

MINUTES
PERFORMANCE FUNDING STEERING COMMITTEE
March 28, 2012

A meeting of the Illinois Board of Higher Education Performance Funding Steering Committee was called to order at 10 a.m. in the Multipurpose Room at the University Center of Lake County, Grayslake, Illinois, on March 28, 2012.

George W. Reid, Executive Director, presided.
Cindy Kolley was Secretary for the meeting.

Welcome and Introductions

The following Committee members were present:

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| Abbas Aminmansour | Carlene Lutz |
| Maria Capoccia | Christophe Pierre |
| Larry Frank | Julie Smith |
| G. Gary Grace | Girard "Jerry" Weber |
| Tim Harrington | |

The following Board members were present via telephone:

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| Allan Karnes | Addison E. Woodward, Jr. |
| Elmer L. Washington | |

The following Committee members were present via telephone:

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| Matt Bierman | Michasl McDermott |
| Virginia Cassidy | Kirstan Newcomb |
| Rita Cheng | Liz Ortiz |
| Julie DeWees | Mike Solomon |
| Elaine Johnson | Gayle Saunders |
| Susan Kleeman | Wayne Watson |

Dr. George Reid said, "Let me convene this meeting. I want to first welcome everyone here. This is, as you all will remember, the eighth in the series of performance funding steering committee meetings. This will no doubt be the shortest meeting that we have ever had. The other meetings were two and a half and three hours long but hopefully we will be out of this meeting in about an hour. Customary also, as you remember, there will be a few people around the table and a few others on the phone. Maria Capoccia is here from the Lieutenant Governor's office. Julie Smith is here from the Governor's office and I would like the both of them to say a word or two in a minute or two. The people on the phones will introduce themselves in a moment and I am not sure, as we are in session, whether there are any legislative stakeholders here with us this morning. Now, let me ask Maria if she would have a few words."

Ms. Maria Cappoccia said, “Thank you, George. Good morning, everyone. I am here representing the Office of the Lieutenant Governor. I just wanted to share with everyone on the performance funding steering committee some exciting news for Illinois regarding the Lumina Foundation. As some of you might have read, the Lieutenant Governor was recently in Washington this week, working with Lumina as they release their most recent report, called *A Stronger Nation through Higher Education*. The Lumina Foundation had selected Lieutenant Governor Simon to represent Illinois in its post-secondary Productivity Strategy Labs initiative. What Strategy Labs does is it provides policy makers in 22 states technical assistance around Lumina foundations’ four steps to finishing first reform agenda. Those steps involve performance funding, student incentives, new learning models, and business efficiencies. Dr. Lynne Haeffele of the Lieutenant Governor’s staff has been working with Lumina foundation since we were awarded this new opportunity. Unfortunately, it does not come with any money but what it does provide is a lot of technical assistance – gratis consulting, if you will – around these particular four steps to focus on the finish. In terms of performance funding, I thought it was very appropriate since we were having the meeting today to come and share that information with you. We had the opportunity when Lynne met with Lumina foundation a couple weeks ago to talk with them about our initial performance funding model and also share with them the initial performance funding model, knowing this is brand new for Illinois and the first time we are starting this and ask Lumina to take a look at that and get their thoughts on our model. They have done that for many other states and, I believe, have worked closely with Indiana on developing their model and creating changes around that. So, that is in their hands and we will be excited to share some feedback with you as well once we get that. We just wanted to let you know that it is exciting news for us.”

Dr. Reid said, “Very good. We also want to say to the Lieutenant Governor’s office how grateful we are for your support throughout these last eight meetings, especially the Lieutenant Governor being on the line and so forth. We know she is busy today and we appreciate your presence.”

Capoccia said, “Absolutely. Thank you.”

Ms. Julie Smith said, “Thank you very much, George. I just want to give you a brief update on the budget discussions that are ongoing in Springfield. Obviously they have a significant impact on how performance funding rolls out in our state. The governor’s introduced budget attempted to keep education at a maintenance level of funding. All of you are probably aware that there are ongoing discussions as well as to the pensions and how that will be discussed and resolved.

“The four leaders met with the governor yesterday and there was a discussion, particularly on the House planned approach to budget discussions going forward in the spring and in their presentation they have focused on an effort that would try to cut just a little over \$1 billion in spending from the budget from Fiscal Year 2012 appropriations in order to address the backlog of bills. In doing so they have crafted numbers in the same

approach they took last year, to give to their appropriation heads as they work through budgets for Fiscal Year 2013. So they took the Fiscal Year 2012 appropriated levels, which had cuts for the state universities and also cuts for the Monetary Assistance Program (MAP) grants, and they have taken that aggregate number and reduced it by about 5.29 percent, so for higher education that would represent a reduction of \$111 million from the Fiscal Year 2012 level. For Kindergarten through 12th grade (K-12) education it is \$363 million from the Fiscal Year 2012 introduced level, so it is substantial – almost a \$500 million cut for education in the state of Illinois.

“To the extent that you have concerns about that I think it would be very wise to share that with House members over the next several weeks because they will be looking at did we leave you in Fiscal Year 2012 and how do we find another way to take that down at that level.

“And, again, the governor in conversation with all four leaders has said that he is open, very open, to further discussions on different ways that we could perhaps look to find revenues that could be used to pay the bills. He has talked to them about tax loopholes. The Senate president brought up the cigarette tax again, which raises \$300-some million if it were to be put into place. There were other possibilities that were raised at the meeting, so there could be other options beyond this. This was completely separated from any discussion as to what might be resolved with the pension issues. Everyone recognizes that there is a \$5 billion payment that has to be made in Fiscal Year 2013. The question of how exactly that might get done has been separated from this discussion of the budget reduction and the attempt to pay bills.

“This has not, however, been separated from the discussion that in both the governor’s proposed budget and the numbers that the House worked with to get to this 5.29 percent reduction there must be some resolution around the Medicaid liability. That means that they have to find a way to reduce the liability by \$2.7 billion. What the Speaker said in the discussion was that if they do not reach the \$2.7 billion, this \$910 million reduction in the other areas would likely go up.

“That is a bit of reality but we certainly continue to engage both the House and the Senate around what options might be available to try to address a lot of these issues. The governor made a very strong statement in the meeting yesterday with the leaders that he felt it was highly detrimental to Illinois to think about trying to further cut education. We have made over the last four years more than \$700 million in cuts to K-12 education. We have made close to \$150 million in cuts in the same time period in higher education. We cannot continue to erode the funding support for education and expect to have a next generation that will be an economic force for the state so we will continue to fight for this.

