

September 19, 2017

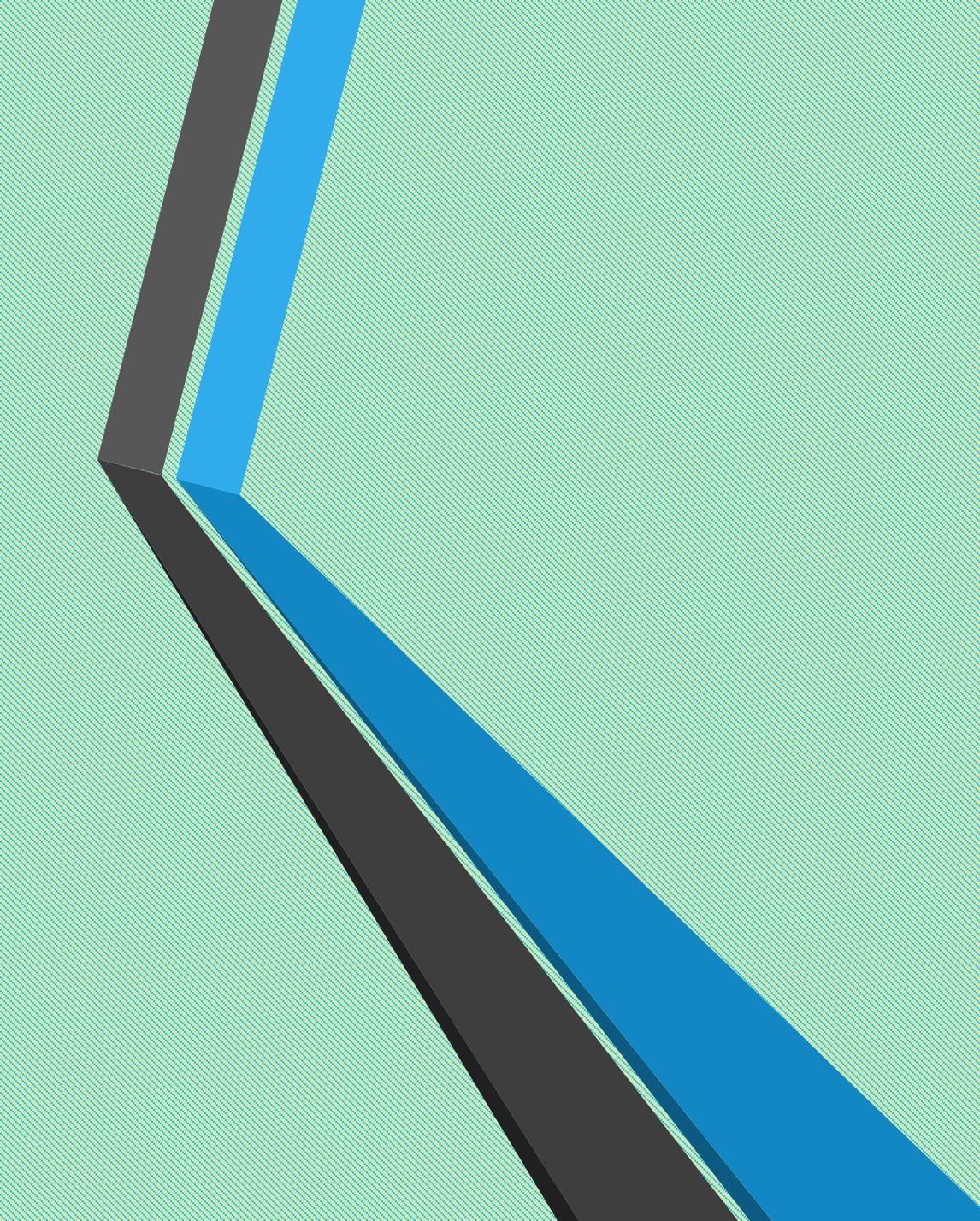
**FISCAL YEAR 2017 AND FISCAL YEAR 2018
HIGHER EDUCATION APPROPRIATION STATUS**

Submitted for: Informational

Summary: The traditional report on the appropriations passed for higher education is unusual for several reasons. Primarily this is because it is a review of the completion of final appropriations for two years, Fiscal Year 2017 and Fiscal Year 2018. This comes at the conclusion of a historic 25-month long budget impasse. Fiscal Year 2017 funding was generally provided at amounts equal to what was received in Fiscal Year 2015 but you have to look at the appropriations from Stopgap 2 funding passed to cover the period through December 31, 2016, and funds in P.A. 100-0021 to determine the true, full funding for the year. Fiscal Year 2018 appropriations were generally set at ten percent less than the base Fiscal Year 2015/2017 levels. The one area that received a significant increase was the Monetary Award Program.

Passage of funding for Fiscal Year 2017 after the year had concluded created a series of unusual impacts on institutions and services. Receiving funds late will help community colleges and public universities recover somewhat from the lack of funding during the impasse. However, some programs were provided funding for Fiscal Year 2017 but with no certainty that funds would be received the programs did not operate and those funds will lapse. Those programs will need to be restarted for Fiscal Year 2018

Action Requested: None



**FY 17 & FY 18
Higher
Education
Appropriation
Status,**

Sept. 19, 2017

Illinois Board of Higher Education

Illinois Higher Education General Funding History FY 15-18

<u>Category</u>	FY 15	FY 16	FY 17	FY 18
Universities	\$ 1,201,776,600	\$ 350,059,100	\$ 1,205,164,000	\$ 1,083,448,400
Community Colleges	\$ 287,880,000	\$ 74,142,300	\$ 288,888,800	\$ 259,855,800
