

APPROVED

MARCH 9, 2021

Item #D-3
March 9, 2021

MINUTES – SPECIAL BOARD MEETING
January 13, 2021

Submitted for: Action.

Summary: Minutes of the January 13, 2021 meeting of the Illinois Board of Higher Education held via telephone and video conference as permitted by Public Act 101-0640 enacted June 12, 2020, the Illinois Governor's Disaster Proclamation dated January 8, 2021, and Executive Order 2021-01.

Action Requested: That the Illinois Board of Higher Education approve the open and closed session minutes of the January 13, 2021, 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 – SPECIAL BOARD MEETING
January 13, 2021

A meeting of the Illinois Board of Higher Education (IBHE) was called to order at 9:30 a.m. via telephone and video conference as permitted by Public Act 101-0640 enacted June 12, 2020, the Illinois Governor's Disaster Proclamation dated January 8, 2021, and Executive Order 2021-01.

The following Board members were present via video conference: John Atkinson, Chair, Maria Cruz, Jennifer Delaney, Andrea Evans, Teresa Garate, Jennifer Garrison, Veronica Herrero, Alice Marie Jacobs, Pranav Kothari, Kenneth Shaw, and Eric Zarnikow.

Others present via video conference: Mr. Mark S. Jamil, Burke, Burns & Pinelli, LTD.; Ms. Ginger Ostro, Illinois Board of Higher Education; Dr. Larry Dietz, Illinois State University; Dr. David Glassman, Eastern Illinois University; Dr. Cheryl Green, Governors State University; Dr. Guiyou Huang, Western Illinois University; Dr. Dan Mahoney, Southern Illinois University; Dr. Zaldwaynaka Scott, Chicago State University; Dr. Jose Torres, Illinois Mathematics and Science Academy; Mr. Jeff Brownfield, State Universities Civil Service System; Dr. Brian Durham, Illinois Community College Board; Dr. Josh Bullock, Community College Presidents; Mr. Jeremy Oberfeld, Propriety Advisory Committee; Dr. Shawn Schumacher, Faculty Advisory Council; Mr. Dave Tretter, Federation of Independent Illinois Colleges and Universities; Ms. Angela Szczepanik-Sanchez, Disabilities Advisory Committee; Dr. Stephanie Bernoteit, Illinois Board of Higher Education (present in person at IBHE offices); Dr. Eric Lichtenberger, Illinois Board of Higher Education; Mr. Nyle Robinson, Illinois Board of Higher Education; Dr. Arthur Sutton, Illinois Board of Higher Education; Ms. Melissa Hahn, Illinois Board of Higher Education; Ms. Jaimee Ray, Illinois Board of Higher Education; and Ms. Tracy Rembusch, Illinois Board of Higher Education.

The meeting was conducted by video conference as allowed by Public Act 101-0640 and roll call votes were recorded for each matter acted upon. The IBHE's Executive Deputy Director was physically present at the IBHE offices. The audio of the meeting was recorded and may be requested on the IBHE website.

A. Call to Order/Roll Call

- **Call Meeting to Order, Chair John Atkinson**

Chair John Atkinson called the meeting to order. Interim Secretary Rembusch took roll call. A quorum was present.

- **Welcome and remarks by Chair John Atkinson**

Chair Atkinson welcomed the new president of Western Illinois University (WIU), Dr. Guiyou Huang. Dr. Huang began his tenure on January 1, 2021, after most recently serving as president

of Edinboro University of Pennsylvania. Dr. Huang expressed his pleasure to be the president of WIU and noted his commitment to working with everyone in Illinois.

Chair Atkinson reported that earlier this month, the Illinois Student Assistance Commission (ISAC) issued a press release that Illinois is number one in the nation in Free Application for Federal Student Aid (FAFSA) completions. Chair Atkinson congratulated our colleagues at ISAC, high school counselors, and college admissions and financial aid personnel who have been diligently working to support our Illinois students in taking this important step. Chair Atkinson stated these efforts are clearly making a positive impact, and we are helping students access financial aid to “Stay the Course.”

Chair Atkinson stated that today’s special meeting will focus on the Fiscal Year 2022 budget. This budget discussion comes in the context of our strategic planning process and the Board’s priorities to increase the attainment of postsecondary credentials and degrees, improve affordability, and close equity gaps. He stated that our students, especially underrepresented and underserved, are faced with unusual challenges due to the COVID-19 pandemic. Chair Atkinson said it is critical that we ensure those most impacted have the opportunities afforded by postsecondary education. He reported that our colleges and universities have made substantial investments with resources dedicated to creating safe living and learning environments, supports for online learning, and emergency assistance for basic needs. He stated that the budget discussion and recommendations today underscore our commitment to our students through increased Monetary Award Program (MAP) funding and additional resources for public institutions.

