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University of Illinois Board of Trustees
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Thank you for the invitation to speak with you today.

What you might not know is that I appeared here in this same room 18 months ago and spoke to the then-current Board of Trustees about the *Illinois Public Agenda for College and Career Success*. I'm back today before many new faces -- and some familiar ones -- to update you on the status of the *Public Agenda* and about what has changed since then.

But before I do, I want you to know that the University of Illinois is very special to me. I am an alum and the mother of an alum. So I take great pride in my professional role as chair of the Board of Higher Education.

But this university is also special because of the leadership role it plays. The university has a worldwide reach -- in its international student body, its world class faculty, its world renowned research, its global reputation -- although its

home is Illinois. In my view, what is in the best interest of the University of Illinois is in the best interest of the State of Illinois.

It was for this reason that I visited with you 18 months ago, and that I have come back this morning. I'm back because, even though there are new faces around your board table, the old problems persist and they are even more acute. And I'm back to again ask for your help in meeting these challenges and because, frankly, my last request for assistance appeared to fall on deaf ears.

I have asked me to discuss the *Illinois Public Agenda for College and Career Success*, the role of diversity in higher education, and the work of the Higher Education Finance Study Commission.

I would like to start by describing the grim reality:

- Since 1996 -- excluding pension funding and accounting for inflation -- state support for higher education has dropped \$440 million, or 17.6 %.

- In the past 5 years, again excluding pension funding, state funding for public universities, community colleges, student financial aid and institutional grant programs has fallen \$250 million, or 10.5% .
- This academic year, more than 100,000 eligible applicants were denied MAP grants because the money ran out in April.
- In June of this year, the Commission on Government Forecasting and Accountability reported that General Funds revenue fell \$2 billion, or 7% , in fiscal 2010.
- At the end of June, the Comptroller reported a backlog of \$4.7 billion in unpaid bills.

And we heard from legislators as recently as last week in the final meeting of the Higher Education Finance Commission that there is no new money and there won't be any new money. So, we have no choice but to get used to living with what we have . . . or less.

We have to rethink what we do, how we do it, and how we pay for it.

Legislators are not interested in hearing that we need more money. Everybody asks them for more money. And while they are sympathetic to the cash flow problems at colleges and universities caused by the state's cash flow crisis, they don't see this as their problem. They believe they have done their job when they appropriated the dollars.

We need to look at the issue from the legislators' perspective. Now, I thought we cracked that code when, three years ago, the IBHE decided to offer investment level proposals instead of budget proposals. The concept was to show what the dollars invested in higher education would deliver. This was quite a change for some, and it took a lot of persuasion to ensure all stakeholders that this concept was an improvement from the old approach of regurgitating to the Governor's office the budget proposal they told us to give. And we succeeded in attaining higher funding levels using that approach than we had achieved in prior years.

At the same time, however, the economy started to tank. It became clear that no matter how sophisticated and persuasive our budget proposals were, there

simply wasn't the money to support our needs. And you all know where we stand today.

This difficult situation precipitated the creation of the Higher Education Finance Study Commission. The Commission held its final meeting this week and its report will be issued soon. The report will frame the issue from the vantage point of legislators: what will we get for the money?

The report will recommend that Illinois, like a growing number of states, link the funding of higher education to performance. Of course, the devil is in the details. But the details will be governed by certain principles:

- First, there must be a collaborative process in which all stakeholders are involved in shaping how performance funding is structured.
- Second, at-risk students must be supported. Any new funding model must account for the extra costs of serving students who are disadvantaged financially, educationally, or by disability.

- Third, the missions of the different sectors and institutions must be recognized and protected.
- Fourth, funding must achieve state goals, such as completion of college credentials, or gains in research and development activity.
- Fifth, the quality and value of a college degree must be maintained.

The theory is, by sticking to these principles, we will show that each dollar we spend on higher education provides a greater return than if the dollar were spent on one of the numerous other competing worthy causes.

