

**ITEM TABLED ON
DECEMBER 12, 2017
FOR FURTHER
DISCUSSION AT A
FUTURE SPECIAL
BOARD MEETING**

**STATE OF ILLINOIS
BOARD OF HIGHER EDUCATION**

*FISCAL YEAR 2019
HIGHER EDUCATION BUDGET RECOMMENDATIONS
OPERATIONS, GRANTS, AND CAPITAL IMPROVEMENTS*

**PRESENTED BY THE STAFF TO
THE ILLINOIS BOARD OF HIGHER EDUCATION**

December 2017

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Fiscal Year 2019 Higher Education Budget Recommendations

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**FISCAL YEAR 2019 HIGHER EDUCATION BUDGET RECOMMENDATIONS
FOR OPERATIONS, GRANTS, AND CAPITAL IMPROVEMENTS**

Submitted for: Action.

Summary: This item recommends approval of the Fiscal Year 2019 Budget Recommendations for higher education operations, grants, and capital improvements. The Fiscal Year 2019 Budget Recommendation is utilizing last year's basic format providing one comprehensive proposal to the Board.

Action Requested: That the Illinois Board of Higher Education approve the Fiscal Year 2019 Budget Recommendations for operations, grants, and capital improvements.

FISCAL YEAR 2019 HIGHER EDUCATION BUDGET RECOMMENDATIONS FOR OPERATIONS, GRANTS, AND CAPITAL IMPROVEMENTS

Major Highlights for Fiscal Year 2019 Budget Recommendations

SUMMARY: The Illinois Board of Higher Education (IBHE) acknowledges the state's fiscal difficulties but also recognizes its obligation to promote a state budget that facilitates a strong higher education system in Illinois that helps promote the four goals of the *Illinois Public Agenda for College and Career Success*. Therefore, these recommendations request a modest increase of \$254.4 million to assure public higher education can maintain their current buying power as well as a small number of targeted increases. Even with the recommended increases the total general fund request is still lower than the total funding provided to the higher education system for Fiscal Years 2015 and 2017.

- **Maintain Buying Power, \$31.4 Million** – Higher education is the only major sector of the state budget that received less funding in Fiscal Year 2018 than it did in Fiscal Year 2002. Accounting for inflation and unfunded mandates added since Fiscal Year 2002, higher education operations Fiscal Year 2018 buying power is only 52.9 percent of what it was in Fiscal Year 2002 dollars. For public universities it is only 49.0 percent. This request is to provide the higher education system at least enough funding to be able to maintain their Fiscal Year 2018 level of buying power. This will help public universities and community colleges rebuild their programs and repair reputational damage caused by the budget impasse.
- **Monetary Award Program (MAP), \$100 Million** – MAP was the only program of the higher education budget that received additional funding for Fiscal Year 2018. However, by historic standards MAP funding remains low, covering fewer students and less of their tuition and fee costs than it did historically. The requested increase will help improve educational attainment by reducing accessibility gaps by socioeconomic status and improve college affordability, particularly for underrepresented groups. Increased MAP funds appropriated in a timely manner will help draw students back to Illinois college campuses.
- **Illinois Veterans Grant (IVG), \$19.9 Million and Illinois National Guard Grants (ING), \$11.3 Million** – Until Fiscal Year 2010 funding was provided to the Illinois Student Assistance Commission (ISAC) to reimburse public universities and community colleges for waivers of tuition and fees for Illinois Veterans and National Guard members as required by law. Partial funding was provided in Fiscal Years 2011 and 2012 to certain community colleges, but none since then. This is an unfunded mandate on universities and community colleges at a time when other state funding has been declining. Fewer veterans have been availing themselves of this benefit because of a similar federal program passed in the wake of 9/11. Restoring funding to these programs would help universities and community colleges recover from the steep cuts in state funding and also make it more financially advantageous to them to aggressively recruit veterans, which also will draw in more federal funding.
- **ISAC Program Operations, \$4.0 Million** – ISAC operations and support programs have long been supported by federal loan management revenues but the federal program changed in 2010 and ISAC no longer services new loans. They have continued to service old loans but federal revenues have fallen sharply. ISAC netted \$30 million in Fiscal Year 2017 and that is expected

to be just \$14 million in Fiscal Year 2019. There also is the possibility that the federal government could pull back the remaining loans entirely at any time. ISAC has warned for years that there would be a time when federal funding would no longer be available to cover agency costs. It appears that time has come. Without this funding ISAC would not be able to adequately manage its state mandates.

- **Emergency Capital Funding for Institutions, \$20 Million** – Public universities and community colleges’ deferred maintenance needs have ballooned to over \$5.5 billion. The steady decline in state operations funding has limited the capacity of institutions to even address emergencies. The budget impasse resulted in a sharp decline in the bond rating of public institutions. This makes bonding for repair costs prohibitive. The cost to address already identified health and safety projects at public universities alone exceeds even this request.
- **State University Retirement System (SURS) Pension Contributions, \$67.6 Million** – This increase in appropriation is to match the \$1,655,543,000 certified state contribution as required by state law. **The increase actually is only \$26.3 million** because the certified contribution for Fiscal Year 2018, which the law mandates be paid, is \$41.3 million higher than the appropriations included in Public Act 100-0021.
- **Community College Retiree Health Insurance, \$257,500** – This increase in funding to the State University Retirement system is required under the State Employee Group Insurance Act of 1971.

Table 1
FY2019 RECOMMENDATIONS
HIGHER EDUCATION OPERATIONS AND GRANTS
GENERAL FUNDS*

(in thousands of dollars)

	FY2015 Final Appropriations	FY2016 Enacted Appropriations †	FY2017 Final Appropriations ††	FY2018 Final Appropriations	FY2019 IBHE Recommendations
Resource Requirements					
Universities	\$ 1,201,776.6	\$ 350,059.1	\$ 1,205,164.0	\$ 1,083,448.4	1,107,584.5
Community Colleges	287,880.0	74,142.3	288,888.8	259,855.8	265,417.5
Adult Education/Postsecondary Career and Technical Education	51,301.4	-	102,602.8	51,323.4	52,468.3
Illinois Student Assistance Commission	376,672.7	324,560.7	377,563.7 **	412,695.2	547,925.0
Illinois Mathematics and Science Academy	18,030.7	6,000.0	18,030.7	18,030.7	18,432.9
State Universities Civil Service System	1,176.2	75.0	1,101.2	1,058.6	1,082.2
Board of Higher Education	3,058.8	500.0	21,929.3	2,753.0	22,814.4
IBHE Institutional Grants/Special Initiatives	7,743.5	-	6,939.4	7,316.9	7,374.2
Total Institutional Operations and Grants	\$ 1,947,639.9	\$ 755,337.1	\$ 2,022,219.9	\$ 1,836,482.0	2,023,099.0
State Universities Retirement System	1,351,659.5	1,416,104.6	1,505,735.1	1,377,118.3	1,444,933.8
CC Health Insurance Fund	4,459.5	4,624.6	4,309.1	4,133.3	4,390.8
State Contribution to SURS (General Funds Only)	1,347,200.0	1,411,480.0	1,501,426.0	1,372,985.0 @	1,440,543.0
Total	\$ 3,299,299.4	\$ 2,171,441.7	\$ 3,527,955.0	\$ 3,213,600.3	3,468,032.8
Source of Appropriated Funds					
General Funds*	\$ 3,299,299.4	\$ 2,171,441.7	\$ 3,527,955.0	\$ 3,213,600.3	3,468,694.6
General Revenue Fund	1,863,878.9	1,427,209.2	2,146,528.3	1,516,988.9	1,643,300.6
Education Assistance Fund	1,435,420.5	592,657.5	1,235,076.3	1,593,111.4	1,719,585.2
Budget Stabilization Fund	-	575.0	250.0	-	-
Personal Property Tax Replacement Fund	-	-	97,100.0	103,500.0	105,808.8
Fund for the Advancement of Education	-	151,000.0	49,000.4	-	-

* General funds total includes Budget Stabilization Fund, Personal Property Tax Replacement Fund, & the Fund for the Advancement of Education

** ISAC total for FY17 does not include grant programs that were appropriated in FY17 but used to pay FY17 grants

† Includes Federal Pass Through (PA 99-409, PA 99 491) Stop Gap I (PA 99-502), Stop Gap II (PA 99-524) appropriated for FY16
Excludes all court ordered personal services for FY2016 (for state agencies).

†† Includes Stop Gap II (PA 99-524) appropriated for FY17 & funds from PA 100-21

@ Amount appropriated is less than the amount certified by SURS which must be paid by state law

Table 2

FY2019 RECOMMENDATIONS
HIGHER EDUCATION OPERATIONS AND GRANTS *
ALL APPROPRIATED FUNDS

(in thousands of dollars)

	FY2015 Final Appropriations	FY2016 Enacted Appropriations †	FY2017 Final Appropriations ††	FY2018 Final Appropriations	FY2019 IBHE Recommendations
Resource Requirements					
Universities	\$ 1,210,719.9	\$ 356,375.3	\$ 1,214,189.2	\$ 1,092,685.1	\$ 1,116,997.2
Community Colleges	299,910.0	84,922.3	303,463.8	274,430.8	279,992.5
Adult Education/Postsecondary Career and Technical Education	94,051.4	44,000.0	145,352.8	93,573.4	94,718.3
Illinois Student Assistance Commission	760,478.5	679,857.5	729,002.7	731,028.9	833,258.7
Illinois Mathematics and Science Academy	21,080.7	9,050.0	21,080.7	21,580.7	22,132.9
State Universities Civil Service System	1,176.2	75.0	1,101.2	1,058.6	1,082.2
Board of Higher Education Operations	4,088.8	1,560.0	22,989.3	3,933.0	24,064.4
IBHE Institutional Grants/Special Initiatives	13,243.5	5,500.0	12,439.4	12,816.9	12,874.2
Total Institutional Operations and Grants	\$ 2,404,749.0	\$ 1,181,340.1	\$ 2,449,619.1	\$ 2,231,107.4	\$ 2,385,120.4
State Universities Retirement System	1,548,659.5	1,606,104.6	1,675,735.1	1,592,118.3	@ 1,659,933.8
CC Health Insurance Fund	4,459.5	4,624.6	4,309.1	4,133.3	4,390.8
State Contribution to SURS (General Funds Estimate)	1,347,200.0	1,411,480.0	1,501,426.0	1,372,985.0	1,440,543.0
State Contribution to SURS (State Pension Fund Estimate)	197,000.0	190,000.0	170,000.0	215,000.0	215,000.0
Total	\$ 3,953,408.5	\$ 2,787,444.7	\$ 4,125,354.2	\$ 3,823,225.7	\$ 4,045,054.2
Source of Appropriated Funds					
General Funds	\$ 3,299,299.4	\$ 2,171,441.7	\$ 3,527,955.0	\$ 3,213,600.3	\$ 3,468,032.8
General Revenue Fund	1,863,878.9	1,427,209.2	2,146,528.3	1,516,988.9	1,638,638.8
Education Assistance Fund	1,435,420.5	592,657.5	1,235,076.3	1,593,111.4	1,723,585.2
Budget Stabilization Fund	-	575.0	250.0	-	-
Personal Property Tax Replacement Fund	-	-	97,100.0	103,500.0	105,808.8
Fund for the Advancement of Education	-	151,000.0	49,000.4	-	-
Other State Funds	275,423.3	265,911.2	251,252.8	296,371.7	296,767.7
Federal Funds	378,685.8	350,091.8	346,146.4	313,253.7	280,253.7

*Includes all General, Other State, and Federal Appropriated Funds. The All Appropriated Funds Table does not include all funding sources (ex. income funds for universities and community college property tax contributions).