Adult Education	\$ 51,301,400	\$ -	\$ 102,602,800	\$ 51,323,400
SURS: Pension	\$ 1,347,200,000	\$ 1,411,480,000	\$ 1,481,426,000	\$ 1,372,985,000
MAP	\$ 364,856,300	\$ 320,798,700	\$ 364,856,300	\$ 401,341,900
<u>All Other</u>	<u>\$ 46,285,100</u>	<u>\$ 14,961,900</u>	<u>\$ 64,767,100</u>	<u>\$ 44,645,836</u>
			\$	
Total General Rev. Expnd.	\$ 3,299,299,400	\$ 2,171,442,000	3,507,705,000	\$ 3,213,600,336
GRF	\$ 1,863,878,900	\$ 1,427,209,500	\$ 2,126,528,300	\$ 1,516,988,900
EAF	\$ 1,435,420,500	\$ 592,657,500	\$ 1,235,076,300	\$ 1,593,111,436
PPTRF	\$ -	\$ -	\$ 97,100,000	\$ 103,500,000
FFAE & Budget Stab. Fund	\$ -	\$ 151,575,000	\$ 49,000,400	\$ -

FY 17 & FY 18 Final Appropriations

- NOTE: *The more complete statement from the Chair and summary budget tables are attached*
- P.A. 100-21 did not provide any addition to FY 16 appropriations, which were generally just 30% of FY 15 base year funding,
 - Exception: Adult Education funding needed to cover required match to federal grants
- When combined with Stop Gap II appropriations passed previously, P.A. 100-21 funds higher education for FY 17 at levels equal to the FY 15 base year
- In most cases, funding for community colleges, universities, higher ed. agencies, and grants will be 10% less for FY 18 than the FY15/FY 17 levels

FY 17 & FY 18 Final Appropriations

- FY 18 MAP appropriation is 10% higher than FY 17, \$401.3 M
- IMSA & some other grants at FY 17 level, generally programs linked to elementary & secondary education or adult education
- FY 17 Stopgap II IBHE Essential Payments funding provided to EIU, CSU, WIU, University Center of Lake County & MyCreditsTransfer in addition to FY 17 direct appropriations (Included in the All Other category)
- P.A. 100-21 included \$127.7 M for 16 new capital projects
 - Eastern (3), UIC, Northern & 11 projects for 10 community colleges

