

APPROVED
DECEMBER 4, 2018

Item #G-1
December 4, 2018

MINUTES – BOARD MEETING
September 18, 2018

Submitted for: Action.

Summary: Minutes of the September 18, 2018, meeting of the Illinois Board of Higher Education held at Eastern Illinois University, Charleston, Illinois.

Action Requested: That the Illinois Board of Higher Education approve the open and closed session minutes of the September 18, 2018, Board meeting and keep the closed session minutes closed as the need for confidentiality exists due to litigation matters.

STATE OF ILLINOIS
BOARD OF HIGHER EDUCATION

**MINUTES – BOARD MEETING
September 18, 2018**

A meeting of the Illinois Board of Higher Education was called to order at 1:04 p.m. in the Grand Ballroom at Eastern Illinois University, Charleston, Illinois, on September 18, 2018.

The following Board members were present: Tom Cross, Chair, John Bambenek, Jay Bergman, Emily Buice, Max Coffey, Meredith Daw, Sherry Eagle, Jane Hays, Alice Marie Jacobs, Cherilyn Murer, Santos Rivera, Jack Thomas and Eric Zarnikow.

Others present: Mark S. Jamil, Burke, Burns & Pinelli, LTD.; Dr. Larry Dietz, Illinois State University; Dr. David Glassman, Eastern Illinois University; Dr. Al Bowman, Illinois Board of Higher Education; Dr. Curt Oldfield, Spoon River College; Dr. Lisa Freeman, Northern Illinois University; Dr. Elaine Maimon, Governors State University; Dr. Gloria Gibson, Northeastern Illinois University; Dr. Z Scott, Chicago State University; Ms. Amy King, DeVry University; Mr. Dave Tretter, Federation of Independent Illinois Colleges and Universities; Ms. Cindy Deitsch, Illinois Board of Higher Education; Dr. Stephanie Bernoteit, Illinois Board of Higher Education; Dr. Eric Lichtenberger, Illinois Board of Higher Education; Dr. Arthur Sutton, Illinois Board of Higher Education; Mr. Nyle Robinson, Illinois Board of Higher Education; Ms. Jaimee Ray, Illinois Board of Higher Education; and Ms. Melissa Hahn, Illinois Board of Higher Education.

I. Call to Order/Roll Call

• Call Meeting to Order, Vice Chair Jane Hays

Vice Chair Hays called the meeting to order. Secretary Deitsch took roll call, a quorum was present.

Vice Chair Hays indicated that Board members Sherry Eagle, Alice Marie Jacobs, Darlene Ruscitti, and Santos Rivera are unable to attend the Board meeting in person due to business reasons, but will be joining by telephone. Vice Chair Hays requested a motion for telephone participation for the foregoing Board members.

The Illinois Board of Higher Education, on motion made by Mr. Jay Bergman and seconded by Dr. Jack Thomas, to allow for Drs. Sherry Eagle, Alice Marie Jacobs, Darlene Ruscitti, and Santos Rivera to participate in the meeting via telephone conference pursuant to Section 7(a) of the Illinois Open Meetings Act, unanimously approved Board Members Sherry Eagle, Alice Marie Jacobs, Darlene Ruscitti, and Santos Rivera to participate via telephone conference call.

II. Welcome and Remarks

- **Welcome by Dr. David Glassman, President, Eastern Illinois University**

Dr. Glassman welcomed everyone to Eastern Illinois University.

- **Welcome and remarks by Chair Tom Cross**

Vice Chair Hays thanked Dr. Glassman for hosting the Illinois Board of Higher Education (IBHE).

The IBHE Student Advisory Committee held its first meeting of the academic year on Saturday. Seventeen students from across Illinois, representing public, private, and community colleges attended the meeting. IBHE's two student board members were elected at that meeting: Emily Buice, a senior studying history and public relations with a political science minor at Southern Illinois University Carbondale. She is originally from Tallassee, Alabama. While at SIUC, she has served as the Undergraduate Student Government President, College Panhellenic Executive Vice President, and Vice President of Communication and Engagement for the Saluki Ambassadors. She completed an internship as a public diplomacy intern with the U.S. Mission to the E.U. this past summer and has worked as the Carbondale Chamber of Commerce's marketing intern since January 2018. Vice Chair Hays welcomed Emily to the Board.