**ISAC total for FY17 does not include grant programs that were appropriated in FY17 but used to pay FY17 grants

† Includes Federal Pass Through (PA 99-409, PA 99 491) Stop Gap I (PA 99-502), Stop Gap II (PA 99-524) appropriated for FY16

†† Includes Stop Gap II (PA 99-524) appropriated for FY17 & funds from PA 100-21

@ Amount appropriated is less than the amount certified by SURS which must be paid by state law

Table 3
 FY2019 RECOMMENDATIONS
 HIGHER EDUCATION OPERATIONS AND GRANTS
 OTHER APPROPRIATED FUND SOURCES
 (in thousands of dollars)

	FY2015 Appropriations	FY2016 Appropriations †	FY2017 Appropriations ††	FY2018 Appropriations	FY2019 Recommendations
Fire Prevention Fund (SIU & U of I)	\$ 4,032.3	\$ 3,816.2	\$ 4,127.2	\$ 4,338.7	\$ 4,338.7
CSU Education Improvement Fund	1,600.0	1,600.0	1,600.0	1,600.0	1,600.0
State College and University Trust Fund (EIU, ISU, NIU, SIU, & U of I)	354.0	341.0	341.0	341.0	517.0
General Professions Dedicated Fund (CSU, SIU, & U of I)	2,057.0	-	2,057.0	2,057.0	2,057.0
Emergency Public Health Fund (U of I)	200.0	200.0	200.0	200.0	200.0
Used Tire Management Fund (U of I)	200.0	200.0	200.0	200.0	200.0
Hazardous Waste Research Fund (U of I)	500.0	500.0	500.0	500.0	500.0
ISAC Federal State Student Incentive Trust Fund	15,500.0	15,500.0	15,900.0	13,700.0	13,700.0
Illinois National Guard Grant Fund (ISAC)	20.0	20.0	20.0	20.0	20.0
ISAC Contracts and Grants Fund	10,000.0	10,000.0	10,000.0	10,000.0	10,000.0
University Grant Fund (ISAC)	110.0	110.0	110.0	110.0	110.0
Optometric Licensing & Disciplinary Board Fund (ISAC)	50.0	50.0	50.0	50.0	50.0
IL Future Teachers Corps Scholarship Fund (ISAC)	140.0	225.0	312.6	100.0	100.0
ISAC Accounts Receivable Fund	300.0	300.0	300.0	300.0	300.0
Student Loan Operating Fund (ISAC)	357,685.8	329,091.8	324,746.4	294,053.7	261,053.7
IBHE Federal Grants Fund	5,500.0	5,500.0	5,500.0	5,500.0	5,500.0
Private College Academic Quality Assurance Fund (IBHE)	80.0	80.0	80.0	100.0	100.0
Academic Quality Assurance Fund (IBHE)	400.0	400.0	400.0	500.0	500.0
PBVS Quality Assurance Fund (IBHE)	550.0	550.0	550.0	550.0	550.0
Distance Learning Fund (IBHE)	-	30.0	30.0	30.0	100.0
Illinois Mathematics and Science Academy Income Fund	3,050.0	3,050.0	3,050.0	3,550.0	3,700.0
ICCB Adult Education Fund	24,500.0	24,500.0	24,500.0	24,500.0	24,500.0
ICCB Federal Trust Fund	480.0	480.0	525.0	525.0	525.0
ICCB Contracts and Grants Fund	10,000.0	10,000.0	12,500.0	12,500.0	12,500.0
ICCB Career and Technical Education Fund	18,500.0	18,500.0	18,500.0	18,500.0	18,500.0
ICCB Instructional Development Revolving Fund	300.0	300.0	300.0	300.0	300.0
SBE GED Testing Fund (ICCB)	1,000.0	1,000.0	1,000.0	500.0	500.0
State Pension Fund (SURS)	197,000.0	190,000.0	170,000.0	215,000.0	215,000.0
TOTAL	\$ 654,109.1	\$ 616,344.0	\$ 597,399.2	\$ 609,625.4	\$ 577,021.4

Justification for Requested Fiscal Year 2019 Funding Increases

Maintaining Buying Power: Stopping Long Decline in State Support and the Budget Impasse

IBHE recommends a total increase of \$31.4 million spread across all of the public universities, community colleges, and higher education agencies to cover projected inflation (1.91 percent) plus the initial cost of the P.A 100-0023 pension law changes (0.32 percent). As noted previously, the harm done to the public higher system during the budget impasse provided ample justification to request even more funds to help institutions recover but we know state finances are limited and it also is important to focus on important priorities discussed further in this report.

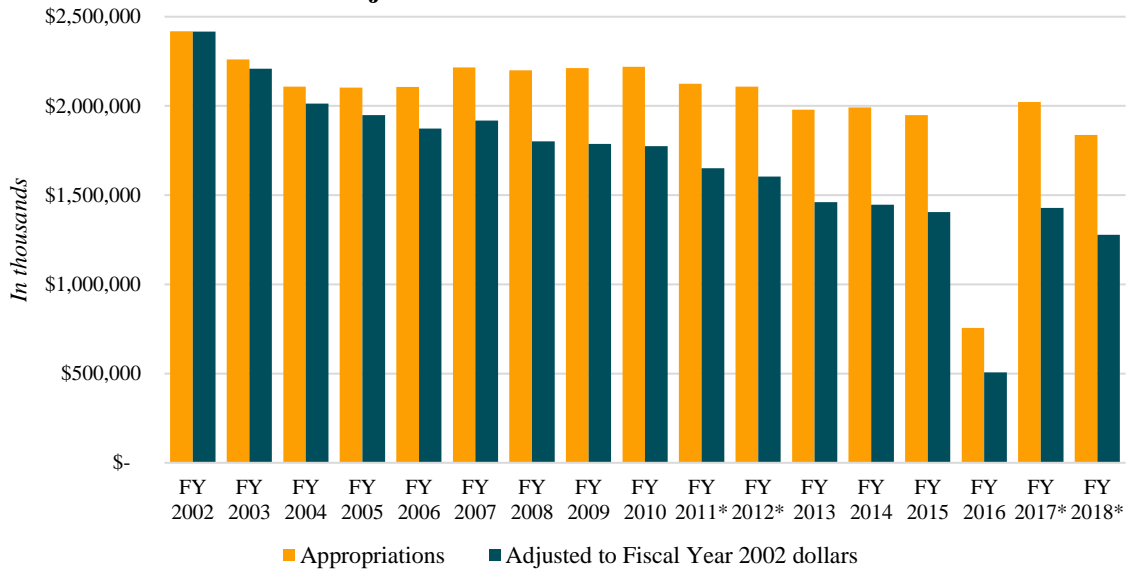
However, it is important that Fiscal Year 2019 funding level is sufficient to allow the higher education system to maintain their Fiscal Year 2018 buying power to allow for stability and recovery. The Fiscal Year 2018 appropriations for higher education operations, excluding pension funding, represented a ten percent cut from Fiscal Year 2017 funding and that was on top of the deep \$1.2 billion bite out of assets experienced in Fiscal Year 2016. Unfortunately, as difficult as it is to adapt to those cuts, they actually were a continuation of a long decline in state support. Universities and community colleges have been adapting to multiple reductions since the peak in Fiscal Year 2002. In nominal dollars, unadjusted for inflation, higher education declined from \$2,417,830,000 in Fiscal Year 2002 to \$1,837,726,000, a cut of 24 percent. No other major sector of the Illinois state budget received less funding in Fiscal Year 2018 than they did in Fiscal Year 2002.

Over that period there also were additional financial burdens placed on higher education:

- In Fiscal Year 2002 the state funded Illinois Veterans and Illinois National Guard public university and community college tuition and fee waivers directly through grants from the Illinois Student Assistance Commission. Colleges and universities are still required to grant those waivers to eligible individuals but there is no state reimbursement for the estimated \$31.0 million in Fiscal Year 2018 costs.
- Since Fiscal Year 2008 universities have been required to pay \$45 million for employee health insurance. Previously the state covered all of those costs.
- This year the initial change to the pension system passed as part of P.A. 100-0023 will cost the higher education system, primarily public universities, \$4.3 million. Pension payment changes which require employers, instead of the state, to cover normal pension costs will impact higher education substantially more in future years, once the changes are implemented after assuming federal government approval.
- There have been other unfunded mandates that decrease the real net funding available, such as the requirement to pay the Capital Development Board three percent of the project cost on capital projects, but those are not simple to accurately calculate a total figure.

In addition to the appropriations reductions and the indirect reductions resulting from unfunded mandates, the higher education system, when inflation is factored in the buying power of the Fiscal Year 2018 appropriation is just over half (52.8 percent) of the Fiscal Year 2002 level. The buying power for public universities is only 49 percent. Naturally receiving just 30 percent of the previous year funding for Fiscal Year 2016 makes it even more difficult for public universities and community colleges to recover and move forward. ***Therefore it is critical that higher education at minimum receive funding to allow the system to keep pace with inflation and end the long decline in state support.***

Figure 1
Illinois Higher Education Appropriations Operations History
Adjusted for Mandates and Inflation

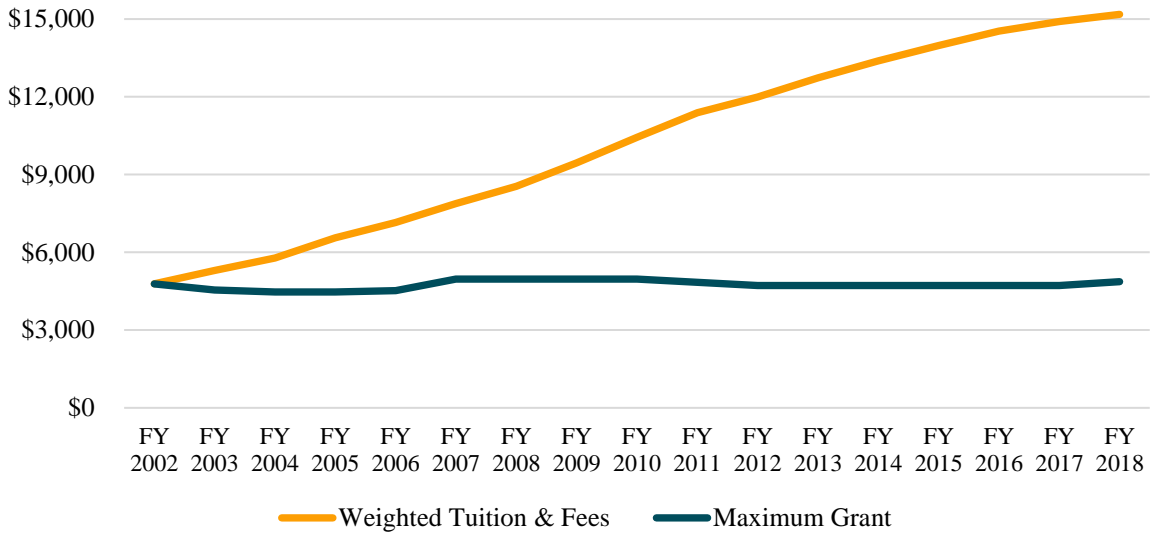


* Veterans and National Guard waivers paid by universities and colleges estimated for Fiscal Years 2011, 2012, 2017, and 2018

Monetary Award Program: Promoting Affordability, Equity, and Illinois Higher Education

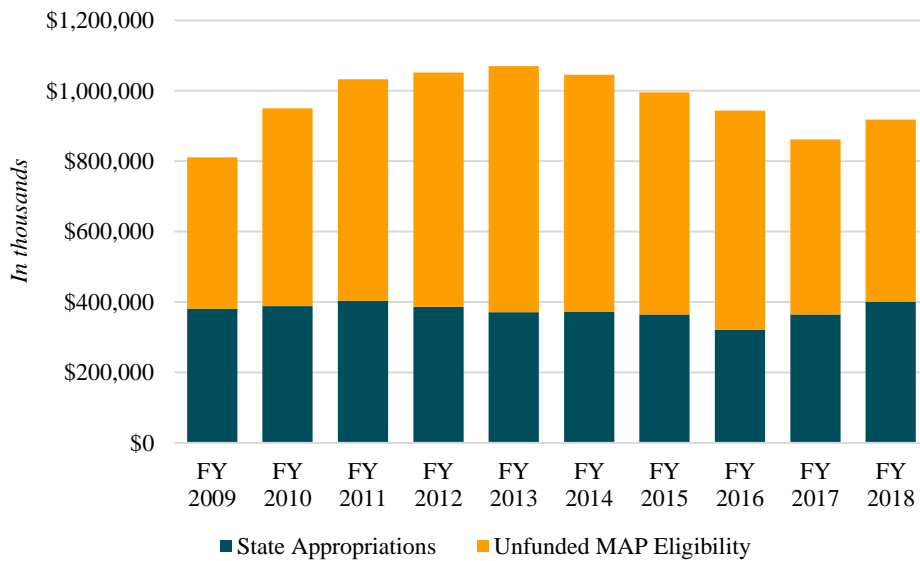
IBHE recommends an increase of \$100 million for the Monetary Award Program to increase the number of awards and improve the proportion of tuition and fees grants can cover. For Fiscal Year 2018, the appropriation was increased by ten percent to \$401.3 million and was the only increase granted for higher education while most of the system received a ten percent decrease. The increase was much appreciated by all in higher education and it allowed for an increase in the number of grants and a significant increase in the proportion of tuition and fees covered for recipients attending community colleges. However, when viewed in a historic context, coverage is still a fraction of what it used to be. With the sharp increases in tuition and fees imposed to offset declines in state support, affordability has become in increasing concern. While MAP is extremely helpful, its funding has not kept up. In spite of ISAC being able to use part of the increased MAP funding to increase the Fiscal Year 2018 effective maximum grant to \$4,869 from \$4,720 where it had been since Fiscal Year 2001, it is lower than the effective maximum of \$4,968 in Fiscal Year 2002. In fact the maximum effective grant covered 100 percent of public university and community college tuition and fees and 29 percent of private college and university costs in Fiscal Year 2002. For Fiscal Year 2018 it will only cover 66 percent for community colleges costs, 32 percent for public universities, and 13 percent for private colleges and universities.