Impacts of Late Passage of Appropriations

- No claimable FY 17 spending for a number of IBHE grant appropriations
 - IMSA Fusion, CAHMCP, Cooperative Work Study, Washington Center, Nursing, Nursing Fellowships, Grow Your Own
- MyCreditsTransfer, UCLC, & the Quad Cities Graduate Center did have expenses to bill against their FY 17 appropriations
- Much of the EAF funding for FY 17 has already been sent to colleges & universities, including reimbursements for MAP
- Timing of GRF payments is not as certain
- Universities & colleges can anticipate receiving FY 18 EAF before they receive their remaining FY 17 GRF funding

Outlook for FY 18

- Receiving just 30% of FY 15 funding in FY 16 has left all community colleges & public universities weaker financially than before the impasse
- Most FY 17 MAP funding & some general operations already received
- The timing of additional FY 17 & FY 18 funding is promising but uncertain
- Financial status of universities & community colleges will strengthen during FY 18 since most funding is EAF or PPTRF, which face less delays than GRF
- Steps taken by colleges & universities during the impasse will make it easier to cope with the 10% cut for FY 18
- Pension law changes will put new pressures on universities, others
 - Pressures will build in coming years

IBHE Grants History Since FY 15

<u>Grant</u>	FY 15	FY 16	Appropriated FY 17	Spent FY 17	FY 18
MyCreditsTransfer^	\$ 203,700	\$ -	\$ 300,700	\$ 300,700	\$ 183,300
Quad-Cities Grad. Study Center	\$ 82,000	\$ -	\$ 82,000	\$ 26,655	\$ 73,800
IMSA Fusion*	\$ 106,500	\$ -	\$ 106,500	\$ -	\$ 95,900
Cooperative Work Study@	\$ 1,089,400	\$ -	\$ 1,089,400	\$ -	\$ 980,500
Univ. Center of Lake County^	\$ 1,173,000	\$ -	\$ 1,705,500	\$ 1,705,500	\$ 1,055,700
Nursing Grants@	\$ 415,400	\$ -	\$ 415,400	\$ -	\$ 373,900
Nurse Fellowships@	\$ 219,300	\$ -	\$ 219,300	\$ -	\$ 197,400
Washington Center Interns	\$ 97,800	\$ -	\$ 97,800	\$ -	\$ -
Chi. Area Health & Med Careers	\$ 1,433,600	\$ -	\$ -	\$ -	\$ 1,433,600
DFI (Diversifying HE Faculty)@	\$ 1,456,500	\$ -	\$ 1,456,500	\$ -	\$ 1,456,500
Grow Your Own@	\$ 1,466,300	\$ -	\$ 1,466,300	\$ -	\$ 1,466,300

^ MyCreditsTransfer & UCLC received essential payments from IBHE early in FY 17 in addition to direct funding from P.A. 100-21. Both had billable expenses in excess of the amount received.

* After no FY 16 funding & no FY 17 appropriation IMSA chose to not offer Fusion during FY 17

@ After no FY 16 funding & with no FY 17 funding until after June 30, there was little spending for these grants and nothing claimable.

IBHE Grants

- FY 16 – no state grant funding for any IBHE grant program
- For FY 17 – all grants (except CAHMCP) funded at FY 15 levels
- MyCreditsTransfer & UCLC also received additional funds from IBHE through Stopgap II, but not as much as was cut from them for FY 16
- IMSA Fusion – suspended during impasse, will resume for FY 18
- CAHMCP – Public Health Institute of Metropolitan Chicago will assume program responsibility from IIT and resurrect the program
- CAHMCP, GYO, & DFI – FY 15 level funding for FY 18
 - All others – cut by 10% for FY 18

Trends Continue

- Pension costs (SURS) **increase** relative to all other higher ed. Funding
- Funding relative to inflation **declines** for community colleges/public universities
- University income funds' **importance increases** relative to general funds
- Relative proportion of community college costs covered by state funding continues **decline**



Questions