Whereupon Board Member Clarence Wyatt entered the meeting.

B. Reports and Updates

• Strategic Plan Advisory Committee: Update from Board Representative, Pranav Kothari

Mr. Pranav Kothari reported that a press release was published yesterday announcing the members of the Strategic Plan advisory committee. He stated that the Strategic Plan advisory committee is led by four co-chairs: Zaldwaynaka “Z” Scott, President of Chicago State University; Juan Salgado, Chancellor of City Colleges of Chicago; Illinois Senator Pat McGuire; and Betsy Ziegler, CEO of 1871. Mr. Kothari stated that the advisory committee is broadly representative of key stakeholders including institutional administrators, faculty, students, employers, advocacy organizations, philanthropy, higher education boards, and state agency members. He stated the student representatives who have been participating have incredible insights and hearing directly from them has been very powerful. Mr. Kothari is impressed by the knowledge of the group and their unwavering and shared focus on equity.

Mr. Kothari informed the group that UPD Consulting led two primary research processes: a statewide survey of stakeholders, with nearly 10,000 responses; and 20 focus groups which had about 170 participants from all over the State. This work has informed the conversations of the Strategic Plan advisory committee.

Mr. Kothari reported that at the December 2020 meeting the members of the Strategic Plan advisory committee heard presentations from education agency leaders about the Illinois postsecondary system. The committee members also learned about the planning process and shared initial insights on potential strategies to accomplish the goals agreed upon. At the January 2021

meeting, the committee heard a presentation from IBHE Executive Director Ginger Ostro about the equity gaps in our Illinois higher education system with evidence about the outcomes of underrepresented groups by race, ethnicity, gender, and low-income status. The advisory committee members discussed this information and worked in small groups to further delineate potential strategies to meet the Strategic Plan goals.

Mr. Kothari stated there is an incredible amount of work ahead to complete the planning process in a timely manner with the next focus being on design of strategies. He reported we will continue to solicit feedback from stakeholders.

Ms. Veronica Herrero asked how many members are on the committee. Mr. Kothari stated there are 34 members plus eight ex-officio members from state agencies which makes the facilitation work that UPD is doing critical so all voices can be effective. Chair Atkinson stated that the number of participants will extend beyond that due to a number of design groups. Mr. Kothari reported that we will have design groups that develop the preliminary strategies that emerged out of these first committee discussions, and this will drive some input and decisions around the strategic planning process.

Whereupon Board Member Veronica Gloria entered the meeting.

C. Presentation

- **Fiscal Year 2022 Higher Education Budget Recommendations: Operations, Grants and Capital (Ginger Ostro, Executive Director and Nyle Robinson, Deputy Director of Fiscal Affairs & Budgeting)**

Executive Director Ginger Ostro stated this is the first budget that is being brought before the Board since it launched its strategic planning process, and the investments that are included are designed to support the Board's vision and priorities as the basis for the Strategic Plan. She reported the budget does recognize how essential higher education is to the state and how it was impacted by the pandemic. Ms. Ostro stated the proposal is an increase in general revenue funds of \$92.3 million, a net increase of \$60.2 million in all funds for operations and grants, and an increase of \$105.7 million to meet the certified amounts for the state's retirement system and the community college health insurance.

Ms. Ostro reviewed the vision and strategic direction for higher education and the work that is underway with the Strategic Plan Advisory Committee. She stated the working vision for this planning process is a higher education ecosystem that is equitable, accessible, nimble, and aligned to ensure families, communities, and individuals across the state can thrive. Ms. Ostro stated there are three working priorities that the advisory committee is focused on, and we need each of them to support the other to fulfill the Board's vision.

Ms. Ostro discussed the breakdown of the \$92 million with the following being included: MAP, public universities, community colleges, College Illinois!, the Common App to streamline student applications to public universities, the Strategic Plan, Illinois Mathematics and Science Academy (IMSA), and AIM HIGH as well as the community college health insurance and the state university retirement system. She indicated that each of these areas supports one of the three priorities of the strategic plan or a step in that direction.

