 75 percent that is being moved forward to be paid. That creates a great amount of uncertainty for students, families, and institutions. The good news is that MAP grants were flat funded in the Governor's budget. There was actually a significant increase for MAP grants in the budget that was passed by the General Assembly. MAP grants seem to have a very strong bipartisan support. They directly relate to the state's higher education goals, 60 percent by 2025, the reduction in achievement gaps, budgeting for results (MAP recipients graduate at about the same rate as other students in the same school). It is a very strong effective program that tends to have strong bipartisan support. In 2009 for the Fiscal Year 2010 when the General Assembly cut MAP funding in half there was such a ground swell in the state that they had to do a supplemental appropriation to restore that cut. The signs look like MAP will be there and the hope is for flat funding.

From an administrative perspective ISAC is preparing to pay MAP grants. They have put out information to the schools to go ahead and submit MAP claims in the normal cycle so that as soon as the budget passes they can submit them for payment and get MAP grants in line at the Comptroller's office. They are proceeding as an agency as if MAP is going to be there and be at a flat funded level. However until a budget is passed they will not know for sure but they want to be ready to support students at the schools and get the MAP claims paid as soon as there is a state budget.

8. Committee Structure

A proposal for an Ad Hoc Committee for Academic Policies and Procedures is being brought before the Board today for approval. The Board used to have an ad hoc committee on diversity. The Board would like to look into bringing back that committee. There is a link in every action team to the impact on minority students. The committee should look at the student side, but also the faculty and staff side of diversity because there are two sides to diversity. Board members Robert Ruiz and Dr. Santos Rivera will work with IBHE Deputy Director Dr. Arthur Sutton to look into the formation of a diversity committee. The Board also discussed a committee that would look at operations and personnel. IBHE staff is looking for more guidance from the Board if this type of committee is created. Association of Governing Boards (AGB) helped with the initial board retreat and they have done a lot of work with board committee structures and best practices around the country. They could be helpful in structuring any new committees.

V. Action Items

9. Election of Vice Chair

Ms. Jane Hays was nominated as Vice Chair on a motion made by Ms. Christine Wiseman and seconded by Dr. Addison Woodward. Mr. Jay Bergman was nominated as Vice Chair on a motion made by Dr. Santos Rivera and seconded by Mr. Sean Fouts-Anderson.

A roll call vote was taken on the two motions as follows: For Ms. Jane Hays – Anderson, Fouts-Anderson, Hays, Jacobs, Lopez, Solorio, Wiseman, Woodward, and Zarnikow; For Mr. Jay Bergman – Bergman, Rivera, and Ruiz.

The Board of Higher Education by a roll call vote of nine to three hereby appoints Ms. Jane Hays as Vice Chair of the Illinois Board of Higher Education.

10. Ad Hoc Academic Policies and Procedure Committee

The Board of Higher Education on motion made by Mr. Robert Ruiz and seconded by Dr. Lazaro Lopez, unanimously hereby establishes the Ad Hoc Academic Affairs Committee to be appointed by the Chair of the Board and charges the committee to examine and address the issues outlined in the item.

VI. Program Reviews

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 July 21, 2015. Since then, five additional proposals have been received and one application has been withdrawn since the last board meeting. As of August 7, 2015, there was one new request for program modification in addition to the 18 reported in the memo.”

11. New Units of Instruction at Public Community Colleges

Dr. Cullen briefly outlined the contents of this item. No discussion was held.

The Illinois Board of Higher Education on motion made Ms. Christine Wiseman and seconded by Mr. Tyler Solorio, unanimously hereby grants authority to Black Hawk College to offer the Associate in Applied Science in Veterinary Technology subject to the institution's implementation and maintenance of the conditions that were presented in its application and that form the basis upon which this authorization is granted.

And grants authority to Carl Sandburg College to offer the Associate in Applied Science in Legal Office Professional and the Associate in Applied Science in Medical Office Professional subject to the institution's implementation and maintenance of the conditions that were presented in its application and that form the basis upon which this authorization is granted.

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

And grants authority to Kaskaskia College to offer the Associate in Applied Science in Library Technical Assistant subject to the institution's implementation and maintenance of the conditions that were presented in its application and that form the basis upon which this authorization is granted.

And grants authority to Malcolm X College to offer the Associate in Applied Science in Fire Science Management and the Associate in Applied Science in Fire Service Operations subject to the institution's implementation and maintenance of the conditions that were presented in its application and that form the basis upon which this authorization is granted.

And grants authority to Moraine Valley Community College to offer the Associate in General Studies subject to the institution's implementation and maintenance of the conditions that were presented in its application and that form the basis upon which this authorization is granted.

And grants authority to Olive-Harvey College to offer the Associate in Applied Science in Automotive Technology subject to the institution's implementation and maintenance of the conditions that were presented in its application and that form the basis upon which this authorization is granted.

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

Dr. Cullen briefly outlined the contents of this item. No discussion was held.

The Illinois Board of Higher Education on motion made by Ms. Jane Hays and seconded by Mr. Sean Fouts-Anderson, unanimously hereby grants to Judson University Authorization to Operate and Grant the Master of Business Administration and Master of Arts in Organizational Leadership 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 this authorization is granted.

And grants to Robert Morris University-Illinois Authorization to Grant the Bachelor of Science in General Science and the Master of Science in Human Performance 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 this authorization is granted.

And grants to Fox College Authorization to Grant the Associate in Applied Science in Occupational Therapy Assistant in the South Metro 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 J'Renee College Authorization to Grant the Associate of Science in Nursing 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.