Jack Luu, who was not able to join the meeting, is a full-time student at Heartland Community College and a part-time graduate student at Illinois State University. He is working as a master tutor at Heartland Tutoring Services and as an office assistant in the college's Student Engagement Department. He serves as the student government association's president from Heartland Community College. His main priority of serving as the non-traditional Student Board Member is to collaborate with IBHE members as well as external entities to provide academic and life support services to ensure success for traditional and nontraditional students in Illinois. He also works closely with other Student Advisory Committee members to optimize the communication flow so that the student voice can be heard by our leadership.

Vice Chair Hays also welcomed Chicago State University's new president, Dr. Zaldwaynaka "Z" Scott, to the meeting.

Vice Chair Hays shared some good news about colleges and universities in Illinois. With the Fiscal Year 2019 budget's two percent increase overall, there is hope that we will continue on an upward slope so that universities can better fund emergency repairs, count on operational money, and pursue capital projects where appropriate. IBHE is thinking ahead for Fiscal Year 2020 planning, and everyone will be pleased with the level of investment that is being pursued. The governor's office just released funding for 28 emergency capital projects. The University Funding Formula Working Group met recently and Nyle Robinson, deputy director for Fiscal Affairs and Budgeting, will explain the budget planning, details of the capital projects, and funding formula developments later in the meeting.

Preliminary enrollment data indicates that most universities are seeing a small increase in freshman enrollments. And this was before Governor Rauner signed the priority Monetary Award Program (MAP) grant funding for returning students, the AIM HIGH merit-based scholarships, and the lifting of the cap on dual-credit credits. Hopefully these three important bills will mean more Illinois high school graduates will attend Illinois colleges and universities next year.

Included in the board packet is a copy of the annual report on academic programs at public institutions. We appreciate the institutions' dedication in scrutinizing their programs and making decisions on whether to enhance some programs, or perhaps discontinue programs. The report was also sent to the legislature.

IBHE issued a Data Point and a news release on the now college transfer report that puts Illinois as number one. This report, by the National Student Clearinghouse Research Center, measures how many community college students end up with bachelor's degrees within six years. More specifically, it breaks out how many of those first-time college students transfer to four-year institutions and earn a bachelor's in six years. Illinois came in with 53.8 percent, above second place Washington state at 50.7 percent, third place Iowa at 49.7 percent, and well above the national average of 42.2 percent.

The Public University Trustee Training Conference just ended and we hope those of you who attended found it helpful.

Finally, Vice Chair Hays welcomed IBHE's new public information officer, Melissa Hahn. Melissa is already working to increase IBHE's social media presence and has issued a news release, so it is not taking her long to fit into the role.

- **Remarks by Executive Director, Dr. Al Bowman**

Dr. Al Bowman thanked President Glassman for hosting the meeting and complimented Eastern Illinois University (EIU) on their hard work they have done on enrollment. EIU was one of three institutions that showed an overall increase in enrollment, as well as an increase in graduate enrollment.

The capital dollars that were just released are very important as there has not been capital funding for a number of years. IBHE recognizes that the needs are very great with over \$5 billion in deferred maintenance projects that will need to be addressed. These dollars, while important are very a small step in a positive direction. We hope the dollars continue to flow.

Dr. Bowman introduced board member Cherilyn Murer to make an introduction.

Ms. Cherilyn Murer announced the new president of Northern Illinois University, Dr. Lisa Freeman. Dr. Freeman has been acting president for 18 months.

III. Reports and Updates

- **Advisory Committee Report – Ms. Amy King, Proprietary Advisory Committee**

Ms. Amy King, Vice Chair of the Proprietary Advisory Committee (PAC) and Group President for DeVry University, Central Region, addressed the Board. Chair Robert Gabriel was unable to attend the meeting.