Figure 2
Monetary Award Program Grant Tuition and Fees Coverage
 Public Universities



It is important too that even though MAP covers only a fraction of the cost of tuition and fees for those who would struggle to afford college without it, ISAC also cannot cover all of the eligible applications it receives. They must cut off applications and adjust the numbers to match the funding available. As recently as Fiscal Year 2009 MAP was able to cover 47 percent of eligible award costs. For Fiscal Year 2016 that reached a low of just 34 percent. With increased funding for Fiscal Year 2018, ISAC projects it will be able to cover 43.7 percent of eligible costs. For public university students that means MAP will be able to cover 32 percent of the weighted tuition for less than half of eligible students.

Figure 3
Monetary Award Program Funding History



MAP funding helps those Illinoisans facing the greatest financial pressures and the greatest financial needs for attending Illinois colleges or universities. With the additional funding ISAC received this year for MAP, community college attendees were prioritized by doubling the proportion of tuition and fees covered. This allows the program to maximize the number of additional awards it can issue. Looking next at the portion of awards going to public university students, they are more likely to be used to attend schools that have been facing the greatest difficulties attracting students and MAP funding comprises a larger portion of their revenues. For four public universities the amount of MAP award dollars paid out in Fiscal Year 2017 was equal to over 20 percent of the amount they received in appropriations for Fiscal Year 2018. Overall MAP was the equivalent of 14.2 percent of public university appropriations. A lack of timely MAP reimbursements during the budget impasse added to the financial pressures on colleges and universities. It is likely the schools who suffered the most from enrollment declines tied to the budget impasse will benefit the most from increased MAP funding.

Figure 4
Public University Distribution of Monetary Award Program Awards
 Fiscal Year 2016 Enrollment and Awards, Fiscal Year 2018 Appropriation

	2016 Enrollment	% of State Enrollment	2016 Awards	% of State Awards	Awards % of Enrolled	MAP \$ Paid	FY 18 Appropriations	Map \$/Uni. Approp.
CSU	2,095	1.5%	1,286	3.0%	61.4%	\$ 3,161.7	\$ 32,697.4	9.7%
EIU	5,568	4.1%	1,998	4.6%	35.9%	7,028.8	38,678.1	18.2%
GSU	3,326	2.4%	1,499	3.5%	45.1%	3,506.0	21,656.0	16.2%
ISU	18,330	13.5%	4,656	10.8%	25.4%	16,926.1	65,004.0	26.0%
NEIU	7,113	5.2%	2,882	6.7%	40.5%	7,277.4	33,209.0	21.9%
NIU	13,454	9.9%	5,289	12.2%	39.3%	9,036.4	81,983.5	23.2%
SIU System	–	–	–	–	–	–	180,913.8	10.6%
SIUC	10,987	8.1%	3,315	7.7%	30.2%	1,680.8	–	–
SIUE	11,402	8.4%	2,606	6.0%	22.9%	7,475.7	–	–
U of I System	–	–	–	–	–	–	583,005.9	11.5%
UIC	19,448	14.3%	8,844	20.4%	45.5%	4,582.7	–	–
UIS	2,932	2.2%	794	1.8%	27.1%	2,598.2	–	–
UIUC	33,955	24.9%	7,118	16.5%	21.0%	29,755.5	–	–
WIU	7,599	5.6%	2,980	6.9%	39.2%	11,063.6	\$ 46,300.7	23.9%
Public University Totals	136,209	100.0%	43,267	100.0%	31.8%	\$ 154,092.9	\$ 1,083,448.4	14.2%

(in Thousands)

In recent years ISAC has seen a decline in FASFA) applications (which serves as the MAP application) volume and a resulting decline in MAP eligibility. Based on the underlying trends it seems likely some of this was related to students and families discouraged by the budget impasse. Also, many potential students who apply for MAP grants are uncertain if they actually will attend. Some who receive an award do not go on to use it. This is particularly true for community college awardees. It is logical to assume the negative publicity about public education in Illinois including MAP grants during the budget impasse, discouraged some students from even applying. Additional MAP funding and the accompanying publicity should help encourage more students to complete FASFA, providing eligibility for MAP, as well as PELL and other funding opportunities. In fact,

ISAC projects an increase in applications in Fiscal Year 2018 and this will result in more eligible applications.

More robust MAP funding will be an important part of the effort to rebuild the reputation of Illinois' higher education system and to winning back students and families to the value of attending Illinois colleges and universities. Note, in Fiscal Year 2017, 45.1 percent of award dollars went to students attending private sector institutions. Therefore, increased MAP funding is not only a benefit to public community college and university students but also for students of Illinois' vibrant private sector higher education system.

Illinois Veterans and National Guard Grants: Win-Win-Win

IBHE recommends the state return to funding Illinois Veterans Grant (\$19,921,300) and Illinois National Guard Grant (\$11,343,300) tuition and fee waivers through the Illinois Student Assistance Commission. In both cases these amounts are equal to what public universities and community colleges spent without being reimbursed in Fiscal Year 2017. Until Fiscal Year 2010 most of these costs were covered by ISAC grants. There was partial funding in Fiscal Years 2011 and 2012. The requirement that public universities and community colleges grant the waivers continued but there has been no ISAC grants to cover the lost revenues since Fiscal Year 2012 other than partial funding for the IVG program through the Illinois Community College Board for colleges for whom the lost revenues is particularly burdensome (\$1,328,800 for Fiscal Year 2018 and the same requested for Fiscal Year 2019).

Institutional Equity: Considering the significant decline in state support this requirement is a burden on all public universities and community colleges. However, the burden is not shared equally and that burden generally falls more heavily on schools less able to carry it and less heavily on those with more resources. The enrollment of the three universities that received Essential Operating Funding payments in Fiscal Year 2018 due to their particular financial issues created by the budget impasse, Chicago State University, Eastern Illinois University and Western Illinois University, represented 9.4 percent of all public university students in Fiscal Year 2016 but they covered 22.4 percent of all IVG and ING awards that year. Conversely, only two public universities survived the budget impasse with investment grade bond ratings, the University of Illinois and Illinois State University. The enrollments of Illinois State University, University of Illinois at Urbana-Champaign, and University of Illinois at Chicago represented 51.6 percent of all public university students in Fiscal Year 2016 but they only provided 21.5 percent of IVG and ING awards. Therefore, while returning to direct state funding would be welcomed by all public universities and community colleges the benefits would be greater for those institutions who could best use it to recover from the budget impasse.

Community colleges actually provided 57.4 percent of all awards in Fiscal Year 2016. Since community college tuition and fees are significantly lower than those for universities they only covered 32.1 percent of the costs. However, this does mean that returning to direct state funding will benefit all public institutions across the entire state.

Figure 5
**Impact of Veterans and Illinois National Guard Scholarships on Universities
and Community Colleges – Fiscal Year 2016**

	Fall 2016 All Enrolled	Fall 2016 % All Student	IVG & ING Awards	Awards % of Enrolled	Pub. Univ. % of Awards	Awards/ Enrolled/FTE
CSU	3,578	1.9%	122	3.4%	3.9%	205%
EIU	7,415	3.9%	191	2.6%	6.1%	155%
GSU	5,819	3.1%	142	2.4%	4.5%	147%
ISU	21,039	11.2%	172	0.8%	5.5%	49%
NEIU	9,538	5.1%	64	0.7%	2.0%	40%
NIU	19,015	10.1%	349	1.8%	11.2%	110%
SIUC	15,987	8.5%	549	3.4%	17.5%	207%
SIUE	14,142	7.5%	389	2.8%	12.4%	166%
UIC	29,120	15.5%	244	0.8%	7.8%	50%
UIS	5,428	2.9%	261	4.8%	8.3%	289%
UIUC	46,951	24.9%	256	0.5%	8.2%	33%
WIU	10,373	5.5%	391	3.8%	12.5%	227%
Public University	188,405		3,130	1.7%	42.6%	
Community College*	304,173		4,221	1.4%	57.4%	
Total	492,578		7,351	1.5%	100.0%	

** ICCB normally is provided a grant to help some community colleges most burdened by covering IVG and ING costs, but not for Fiscal Year 2016.*

Source: Illinois State Student Assistance Commission Data Book 2016

Benefit to Veterans: Unfortunately, the current IVG and ING financing system creates a subtle disincentive for universities and community colleges to recruit and provide supplemental supports. This is particularly true in a time when state funding was cut by 10 percent and many potential students are leery of attending in-state institutions and it appears some are even choosing to not attend college at all. There is no sign that universities and community colleges have cut-back on their recruitment efforts but the budget impasse makes it a harder sell and they have difficult financial choices on how to reinvigorate their enrollments and keep students in Illinois. While returning to direct state funding would not add any new benefit for veterans or National Guard members, it would represent a reinvigorated commitment to those groups and create an incentive to put renewed efforts into attracting potential veteran and National Guard members.

Drawing Federal Funds: The number of National Guard grants has fluctuated since about 2004 and actually was up a bit in Fiscal year 2017. However, the number of awards has fallen sharply since 2010. The main reason for this is a new federal veterans benefit passed in the wake of 9/11 that offers similar but not identical benefits. Veterans can choose which benefits to use and when. For instance, the VA benefits can be used for private schools while the state awards cannot. Application and enrollment data shows that the budget impasse has decreased the numbers of Illinois students applying for acceptance to and enrolling in Illinois higher education institutions, even to some extent private Illinois colleges. If the state again funded these grants directly through ISAC it would show a renewed commitment to both veterans and public higher education. This would create a vehicle to increase recruitment of veterans. However, based on the trend lines, even if such efforts are very successful it is unlikely it will result in more state funded grants creating

pressure to increase funding in future years. Rather, the growth would be in federal grant funds coming into the state.

Figure 6
Illinois Veterans Grants: Estimated Full Claims and Expenditures

	ISAC Appropriation	Estimated Full Claims	ISAC Expenditures	ICCB Expenditure	Claims Minus Expenditure	Recipients
2002	\$ 23,750,000	\$ 23,789,591	\$ 23,405,138	\$ 0	\$ 384,453	13,698
2003	23,750,000	26,746,500	23,713,191	0	3,033,309	14,511
2004	23,750,000	28,415,000	23,708,934	0	4,706,066	13,816
2005	23,750,000	30,739,188	23,433,750	0	7,305,438	13,209
2006	23,750,000	37,076,517	23,681,596	0	13,394,921	13,992
2007	23,750,000	41,022,294	23,639,180	0	17,383,114	13,602
2008	23,750,000	43,693,581	23,703,734	5,483,167	14,506,679	13,359
2009	23,750,000	44,768,842	23,721,313	6,086,987	14,960,542	12,775
2010	21,591,716	44,048,058	21,540,075	7,261,503	15,246,480	13,381
2011	2,700,000	40,927,855	2,721,922	7,252,695	30,953,238	11,163
2012 *	10,400,000	40,097,466	18,186,001	7,261,499	14,649,966	10,679
2013	\$0	40,168,969	0	750,000	39,418,969	10,004
2014	\$0	38,725,956	0	750,000	37,975,956	9,371
2015	\$0	38,092,966	0	1,287,800	36,805,166	8,286
2016	\$0	33,126,852	0	1,287,800	31,839,052	7,355
2017	\$0	32,593,822	0	1,328,800	31,265,022	6,991

* Additional funds used to pay Fiscal Year 2012 claims.