That is what we have attempted to do when we changed the way IBHE developed its budget recommendations three years ago. The Finance Commission's proposal will take that approach to the next level. We know we must be able to demonstrate that we can deliver a return on investment; that the dollars the state invests in higher education will:

- expand access to college for low-income, first-generation and minority students through affordable postsecondary opportunities,

- deliver degrees and college credentials that will pay dividends in increased income, more state and local tax revenue, and a variety of societal benefits that range from better health to greater volunteerism, from more involved parents to more engaged citizens,
- fuel the resurgence of the Illinois economy by training workers for the modern marketplace and by translating the creativity and innovation of some of the best minds on the planet into new jobs and new companies and even new industries.

We need to show legislators and the administration that we are not asking for a donation; we're asking for an investment. We need to demonstrate clearly and persuasively that we can provide a return on this investment". My request to you, as trustees at the state's flagship public university, is to help us make that showing.

That brings me to the *Illinois Public Agenda for College and Career Success*, the state's blueprint for higher education for the next decade. I hope that you all have read the Public Agenda. I hope that you are familiar with its 4 goals. And I

hope you know it was the product of extensive study, research, collaboration and deliberation among literally hundreds of higher education stakeholders. This University was represented in the process, and one of your most well known elders, Stan Ikenberry, attended many of the working sessions.

The Public Agenda concludes that there are two states of Illinois -- one is well educated and prosperous, the other is under-educated and economically stagnant. This prosperity gap is large and widening. It is the direct result of disparities in educational attainment by race, ethnicity, income and region.

Quite simply, the Public Agenda shows that we have done a lousy job of educating students of color. One telling example is the ACT report for the Class of 2011, which concluded that only 11% of African Americans and 18% of Hispanics scored college-ready in math. This is both a moral disgrace and an economic time bomb.

But there is a more practical dimension. If we don't eliminate the achievement gap, not only will we fail to enable large numbers of our citizens to reach their

potential, we will cripple our economic growth. Solving this problem, eliminating this disparity, is both a moral imperative and an economic necessity.

Here is what I wrote to legislators when I submitted the Public Agenda to them 2 years ago: "Illinois needs effective and quality education for all people. Our vision is that the Illinois Public Agenda for College and Career Success is the pathway to one Illinois, where all residents have affordable access to high-quality educational opportunities that prepare them for the jobs of the present and future." Simply put, diversity is a key value embedded in the Public Agenda.

So, how can you help us accomplish the vision of the Public Agenda? Eighteen months ago I asked you to make the Illinois Public Agenda the University of Illinois Public Agenda." Perhaps I was bit too vague. Let me be more specific.

I ask you to adopt Goal 4 of the Public Agenda, which is to "better integrate Illinois' educational, research, and innovation assets to meet the economic needs of the state and its regions." There is no institution in this state better equipped to meet this goal than the University of Illinois.

The Board and President Hogan have recognized the power of this university's research capacity and its ability to rejuvenate the state's economy through your proposal to add research to the portfolio of the vice president for technology and economic development. But what Goal 4 big idea can we accomplish together?

Here's my ask: Lend us someone from your senior administrative staff to work with the IBHE executive director to ignite this effort and to come up with the idea. Help us design a Goal 4 Plan that together we can show legislators. We can say, here's your return on investment.

I also ask you to lead by example. Another of the recommendations of the Finance Commission will be to identify efficiencies and cost-saving measures. Indeed, the current fiscal calamity we face has many in higher education undergoing some soul searching about core missions and institutional identity. I understand how difficult and painful this sort of process can be. But it is necessary and I ask the U of I to lead the way. Perhaps a good example is the review that I read about of your aviation program because enrollment isn't

supporting the expense of the program. Is this the right example of streamlining and being more efficient? Can this be a good example to show legislators to show we know how to be good stewards of taxpayer dollars?

As we demonstrate that an investment in higher education will pay dividends, and that we are prudent stewards of taxpayer tuition dollars, we need to ensure our message gets through. So, here is my last ask. Please join me in building the strongest, most compelling case possible that the state can no longer shortchange you and the rest of its higher education system.

Chairman Kennedy, President Hogan, I respectfully ask you join me personally in a campaign to persuade our elected leaders that the Illinois public higher education system is in peril and, as a result, the state's economic future is imperiled. Join me in visiting the Governor, the legislative leadership, editorial boards, business executives and labor leaders to convince them that we need to find the path to one Illinois where everyone has access to an affordable higher education system that prepares them for the jobs of tomorrow.

If we can make this happen, I will return in 18 months, if not sooner, to say thank you.