The PAC has been a proud partner of IBHE since 1974 and is comprised of 22 colleges and universities serving students throughout Illinois. The PAC is committed to partnering with IBHE on matters affecting long term higher education goals in the state of Illinois and in particular helping to exceed the state goal of 60 percent of adults holding a postsecondary degree or credential by 2025 (60 x 2025). To achieve this goal the PAC colleges and universities recognize the need for affordable higher education coupled with quality outcomes for all students. The PAC colleges

and universities have historically served a higher proportion of non-traditional students described by the National Center for Education Statistics as having one or more several characteristics including being independent for financial aid purposes. Students over age 24 are also characterized as non-traditional and these students are particularly in need for affordable higher education. One way to support affordability for students is the funding of the MAP. According to the Illinois Student Assistance Commission's 2017 MAP evaluation, MAP is below the dollar levels from 2009. Serving only about half of the eligible applicants in all of Illinois' institutions. Fifty-eight percent of eligible students in 2017 did not receive funds. In 2017 MAP funding specific to PAC comprised only 3.3 percent of the total students receiving MAP grants. Of those students 74 percent were independent. The need for MAP grants is significant. The PAC is pleased to see the new bill providing priority access grants for returning students. The members of PAC would like to see all MAP eligible students receive full MAP grant funding at all colleges and universities, public and private alike meeting the MAP criteria. The PAC will be working in the future to provide additional insights into its impact in serving all students.

- **Advisory Committee Report – Mr. Dave Tretter, Federation of Independent Illinois Colleges and Universities**

Mr. Dave Tretter, President, Federation of Independent Illinois Colleges and Universities (FIICU) addressed the Board. FIICU consists of about 60 non-profit colleges and universities around the state and was formed in 1904. Mr. Tretter is the fourth president of FIICU.

Mr. Tretter thanked the staff at IBHE for all their work and specifically highlighted the data points that have been produced. The data points are very important and have been useful talking points when talking to the legislature, specifically talking about refocusing on higher education.

Mr. Tretter thanked Dr. Bowman for his collegial invitation to serve on the performance funding committee. It has been eye opening in many ways. It has put a fine point on the need for stable and predictable funding for all of higher education including MAP and operational funds.

FIICU's executive committee had a meeting with about half of the members of the General Assembly's higher education working group. It was an interesting discussion and reinforced that there are some legislators that recognize the damage that has been done and are working to find a solution. Mr. Tretter stressed that the independent colleges need to be involved in that conversation. It is important to put the two groups together working to improve all of higher education in the state, along with the community colleges. The work between the two- and four-year institutions was validated last week when looking at the transfer data. Everyone should be focusing on the route for an Illinois resident to find their way through higher education, both public and private.

In a few weeks Mr. Tretter will meet with IBHE staff to make the case for heightened recognition of the state's independent institutions along the lines of what was just mentioned. With the support for need-based funding and some direct funding independent institutions can contribute as they have to improve the state's higher education.

Whereupon, Chair Cross entered the room

IV. Presentation/Discussion

Mr. Nyle Robinson provided an update on the public university funding formula and a presentation on the Preliminary Context and Planning for Fiscal Year 2020 Budget Development.

- Public University Funding Formula Update

The public university funding formula working group represents the universities and other interested organizations.

The state universities in Illinois have never had a full-fledged systematic base funding formula. Illinois may be the only state who does not have a base funding formula. It is not required nor is it prohibited in state law. There were some regular realignments of funding through 1995 which coincided with the realignment of higher education in Illinois and was based on an average subsidy per student for universities. That is much less complicated than what is done now. There has been no systematic realignment of funding based on base funding since Fiscal Year 2004.