Source: Illinois State Student Assistance Commission

Promoting Illinois Higher Education: Returning to direct funding of IVG and ING grants through ISAC technically would not change the benefits available. However, in combination with additional MAP funding, it would demonstrate a commitment of the state to both veterans and Illinois public higher education. As noted previously, this would allow ISAC, community colleges and public universities to invigorate their efforts to promote college attendance by Illinois residents at Illinois schools by both veterans and National Guard members. This could be a part of the effort to rebuild the reputation and enrollments of Illinois higher education institutions with all populations.

State Pension Funding: Increase for Past Liabilities, Not Current Employees

IBHE recommended increase of \$67.6 million covers state contributions to the State University Retirement System for Fiscal Year 2019. This reflects the increase over the appropriated level passed in P.A. 100-0021. However, the actual increase will only be \$26.3 million because the recertified amount that must be paid pursuant to P.A. 97-0694 is \$41.3 million higher than the appropriation.

It is important to note that contributions to SURS are comprised of two very different calculations intended to address different purposes. First, there is the normal cost of pension liabilities for those currently working under SURS. The normal cost is the amount that actuaries calculate is necessary to fund 100 percent of the promised benefits to employees working in the given year based on an

agreed set of assumptions. This can be viewed as the funding going to support higher education being delivered right now. The second portion of the contribution goes to pay accumulated unfunded liabilities earned by employees for past service. This amount is set by formulas dictated by a state law intended to move SURS to 90 percent funding of liabilities by Fiscal Year 2045.

The funded ratio June 30, 2017, was 44.1 percent. For Fiscal Year 2019, 74.9 percent of contributions for pensions will go to cover past liabilities. Due to changes in the pension benefits for new hires starting after January 1, 2011, made in P.A 100-0023 the normal cost carried by the state is declining. Staffing reductions that took place during the budget impasse also reduced payroll, on which normal costs are based. While SURS contributions will continue to increase this is not due to current employees in the system.

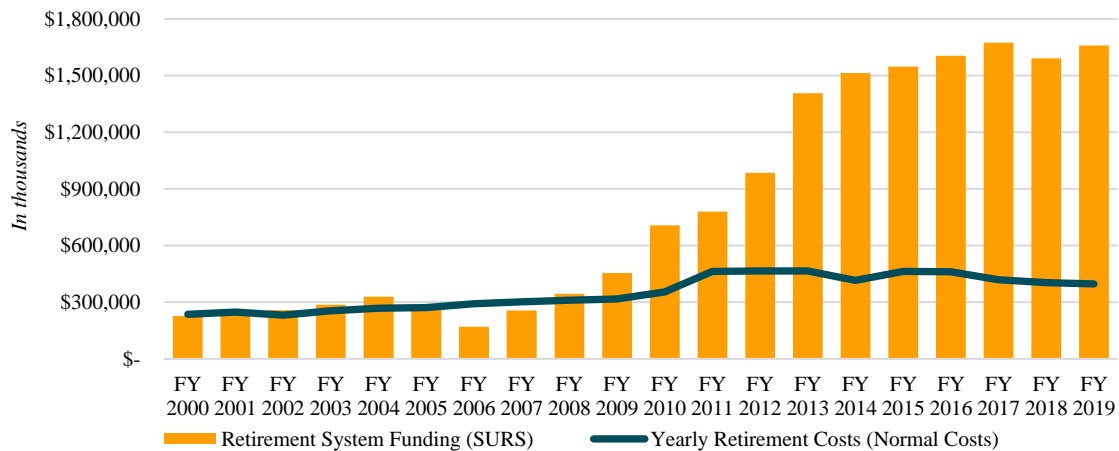
Figure 7
Distribution of State Certified SURS Pension Contributions

	Normal Costs				State Total Certified	Net Past Liability	% Past Liability
	Total	Employee	State	Expenses			
2017	\$ 703,138	\$ 283,520	\$ 419,618	\$ 16,087	\$ 1,651,426	\$ 1,215,721	73.6%
2018	689,456	285,632	403,824	16,690	1,629,308	1,208,794	74.2%
2019	676,719	278,992	397,727	17,316	1,655,543	1,240,500	74.9%

(in Thousands)

An increase of \$257,475 also is recommended to go to SURS to allow them to cover the certified amount to cover required payments for Community College Health Insurance.

Figure 8
State Pension Funding to SURS Compared to Higher Education Funding General Funds



Emergency Capital: Minimal Funding to Address the Worst Emergencies

IBHE recommends a new \$20 million appropriation for Emergency Capital Funding to Institutions for Fiscal Year 2019. State public higher education capital facilities represent a valuable asset that is worth maintaining. The replacement cost of state owned higher education facilities, including public university buildings, the Illinois Mathematics and Science Academy

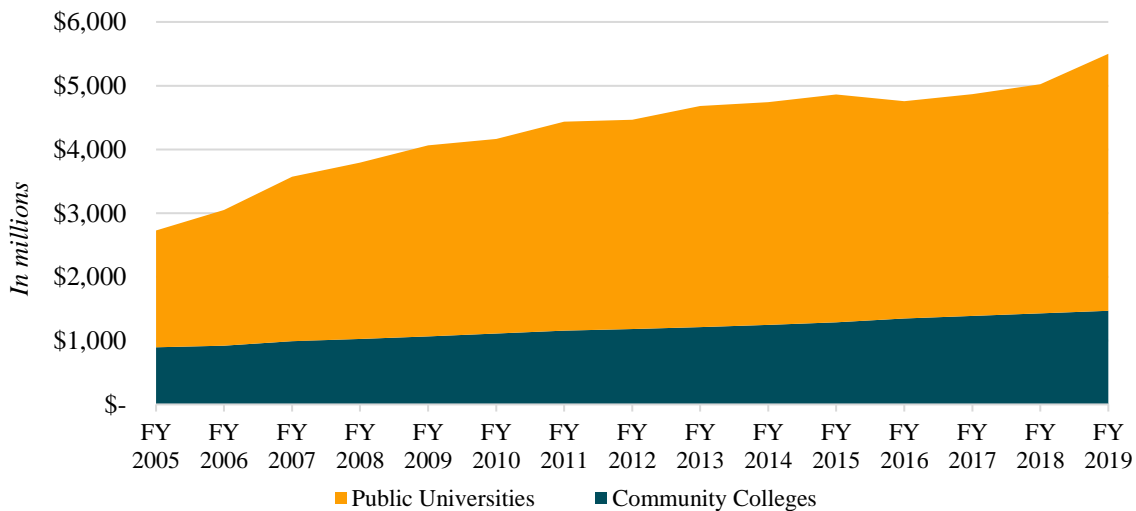
(IMSA), and the University Center of Lake County (UCLC) will be \$26.3 billion in Fiscal Year 2019.

Figure 9
Fiscal Year 2019 Capital Facility Replacement Cost

	Replacement Cost
Chicago State University	\$ 469,890,847
Eastern Illinois University	976,221,241
Governors State University	265,091,804
Illinois State University	1,653,080,712
Northeastern Illinois University	442,425,062
Northern Illinois University	4,320,958,145
Southern Illinois University Carbondale	2,077,485,749
Southern Illinois University Edwardsville	1,036,630,331
Southern Illinois University School of Medicine	260,195,734
University of Illinois at Chicago	5,628,108,992
University of Illinois at Springfield	443,884,069
University of Illinois at Urbana-Champaign	7,750,801,501
Western Illinois University	754,144,909
Public University Total	\$ 26,078,919,096
Illinois Mathematics and Science Academy	\$ 192,413,200
University Center of Lake County	31,553,678
Grand Total	\$ 26,302,885,974

As will be described in more detail later, the failure to make capital investments in higher education facility maintenance over an extended period has resulted in an enormous backlog of deferred maintenance. The estimated value of deferred maintenance will have doubled between Fiscal Year 2005 and Fiscal Year 2019, from \$2.7 billion to \$5.5 billion, not including IMSA or UCLC. That includes \$4 billion for public universities and almost \$1.5 billion for community colleges.

Figure 10
Public Higher Education Deferred Maintenance Estimates



As has been described previously, in addition to the lack of funding for capital maintenance, the state's investment in higher education operations has declined sharply. After adjusting for inflation and unfunded mandates, public university funding for Fiscal Year 2018 is only worth 49 percent of what they received in Fiscal Year 2002. In addition, the Fiscal Year 2016 budget was less than 30 percent of the Fiscal Year 2015 budget. This amounted to a reduction of \$201.4 million from community colleges and \$851.7 million from public universities. There was no way for schools to adjust to such reductions and most of those costs were paid from their asset balances. That is a dramatic reduction in funds that might have been diverted to cover critical maintenance problems.

These reductions and continued uncertainty through Fiscal Year 2017 resulted in bond rating downgrades for every state public university. Lower bond ratings increased the cost of borrowing for any project they might want to undertake and since only the University of Illinois and Illinois State University currently hold investment grade bond ratings it currently is cost prohibitive for most to borrow to address capital needs.

Clearly a \$20 million appropriation is a tiny fraction of the \$5.5 billion identified need and a far more extensive capital request will follow. However, there has not been significant capital funding for a number of years and the majority of the minimal funding provided in the Fiscal Year 2018 budget was for new projects, not maintenance. This long funding drought has resulted in an increasing number of health and safety situations universities and community colleges struggle to address. At least 17 projects have been identified where if the system failed it would result in stoppage of operations, danger to the campus population or both. To address all of these projects would cost in excess of \$44 million (Chicago State University has already experienced several partial closures that have been very disruptive and costly to address). This funding is only intended to allow funding to resolve a small number of problems that present the greatest danger to health and safety or most extensive disruption to normal operations.

Illinois Student Assistance Commission Operations: Maintaining Service

IBHE recommends \$4.0 million in an appropriation for ISAC to allow them to replace rapidly diminishing federal student loan support funding. Without this funding it likely will be difficult for ISAC to fulfill its state mandated administrative responsibilities.

The operating expenditures for ISAC, including for state programs and functions, have primarily been covered by the revenues generated from the guarantor operations for the Federal Family Education Loan Program (FFELP). However, federal passage of the Student Aid and Fiscal Responsibility Act in 2010 ended the issuance of new loans through the FFELP and moved all future student loans into the Direct Loan Program. ISAC now only generates income from the diminishing portfolio they held before the change. The revenues generated through FFELP are deposited in the Student Loan Operating Fund.

Losing the authority to oversee new loans was not the only negative financial change to FFELP earning potential in recent years. As an example, ISAC's largest single revenue stream is moving defaulted borrowers through the loan rehabilitation program. The rate at which agencies are paid for that work, called the rehabilitation retention rate, was cut without warning as part of the 2014 federal Bipartisan Budget Act, abruptly lowering the rate by 60 percent. ISAC's projected loss of revenue in Fiscal Year 2015 was estimated at over \$13 million annually assuming the same volume of rehabilitations.

As the FFELP portfolio winds down, ISAC management has been working to ensure that loan-related operations remain self-sustaining. For example, by outsourcing additional collections

activity and streamlining internal processes to make them more efficient. However, the program will not be able to continue to generate a sufficient surplus to sustain all other agency activities. Adding to the uncertainty is a question about the rate of decline in the portfolio's revenue-generating potential. As the portfolio continues to age, the default portfolio is expected to shrink at an accelerated pace. Moreover, because the program is in wind-down and the federal government has indicated that it would like to close the program out, that time frame could be dramatically accelerated; theoretically, the agency could at any time be directed to transfer its portfolio to another guarantor with little notice.