Dr. Reid said, “Do you want to take a couple questions?”

Ms. Smith said, “Yes.”

Dr. Abbas Aminmansour said, "On behalf of the faculty, our appreciation to the governor and you and others who are working very hard on behalf of higher education to maintain the level of funding. My question is, in your judgment as of now, does it seem like the numbers you gave are the worst possible scenario and that we are hoping that things could perhaps get better or could they get worse than this?"

Ms. Smith said, "A lot will depend on what will be agreed to on Medicaid, at least from the House's perspective, that if they were to find a way to reduce that liability by the full \$2.7 billion, then this is where they would stay. You can imagine what the resistance will be to that, particularly by healthcare providers, so there will be a lot of advocating for not taking such a drastic shift. But the current director for FHS has been looking at what are all the possible options and there is a working group on that and they continue to attempt to do that. We do know that what has been done in other states has not resulted in catastrophes in any way. There will be a lot of resistance to that, so that is, I think, the main area of concern."

Dr. Aminmansour said, "Thank you."

Mr. Tim Harrington said, "Just so I can understand, we are looking at a potential five percent cut in our budget for Fiscal Year 2013 and then whatever performance-based funding adds into that, that half a percent or one percent or whatever it is, as well. So, a potential six percent or more decrease in our Fiscal Year 2013 budget, is that what I am hearing?"

Ms. Smith said, "Well, performance funding does not decrease, it adjusts the budget. This is a real decrease. Performance funding makes adjustments based on performance and that is what the commitment has been with this, so that we went with a very small amount for this year. I think everyone recognizes that these kinds of challenges present tremendous difficulties for the campuses when they try to absorb this, particularly when you do not know until the very last minute what is going to be available to you next year. I think we continue to keep this in mind as we think about how to adapt going forward with performance funding, but performance funding does not really cut. PF is allowing you to adjust based on how the campuses are achieving."

Mr. Harrington said, "Oh, no, no. I understand that, but the pile of money for performance funding comes out of our existing budgets."

Ms. Smith said, "Comes out of the existing money, that is true."

Dr. Christophe Pierre said, "With this reduction of 5.29 percent, would it take place regardless of whether an agreement regarding pensions is reached or not?"

Ms. Smith said, "The way the House presented it yesterday, they were separating this completely from any kind of agreement around the pension issue. So yes, they view this as something that needed to be done to accumulate revenue to pay back the bills. The decision the House made around Medicaid for this year was, in effect, just extend the

timeline for payment. They did not make any rate cuts; they did not make any service cuts. They just said that we had gotten the payment cycle down to 30 days for Medicaid. They were willing to extend that back to 90 or 120 days, whatever it might eventually be. The result of that is we have moved \$1.9 billion of Medicaid payments out of Fiscal Year 2012 into Fiscal Year 2013 before we even begin to address the \$2.7 billion that would be reduced. So, they are looking at this to try to address that Medicaid problem that got kicked over into Fiscal Year 2013, as well as the regular backlog of bills that has been dogging us for years. So, no, they see this as something that needs to be done regardless of what determinations might be made with the pension area.

Dr. Reid said, "We have a question on the line."

Dr. Rita Cheng said, "Julie, this is Rita Cheng. I just came on and the first thing I heard was 5.29 percent cut. This is a bill that came in yesterday?"

Ms. Smith said, "This is, Rita, the decision that the House has made as to how they will ask their appropriations committees to move forward with bills in the spring, so for each of their appropriations chairs they have given them a number to work with that is 5.29 percent less than the Fiscal Year 2012 spring appropriation. In higher education that represents \$111 million. They will look at what was appropriated for Fiscal Year 2012 – and you remember you took a 1.something percent cut for Fiscal Year 2012 and there was also a reduction in MAP for Fiscal Year 2012 – so those base numbers that were passed in the spring now become the base for what will be used to take this 5.29 percent cut for Fiscal Year 2013."

Dr. Cheng said, "Thank you. It is bigger than I expected so it is very concerning right now."

Ms. Smith said, "Right. The other thing I said, Rita, is that it would be very helpful to express that level of concern to, in particular, House members. How difficult it already is to meet your operating demands and what this kind of a decrease or cut would represent and how it would impact your students and your operations."

Dr. Cheng said, "Definitely, thank you."

Dr. Reid said, "Thank you. I am glad that you are on, too, Rita. Thanks. So, we want to express our appreciation to Julie. As Julie was coming up the hallway I said, 'Julie, could you just give us some idea about what is going on in the legislature and give us some realistic information.' She had no preparation time but I think that her report was very comprehensive and we appreciate it. She is working literally night and day behind the scenes to try to make certain that higher education is held as harmless as possible. We appreciate that a great deal. We also appreciate the governor's position. I think it is awesome that he views progress in the state of Illinois as being a byproduct of education and of higher education and is very, very supportive of that, so we appreciate that as well.

Welcome – Dr. Gary Grace, Executive Director, University Center of Lake County

“We have two executives with us here today. One is the executive director of this center, Gary Grace, and following Gary I want Jerry Weber to just say a word or two.”

Dr. G. Gary Grace said, “Thank you, Dr. Reid. I am delighted that you decided to have your meeting here at the University Center and wish you well. After Julie’s report I just hope that you do not start drinking during the meeting. That is very tough news to have to grasp so early here.

“I am going to tell you a little bit about the University Center, because I assume many of you have only visited here just today, and I will give you a little background. We have many people to thank for our creation but especially the IBHE played a large role in getting us established 15 years ago. We are also grateful to the College of Lake County because they the earliest proponent of the stat doing something here in this particular region. We were started with the strong support of the University of Illinois as the first managing force for the UCLC. We were established as the “Multi-U” and IBHE invited all institutions – public and private – to come and try to figure out what can be done to increase access to higher education in this particular location. We were the fastest growing county in the state at that time, in the mid-1990s, and access was difficult, getting to a public institution from Lake County. Twelve institutions stepped forward, six public and six private, and I am proud to say that ten of the twelve are still with us. We have added seven more. We now have 19 member institutions – public, private, and proprietary – here at the Center. It was conceived by a good blue-ribbon panel. The late director of IBHE used to say it was the most studied public policy issue in the state of Illinois up until the year 2000 because they collected lots of data to decide what to do here. They certainly found that there were a lot of access problems and so the Center was created based upon data. At the time, in the late 1990s, it was seen as a model for the rest of the state. I am happy to report that after 15 years we still have a very strong collaborative spirit within the Center.