IBHE has been mandated to recommend allocations based on a performance funding formula since Fiscal Year 2013. It was only used during the first year on the basis of one-half of a percent. The current formula is closely linked to the current law. For Fiscal Year 2019 it was again recommended at 0.5 percent. That was not accepted by the General Assembly so it was not implemented. The greatest loser in the formula as it currently stands would have been just .15 percent and the greatest winner would have been 0.3 percent. IBHE initially decided the performance funding formula should be reviewed in five years and that time has come.

Following the passage of the new K-12 formula the General Assembly noted to IBHE that they were very pleased with having that formula and that there are several community colleges formulas, but there is not an overall university funding formula. The Higher Education Working Group (HEWG) of the General Assembly is clearly interested in a base funding formula. Years of change without adjustments have created distortions. In other states where there may have been realignments in enrollment and other factors are making annual adjustments and have not gotten to the place Illinois is in terms of distortions. Several elements of the performance funding formula are perfectly aligned with what would be in a base funding formula. The working group has also been asked to consider the base funding formula.

The public university funding formula working group met on August 13, August 23, and September 11. The group reviewed the current formula, looked at options for different elements, and considered items that might be added or modified based on a base funding formula. The group is now looking at formulas from other states. It is important to note in this research that performance funding formulas have actually not produced meaningful results in other states where it has been fully implemented. The research indicates that it has not created significant performance improvements. It is not surprising that Illinois has not had results because it has not been fully implemented. Research shows that the formula should be transparent but our current formula is complicated.

The group understands there needs to be a base funding formula however they are concerned about the time required to implement a base formula and how quickly it will be implemented. The HEWG asked IBHE to deliver a presentation and have discussions with them. Mr. Robinson made the presentation to the group.

The funding formula committee had a number of questions they asked the HEWG:

- (1) Should the formula be performance or mainly base funding formula? The HEWG's interest was primarily on the base funding formula while maintaining elements of the performance funding formula.
- (2) What is the timeframe? A timeframe for moving forward was recommended to which the HEWG seemed amenable.
- (3) What portion of funds should be included? The HEWG did not expect it to be shock therapy and that it should be implemented over a phased in period.
- (4) Should it be new funds or base funds? There is an expectation that it will be more than just new funding and perhaps phased in. There was some discussion of how a guarantee might be worked in which is very difficult for various reasons. The HEWG is sensitive to the concerns of the funding formula working group.
- (5) What priorities in missions and outcomes should be involved? There is the *Public Agenda*, there is the existing performance laws, and there is a clear interest to maintain and retain students in Illinois. The HEWG did not add to that although the funding formula group can have the discussion in more detail.

There is a clear desire from the HEWG to have a base funding formula with performance elements. It is based on input recommended for Fiscal Year 2020 with an eye to moving to a base funding formula and try to improve transparency. IBHE would recommend changes to the existing law for passage in the next legislative session. IBHE would not be implementing anything different in any serious way until Fiscal Year 2021, the Board recommendation for the fall of 2019. This was discussed with the funding formula group and they understood how it will move forward. The funding formula group prefers to have the current formula rule for the Fiscal Year 2020 recommendations and focus efforts on the coming change to the law and moving ahead for another year. The recommendations the Board will receive in December would be based on the current funding formula.

Mr. Robinson indicated that there has been no consensus on approach. Research is continuing. Stability and predictability are very important. There is concern that a new formula will take away from one school and give it to another school, as well as a feeling that whatever the formula will be it should be based on new incremental dollars so the state is not penalizing one school or giving money to one school at the expense of another. The existing performance funding formula has a situation where a school can see improved metrics but lose money because other schools are improving faster than they are. There is a concern that it is pitting schools against one another for money instead of being a system and working to get better for student outcomes.