There is a real possibility that, at any time, the federal government may choose to recall the federal loans that are currently part of ISAC's portfolio or reassign them to another guarantor in an effort to consolidate outstanding loans and speed up the wind-down of FFELP. This prospect becomes increasingly likely as outstanding FFELP portfolios shrink, and it would likely mean an immediate end to new revenue without eliminating new costs. Even once a decision is made to reassign the loans away from ISAC, ending that stream of potential revenue, the agency will be responsible for a complicated process of deconversion, handling the orderly and secure transfer of the loans and their records from ISAC's proprietary legacy systems to one or more other entities' systems, which may not be compatible. These on-going responsibilities and expenses could last a decade or more. ISAC is currently planning for a scenario in which agency revenues for Fiscal Year 2019 will fall by about 35 percent, from the \$23 million expected for Fiscal Year 2018 to about \$15 million for Fiscal Year 2019. Given the known decline in revenues and the uncertainty about future revenues, this request is for funding sufficient to maintain current agency administrative functions in the event that FFELP revenues aren't sufficient to support non-FFELP functions. ISAC has already cut staff by more than half since 2005 and cannot continue reducing staffing without jeopardizing its ability to keep fulfilling all of its statutory responsibilities.

Table 4

FY2019 RECOMMENDATIONS
UNIVERSITIES OPERATIONS AND GRANTS
GENERAL FUNDS

(in thousands of dollars)

	FY2015 Final	FY2016 Enacted	FY2017 Final	FY2018 Final	*FY2019 IBHE
<u>Resource Requirements</u>	<u>Appropriations</u>	<u>Appropriations †</u>	<u>Appropriations ††</u>	<u>Appropriations</u>	<u>Recommendations</u>
Chicago State University	\$ 36,330.5	\$ 20,107.3	\$ 36,330.5	\$ 32,697.4	\$ 33,367.5
Eastern Illinois University	42,975.7	12,456.5	42,975.7	38,678.1	39,555.5
Governors State University	24,062.1	6,974.4	24,062.1	21,656.0	22,204.5
Illinois State University	72,226.7	20,934.9	72,226.7	65,004.0	66,459.1
Northeastern Illinois University	36,898.8	10,695.1	36,898.8	33,209.0	34,016.2
Northern Illinois University	91,092.7	26,403.2	91,092.7	81,983.5	83,726.1
Southern Illinois University***	199,558.5	57,482.2	199,782.4	180,913.8	184,796.2
Western Illinois University	51,445.2	14,911.4	51,445.2	46,300.7	47,340.4
University of Illinois***	647,186.4	180,094.1	650,349.9	583,005.9	596,119.0
Total	<u>\$ 1,201,776.6</u>	<u>\$ 350,059.1</u>	<u>\$ 1,205,164.0</u>	<u>\$ 1,083,448.4</u>	<u>\$ 1,107,584.5</u>
<u>Source of Appropriated Funds</u>					
<u>General Funds</u>					
General Revenue Fund	60,503.8	11,104.6	398,452.0	55,453.5	56,668.2
Education Assistance Fund	1,141,272.8	338,954.5	806,712.0	1,027,994.9	1,050,916.3

* Includes adjustment for performance at 0.5% based on FY 18 appropriations.

** University of Illinois and Southern Illinois University system totals

† Includes Federal Pass Through (PA 99-409, PA 99 491) Stop Gap I (PA 99-502), Stop Gap II (PA 99-524) appropriated for FY16.

†† Includes Stop Gap II (PA 99-524) appropriated for FY17.

TABLE 5

FY2019 RECOMMENDATIONS
UNIVERSITY OPERATIONS AND GRANTS
GENERAL FUNDS

FY 2019 PBF Allocation with 0.5% Performance Funding Set-Aside

(\$ in thousands)	FY2018 Final Appropriation	Performance Funding			FY 2019 Before 0.5% Set-Aside	FY 2019 Final Recommendations
		Set Aside*	FY2019 Model Performance Funds	Net Change **		
Public Universities	\$ <u>1,083,448.4</u>	\$ <u>5,417.2</u>	\$ <u>5,417.2</u>	\$ <u>0.0</u>	\$ <u>1,107,584.5</u>	\$ <u>1,107,584.5</u>
Chicago State University	32,697.4	163.5	114.0	-49.5	33,417.0	33,367.5
Eastern Illinois University	38,678.1	193.4	207.9	14.6	39,540.9	39,555.5
Governors State	21,656.0	108.3	173.7	65.4	22,139.1	22,204.5
Illinois State University	65,004.0	325.0	330.1	5.1	66,454.0	66,459.1
Northeastern Illinois University	33,209.0	166.0	232.5	66.4	33,949.8	34,016.2
Northern Illinois University	81,983.5	409.9	323.7	-86.2	83,812.3	83,726.1
Western Illinois University	46,300.7	231.5	238.4	6.9	47,333.5	47,340.4
<u>Southern Illinois University</u>	*** <u>180,913.8</u>	<u>904.6</u>	<u>773.7</u>	<u>-130.9</u>	<u>184,927.1</u>	<u>184,796.2</u>
Carbondale	118,414.0	592.1	514.6	-77.4	121,040.9	120,963.4
Edwardsville	62,499.8	312.5	259.0	-53.5	63,886.2	63,832.8
<u>University of Illinois</u>	**** <u>583,005.9</u>	<u>2,915.0</u>	<u>3,023.2</u>	<u>108.2</u>	<u>596,010.8</u>	<u>596,119.0</u>
Chicago	272,291.0	1,361.5	1,430.1	68.7	278,364.9	278,433.6
Springfield	21,373.5	106.9	119.1	12.2	21,850.3	21,862.5
Urbana/Champaign	289,341.4	1,446.7	1,474.1	27.3	295,795.6	295,823.0

* FY2019 Set Aside is based on a 0.5% reallocation of the final FY2018 budget level.

** Net change may not total because of rounding within the Performance Funding Formula.

*** SIU system office is allocated on a pro-rated basis to each campus, SIU School of Medicine is included with the Carbondale Campus.

**** UI system office is allocated on a pro-rated basis to each campus.

Table 6

FY2019 RECOMMENDATIONS
COMMUNITY COLLEGE OPERATIONS AND GRANTS
APPROPRIATED FUNDS
(in thousands of dollars)

	FY2015 Final Appropriations	FY2016 Enacted Appropriations †	FY2017 Final Appropriations ††	FY2018 Final Appropriations	FY2019 IBHE Recommendations
GRANTS TO COLLEGES					
<u>Unrestricted Grants to Colleges</u>	\$ 275,490.5	\$ 74,142.3	\$ 279,484.9	\$ 248,030.5	\$ 253,543.5
Base Operating Grants	186,968.3	50,445.0	274,601.0	168,271.5	172,025.2
Performance Based Funding	351.9	-	351.9	351.9	351.9
Designated Grant - City Colleges of Chicago	13,762.2	3,717.3	3,994.4	12,386.0	12,662.3
Small College Grants	537.6	-	537.6	537.6	537.6
Equalization Grants	73,870.5	19,980.0	- @	66,483.5	67,966.5
<u>Restricted Grants to Colleges</u>	-	-	-	-	-
<u>Other Grants and Initiatives</u>	9,962.8	-	7,634.2	9,641.3	9,641.3
Lincoln's Challenge Scholarships	60.2	-	60.0	60.2	60.2
East St. Louis Higher Education Center	1,457.9	-	1,457.9	1,457.9	1,457.9
Veterans Shortfall Grants	1,259.3	-	1,259.3	1,328.8	1,328.8
Alternative Schools Network	6,794.4	-	4,200.0	6,794.4	6,794.4
Designated Grants (Rock Valley)	391.0	-	-	-	-
Held in reserve by General Assembly	-	-	657.0	-	-
Total - College Grants and Initiatives	\$ 285,453.3	\$ 74,142.3	\$ 287,119.1	\$ 257,671.8	\$ 263,184.8
ILLINOIS COMMUNITY COLLEGE BOARD OPERATIONS					
<u>Administration (General Funds)</u>	2,426.7	-	1,769.7	2,184.0	2,232.7
Office Operations	1,937.9	-	1,280.9	1,744.1	1,783.0
Illinois Longitudinal Data System	488.8	-	488.8	439.9	449.7
<u>Administration (Other Appropriated Funds)</u>	12,030.0	10,780.0	14,575.0	14,575.0	14,575.0
ICCB Adult Education Administration	1,250.0	-	1,250.0	1,250.0	1,250.0
ICCB Contracts and Grants Fund	10,000.0	10,000.0	12,500.0	12,500.0	12,500.0
ICCB Federal Trust Fund	480.0	480.0	525.0	525.0	525.0
ICCB Instructional Dev./Enhancement Revolving Fund	300.0	300.0	300.0	300.0	300.0
Total - Illinois Community College Board	\$ 14,456.7	\$ 10,780.0	\$ 16,344.7	\$ 16,759.0	\$ 16,807.7
TOTAL	\$ 299,910.0	\$ 84,922.3	\$ 303,463.8	\$ 274,430.8	\$ 279,992.5
<u>Source of Appropriated Funds</u>					
<u>General Funds *</u>	287,880.0	74,142.3	288,888.8	259,855.8	265,417.5
General Revenue Fund	27,041.2	-	126,316.8	25,100.8	25,425.8
Education Assistance Fund	260,838.8	74,142.3	47,797.0	131,255.0	134,182.9
Budget Stabilization Fund			250.0	-	-
Personal Property Tax Replacement Fund			97,100.0	103,500.0	105,808.8
Fund for the Advancement of Education			17,425.0	-	-
Other Appropriated Funds	12,030.0	10,780.0	14,575.0	14,575.0	14,575.0

* General funds total includes Budget Stabilization Fund, Personal Property Tax Replacement Fund, & the Fund for the Advancement of Education.

† Includes Federal Pass Through (PA 99-409, PA 99 491) Stop Gap I (PA 99-502), Stop Gap II (PA 99-524) appropriated for FY16.
Excludes all court ordered personal services for FY2016.

†† Includes Stop Gap II (PA 99-524) appropriated for FY17 & PA 100-21

@ Base operating & equalization grants combined in FY 17

Table 7

FY2019 RECOMMENDATIONS
ADULT EDUCATION AND POSTSECONDARY CAREER AND TECHNICAL EDUCATION

(in thousands of dollars)

<u>Resource Requirements</u>	FY2015 Final Appropriations	FY2016 Enacted Appropriations †	FY2017 Final Appropriations ††	FY2018 Final Appropriations	FY2019 IBHE Recommendations
<u>Adult Education</u>	\$ 57,482.0	\$ 25,500.0	\$ 90,714.0	\$ 57,004.0	\$ 57,745.8
<u>State Appropriated Funds</u>	34,232.0	1,000.0	67,464.0	33,754.0	34,495.8
Basic Grants	16,026.2	-	64,548.0	21,572.4	22,053.6
Performance Based Grants	10,701.6	-	-	10,701.6	10,940.3
Public Aid Grants	5,546.2	-	-	-	-
GED Test Administration	1,958.0	1,000.0	2,916.0	1,480.0	1,501.9
<u>Federal Adult Education Grants</u>	23,250.0 *	24,500.0	23,250.0 **	23,250.0 **	23,250.0 **
<u>Postsecondary Career and Technical Education*</u>	\$ 36,569.4	\$ 18,500.0	\$ 54,638.8	\$ 36,569.4	\$ 36,972.5
<u>State Appropriated Funds</u>	18,069.4	-	36,138.8	18,069.4	18,472.5
Career and Technical Education Programs	18,069.4	-	36,138.8	18,069.4	18,472.5
<u>Federal Career and Technical Education Grants</u>	18,500.0	18,500.0	18,500.0	18,500.0	18,500.0
<u>Source of Appropriated Funds</u>					
<u>General Funds *</u>	\$ 51,301.4	\$ -	\$ 102,602.8	\$ 51,323.4	\$ 52,468.3
General Revenue Fund	51,301.4	-	958.0	51,323.4	52,468.3
Education Assistance Fund	-	-	70,069.4	-	-
Fund for the Advancement of Education	-	-	31,575.4	-	-
<u>Other Appropriated Funds</u>	\$ 42,750.0	\$ 44,000.0	\$ 42,750.0	\$ 42,250.0	\$ 42,250.0
ICCB Adult Education Fund	23,250.0	24,500.0	23,250.0	23,250.0	23,250.0
ICCB Career and Technical Education Fund	18,500.0	18,500.0	18,500.0	18,500.0	18,500.0
ISBE GED Testing Fund	1,000.0	1,000.0	1,000.0	500.0	500.0

* General funds total includes Budget Stabilization Fund, Personal Property Tax Replacement Fund, & the Fund for the Advancement of Education.