“We serve 2,000 unduplicated students here annually. They have a choice of over 100 degree programs and certificates. About a third of those are bachelor completion programs, so the College of Lake County has an opportunity to feed into junior/senior programs running here. There is also a wide selection of graduate programs, masters and doctoral programs here. The student body would not have access if it were not for the Center. They are not going to be able to cope with the transportation in this area at rush hour to try to get access so for us it is a convenient choice for our students to work a full day and then come here to the Center for study purposes.

“As I indicated we have 19 member institutions presently. We have two additional institutions in the wings that are in the process of applying for membership into the program.

“Just one word – I was not going to say anything about funding but I was keenly listening to Julie’s remarks. She indicated that \$150 million for the education sector was

already meted out with cuts. About \$2 million of that \$150 million was the University Center's cuts in 2008-09 and then again this year. So, 66 percent of our state appropriation budget has been cuts and while we still have the lights on and the doors open we have had to make sacrifices including staff layoffs and other critical cuts. I want to express our gratitude for your support of higher education. It is clear from the questions and some of the comments you have made over the course of the past year that higher education is a very vital part of your commitment and we appreciate that very much.

"I would like to also invite anybody who is interested after the meeting, if you have time, we would be happy to conduct a very small tour for you to see the facilities and look at what we do here. Again, welcome and have a good meeting."

Dr. Reid said, "Thank you, Dr. Grace. President Weber?"

Welcome – Dr. Girard W. Weber, President, College of Lake County

Dr. Girard Weber said, "I would like to welcome you to the College of Lake County, also, and the University Center. As Gary said, the concept of this was to bring higher education opportunity to Lake County, which was the completion agenda before we used the term completion agenda. I want to let everyone know that the weather us generally like this. This is not a fluke. Actually, it is a bit scary, this changing weather. It feels right but it is a little bit scary – sort of like performance-based funding! I would say this – we have a strong working relationship with the University Center but I am going to reinforce what Gary said, that partnership which has had a strong effect on students here and brought opportunity cannot keep happening without funding. We realize that everybody is in the same boat looking for funding.

"I do want to, just in my remarks, say congratulation to the Lieutenant Governor. I know I speak for Gayle Saunders and all the presidents in that we have really welcomed her involvement with community colleges and it is great to see her being involved with the Lumina Foundation.

"Let me just, since I got you all the way here, say a couple quick things about the College of Lake County and how we fit into performance-based funding, which we see as part of the completion agenda. We have taken, really, a very strong, data-based approach to the whole issue of performance-based funding. We have set up a strategic plan. That strategic plan then has key performance indicators. They are a set of measures that go on for pages, actually. We have taken that approach and have even joined with the Voluntary Framework for Accountability, which is forty community colleges across the country looking at how they measure themselves. We are also part of the National Community Colleges Benchmarking Project.

"Some of you may not realize that also we tie all of this into our accreditation process. Our accreditation process, which is called AQIP (the Academic Quality Improvement Program) and is from the Higher Learning Commission, is actually the way

that we take those measurements that we are doing – our strategic plan – and then bring it forward. I will just give you an idea of the projects that we are working on under our accreditation. Each year we identify three projects to work on. This year it is removing barriers to completion, student success through academic coaching, and transitioning adult students. Fortunately for all of you I will not go into any more detail than that but I would just say that we really tried to tie all of these things together and performance-based funding we see as another piece of that also.

“I did want to say that I know you probably did not want to come all the way up here to Lake County without hearing a critique of the committee and what has been going on so I will say this, just a couple final remarks. I was a member of the college completion team the Lieutenant Governor was on. We went to Florida and I have to tell you, at the time I was the head of the Presidents’ Council and I was so impressed with this issue in the long run to see where it could go and what I think you could bring to higher education that I supported it and brought it to the presidents group. The presidents unanimously supported the process to explore and bring forward performance-based funding.

“I think there is good news and bad news. Let me just say this about the bad news, because we have just heard some more bad news and why not add some more, I guess. I think it is unfortunate – but I understand it – that we have set a framework. I think it was alluded to here where we are going to take from our existing resources and then divvy up those existing resources. As a president at community colleges and universities we understand this because we reallocate resources all the time. However, it is a little bit unfortunate because I think it could be so much stronger and there would be so much more support if it were like we see with the Aspen Institute contest, the Race to the Top, the incentives laid out. We all know this but it would be nice if we could find a way to make this an incentive rather than something that we are all trying to take a piece from each other, unfortunately.

“Then, I want to say on the good news side of all that is I really appreciate the committee’s work. As you know I have participated when I could, particularly on the phone. I think the process has been open and transparent. There has been a lot of give and take. I know the community colleges have appreciated the input and bring our issues forward as part of that process. We will continue to do that. I am also happy to see that there is a very small percentage that you are trying to start out with as you are trying to start out with as you implement this. Quite frankly, if the percentage were one thousandth of a percent it would still be okay. I understand that people want to see some kind of statement but actually we are learning institutions, right? You can try to bring about a sudden change and throw things in people’s face but it just creates more issues. We understand that we can do the numbers and we can see the impact from a small amount, then I can take that to the college – and all the other presidents can take to their colleges – and their staff and say, ‘Okay, think about this five years down the road.’ That helps us change our institutions gradually to move them forward. I am pleased to see that approach.

“I am also pleased to see you up here. You are invited back any time. I agree with Gary, this is just a magnificent facility. Our faculty really likes it when they get an opportunity to teach in here. Like Gary, if you would like to take any time to visit the College of Lake County right across the street. In fact, our big dream is that our students will just keep walking across the street and finish a bachelor’s degree.

“Thank you all for being here. I left something at your table. That is our annual report, which of course is propaganda telling you how wonderful we are, but I have also left our strategic plan, so you can look at that. Thank you.”

Review and Retrospective

Dr. Reid said, “Thank you, President Weber, and thank you, Dr. Grace, for your words of welcome to the council. I want to make certain that you do not miss one of the bits of advice Julie gave us, which was when you are down at the Capitol, make certain you express to the members of the House of Representatives in Springfield, your desire to have education held harmless and you should be fairly aggressive about that in your reports, especially to the appropriations committee. If you let us know when you are coming we will be with you in that endeavor.

“Let us turn our attention to the business of the day. I do want to give you a two or three minute retrospective. We have kept our eye on the goal that the Governor set before us. The P-20 Council, the Board of Higher Education, the 60-25 goal – more Illinoisans, basically, to summarize, will be successful achieving a post-secondary education that will prepare them for better jobs and a more prosperous future. In these meetings we have listened and we have learned from each other. In these meetings over the eight or nine months there have been: faculty members, such as Professor Abbas; leadership from the community colleges and from the universities and you have heard from one community college president today; members of the legislature that have joined us at almost every meeting, though I did not hear any legislators on the phone, otherwise I would have yielded the opportunity to say to us what you need to say to us this morning.