The current formula treats every campus separately. It is difficult in the formula to treat the University of Illinois the same as everyone else. They are a large system, which throws off the averages. That is one of the things that have been discussed among the many factors to consider. The current formula treats each university separately but only considers the small amount of funds at the top. With a base funding formula there is an assumption that it would treat campuses separately, and the data used in the formula already runs that way. There is a factor for high cost entities, so the formula takes out money. The formula also has a heavy weight on graduation and on spending for research and public service. IBHE staff believes the formula should take mission into consideration separately. It is throwing things off quite a bit. That will be treated differently. There are some other factors within graduations. There are different factors for harder to reach populations such as minority, low income, first generation, adult learners, and STEM. There are some other options that have been discussed for instance other populations that should be reached such as teachers and veterans. It is not an endless list. Currently enrollment is not used but in the

current situation with enrollment down and trying to attract Illinois students that is a much better one to have now.

A number of states take in-state students separately into account, since the state is, in theory, subsidizing the university at least in large measure for providing in-state to its own population. It is not something that is enshrined in the current performance funding formula but it certainly will be a factor that we are concerned with right now.

Mr. Robinson has been involved in implementing in social services from scratch but when looking at higher education there are a couple of problems. For higher education IBHE receives data points once a year and some of the measures are within a 150 percent of the normal graduation rate for six years. The other one is just how complex universities are compared to other institutions including healthcare. It is a lot more complicated and with a lot more pressures. It is not surprising how difficult it is to do this for higher education as it is compared to the social service agencies.

Substantial discussion followed as to performance based funding, including the use of this metric in other states. Mr. Robinson stated that the IBHE staff are not suggesting to give up on this metric and is trying to better articulate or formulate the measures that count towards performance. Mr. Robinson stated that the research has said it is not working well in other states. The HEWG wants the funding formula group to work on it and the funding formula working group does not want to abandon the idea. The expectation is more on a base funding formula in terms of finding realignment on a regular basis.

One of the factors in the current formula and will probably be something that gets recommended is the average cost per unit and average cost per graduation. Of all the factors we will consider it will be easily discussed as performance. Just noting that it is the emphasis on how to realign the money on a regular basis.

Currently the formula has 40 percent bonuses for a series of things like the cost of dealing with students who come in with certain other deficits: low income; first generation; minorities; and older students who do not fit into the norm. It is possible to have a student who fits all four of those and at 40 percent it would count as if it were 2.6 students. That is one way to overcome those deficits both in terms of the costs the university has, recruitment and retention, and supports as well as actually getting them continuing through the system and not just someone who comes with the highest ACT score or whatever factor you want to look at. It does not have any of those negatives that we know we need to get to more of in order to reach our goals going forward. We can consider other factors as we go. Those are the ones that are baked in already.

- Preliminary Context and Planning for Fiscal Year 2020 Budget Development

This is the annual review of important trends in higher education as staff prepare for the budget recommendations that the board will receive in December. Staff are trying to be more forward thinking this year and trying to start selling their approach sooner and want to do more collaboration with the public universities.

Everything is being compared to Fiscal Year 2002 when funding reached a peak. The next two years there was a decline, then funding fluctuated from 2004 to 2012, but for the total period it was a .2 percent per year increase without inflation. From 2013 to 2015, funding decreased and 2016 was the impasse. That was a value of about \$2 billion that was taken out of the system. That is a particular problem. In 2018 there was a 10 percent cut. At this point overall total higher education state funding is 52.9 percent of what it was in 2002.

There was funding that did go somewhere in theory for higher education but not to ongoing operations of higher education. The money was going into the retirement system. Unfortunately it is not ongoing retirement system. The retirement for employees who are currently working for the state is actually in decline every year and is expected to continue to decline. At this point about three-quarters of the dollars that go to the State Universities Retirement System (SURS) are actually going for previous unfunded liabilities. Those costs are going to continue to go up but not for current employees which will actually go down.

The three big areas of higher education funding in Illinois are: universities; community colleges; and the MAP grant. The public universities have taken the largest hit when taking into account the unfunded mandates that have happened since 2002 and the effect of inflation. That is only 43.8 percent of what it was in 2002. They received two percent up because inflation was actually 2.4 percent. The universities fell behind. In the future we will be talking about the Higher Education Price Index (HEPI) which is more specific to colleges and universities and has been running at a higher rate which means it is worse. Community colleges are at 55.9 percent and that is only for a couple of small things that have intervened.