** Excludes adult education fund appropriation used for operational expenses. This is included in the Community College total.

† Includes Federal Pass Through (PA 99-409, PA 99-491) Stop Gap I (PA 99-502), Stop Gap II (PA 99-524) appropriated for FY16.

Excludes all court ordered personal services for FY2016.

†† Includes Stop Gap II (PA 99-524) appropriated for FY17 & PA 100-21

Table 8

FY2019 RECOMMENDATIONS
ILLINOIS STUDENT ASSISTANCE COMMISSION
ALL FUNDS

(in thousands of dollars)

Resource Requirements	FY2015 Final Appropriations	FY2016 Enacted Appropriations †	FY2017 Final Appropriations ††	FY2018 Final Appropriations	FY2019 IBHE Recommendations
Monetary Award Program	\$ 364,856.3	\$ 320,798.7	\$ 364,856.3	\$ 401,341.9	\$ 501,341.9
General Funds	364,856.3	320,798.7 *	364,856.3	401,341.9	501,341.9
Other Grant and Scholarship Programs (State Funded)	<u>11,138.7</u>	<u>4,167.0</u>	<u>12,201.9</u>	<u>10,635.6</u>	<u>41,865.4</u>
Illinois Veteran Grants: General Funds	-	-	-	-	19,921.3
Higher Education License Plate Grants (HELP)	110.0	110.0	110.0	110.0	110.0
National Guard Grants: General Funds	-	-	-	-	11,343.7
National Guard Grants: Other Funds	20.0	20.0	20.0	20.0	20.0
Minority Teachers of Illinois Scholarships	2,443.8	-	2,500.0	1,900.0	1,900.0
Dependents Grants	1,026.4	513.0 **	1,715.0	1,192.1	1,192.1
Teacher/Child Care Provider Loan Repayment Program	488.8	-	485.0	439.9	439.9
Optometric Education Scholarship Program (OSF)	50.0	50.0	50.0	50.0	50.0
Golden Apple Scholars of Illinois (OSF)	140.0	225.0	312.6	100.0	100.0
Golden Apple Scholars of Illinois	6,498.0	3,249.0 **	6,647.6	6,498.0	6,498.0
Illinois Scholars	39.1	-	39.1	35.2	-
Veterans' Home Nurse Loan Repayment	29.3	-	29.3	26.4	26.4
Nurse Educator Loan Repayment	293.3	-	293.3	264.0	264.0
Other Grant and Scholarship Programs (Federally Funded)	<u>15,900.0</u>	<u>15,900.0</u>	<u>15,900.0</u>	<u>13,700.0</u>	<u>13,700.0</u>
Federal Grant Funding	15,000.0	15,000.0	15,000.0	13,000.0	13,000.0
John R. Justice Loan Repayment	500.0	500.0	500.0	300.0	300.0
Federal Paul Douglas Collections (Refund to ED)	400.0	400.0	400.0	400.0	400.0
Administration (General Funds)	<u>997.7</u>	<u>-</u>	<u>997.7</u>	<u>997.7</u>	<u>4,997.7</u>
Agency State Administration	-	-	-	-	4,000.0
Outreach/Research/Training	997.7	-	997.7	997.7	997.7
College Illinois! Marketing	-	-	-	-	-
Administration (Other Appropriated Funds)	<u>10,300.0</u>	<u>10,300.0</u>	<u>10,300.0</u>	<u>10,300.0</u>	<u>10,300.0</u>
Collections Activities (ISAC Accounts Receivable Fund)	300.0	300.0	300.0	300.0	300.0
Contracts & Grants Fund	10,000.0	10,000.0	10,000.0	10,000.0	10,000.0
Total, Grant Programs and Administration	<u>\$ 403,192.7</u>	<u>\$ 351,165.7</u>	<u>\$ 404,255.9</u>	<u>\$ 436,975.2</u>	<u>\$ 572,205.0</u>
Federal Loan Program Administration and Loan Reimbursements	<u>357,285.8</u>	<u>328,691.8</u>	<u>324,746.4</u>	<u>294,053.7</u>	<u>261,053.7</u>
Total	<u>\$ 760,478.5</u>	<u>\$ 679,857.5</u>	<u>\$ 729,002.3</u>	<u>\$ 731,028.9</u>	<u>\$ 833,258.7</u>
Source of Appropriated Funds					
General Funds ***	<u>\$ 376,672.7</u>	<u>\$ 324,560.7</u>	<u>\$ 377,563.7</u>	<u>\$ 412,695.2</u>	<u>\$ 547,925.0</u>
General Revenue Fund	365,854.0	-	79,851.8	997.7	32,262.7
Education Assistance Fund	10,818.7	173,560.7	297,711.9	411,697.5	515,662.3
Fund for the Advancement of Education	-	151,000.0	-	-	-
Federal Funds	15,500.0	15,500.0	15,900.0	13,700.0	13,700.0
Student Loan Fund	357,685.8	329,091.8	324,746.4	294,053.7	261,053.7
Other State Funds	10,620.0	10,705.0	10,792.6	10,580.0	10,580.0

* Funding allocated in Stop Gap II (for FY17) but used for Spring 2016 Awards (FY16).

** Funding was included as FY17 lump sum but used to pay FY16 awards

*** General funds total includes Budget Stabilization Fund, Personal Property Tax Replacement Fund, & the Fund for the Advancement of Education.

† Includes Federal Pass Through (PA 99-409, PA 99 491) Stop Gap I (PA 99-502), Stop Gap II (PA 99-524) appropriated for FY16.

Excludes all court ordered personal services for FY2016.

†† Includes Stop Gap II (PA 99-524) appropriated for FY17 & final appropriations from PA 100-21.

Table 9
 FY2019 RECOMMENDATIONS
 ILLINOIS MATHEMATICS AND SCIENCE ACADEMY
 ALL FUNDS

(in thousands of dollars)

<u>Resource Requirements</u>	<u>FY2015 Final Appropriations</u>	<u>FY2016 Enacted Appropriations †</u>	<u>FY2017 Final Appropriations</u>	<u>FY2018 Final Appropriationss</u>	<u>FY2019 IBHE Recommendations</u>
Illinois Mathematics and Science Academy	\$ 21,080.7	\$ 9,050.0	\$ 21,080.7	\$ 21,580.7	\$ 22,132.9
Total	<u>\$ 21,080.7</u>	<u>\$ 9,050.0</u>	<u>\$ 21,080.7</u>	<u>\$ 21,580.7</u>	<u>\$ 22,132.9</u>
 <u>Sources of Appropriated Funds</u>					
<u>General Funds</u>	<u>\$ 18,030.7</u>	<u>\$ 6,000.0</u>	<u>\$ 18,030.7</u>	<u>\$ 18,030.7</u>	<u>\$ 18,432.9</u>
General Revenue Fund	-	-	10,574.0	-	-
Education Assistance Fund	18,030.7	6,000.0	7,456.7	18,030.7	18,432.9
Illinois Mathematics and Science Academy Income Fund	3,050.0	3,050.0	3,050.0	3,550.0	3,700.0

† Includes Federal Pass Through (PA 99-409, PA 99 491) Stop Gap I (PA 99-502), Stop Gap II (PA 99-524) appropriated for FY16 .
 Excludes all court ordered personal services for FY2016.

Table 10
 FY2019 RECOMMENDATIONS
 STATE UNIVERSITIES CIVIL SERVICE SYSTEM

(in thousands of dollars)

<u>Resource Requirements</u>	<u>FY2015 Final Appropriations</u>	<u>FY2016 Final Appropriations †</u>	<u>FY2017 Final Appropriations ††</u>	<u>FY2018 Final Recommendations</u>	<u>FY2019 IBHE Recommendations</u>
<u>Office Operations</u>	\$ 1,176.2	\$ 75.0	\$ 1,101.2	\$ 1,058.6	\$ 1,082.2
Total	\$ 1,176.2	\$ 75.0	\$ 1,101.2	\$ 1,058.6	\$ 1,082.2
 <u>Sources of Appropriated Funds</u>					
<u>General Funds *</u>	\$ 1,176.2	\$ 75.0	\$ 1,101.2	\$ 1,058.6	\$ 1,082.2
General Revenue Fund	1,176.2	-	946.2	1,058.6	1,082.2
Education Assistance Fund			155.0		
Budget Stabilization Fund		75.0			

* General funds total includes Budget Stabilization Fund, Personal Property Tax Replacement Fund, & the Fund for the Advancement of Education.

† Includes Federal Pass Through (PA 99-409, PA 99-491) Stop Gap I (PA 99-502), Stop Gap II (PA 99-524) appropriated for FY16.
 Excludes all court ordered personal services for FY2016.

†† Includes Stop Gap II (PA 99-524) appropriated for FY17 & final appropriations from PA 100-21.

Table 11
 FY2019 RECOMMENDATIONS
 BOARD OF HIGHER EDUCATION
 ALL FUNDS

(in thousands of dollars)

<u>Resource Requirements</u>	FY2015 Final Appropriations	FY2016 Enacted Appropriations †	FY2017 Final Appropriations ††	FY2018 Final Appropriations	FY2019 IBHE Recommendations
Office Operations/Lump Sum	\$ 4,088.8 **	\$ 1,560.0	\$ 2,989.3 ***	\$ 3,933.0 **	\$ 4,064.4 **
Essential Operating Funding Payments to Institutions	-		20,000.0	-	-
Emergency Capital Funding to Institutions				-	20,000.0
Total	<u>\$ 4,088.8</u>	<u>\$ 1,560.0</u>	<u>\$ 22,989.3</u>	<u>\$ 3,933.0</u>	<u>\$ 24,064.4</u>
 <u>Source of Appropriated Funds</u>					
<u>General Funds</u>	<u>\$ 3,058.8</u>	<u>\$ 500.0</u>	<u>\$ 21,929.3</u>	<u>\$ 2,753.0</u>	<u>\$ 22,814.4</u>
General Revenue Fund	3,058.8	-	20,893.8	2,753.0	22,814.4
Education Assistance Fund	-	-	1,035.5	-	-
Budget Stabilization Fund	-	500.0	- **	-	-
 <u>Other Funds</u>	 <u>\$ 1,030.0</u>	 <u>\$ 1,060.0</u>	 <u>\$ 1,060.0</u>	 <u>\$ 1,180.0</u>	 <u>\$ 1,250.0</u>
Private College Academic Quality Assurance Fund	80.0	80.0	80.0	100.0	100.0
Academic Quality Assistance Fund	400.0	400.0	400.0	500.0	500.0
PBVS Quality Assurance Fund	550.0	550.0	550.0	550.0	550.0
Distance Learning Fund **	0.0	30.0	30.0	30.0	100.0

* General funds total includes Budget Stabilization Fund, Personal Property Tax Replacement Fund, & the Fund for the Advancement of Education.

** Includes Information Systems and Research Units

*** Portion of lump sum that was allocated to grant programs are including in the IBHE Grants Budget.

† Includes Federal Pass Through (PA 99-409, PA 99 491) Stop Gap I (PA 99-502), Stop Gap II (PA 99-524) appropriated for FY16.

Excludes all court ordered personal services for FY2016.

†† Includes Stop Gap II (PA 99-524) appropriated for FY17 & final appropriations from PA 100-21.