“As you know, in the eight, nine months we have been meeting we have heard from you and your position papers. We have kept them all. We have circulated them all. Al Phillips and his team developed a performance funding part of our website. If you go to the IBHE website you can click on ‘Performance Funding’ and you can hear all of the conversations, you can read all of the position papers which carried us to where we finally ended up on January 6. We ended up with our decision; we carried that decision to the Board, which unanimously approved the recommendation of the steering committee.

“As Julie mentioned, the Governor, in his February 22, address, almost to the word, carried forth the performance funding ideas that we had created in this committee. We all know that there is a lot of work to be done.

“I hope that you envision that whenever you get to Springfield that you would take a few hours to visit your representatives to let them know. I think that the House committees, especially the appropriation committee but also the House higher education committee leadership would be interested in what you all would like to say. The Senate appropriations, Senator Kotowski and the Senate higher education committee, Senator Ed Maloney – all those people it would be great if you would visit them in their offices. If you know where their home bases are, visit them there and express your desire.

“We know we have some people in the General Assembly – lots of people – who are supportive. I have been walking the halls of the General Assembly and as Julie said, I cannot sense any desire to take out performance funding from what we are doing. I have sensed that there is still complete, almost unanimous, support of performance funding. We just, at this moment in time, do not have the money to establish it as a new money project. We have to carve it out of the existing.

“So, my advice and counsel to you – and I have been through a few of these in my lifetime – you have to put your head down and continue to plow forward with whatever progress you can make. We have had significant progress in this beginning; there is no need to get depressed. We are just going to go through this and get to the end and see what it is and then come back next year to argue for even a greater cause.”

The Creation of and the Progress Report from the Refinement Committee

Dr. Reid said, “With that in mind, we have always said that our first year for Fiscal Year 2013 is a work in progress, that performance funding would have to be continuously improved. You do know that the better states that have put performance funding into reality have had this approach, that no one year means that this is the performance funding that will go on for every year but that every year you come back. You renew, you refine, and you make it a better situation. Between our last meeting January 6 and today, I have appointed a performance funding refinement subcommittee. I have asked Dr. Alan Phillips, our chief financial officer at IBHE, to head this committee, to discover ways by which the work we culminated in Fiscal Year 2013 can be improved for placement in the Fiscal Year 2014 budget.

Refinement Committee Mission and Purpose

“We have the members of the subcommittee there at your desks. You will see this chart and their affiliations. These are the members and you can feel free to call them. Our members on the phone have this as well? No? Well, for our colleagues on the phone, following this meeting sometime this afternoon or tomorrow we will post all of these documents so you know exactly who to call to give ideas for in terms of refinement.

“At each of our meetings going forward – now, in my view, I told you in January we would have four meetings this year. I am changing my mind on this, primarily because I think that the meetings will be guided by what the subcommittee comes up with. I think that our next meeting will take place sometime in the late summer or early

fall to give that subcommittee time to work. Maybe, depending on Al's advice and counsel to me, we might have a meeting in October and/or November and then we will be ready and in line to go forward with the Performance Funding 14 budget. So, we are looking at maybe two other meetings and at these two meetings we should be prepared to make some decisions about how to move forward with Performance Funding 14, understanding that every time we go forward with our recommendations, once they get to the General Assembly they will be changed. That is just the way things are. That is government. That is the way it works.

“Let me take this opportunity to thank everybody around this table and then turn the meeting over to Al, Dr. Alan Phillips, who will take us through what the committee has done so far. Dr. Phillips?”

Dr. Elaine Johnson said, “Al, this is Elaine Johnson. Since we do not have the materials with us can you tell us who is on the committee?”

Dr. Reid said, “Since she is calling she does not have them. I can announce them. We have Resche Hines of Chicago State University; William Weber of Eastern Illinois University; Kirstan Neukam of Governors State University; Ellen Andres of the Illinois Community College Board (ICCB); Eric Lichtenberger of the Illinois Education Research Council (IERC); Kristen Hendrickson of Illinois State University; Blase Masini, Daniel House, and Jeff Reynolds of Northeastern Illinois University; Allan Karnes of Southern Illinois University Carbondale; Phil Brown of Southern Illinois University Edwardsville; Frank Goldberg of the University of Illinois at Chicago; Carol Livingstone, Randall Kangas, and John Evans of the University of Illinois at Urbana-Champaign; and Rhonda Kline, Matt Bierman, and Julie DeWees of Western Illinois University.

“Just a few others, of course, our crew at IBHE: Dr. Phillips, who is chairing it; Mike Mann, his associate director, helping him; Karen Helland, who is a senior associate director at IBHE; Brook Stewart and Matt Berry, assistant directors under Al; Bob Blankenberger, who is here today and is our chief academic officer; and Doug Franklin, an assistant director under Al and Bob. Those are our members.

“Some of them have – I do not know how Al is going to run it – but there is probably going to be just one vote per institution or just one point of view per institution, as he will carry it out. Al?”

Progress Report on the Refinement Committee First Meeting

Dr. Alan Phillips said, “Well, the hope is we would build consensus. It is nice to see you all here today. I feel like we are becoming friends, we have done this so much. When I took this job about a year ago, George told me I would meet lots of new and interesting people but he did not tell me it would be through all the discussions I would have with them regarding performance funding. Off we go on, I guess we will call it, performance funding 2.0.

“The purpose of the presentation today is to talk about missions, functions, composition, responsibility of the refinement committee and the way ahead forward for the refinement effort. This is simply a list of what we have accomplished so far. I showed this at the last steering committee meeting. The only addition was that we did make our recommendation for performance funding as a part of the Performance Funding 2013 budget recommendation, I think, to the credit to all of those who worked on this and helped us put this together. Our performance funding recommendations were the recommendations that were forwarded by the Governor to the legislature.

“A quick review: we were tasked by Public Act 97-320, or House Bill 1503, to implement performance funding. We were told to reward the performance of institutions advancing the success of students academically or financially at risk, first generation, low income and students traditionally underrepresented in higher education. A part of the discussion, as we go forward, is how we can address those particular students in a better way in terms of performance. While we did as good a job as we could given the constraints and the time limits we had and the data that was available, there are some shortcomings in these areas, which I will talk about and which we have identified, which is the main purpose of the refinement committee, to take a look at how we can address those issues in a better way. We also were to recognize and account for differentiated missions, the fundamental goal of increasing completion, recognizing the uniqueness of all the colleges, to include the community colleges, and maintain quality, which is always a very important topic of discussion at all of our meetings.