The AIM HIGH grant program does help the universities in the background but they are required to match those funds. It is a bit of money going in one pocket and they have to find a way to utilize those funds. Remember in 2016 public universities were only 30 percent funded. That money had to come out of their reserves and is an ongoing issue.

The money came from the university's income fund which means tuition and fees. If you look back at 2002 that represented 28 percent of the state cost for universities. By the time you get to 2017 (the last year that data is available) it was 62.3 percent. In 2016 state funds actually only covered 15 percent of the total.

IBHE did an analysis to see how much the universities income fund had to pick up for tuition and fees relative to the amount of funds they lost in state dollars, taking into account for inflation and it accounted for 98.7 percent. It was almost a dollar for dollar match between the dollars that were cut in appropriations and the amount they wound up picking up with tuition fees. Community colleges are supposed to be funded one-third from property taxes, one-third from the state, and one-third from tuition and fees. That is nowhere near the situation now. In 2002 the percent from the state was 27.4 percent but at this point for 2017 it is only 14.5 percent. Not surprisingly it was only 4.2 percent in 2016.

In 2002 the MAP grant program funded 100 percent of the eligible applicants at 100 percent of the university tuition and fees. Since that time there are two factors that the Illinois Student Assistance Commission (ISAC) has to take into account: (1) how many grants they can cover; and (2) how big the grant is. It is now well below 50 percent funding and for 2019 ISAC indicates it to be estimated at 32.1 percent of what the average weighted tuition and fees are. There were significant cuts to the point that even though there was a 10 percent increase for 2018 it is actually not at the peak dollar value. It is \$401.3 million and the peak was \$403.5.

Another factor we are going to try to take into account this year is how to emphasize capital. The state has released \$74.2 million so far and the community colleges will be released another \$11.3 million. If you take into account the \$74.2 million plus the \$11.3 million that is only 7.9 percent of the total amount that has been released. Emergency projects from the community colleges and universities is \$152 million more. All of the amount appropriated dates back to the Illinois Jobs Now! from Fiscal Year 2010 or other years. These are projects that have been on the

books for a very long time. Every university and most community colleges have them. There was no effective capital funding until this year all the way back to 2002. Deferred maintenance has grown substantially, from \$2.7 billion in 2005 to \$6.2 billion in 2019. Universities have 70.8 million square feet of space, valued last year at \$23.8 billion. The state supported amount was \$16.5 million. Over 30 percent of the entirety is actually not state supported.

One thing we want to emphasize this year in the principle that we work with is that buildings will have a 50 year replacement cycle. That means you need to be actually funding to meet that goal, you need to have a two percent per year. In other words two percent of \$16.5 billion the state some way or another should be investing. If we were to put in one percent more or another \$65 million it would take 28.6 years for the universities to catch up. There is a similar number for community colleges but it is not quite so bad.

One of the biggest goals is 60 x 2025. Until 2013 Illinois was progressing toward the goal, but we have gone further below that and are only 85.4 percent of where we need to be. We are not moving toward the goal. That is a concern that we would want to raise along the way.

On terms of pension law changes, the universities are still having to pay for the change that was implemented that employers are responsible for the employee normal cost on the amount earned in excess of the Governor's salary. The optional hybrid plan was not implemented because SURS had to go back to the legislature with some changes to clarification in order for it to pass through the Internal Revenue Service and the legislature chose not to move forward. There are three buy-out programs. That is not so important to universities directly but the reason to mention it is that the legislature chose to take all the savings and utilize it the first year which creates a hole in the second and following years and will be a drag on the spending. A bigger change for the universities was a change to the six percent rule. Universities had to pay normal pension costs for salary increases over six percent during the last few years before an employee retires. That has now been reduced to three percent.

Another pressure to note is that the Veterans and National Guard grants that were unfunded. Community colleges did get some additional money this year and may have very little impact on the grants.