Table 12

FY2019 RECOMMENDATIONS
IBHE INSTITUTIONAL GRANTS/SPECIAL INITIATIVES
ALL FUNDS

(in thousands of dollars)

	FY2015 Final Appropriations	FY2016 Final Appropriations †	FY2017 Final Appropriations ††	FY2018 Final Recommendations	FY2019 IBHE Recommendations	
Higher Education Cooperation Act (HECA)	\$ -	\$ -	\$ -	\$ -	-	500.0
University Center of Lake County *	1,173.0	-	1,705.5 **	1,055.7	1,075.9	1,065.0
Quad Cities Graduate Study Center	82.0	-	82.0	73.8	75.2	82.0
MyCreditsTransfer	203.7	-	300.7 **	183.3	187.4	203.7
Cooperative Work Study Grants	1,089.4	-	1,089.4	980.5	999.3	1,089.4
Chicago Area Health & Medicald Careers Program	1,433.6	-	-	1,433.6	1,433.6	-
Illinois Mathematics and Science Fusion Program	106.5	-	106.5	95.9	97.7	106.5
Diversifying Higher Education Faculty in Illinois (DFI)	1,456.5	-	1,456.5	1,456.5	1,456.5	1,376.6
Grow Your Own Program	1,466.3	-	1,466.3	1,466.3	1,466.3	540.0
Nursing School Grants	415.4	-	415.4	373.9	381.1	300.0
Nurse Educator Fellowships	219.3	-	219.3	197.4	201.2	200.0
Washington Center Internship Program	97.8	-	97.8	-	-	-
NCLB - Improving Teacher Quality State Grant Program (Federal)	5,500.0	5,500.0	5,500.0	5,500.0	5,500.0	5,500.0
Total	\$ 13,243.5	\$ 5,500.0	\$ 12,439.4	\$ 12,816.9	\$ 12,874.2	\$ 10,963.2
<u>Sources of Appropriated Funds</u>						
<u>General Funds</u>	<u>\$ 7,743.5</u>	<u>\$ -</u>	<u>\$ 6,939.4</u>	<u>\$ 7,316.9</u>	<u>\$ 7,374.2</u>	<u>\$ 5,463.2</u>
General Revenue Fund	7,743.5	-	2,800.6	7,316.9	7,374.2	5,463.2
Education Assistance Fund	-	-	4,138.8			
<u>Other Funds</u>						
Federal Funds	5,500.0	5,500.0	5,500.0	5,500.0	5,500.0	5,500.0

**FY2017 Partial Appropriations were appropriated as IBHE Lump Sum

† Includes Federal Pass Through (PA 99-409, PA 99 491) Stop Gap I (PA 99-502), Stop Gap II (PA 99-524) appropriated for FY16.

†† Includes funding from Stop Gap II (PA 99-524) & PA 100-21, since funding for grants was passed after June 30, 2017 most grant spending could not be spent.

Table 13
 FY2019 RECOMMENDATIONS
 STATE UNIVERSITIES RETIREMENT SYSTEM
 ALL FUNDS

(in thousands of dollars)

	FY2015	FY2016	FY2017	FY2018	FY2019
<u>Resource Requirements</u>	<u>Final Appropriations</u>	<u>Enacted Appropriations †</u>	<u>Final Appropriations †</u>	<u>Final Appropriations *</u>	<u>IBHE Recommendations</u>
<u>State University Retirement System</u>	\$ 1,548,659.5	\$ 1,606,104.6	\$ 1,675,735.1	\$ 1,592,118.3	\$ 1,659,933.8
Contributions to State University Retirement System	1,544,200.0	1,601,480.0	1,671,426.0	1,587,985.0	1,655,543.0
General Funds	1,347,200.0	1,411,480.0	1,501,426.0	1,372,985.0	1,440,543.0
State Pension Fund	197,000.0	190,000.0	170,000.0	215,000.0	215,000.0
Community College Retirees Health Insurance	4,459.5	4,624.6	4,309.1	4,133.3	4,390.8
 <u>Source of Appropriated Funds</u>					
<u>General Funds</u>	\$ 1,351,659.5	\$ 1,416,104.6	\$ 1,505,735.1	\$ 1,377,118.3	\$ 1,444,933.8
General Revenue Fund	1,347,200.0	1,416,104.6	1,505,735.1	1,372,985.0	1,440,543.0
Education Assistance Fund	4,459.5	-	-	4,133.3	4,390.8
State Pensions Fund	197,000.0	190,000.0	170,000.0	215,000.0	215,000.0

† Continuing appropriation

* Amount appropriated less than certified amounts required to be paid per state law

Summary Narrative by Budget Area

Recommended State Appropriations from General Funds

Public Universities

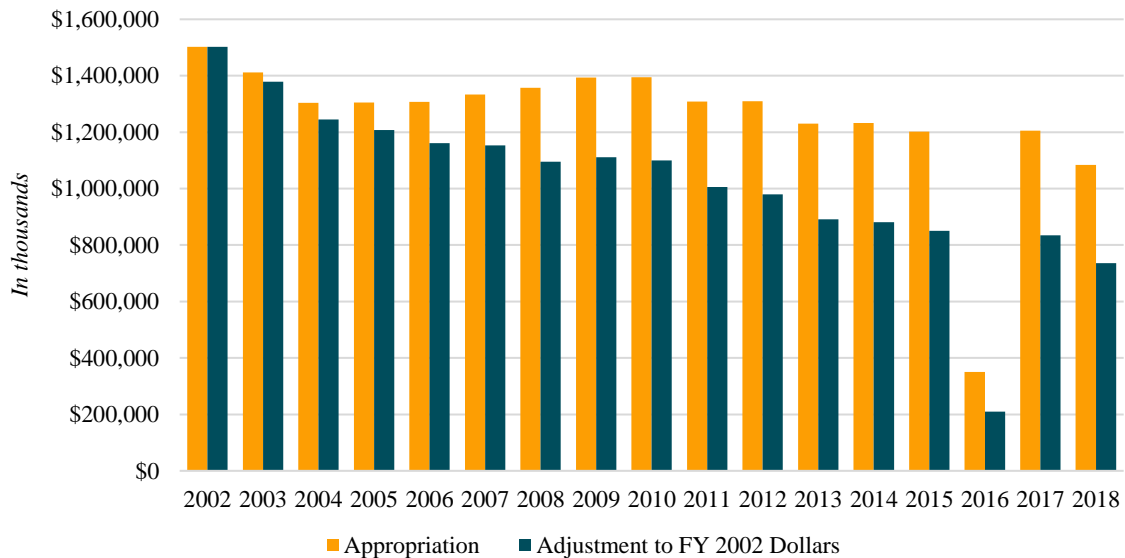
Fiscal Year 2019 Recommended Funding: \$1,107,584,500

The Fiscal Year 2018 was a ten percent reduction from the Fiscal Year 2015/2017 base level. This came after a long decline in funding from the Fiscal Year 2002 peak. When accounting for inflation and new unfunded mandates put in place since Fiscal Year 2002 funding for public universities in Fiscal Year 2018 is only 49 percent of what it was for Fiscal Year 2002. In addition, public universities lost \$851.7 million in funding in Fiscal Year 2016. With the passage of the Fiscal Year 2017-2018 budget, public universities have begun to rebound.

The recommendation for Fiscal Year 2019 is for an additional \$24,136,100. This is simply the amount necessary to cover the anticipated impact of inflation and the new cost of the pension law changes. A far larger funding level could easily be justified but what universities need most is stability and the ability to rebuild institutional reputations, financial strength, and, most importantly, the confidence of Illinois students and families. This is an important factor for enrollments to rebound. It also is important to the future of the state economy that enrollment rebound so that its best and brightest students stay in Illinois and gain the education and training they need to move the state forward into a competitive future where more and more jobs will require a degree or certificate.

Universities would also benefit if the request for increased MAP funding is granted and if the program to reimburse public universities and community colleges for waiving tuition and fees for Illinois Veterans and Illinois National Guard members is restored to the ISAC budget.

Figure 11
Illinois Public University Appropriations History
 Adjusted for Mandates and Inflation



Sources: IBHE historical records, ING and Veterans awards from ISAC, federal Consumer Price Index

Once again, pursuant to the statutory requirement, IBHE’s budget recommendation includes a **reallocation for performance funding at a 0.5 percent level, or \$5.4 million.** (See Table 5 for a breakdown of this allocation). Details about IBHE’s performance based funding model are provided in Appendix A.

Community Colleges

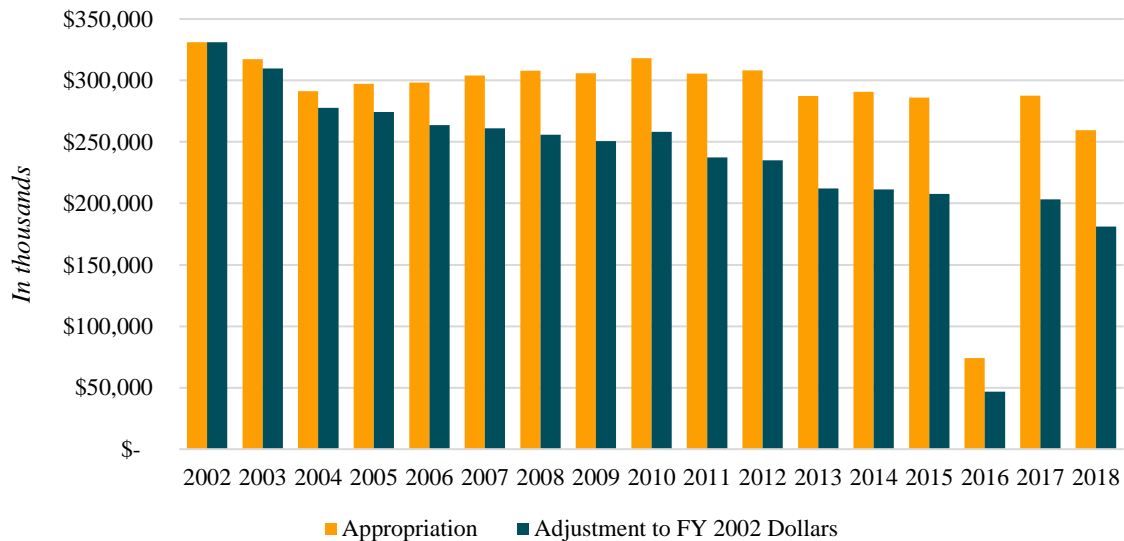
Fiscal Year 2019 Recommended Funding: \$265,417,500

As was the case for public universities, the Fiscal Year 2018 level was a ten percent reduction from the Fiscal Year 2015/2017 base level. This came after a long decline in funding from the Fiscal Year 2002 peak. When accounting for inflation and new unfunded mandates put in place since Fiscal Year 2002 funding for community colleges in Fiscal Year 2018 is only 54.7 percent of what it was for Fiscal Year 2002. **The recommendation for Fiscal Year 2019 is for an additional \$5,561,700.** This is simply the amount necessary to cover the anticipated impact of inflation and the new cost of the pension law changes. No increases are requested for programs which were not cut from their Fiscal Year 2015/2017 levels in the Fiscal Year 2018 budget.

A justification could be made for a much higher funding request. However, community colleges most need stability and they will benefit if their state funding at least keeps pace with inflation after many years falling behind.

The Fiscal Year 2019 recommendation for community colleges includes \$172 million for Base Operating Grants, \$68 million for Equalization Grants, \$1,783,000 for office operations, and \$449,700 for continued implementation of the Illinois Longitudinal Data System. Also included is \$351,900 set aside for performance based funding and \$1.5 million for the East St. Louis Higher Education Center.

Figure 12
Illinois Community College Appropriations History
 Adjusted for Mandates and Inflation



Sources: IBHE historical records, ING and Veterans awards from ISAC, federal Consumer Price Index

Adult Education and Postsecondary Career and Technical Education

Fiscal Year 2019 Recommended Funding: \$52,468,300

The Fiscal Year 2019 total general funds recommendation represents a \$1,144,900 increase over the Fiscal Year 2018 appropriated general fund level. The increase would allow the state funding to maintain the same buying power as the Fiscal Year 2018 appropriation. These funds provide critical services to adults with less than a 12th grade education, adults for whom English is a second language, and high school and adult students pursuing career and technical training. Federal grants for programs like adult education flow through the state appropriation process. This state funding provides the matching funds required to qualify for the federal funds.

Illinois Student Assistance Commission

Fiscal Year 2019 Recommended Funding: \$547,925,000

More than half of the increases recommended by IBHE would flow through ISAC. This includes \$100 million for increased MAP support and \$22.1 million and \$12.5 million respectively to return to direct state funding for Illinois Veterans Grants and Illinois National Guard Grants and \$8.0 million to replace sharply declining federal funding to support agency operations and outreach and training for students and families.