“The purpose of the committee is to address shortcomings and resolve issues with regard to the model itself, challenges we had with the data, and take a look at some of the measures to better define the measures to get at what we were really after and identify if there were any other additional measures or subcategories that we may want to add to the model. The intent: to improve ways to improve the model. One of the biggest discussions we had in terms of the model itself was how we scaled the data or normalize the data so we could add disparate types of numbers together and come up with something that was meaningful. We also had issues with the quality of the data, the availability of the data, and to take a look at some of the specific measures which in a large part were proxies for what we were actually after. It was the best we could get to given the constraints we had to operate with. Also, to take a look at expanding the scope of the model and take a look at other measures and subcategories that we may want to add.

“As George said, essentially the refinement committee is composed of IBHE staff – I chair the committee – as opposed to policy folks that we have on this committee. In this case what we have are experts in data and research because that is where we have the most shortcomings. So, the majority of the subcommittee members are primarily directors of institutional research at the universities, all of whom are represented on this committee. Additionally, we have ICCB, we have an IERC representative, and all the work is supported by IBHE staff.

“Our goal, obviously, is to develop the best model possible given the constraints of time, resources, lack of funding, availability of data, and, probably the biggest challenge, capturing in an equitable way uniqueness of each college and university. More specifically, we are trying to address efficiency measures, for example, completion, input, unit costs, to get at different types of ways we can measure efficiency with the colleges and universities. Also, improve the way we look at research performance. The measures we used this go-around were essentially input measures; they were not output measures and what we are trying to measure is output. We take a look at entry and momentum measures. We wanted to add measures that take a look at momentum points or retention, though we did not have the data. And, of course, underlining everything is quality. We do not want to increase the number of completions at the expense of quality. One of the things we talk about was taking a look at the ratio of full-time versus part-time instructors or professors. The challenge there is that that only assesses one small piece of quality, so how do you take a more holistic look at quality at the institutions and find some equitable way to assess them.

“Other challenges are data and the currency of data. We are looking at help from IERC and some of the other institutions to help us with some of the data issues.

“One of the challenges is to figure out what the right number of variables is for this effort. If you invest in stocks and you are going to put together a portfolio, it takes about 13-15 stocks to diversify away some of the risk. It is very difficult to take six measures and half a dozen subcategories and capture the infinite number of variables that we are looking at in terms of performance and as it relates to all the different institutions, colleges, and universities. On the other hand, you do not want to make it so complex that nobody can figure out what they need to do in terms of performance because you have too many variables. So, how do you balance that and where do you want to draw the line with enough or too many. That is one of the challenges.

“The other problem is, once again, because this could be considered a bit of a contentious effort and not necessarily something that everyone is a big fan of, in order to make sure that everyone has confidence in what we are doing it has to be simple enough that people can understand what we did and the process has to be transparent. The challenge is finding the balance.

“One of the other challenges is identifying measures that address the entirety of the education process from entry to output. While we are largely measuring completions there are other things we want to take a look at, such as retention, transition, remediation, transfer students. Not only capturing the education process but then you want to look at other things that colleges and universities are responsible for, such as quality and research. So, to be fair and because we have so many intuitions that perform so many different functions, we want to look at this in a holistic way so we capture the entirety of the education process.

“Timeliness is a significant problem. In many states it took several years to put together performance funding because they actually put together the data that they were

going to need for the performance funding models before they put it into place. We kind of did this backwards. We came up with the model and then said, ‘Let us go find the data.’ Much to our chagrin, a lot of the data was not where we were looking. A lot of the data that we have is not current. It is a challenge. If you take a look at how community colleges are funded, they are based on enrollment figures from two years prior to the budget year. It is always going to be a challenge but hopefully through implementation of the longitudinal data system (LDS) we will be able to specifically collect the data that we need so we can provide real-time data to the colleges and institutions so they can then look at their performance. I have had discussions with folks who, rightly so, indicate that they want to do anything they can to improve performance but it is not going to show up for two, three, or four years, so how does that help if what I am doing to try to make things better does not show up in the model? And if you start increasing the amounts set aside for performance and you are not doing well, how is that fair? That is one of our largest challenges, trying to find data that is more current than what we are using.

“We do not want to create incentives for colleges to do things we do not want them to do. As an example, what you might see if you count certificates at the community college level based on performance, you might see them start to put certificates against every program they have to get their numbers up. I am not saying they would but you have to take a look at providing – and not creating – perverse incentives. Every time we think about something we are going to do we have to sit down and say, ‘What are the second- and third-order effects?’”

Dr. Weber said, “But let us just be clear, here – having a certificate in hand and completing it is not necessarily a perverse effect.”

Dr. Reid said, “That is correct.”

Dr. Phillips said, “No, that is correct.”

Dr. Weber said, “I was just going to say that many of our certificates are accredited at the state level and national level.”

Dr. Phillips said, “To get back to this point, what we would do is take a look at third-party certificates or credentials where it was not the institution determining that it was a valid certificate but rather a nationally-recognized or third-party such as a nursing exam or a welding certificate that is nationally certified or Novell network certifications. I am just using that as an example that when we do something we have to take a look to make sure we are not providing incentives to do things that we really do not want folks to do, which gets back to the quality issue, which is probably the biggest risk as we do this. We do not want institutions lowering quality to get their performance numbers up to get a larger allocation based on performance.

Mr. Harrington said, “I do not mean to be carried away on this issue but I think that that is not a very good example, because, in fact, certificates at community colleges are approved through a process at the state. In fact, one of the outcomes of this

completion agenda is going to be that all the colleges are going to improve the number of certificates and we are already telling our students when they come in, 'Make sure you leave with a certificate or a degree.' I realize you are trying to give an example of quality, etc., but I would stay away from that one, though, because I think that one, if fact, is going to be one of the things we are going to drive towards. While I am at it, could you at sometime during this or while you are in the right session, maybe before you get into this university model, just take a minute to address community colleges within the committee.

Dr. Phillips said, "Point taken. If you look at the 60-25 requirement, it is not just graduations. It is also certificates. Point well taken. The law of unintended consequences, like I said, whatever we do, you have to take a look at what that is going to cause colleges and universities to do.