The state continues to have significant weaknesses. Illinois continues to have structural deficits and relative to our revenue and cost structures pension liabilities are not just confined to SURS. Deferred maintenance is not just a higher education issue. Entitlement demands are large and some people have noted that they have added the K-12 to that. There is still a significant level of unpaid bills. The concerns about the exodus of Illinois students out of state are very high. Concerns about affordability are heightened and so is the understanding that other states are pushing for free tuition.

IBHE's current approach is do no harm. Not getting enough money to cover inflation is effectively an additional cut. We will talk more about the HEPI to point out that colleges and universities have an environment different than the consumer price index and that we have been left in a weaker position because of the budget impasse. Another approach will be a heavy emphasis on competitiveness. The economy is very competitive for the state of Illinois. Illinois needs to attract and keep businesses and one way to do that is to have a trained and ready workforce. We need to have a university system that is delivering that and can do so financially.

Out of state colleges and universities have been doing their best to attract many of our students away. There is also the discussion of students choosing not to go to college because of

the cost or at least the publicity that tells them so. The universities have lost their ability to respond. The lack of capital means that the facilities that the universities have make it harder to attract, retain and train students.

Another message IBHE would like to push is that the universities are an investment in, not a cost to, the state. One study found that Illinois' higher education system has a value to the state of \$50 billion a year. IBHE would like to go back to that, emphasize it, and keep it in front of people to keep their attention so they do not have the impression that higher education is the same as the social service agencies or other aspects of state government. There is a substantial return annually and on an ongoing basis.

We want to continue to have our historic trend lines. Until 2002, Illinois had a two to one ratio for state education: for every \$2.00 elementary and secondary education (K12) received, higher education received \$1.00. Then in 2002 the total operating funding ratio shifted to about \$2.50 for K-12 to \$1.00 for higher education. Now the ratio is over \$4.40 for K-12 to \$1.00 for higher education. We think there is the possibility that the legislature will understand it but finding the money will be the greater problem.

IBHE will have budget discussions with the public universities and expects to request a ten percent increase. ISAC has ongoing problem of the reduction of their federal revenues for about \$6 million and IBHE expect to have to point out the need for that.

V. Action Items

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

Dr. Bernoteit briefly outlined the contents of this item.

The Illinois Board of Higher Education on motion made by Mr. John Bambenek and seconded by Mr. Jay Bergman, unanimously hereby grants to Central Baptist Theological Seminary Authorization to Operate 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 hereby grants to Lewis University Authorization to Grant the Master of Science in Project Management in the West Suburban Region, subject to the institution's implementation and maintenance of the conditions that were presented in its application and that form the basis upon which this authorization is granted.

And hereby grants to Robert Morris University authorization to grant an Associate of Applied Science in Multi-Skilled Healthcare Technician in the Chicago and North 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 this authorization is granted.

And hereby grants to Chamberlain University authorization to grant a Master of Science in Nursing and Master of Social Work in the West Suburban Region, subject to the institution's implementation and maintenance of the conditions that were presented in its application and that form the basis upon which this authorization is granted.

And hereby grants to Midwestern Career College Authorization to Grant the Associate of Applied Science in Accounting and the Associate of Applied Science in Marketing 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.

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

Dr. Bernoteit briefly outlined the contents of this item.

The Illinois Board of Higher Education on motion made by Ms. Cheryl Murer and seconded by Mr. John Bambenek, unanimously hereby grants to Illinois State University authorization to grant the Bachelor of Science in Environmental Systems Science and Sustainability and the Master of Science in Business 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 hereby grants to the University of Illinois at Urbana-Champaign authorization to establish the Carle Illinois College of Medicine Department of Biomedical and Translational Sciences and the Carle Illinois College of Medicine Department of Clinical Sciences in the Prairie 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.

VI. Consent Agenda Action Items

Chair Cross next moved to the consent agenda.

The Illinois Board of Higher Education on motion made by Dr. Jack Thomas and seconded by Mr. Jay Bergman, unanimously approved Item Nos. 3, 4, 5, 6, 7, and 8.