Executive Director Ostro highlighted the ways the higher education system helped the State navigate the pandemic and helped keep our students on track. She touched on institutional efforts to create epidemiological modeling of the virus transmission, donate PPE and COVID testing materials, provide access to Wi-Fi in campus parking lots, support communities and rebuilding after civil unrest, and make campus spaces available for quarantine and isolation. She also noted the groundbreaking work of the University of Illinois in creating the rapid saliva test, which is about ready to be rolled out and available to public universities across the State. Ms. Ostro stated these are just a few examples of the incredible support from our community colleges, public universities and private colleges and universities.

Ms. Ostro discussed the financial impact the pandemic has had on the higher education system. The COVID-19 impact to date by sector is \$1.6 billion and \$793 million for public universities, IMSA, and the University Center of Lake County which includes refunds and lost revenue. She emphasized that these numbers are an estimate from a month ago. The cost to institutions of higher education is likely to continue to grow as we continue through the pandemic. Ms. Ostro stated we are grateful for the support the federal government has provided, but it is important to recognize that with as much support that has been provided it is still insufficient to overcome the financial impact to higher education. She reviewed what has been announced through the Cares Act first release and the estimates of what will be available through the second release package.

Executive Director Ostro reviewed the specific areas that are recommended for investment in the Fiscal Year 2022 budget. The first was the \$50 million increase in MAP. She stated there is a big gap right now in terms of the number of students who receive an award and the number of students who are eligible. Ms. Ostro stated there is a decline not because of need but an historical decrease in the number of low-income families that are completing the FAFSA. She stated that is a real challenge we need to overcome if we are going to close our equity gaps. Ms. Ostro shared the second component of MAP is that it has not kept pace with the growth in tuition.

Ms. Ostro discussed the second area of investment which is the \$23 million for our public universities. She reported the Board has had a very strong focus on ensuring that we provide equity in every decision and every action that we take. This allocation of funding for the public universities considers the percentage of low-income students that each institution serves. She said institutions that serve a higher percentage of low-income students will receive a higher share of the new \$23 million. Ms. Ostro noted that this allocation is not a suggestion that this is a permanent funding formula, nor is this the way we will approach the complex process of developing a funding formula going forward. She stated this is a first step towards investing in equity and improving support for low-income students and the institutions that serve them.

Similarly, Ms. Ostro stated that a \$5.3 million increase for community colleges reflects the importance of equity and the role that community colleges play ensuring that our students have access to higher education. She reported that nearly half of Illinois community college students in 2019 were the first in their family to go to college, and 38 percent were Pell eligible.

Executive Director Ostro stated AIM HIGH is a merit-based scholarship program that is available at public universities and is designed to help them recruit and attract students. She said ISAC has completed a report and evaluation of the program and it shows that AIM HIGH does advance equity. Ms. Ostro stated that in the past, each institution was required to provide a dollar-for-dollar match but recent changes in legislation have changed this.

Ms. Ostro moved on to the \$10 million for the College Illinois! program. She stated this was a prepaid tuition program where families could buy a contract that would guarantee that tuition across the state and country would be covered up to an average when their child went to college. She said that, over time, the investment returns and the contract cost could not keep up with the tuition growth and College Illinois! ended up with a deficit; the shortfall to date is \$317 million and could grow to \$480 million if the state does not start putting money aside to address the problem now. She reported that the program is closed to new participants. She said this budget includes the recommendation of \$10 million to invest in the fund and signal commitment on the part of the State to families enrolled.

Ms. Ostro stated that one of the other major investments is the Common Application which is an online student application system that allows students to complete the basic information one time and then share with multiple universities and colleges. This simplifies the process for students as they will not have to duplicate applications. Another investment is \$378,900 to IMSA to cover increasing costs.

Ms. Ostro said it is important to highlight that we recognize these recommendations are being made while the State is facing enormous fiscal challenges, but we believe standing firm and investing in higher education is the only way to ensure an equitable economic recovery and higher education system.

Dr. Teresa Garate asked whether the budget proposal has been discussed with the Governor's Office. Ms. Ostro stated that we are making this recommendation to the Governor's Office and to the General Assembly on behalf of the higher education system. Chair Atkinson added that IBHE is making a recommendation on what we believe the needs are for the higher education system. He said we are pushing hard on the MAP funding for students and for the institutions to receive some assistance to help with the expenses due to COVID-19. Chair Atkinson stated we will continue to work hard at the federal level, as well, to continue to drive more resources into our system.

Ms. Herrero stated she is supportive of the budget but a huge problem is the teacher shortage. She believes it is smart to invest in this area. Chair Atkinson stated the strategic planning process we are going through allows us to do a deep dive in specific areas and this will really inform us how we approach this next year and think about a potential funding formula. Dr. Clarence Wyatt hopes the private institutions will be part of this as well.