"Last but not least, and this is very important, we want to get to a point where we can lock the model in for a period of time, because what colleges and universities do not want to do is chase a moving target. You want to get it to a point where they can say, 'Okay, I know this is not going to change so now I can address performance based on these measures, these metrics,' and not say, 'I spent all last year trying to change our processes to meet these criteria and now you have changed them all.' So, while we made a good stride the first go around, part of the intent of the refinement committee is to get closer to where we can lock the model in for three to five years, perhaps, where they can then have a specific target that they can work towards.

"Ground rules: this is a refinement effort. We are not starting over. It was too painful to get this far and to get to this point, so we are going to refine the model but we are not going to start over. This is a partnership, as I told the folks on the refinement committee. All the universities are sitting at the table. This is a partnership and, while IBHE has the responsibility to pull all this together, we are looking at this from the perspective of the universities and colleges. At the end of the day, this has to be something that they can work with, that is acceptable to them. If it is not then we have failed. And, so, as I told a number of the university presidents and other senior administrators, I am standing in your shoes when we are doing this, because, if I am not, there is no way that I can understand their viewpoint and then I can make this work for them. At the end of the day, they have to implement what we come up with.

"The model has to work for all twelve public universities. It has to be transparent to the extent that is possible. It has to produce results that are considered to be equitable. We are not looking for perfection. As one of my mentors told me, "Better is the enemy of good." We need to get something that works, that is acceptable. I am not sure we would even know what perfection would be, even if we tried. We have a long way to go to get them all where we want them to be. On the first go-through there were a lot of shortcomings with the model we ended up with but it was the best we could have done given the time, the resources, and the information we had to put it together. We are trying to improve the model but I do not think we are ever going to come up with something that is perfect."

Dr. Reid said, "Al, is this the end?"

Dr. Phillips said, "No."

Dr. Reid said, "Oh, I am sorry."

Dr. Phillips said, "Just to briefly touch on what Jerry said, today I am talking about the four-year public university model. I have had discussions with ICCB folks and sine ICCB works with the community college presidents and the Illinois Career and Technical Administrators (ICTA) about how we can take that piece, because they are separate models. That is largely because the community colleges are funded separately from the four-year institutions. It makes more sense to do them separately, as do most of the other performance funding states, because they are unique and different in many ways. Today I want to talk about the four-year model. I am also in discussions with ICCB and the community college folks to figure out how we can also take a look at their model and improve it as well."

Dr. Weber said, "This refinement committee is really focused on the four-years."

Dr. Phillips said, "That is correct."

Dr. Weber said, "There is already this process, as I know, going on."

Dr. Phillips said, "We are not trying to mix apples and oranges."

Dr. Weber said, "That is a good idea! I agree!"

Dr. Phillips said, "Once again, this is merely the model and all the steps we use to come up with the performance funding values that were then used to allocate funding. What I did here was I highlighted the specific areas that we are taking a look at. We are pretty much okay with bachelors, masters, doctoral and undergraduate degrees per 100 full-time equivalents (FTE). There was not much of an issue with that."

"The source of the data, we are probably going to take a look at, but the last two we had some concerns with and have had all along. Education general spending for completion we use as an efficiency measure. That certainly is not the best that we can do. There are other measures such as unit cost and some other ways that we want to look at this, but this was the best we could do given the information and data that we had. Also, the research and public service expenditure measure, again, measures input. It does not measure output. It does not measure patents. It does not measure success as a result of the spending but it was all that we had to work with, so we are looking at these two numbers as well as the source of the data."

Dr. Aminmansour said, “I am on research and public service expenditures. I just want to repeat the Faculty Advisory Council’s (FAC) position from before that we need to keep in mind that sometimes the amount of available funds are beyond our control.”

Dr. Phillips said, “Correct.”

Dr. Aminmansour said, “And recently they have been going down and I hope that institutions will not be punished because federal funding and funding from other agencies that typically would fund research has gone down. I hope that that will not count against institutions.”

Dr. Phillips said, “We will take that into consideration. We had to have this in there because, when you talk about the disparity between the missions of the institutions, if we did not have some way to measure research, which is a large portion of what some of the larger colleges do, then there is no way this would have worked. We were trying to address all the different institutions.”

Dr. Aminmansour said, “Thank you.”

Dr. Phillips said, “In terms of measures, as we have presented before, these are some of the measures that we are looking to add, though probably not all of them. The problem we initially had was that we did not have the data for these measures but you can see things such as time to completion, accumulation of credit hours, transfers, quality – those are all things we think are important to the model. We are going to find some way to add those.

“Subcategories: we are looking at the weights, although when we ran the original model, these weights seemed to work the best and were the most equitable. In terms of low income, we do not have a problem with the subcategory but the data we used was not what we would have preferred. We had to get this from ISAC and it was not by year. It was by total Pell Grant and MAP spending per institution, which is a more board measure than we would have liked but it is all we had. Adult – the same thing. That came from Complete College America (CCA) data and was only one year’s worth of data. Again, this was the only place we had to find that particular information. STEM and health care – that is more a function of what gets included, which programs get included in that category. So, do you narrow the definition, do you broaden the definition? So, that is one that we are looking at.”

Mr. Harrington said, “How are first-generation students and students traditionally underrepresented in higher education, those are actually part of the law and they are not part of the original six...oh, they are here. Thanks, sorry.”

Dr. Phillips said, “That is alright. As I said initially, we did the best we could given what we were told to do. One of the problems, just to use first generation, which will illustrate some of the challenges, there were a couple of problems with that. First of all, how do you define a first-generation student? The definitions are not consistent

across all the institutions. The second problem you have is that it is generally self-reported, so you have a number of first-generation students who you do not know are first-generation students. And, last but not least, how do you acquire that data? I think some of it is acquired based on Free Application for Federal Student Aid (FAFSA) forms and other things but there is no easy answer, so the challenge is, for the refinement committee, how do we define that? Let us make it consistent across all the institutions. Let us identify a consistent way to gather the data, either through LDS or some other way. We understand that there are other categories that we need to capture and that is one that has come up frequently in the discussions as one we certainly want to capture and, of course, it was specified in the legislation. Given the time we had and the data, there was just no way we could include it. We did not have any data to use to add that to the model, but it is on the list.

“Scaling, once again, this probably engendered more discussion than anything. We are actually putting together a group of folks to include a subcommittee of the committee to take a look at this. It will include IERC and some other folks. Interestingly enough, in our discussions we are not sure how we can do this better or if we can, but they are going to take a look at it. The challenge, once again, is that it has to be simple enough for people to understand but complex enough to do what you want it to do with some fidelity. The challenge comes, and we have already had to do this, when you have to walk down the street and explain performance funding to legislators who are starting from a blank sheet of paper and do not understand any of this. So, it has to be simple enough to explain and complex enough to do what you want it to do. You are trying to find a balance between complex enough but something you can still explain to someone who does not know anything about performance funding.