3. Board Meeting Minutes – June 5, 2018

The Illinois Board of Higher Education unanimously approved the Minutes of the Board Meeting of June 5, 2018.

4. Board Meeting Minutes – August 2, 2018

The Illinois Board of Higher Education unanimously approved the Minutes of the Board Meeting of August 2, 2018.

5. Fiscal Year 2018/2019 Financial Report as of July 31, 2018

The Illinois Board of Higher Education unanimously approved the Fiscal Year 2018/2019 Financial Report as of July 31, 2018.

6. Repeal of Rule: Engineering Grant Program

The Illinois Board of Higher Education unanimously adopted the repeal of the rule for the Engineering Grant Program (23 Ill. Adm. Code 1025).

7. Proposed Amendment to Rule: Tuition and Fee Waiver Guidelines

The Illinois Board of Higher Education unanimously approved the proposed amendments to the rules for the Tuition and Fee Waiver Guidelines (23 Ill. Adm. Code 1075) as detailed in the document attached to this Item for publication in the Illinois Register.

8. 2019 Board Meeting Calendar

The Illinois Board of Higher Education unanimously approved the 2019 Board Meeting Calendar.

VII. Informational Items Not Requiring Board Action

- **Morthland College Closure Update**
- **Annual Report on New, Consolidated, Closed, and Low Producing Programs at Illinois Public Universities, Academic Year 2016-2017**
- **Workforce Readiness through Apprenticeships & Pathways (WRAP) Career Pathways Dictionary**
- **Legislative Update**

Ms. Jaimee Ray briefly described the contents of this item.

VIII. Executive Session

Chair Cross asked that the Board go into Executive Session. He noted that under the Open Meetings Act, there must be a motion in open session to authorize the Board moving into 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.

Mr. Jay Bergman made the motion to move the Illinois Board of Higher Education into executive session for the purpose of discussing employment of specific employees and litigation pursuant to Section 2(c)(11) of the Open Meetings Act. Ms. Jane Hays seconded the motion.

The roll call vote on the motion was as follows: Yes – Bambenek, Bergman, Buice, Coffey, Cross, Daw, Eagle, Hays, Jacobs, Murer, Rivera, Thomas and Zarnikow. No – none.

The Board moved into executive session at 2:49 p.m.

See Attachment A for Executive Session Minutes.

Reconvene in Open Session

The Board reconvened in open session. Chair Cross asked for a motion and second to come out of executive session.

Mr. Jay Bergman moved that the Board of Higher Education come out of executive session at 2:59 p.m. on Tuesday, September 18, 2018, and Ms. Jane Hays seconded the motion.

IX. Public Comment

No public comments were made.

X. Other Business

Ms. Jane Hays voiced concerns about the University of Illinois at Chicago's purchase of John Marshall Law School. She would like the board to receive detailed financial and strategic analysis relative to this issue as soon as possible with plenty of time for the board to be well informed. This is an extremely important decision strategically and financially, potentially very long term and consequential decisions. Public statements have been made that tuition will be reduced to public levels instead of at the private level it is at now yet there will be no cost to the state.

Dr. Bernoteit indicated that staff will be happy to share something with the board in advance that meet the requirements described. We do request financial information from institutions any time they propose new programs or changes. The Board sees very limited information about that in the board item. IBHE staff look to see that the institution can financially support the program or in this case the change that is being proposed. Those financials have been submitted to the agency as part of the application process and we will certainly ask for more detailed information as is needed for this group. Dr. Bernoteit indicated that the IBHE staff will alert the appropriate individuals to be present at the meeting and be prepared for questions from the board as it deliberates this item. It is anticipated that this issue will be on the December agenda for Board consideration.

The next Board meeting will be December 4, 2018, at Joliet Junior College, Joliet.

XI. Adjournment

There being no further business to come before the Board, Chair Cross adjourned the meeting at 3:10 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 September 18, 2018, meeting.