And grants to Les Roches International School of Hotel Management Authorization to Operate and Grant the Bachelor of Business Administration in International Hotel Management and the Postgraduate Diploma in Hospitality 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 this authorization is granted.

And grants to Northwestern College – Southwest Authorization to Grant the Bachelor of Business Administration and Management, Bachelor of Science in Accounting, Bachelor of Science in Criminal Justice, Bachelor of Science in Health Information Management, and the Bachelor of Science in Nursing 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 this authorization is granted.

And grants to Tribeca Flashpoint College Authorization to Grant the Bachelor of Science in Advertising, Bachelor of Science in New Media Journalism, and Bachelor of Science in Public Relations/Image Management 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 this authorization is granted.

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

Dr. Cullen briefly outlined the contents of this item. No discussion was held.

The Illinois Board of Higher Education on motion made by Mr. Tyler Solorio and seconded by Dr. Santos Rivers, unanimously hereby grants to Northeastern Illinois University authorization to establish the Master of Arts in Community and Teacher Leaders 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 Northern Illinois University authorization to establish the Doctor of Nursing Practice in the Fox Valley 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 this authorization is granted.

And grants to Southern Illinois University Edwardsville authorization to establish the Bachelor of Arts in International Studies and the Bachelor of Science in Mechatronics and Robotics Engineering in the Southwestern Region, subject to the institution's implementation and maintenance of the conditions that were presented in its application and that form the basis upon which this authorization is granted.

And grants to the University of Illinois at Springfield authorization to establish the Bachelor of Arts in Elementary Education in the Central Region, subject to the institution's implementation and maintenance of the conditions that were presented in its application and that form the basis upon which this authorization is granted.

And grants to Western Illinois University authorization to establish the Master of Arts in Community and Economic Development and the Master of Science in Applied Statistics and Decision Analytics in the Western 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.

VII. 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 Dr. Alice Marie Jacobs and seconded by Ms. Christine Wiseman, unanimously approved Item Nos. 14, 15, 16, 17, and 18.

14. Board Meeting Minutes – June 2, 2015

The Illinois Board of Higher Education unanimously approves the Minutes of the June 2, 2015, meeting.

15. Fiscal Year 2015 Financial Report as of June 30, 2015

The Illinois Board of Higher Education unanimously approves the Fiscal Year 2015 Financial Report as of June 30, 2015.

16. General Grants, Fiscal Year 2016 Allocation

The Illinois Board of Higher Education authorizes the Executive Director to distribute General Grant awards made to any of the seven projects listed in this item pursuant to any Public Acts for the Fiscal Year 2016 budget.

17. Grow Your Own Teach Education Initiative, Fiscal Year 2016 Allocation

The Illinois Board of Higher Education hereby authorizes the Executive Director to allocate the Fiscal Year 2016 appropriation for Grow Your Own Teacher Education Initiative Grants as specified by the statute and administrative rule. The Board authorizes the Executive Director to:

- 1) Continue to monitor and determine eligibility of institutions pursuant to the statute 110 ILCS 48/1) and the rules implementing that statute (23 Ill. Adm. Code 1085);*

- 2) *Withhold grant awards until provided with signed grant agreements and other appropriate grant information and materials required by the Act and the rules;*
- 3) *Determine the distribution of funds for administration, evaluation, contractual agreements and support of the GYO program;*
- 4) *Equitably distribute grant awards to eligible GYO consortia:*
 - a. *With the primary focus on direct benefit to candidates; and*
 - b. *As determined based on Fiscal Year 2016 continuation grant scoring criteria; and*
 - c. *Re-allocate funds between consortia, fund other consortia as necessary, and allocate any remaining funds at the end of the fiscal year.*

18. Adopted Rules: Higher Education Distance Learning and Interstate Reciprocity

The Illinois Board of Higher Education hereby adopts the rules for the Higher Education Distance Learning and Interstate Reciprocity (23 Ill. Adm. Code 1033) as detailed in the attached document. The Board authorizes the Executive Director to make technical amendments consistent with any suggestions by the Joint Committee on Administrative Rules.

VI. Information Items

19. Legislative Report

VII. Public Comment

Dr. Marie Donovan, Chair of the Faculty Advisory Council (FAC) read from a Memorandum that the FAC sent to the Board regarding concerns about rules changes at the Illinois State Board of Education (ISBE) for a new evidence based assessment that must be passed before a teaching license is issued effective September 1, 2015.

VIII. Other Matters

IX. Executive Session

Chair Anderson asked that the Board go into Executive Session. She noted that 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 observed that a quorum was present.

Ms. Christine Wiseman made the motion to move the Illinois Board of Higher Education into executive session for the purpose of discussing employment issues, pursuant to Section 2(c)(1) of the Open Meetings Act. Mr. Tyler Solorio seconded the motion.

The roll call vote on the motion was as follows: Yes – Anderson, Bergman, Fouts-Anderson, Hays, Jacobs, Lopez, Rivera, Ruiz, Solorio, Wiseman, Woodward, and Zarnikow. No – none.

The Board moved into executive session.

Reconvene in Open Session

The Board reconvened in open session.

Chair Anderson asked for a motion and second to come out of executive session.

Ms. Christine Wiseman moved that the Board of Higher Education come out of executive session at 4:10 p.m. on Tuesday, August 11, 2015 and Dr. Santos Rivera seconded the motion.

X. Adjournment

There being no further business to come before the Board, Chair Anderson adjourned the meeting at 4:12 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 August 11, 2015, meeting.