“Performance measures: if we add additional measures, these weights will obviously change because they will have to be spread over more measures. We will still take a look at the missions of the colleges and universities and make sure that we adjust and weight the measures based on, in this case we used the Carnegie Classification, but tailor them to their missions and functions and purpose. The model itself, even though we are going through a refinement effort, is not going to change. We are just going to improve the measures, the data and take a look at some of the pieces of the model. Essentially it will be the same model we used to calculate performance value, and then whatever funding is allocated for performance we will then allocate on a pro rata share based on performance values for each of the universities.

“So, nothing really has changed. The steps are identical. The model accounts for each institution’s mission. The calculation is independent for each university. It will change every year but we are trying to lock it in so that the model itself will not change once we get it to a point where there is some fidelity and it does what we want it to do. Once again, funds will be distributed on a pro rata basis and it does not set measures or goals for colleges and universities to meet but it does provide incentives for them to improve their performance in a variety of areas in a number of subcategories.

“The next subcommittee meeting will be in June. We are currently reviewing the work we have done to date. We had our first meeting last week and the first task it to take a look at how we scale the data and take a look at that piece of the model. We are also taking a look at better sources of data. We had a meeting with some of the ILDS folks yesterday to talk about some of the data elements for ILDS, capturing the specific data that we are looking for for the performance funding model. That will be incorporated into ILDS, which should solve a number of our problems. We are also taking a look at measures we might want to add and subcategories. We are also trying to tie this one into ILDS, because that should give us the source of data that will directly support the information we need. Yes?”

Mr. Larry Frank said, [Inaudible]

Dr. Phillips said, “I am one of them.”

Mr. Frank said, “The conversation on the K-12 side, because I am on the steering committee for that, is that it is going to be painful for the school districts to have to collect and report more data, but the discussion has changed from, ‘Okay, we know it is going to be painful and we do not want to do it,’ to, ‘Well, okay, if this is part of how we are going to get money and do the measurement and then we are held to it, how do we create the best system for the districts to get the data in?’ I have a feeling that is the same place the universities and colleges are going to be, because I do not see that there is going to be a choice on collecting the data. You have a terrific chance to find what it is we want and get that into the system as it is being built. I think everything lines up right now, if we can get it done, plus there is federal money to do it currently.”

Dr. Phillips said, “Correct. One of the biggest challenges is common data elements. K-12 has their own database, ICCB has their own database, and we have the Illinois High School to College Success Report and other data. One of the problems we had is that our database is not as good as some of the others. Of course, they are not the same data elements, so they do not talk to each other, so the first challenge was to come up with a common set of data elements with K-20. That is where we were, as we put that common set of data elements together we are trying to capture what we need for performance funding. Some of them are already there, but as they develop them, the first step is to develop common data elements that go all the way through the education process and, as we put that together, identify data elements or add those that directly relate to specifically performance funding.”

Mr. Frank said, “Well, part of the discussion is, as data gets collected, who owns it and who has the data stewardship responsibility?”

Dr. Reid said, “Let me respond. We are in the process of creating a governance structure for all data going birth through workforce. Chris Koch and his team, Mike McKinnis and those guys, are involved with the establishment of this governance structure. Once we establish a governance structure, all of the data that are linked will be under the purview of this governance structure. All of the data that will stay within the

organization is still the organization's data. The questions that you are raising will be questions that this new governance structure will wrestle with and make some decisions about. We think that we are relatively close. We are hoping for some definitive action to occur before Memorial Day."

Dr. Phillips said, "Yes, Maria?"

Ms. Cappocia said, "Al, I would like to offer that since the timing seems to be right on this with the Lumina Foundation – and you know where I am going with this – if it makes sense to add some value to this process, since we have an opportunity with Lumina, and one of their first initiatives in terms of the Strategy Labs Network is performance funding, they have done analysis for other states. It may help cut to the chase in some areas or reduce some frustration, certainly, on work they have already been involved in. I would like to offer that, since we have that relationship with Lumina now, that we could participate in that committee if that would be okay."

Dr. Phillips said, "That would be excellent. As I told the refinement committee as I pulled them together, it has been kind of lonely standing up there in front the steering committee and the Board and the FAC and all these folks all by myself. I said, 'Welcome to the party.' You kind of have a catch-22 here: either you can help refine and make things better, or you can agree that what we did was okay. I said this is a partnership. You are all now part of the solution and, as I said before, our goal is to make this work. Our goal is to come up with the best, given the direction, the challenges of the institutions – as I told folks – to find the sweet spot, the balance between all these competing interests, all these competing challenges. Our goal is just to do the best we can to come up with something that will work that everybody can agree to and make it as good as we can possibly make it.

"We are open to any help that we can get! I told the folks in the refinement committee that it is nice looking around and knowing that everybody in the room is smarter than you are. That is the reason we are here. We did not bring in a bunch of policy guys, because I said that I do not need more folks telling me what they think it is I should do. I said I need smart folks who can sit down and tell us how we can make this better. That is why you are all here. So, any help is great."

Ms. Cappocia said, "We are happy to participate."

Dr. Reid said, "You do not like policy types, Al? Just kidding."

Dr. Phillips said, "Well, since I am one..."

Dr. Reid said, "Any other questions?"

Dr. Aminmansour said, "Yes, Al, you and I have had this conversation but just for the benefit of everyone else, first I really appreciate and admire your work to put this all together and to continue to work on it. I particularly appreciate the emphasis you put on

quality. I know we have a long way to go on that one because we do not have a lot of metrics that would fairly and accurately measure quality to the best extent possible.

“I do want to point out, as a member of a four-year institution, that in my view – and you have this on one of the slides, #9, “Academic quality measures” and as an example, “full-time vs. part-time faculty.” I would take that from the perspective of a faculty member at a four-year research institution and I would take that a little further and say “tenure system vs. non-tenure system” rather than part-time or full-time. The mission of our institutions are different and for a research institution, tenure system faculty offer a lot of other services and contributions that may not be the case at other institutions. That might be one measure of quality that would apply in my view. This is what FAC has suggested in the past, tenure vs. non-tenure rather than part-time vs. full-time as a metric.”

Dr. Phillips said, “Good. Thank you.”