Dr. Jennifer Delaney thanked the staff for all the work on the budget. MAP in particular shows how we are fighting for our students. Dr. Delaney said she felt we have a moral obligation to honor the contract for College Illinois! and discussed a new program called Bright Start which is not a prepaid tuition program but is a college savings fund.

Dr. Wyatt asked about the potential allocation formula for private institutions. Ms. Ostro stated this is the Rebuild Illinois program which has already been appropriated and those projects roll out as funding becomes available. She stated there is a separate allocation for private institutions and there are some details that need to be worked out. Mr. Nyle Robinson added that we have been in discussions with the Governor's Office of Management and Budget. He reported that it is a \$400 million program over six years so it will probably be released in pieces. Dr. Wyatt expressed his appreciation for the continued work to push this forward.

Mr. Eric Zarnikow provided background on the College Illinois! program. He stated it has some tax benefits but unfortunately was harmed by the funding of higher education by the State. He said the plan was greatly harmed by the double-digit tuition increases from 2000 to 2010 and the decline in long term interest rates. He stated that contract holders can cancel their contract and put money in Bright Start or Bright Directions but they would get less than what the benefit would be under their current contract.

D. Public Comment

Dr. Shawn Schumacher read a letter on behalf of the IBHE Faculty Advisory Council (FAC). They are requesting assistance from the Board of Higher Education to protect the students and institutions in Illinois during COVID-19 and its subsequent recovery. He stated that institutions were beginning to emerge from the fiscal challenges posed by cuts that began over 20 years ago but are now threatened by this pandemic. FAC urges the IBHE to ask the General Assembly to maintain the Fiscal Year 2021 funding and continue that funding through Fiscal Year 2022 to meet the needs of students and institutions. He stated the FAC understands the State budget and economy are under severe stress and cuts will be necessary but hopes they can rely on the support of IBHE to defend and protect the quality of higher education in Illinois.

Chair Atkinson expressed his appreciation for the work of the FAC and for the efforts of faculty on behalf of our students.

E. Action Items

1. Fiscal Year 2022 Higher Education Budget Recommendations: Operations, Grants and Capital Improvement

Mr. Nyle Robinson presented the approval of the budget document as submitted.

The Illinois Board of Higher Education on motion made by Ms. Veronica Herrero and seconded by Dr. Alice Marie Jacobs unanimously approve the Fiscal Year 2022 Higher Education Budget Recommendations. The vote was:

Yeas: Atkinson, Cruz, Delaney, Evans, Garate, Garrison, Gloria, Herrero, Jacobs, Kothari, Shaw, Wyatt, Zarnikow

Nays: None

F. Consent Agenda Action Items

Chair Atkinson next moved to the consent agenda.

The Illinois Board of Higher Education on motion made by Dr. Jennifer Delaney and seconded by Ms. Andrea Evans unanimously approved Item Nos F-1 and F-2. The vote was:

Yeas: Atkinson, Cruz, Delaney, Evans, Garate, Garrison, Gloria, Herrero, Jacobs, Kothari, Shaw, Wyatt, Zarnikow

Nays: None

1. Board Meeting Minutes – December 8, 2020

The Illinois Board of Higher Education unanimously approved the Minutes of the Board Meeting of December 8, 2020.

2. Strategic Plan Minutes – December 8, 2020

The Illinois Board of Higher Education unanimously approved the Strategic Plan Minutes of the Board Meeting of December 8, 2020.

G. Executive Session

Chair Atkinson asked that the Board go into Executive Session for the purpose of discussing personnel issues pursuant to Section 2(c)(1) of the Open Meetings Act.

Mr. Eric Zarnikow made the motion to move the Illinois Board of Higher Education into executive session. Dr. Kenneth Shaw seconded the motion. The roll call vote on the motion was as follows:

Yeas: Atkinson, Cruz, Delaney, Evans, Garate, Garrison, Gloria, Herrero, Jacobs, Kothari, Shaw, Wyatt, and Zarnikow.

Nays: none.

The Board moved into executive session.

Reconvene in Open Session at 11:10 a.m.

H. Other Business

The next Board meeting will be March 9, 2021.

I. Adjournment

There being no further business to come before the Board, on motion of Ms. Veronica Gloria, second by Dr. Clarence Wyatt and by unanimous vote the meeting was adjourned at approximately 11:15 a.m.

Respectfully submitted by Tracy Rembusch, Interim Secretary to the Board.