Dr. Christophe Pierre said, “I agree that tenure system vs. non-tenure is a good way to look at it. And, I have been impressed with the way you have led this exercise the past few months, being a newbie at the table, and impressed with what has been achieved. It is a very complex exercise and I think you have pulled it off masterfully. I think it could be a little bit stronger, though, and we have talked a couple of times about this. It is very useful for the institutions to receive their overall performance measure and since we have those for the other institutions, we know how we are doing relative to the others. In fact, that determines the amount of funding we gain or we lose. I think, though, it would be extremely valuable to know what our performance is in each of the six measures or whatever number you have. I understand it is a bit sensitive to release all the data for the institutions and how each institutions are doing in its measurements. I am not asking for that to be public. I am asking if there is a way that you could present the average, for example, the average performance for each measure. Now, I know that with the weighting factors it can be a little complex and so on, but this way we would know for each measure where we stand relative to the others and we would know the areas where we are doing well and the areas in which we need to improve. Right now the narratives that you have provided are useful to a point but they are more qualitative. We are looking for more quantitative information. Maybe showing the average with a standard deviation or something like that would be very useful.”

Dr. Phillips said, “Once again, we are all for transparency and we are trying to get to that point so that we can eventually put it all out there. As you might guess, some of it is sensitive. With the first go around, as I have said before, this was a bit of a blunt instrument as we tried to get this rolled out and get something that worked. That is our goal – to provide the feedback – because if you do not know how you did then it is hard to know where you need to improve. If you do not understand how you were measured or put that in some context, it does not help you much. So, we will work toward that goal.”

Dr. Robert Blankenberger said, “To follow up on what you said, each of the measures at present are public record measures, so any institution could find those. You can actually find all of them on our website because the Research Allocation and Management Program (RAMP) and the Integrated Postsecondary Education Data System (IPEDS) data are there. Now, the standard deviation issue is the heart of the problem with all of these measures. What do you establish as your peer group for determining your standard deviation? That is what the weighting element is supposed to address, because we do not want to be comparing institutions across certain measures against each other when it makes no sense to do so. This is the main problem with making this normalization techniques work and making the comparisons work. Each of these measures is available. Our website has all of the measures that appear in these instruments. Now, we could simply put them in a single place and that is certainly a good idea.”

Dr. Phillips said, “And I think we have provided to some of the institutions all of your numbers and all the analysis.”

Dr. Pierre said, “Yes, we have all of that. I am not asking for individual data. I am asking about providing an average so that we know what we are doing in each area. As you can imagine, some of our campuses are asking why they did not do as well as they thought they would do and they do not know exactly in what area they did not do as well.”

Dr. Blankenberger said, “To follow up on that, a couple of things. One, I think contextualization is important and what you have said is exactly right. If we have elements that cut across nationally as well as just the statewide elements then we ought to be able to provide your score within a peer group, regardless of whether we used that peer group to establish a formula for funding, we can still put you in a context. One of the things we found early on is a misconception that institutions in Illinois are performing poorly relative to their neighbors. In fact, the case is that institutions perform very well and are producing quite a bit for having absorbed the funding reductions that have occurred. In fact, Illinois is a high producer, low apportionment state, so we have actually done very well in that. I think you are right that issuing a report about where we sit in relation to our peers would be very helpful. As we move forward, this is the perfect kind of thing we are looking for, improvements not just in measures but also in presentation.

“One last thing before we move on, there is a discussion about how these things are going to be produced that cuts not just across the LDS but also cuts across a couple other projects, whether it is a report card for postsecondary education or other projects that are underway. All of these performance funding metrics are going to appear in those same sorts of presentations, whether on IBHE’s website, ICCB’s website, or on a report card that may or may not come to pass, so these are things that you will see repeated in a variety of places. They will not only be used for performance and for funding but they are also going to be used to inform students, so that students have a better idea of who is

performing well relative to their peers. In that sense we want to make sure it is contextualized, not just in Illinois but nationally as well.”

Dr. Reid said, “Speaking of the report card, we have a meeting with one of the senators about that, I think, at noon. Any more questions for Al? Thanks, Al.”

Comments and Remarks

Dr. Reid said, “Any other comments that anybody else wanted to make?”

Dr. Johnson said, “This is Elaine. I just have a question. Just to make sure, I mean I have been following everything, but what is your vision, Al, on the work for the community colleges to continue to do, looking at their certificates and degrees?”

Dr. Phillips said, “That is a separate session we can set up. The first task was to continue work on the four-year model. I have talked to Ellen and Karen and I think that is something that we need to sit together and take a look at because the model the first go around was something that you put together and pretty much handed over to us. That took a lot of effort to get consensus among all the presidents and the community college community, so I want to make sure that we retain that and we start where we left off. We need to just sit down and take a look at where we go from here for your piece of this as well.”

Dr. Johnson said, “Okay, fair enough.”

Dr. Reid said, “Thanks, Elaine.”

Dr. Johnson said, “You are welcome.”

Dr. Weber said, “I see that as, just following Elaine, do you see that, Alan, as something sort of parallel to this committee, the refinement committee, using the existing folks?”

Dr. Phillips said, “IBHE has the overall responsibility for performance funding to include the community college piece. The first go around that was just more than we could take on, so it seemed to make the most sense and it was the most agreeable because, again, we had to do what was doable, to let the community college community put together their model and then we put together the four-year model and then once that was done we put them together and presented them as one effort.”

Dr. Weber said, “I do not think either Elaine or I are trying to be critical. I think it was the right approach.”

Dr. Johnson said, “No, not at all.”

Dr. Weber said, “It was a very good approach. I was just trying to see how we are going forward, that is all.”

Dr. Reid said, “You have some final comments?”

Dr. Weber said, “Just a final comment, thank you again for coming up here for the meeting. We are happy to have you all up here. Again, I will just say that I am one who supported this and I still do. Our presidents are behind it. We think it is the right thing to do in terms of performance-based funding and to be accountable because that is the direction we really need to go. It is all, of course, in how we get there. Thank you.”

Dr. Reid said, “Any others? I just want to make a final comment. I think we have an extraordinary situation where we have little or no money that is going to be new and we are going to have to find ways to divide up what does exist. We do have something that is probably not in existence at hardly any other state that I know of. We have a governor who is squarely behind education and higher education, who mentioned it forthrightly in his budget address, and a Lieutenant Governor who is not only behind us but active on the issue. I think that our best position is to speak from one voice. We are going to get information and signals from the governor and lieutenant governor’s office about how we can be the most effective at that. We are dedicated to getting that information out to you whenever we get it, so as you go forward with your presentations to the legislature we are all saying the same thing with the same message and the same intensity. I think we will be okay in the end.”

Adjournment

Dr. Reid said, “Thank you so much. This meeting is adjourned.”