Monetary Award Program

The IBHE Fiscal Year 2019 recommendation provides \$501.3 million for MAP, which is an additional \$100 million over the Fiscal Year 2017 appropriation level. Although a significant increase was provided for Fiscal Year 2018, MAP funding remains far behind what was historically provided and far below what the program was envisioned to provide.

The MAP program is an essential source of student financial assistance to meet Goals 1 and 2 of the *Illinois Public Agenda for College and Career Success* by helping to increase educational attainment and eliminating the achievement gap by race, ethnicity, and socioeconomic status and to help ensure college affordability, particularly to underrepresented students. Data show that first-time, full-time, dependent MAP recipients at public institutions complete degrees at rates equal to the student population as a whole.

Additional MAP funding would be used to increase the amount of awards in order to keep up with tuition and fee costs and to increase the number of awards issued to address the significant amount of students that are unable to receive an award even though they are qualified. The Commission makes a final determination of how to best balance these priorities once the appropriation is final; a committee of financial aid administrators from all sectors works with ISAC staff and provides advice on the final MAP formula.

Illinois Veteran Grants/National Guard Grants

IBHE's Fiscal Year 2019 recommendation is to split \$31.4 million be provided to return funding Illinois Veteran Grants and Illinois National Guard Grants through ISAC. The state waives tuition and fees for both veterans and National Guard members at public universities and community colleges. Traditionally waiver costs were reimbursed by ISAC with grant funding but that money was phased out after Fiscal Year 2011. It has since been an unfunded mandate on public universities and community colleges at a time when their funding from the state has been

diminished, including losing over \$1 billion as the result of a partial Fiscal Year 2016 budget and a ten percent cut in their Fiscal Year 2018 budget. (NOTE: *The Illinois Community College Board does include a \$1,328,800 line item to help colleges for whom veterans' waivers represent a particularly severe financial burden.*)

Operational Support

A new appropriation of \$4 million is recommended so that ISAC is able to continue operational support in administering the state grant and scholarship programs. Between 2006 and this fiscal year, the operations of all ISAC programs have been paid for with revenue from ISAC's Student Loan Operating Fund (SLOF). Revenues from SLOF come from the federal student loan program but that program was changed in 2010 and ISAC has not serviced any new loans since that change was made. ISAC's student loan operations remain self-sustaining, but they cannot continue to fully fund the rest of the agency's core operations.

Operational funding from the state is needed to ensure that the agency is able to continue appropriately administering scholarships and grants. Beyond approving payments, these functions include training high school, college, and lender personnel on state and federal programs; developing administrative rules and procedures; counseling applicants on how to maintain or demonstrate eligibility; helping students and borrowers navigate other agencies' systems to collect appropriate documentation; handling appeals; auditing schools for compliance with program laws and regulations; maintaining security for records that contain millions of pieces of sensitive personal identifying information, and more.

Other Grants

IBHE recommends flat funding for all other ISAC grants.

Illinois Mathematics and Science Academy (IMSA)

Fiscal Year 2019 Recommended Funding: \$18,432,900

The Fiscal Year 2019 recommended level for IMSA's funding is \$22.4 million or \$420,200 over the Fiscal Year 2018 appropriation level.

IMSA was established in 1985 to provide a uniquely challenging education for Illinois students talented in mathematics and science and to serve as a catalyst for the advancement of STEM (Science, Technology, Engineering, and Mathematics) development and education across Illinois. Over the past five years, IMSA's residential high school has served students who are gifted in mathematics and science from 65 counties throughout the state. Additionally, 49 percent of PROMISE (Providing Opportunities for Mathematics and Science Enrichment) participants in 2016 (focused on underrepresented populations) were accepted and enrolled at IMSA. During 2016 at least 5,805 students and 1,641 educators participated in these programs, with 88 percent of partner schools being low-income. In June, IMSA will host the 14th Annual International Science Fair. This will be the first time the fair has been hosted in the United States.

State Universities Civil Service System (SUCSS)

Fiscal Year 2019 Recommended Funding: \$1,082,200

The Fiscal Year 2019 recommendation for SUCSS represents a \$23,600 increase over the Fiscal Year 2018 final appropriation. This increase would not restore any of the ten percent cut from the Fiscal Year 2017 level. It only represents a 2.23 percent increase to allow SUCSS to maintain their Fiscal Year 2018 buying power. SUCSS develops and administers the basic rules and procedures related to the employment of all non-academic or administrative staff at the public universities and related state agencies.

Illinois Board of Higher Education Operations

Fiscal Year 2019 Recommended Funding: \$2,814,400

The Fiscal Year 2019 general funds recommendation for IBHE's operations of \$3,058,800 represents an increase of \$61,400. This request will enable IBHE to continue providing statewide higher education planning and coordination, academic program approvals, budget recommendations, data systems, and various institutional grant programs.

The IBHE budget includes \$390,300 for the Illinois Longitudinal Data Systems (ILDS). The ILDS request will continue the support for IBHE staff, system development, data collection, and the production of student and workforce reports in Fiscal Year 2019. Objectives of the IBHE's ILDS work in progress include:

- Merging higher education data with information from other state agencies via the Common Demographic Data Administrator;
- Integrating financial aid data into IBHE's overall data system and examining how first generation college students perform relative to other students;
- Framing performance and accountability measures for higher education which is important as the performance funding formula evolves;
- Developing a data sharing agreement with ISAC to provide them with information they are no longer able to capture due to the streamlining of the FAFSA, such as detailed information on race and ethnicity;
- Pursuing multi-state collaborations to share education and workforce data with other states;
- Launching a template for a community college feedback report that will provide key information to each community college regarding the academic performance of their former students after they transfer to four-year colleges;
- Continuing the effort to operationalize a definition of high quality credentials that takes into consideration labor market outcomes, as well as social utility;
- Working in conjunction with INCCRRA to merge information specific to Early Childhood Credential holders (Gateways) into the ILDS;
- Collaborating with Illinois Department of Employment Security, Illinois State University, and the Illinois Student Assistance Commission to develop a platform that will allow IBHE staff as well as institution-designated researchers to examine the Illinois-specific workforce outcomes of program graduates;
- Working in conjunction with the Illinois State Board of Education (ISBE) to develop better college readiness indicators which will allow for the development of metrics focusing on overall college enrollment, outmigration, and sector specific patterns; and
- Providing technical training to institutional users of the ILDS to better ensure that the information that is collected is accurate and valid. Delivering that training both in-person and via webinars.

Illinois Board of Higher Education Critical Capital Funds

Fiscal Year 2019 Recommended Funding: \$20,000,000 (New)

For Fiscal Year 2019, IBHE proposes providing a set aside appropriation of \$20 million in General Revenue Funds (GRF) to meet critical life safety and infrastructure needs at the universities, community colleges, and IMSA. IBHE recognizes the urgency in providing this relief to the institutions and IMSA, particularly based on information received during our annual budget overview meetings and their desire to provide a quality educational environment for students and faculty and remain competitive with peer institutions. This level of funding is not to cover all of the identified health and safety concerns but it would at least allow the state to address projects that endanger the ability of schools to continue operations.

Illinois Board of Higher Education Institutional Grants

Fiscal Year 2019 Recommended Funding: \$7,374,200

An increase of \$57,300 is recommended for IBHE's grants and special initiatives. This represents a 1.91 percent increase for most grants and initiatives. This does not reverse the ten percent cut they experienced for Fiscal Year 2018 from the Fiscal Year 2017 levels. This is just the amount necessary to allow the maintenance of Fiscal Year 2018 buying power. No increase is recommended for the Chicago Area Health and Medical Careers Program, the Grow Your Own program, or the Diversifying Higher Education Faculty in Illinois initiative because those programs did not receive cuts for Fiscal Year 2018 and each was restarted at these levels. Therefore they are not impacted by inflation in the same way.

Operational Grants Supporting Student/Academic Programs

University Center of Lake County

Fiscal Year 2019 Request: \$1,075,900

Fiscal Year 2018 Funding: \$1,055,700

Fiscal Year 2017 Funding: \$1,173,000 (Excludes essential services payment from IBHE, \$532,500)

Fiscal Year 2016 Funding: \$0

Fiscal Year 2015 Funding: \$1,173,000

Illinois Public Agenda Goals: 1, 2, 3, and 4

Established by the IBHE in 1998, the University Center of Lake County is a consortium of 20 public and private colleges and universities that deliver bachelor completion, master's degrees, and certificate and workforce development programs to an underserved northeast suburban Chicago. Nearly, \$25 million in county, state, and federal funds were used to construct and open a 91,000 permanent facility on land donated by the College of Lake County in Grayslake and a satellite site in Waukegan. Approximately 950 students are enrolled in 498 courses in a recent term. Approximately 350 degrees or certificates are awarded annually.

The creation of UCLC was a decision made by IBHE after much research. In early studies and through almost two decades of experience, the UCLC delivery model has shown that it allows the most opportunity and the greatest access to high-quality higher education programs at the lowest cost. Many state and foreign representatives have visited to learn more about this successful national model. UCLC serves as a success story for IBHE in that it supports and delivers on all four goals of the *Illinois Public Agenda for College and Career Success* – increased educational

attainment, improved college affordability, attention to workforce needs, and support of economic growth.

UCLC received no funding in Fiscal Year 2016. For Fiscal Year 2017 it received a special allocation of \$532,000 from IBHE and a direct appropriation equal to what it received for Fiscal Year 2015, \$1,173,000. The requested increase is less than the ten percent cut UCLC took in the Fiscal Year 2018 budget but would allow them to maintain the same level of buying power as they have in Fiscal Year 2018.

More information on the UCLC can be found at: www.ucenter.org

Quad-Cities Graduate Study Center

Fiscal Year 2019 Funding: \$75,200

Fiscal Year 2018 Funding: \$73,800

Fiscal Year 2017 Spending: \$26,655

Fiscal Year 2017 Funding: \$82,000

Fiscal Year 2016 Funding: \$0

Fiscal Year 2015 Funding: \$82,000

The Quad-Cities Graduate Study Center (Grad Center) is an academic consortium that was founded in 1969 by members of the business, government, and education communities to increase access to high quality graduate-level programming and foster local economic growth. The Grad Center is designed for students whose work and family responsibilities make traditional on-campus study difficult. The Grad Center strives to develop convenient and diverse programs offerings for students.

The Grad Center works with ten member institutions to offer graduate programs with certificate, masters, doctorate, and non-credit options to more than 3,000 students annually.

The Fiscal Year 2017 appropriation for the Grad Center was equal to the Fiscal Year 2015 level, \$82,000. However, since they received no funding for Fiscal Year 2016 and had no surety of any Fiscal Year 2017 funding, they only expended \$26,655. The requested increase for Fiscal Year 2019 would not restore the ten percent cut taken for Fiscal Year 2018 but it would allow them to maintain their Fiscal Year 2018 buying power.

More information on the Quad Cities Graduate Center can be found at: <http://gradcenter.org/>

MyCreditsTransfer Project

Fiscal Year 2019 Request: \$187,400

Fiscal Year 2018 Funding: \$183,300

Fiscal Year 2017 Funding: \$203,700 (Excludes essential services payment from IBHE, \$97,000)

Fiscal Year 2016 Funding: \$0

Fiscal Year 2015 Funding: \$203,700

Illinois Public Agenda Goals: 1, 2, 3, and 4

The MyCreditsTransfer Project is a statewide initiative that makes information available to students via a free web-based tool (Transferology). The MyCreditsTransfer Project seeks to aid all students who intend to transfer credits among Illinois higher education institutions. Students can create personal accounts through which they can track their progress toward specific degrees at institutions where they have not yet matriculated. The information made available to transfer students through Transferology helps enable them to make the most of their time and money as

they work toward degree completion. One of the intended outcomes of the MyCreditsTransfer Project is to provide students who are underrepresented in higher education access to information about how they can most efficiently transfer to baccalaureate-granting institutions. With increased implementation at the state's public universities and with improved promotion at the state's community colleges, the goal is to see larger numbers of underrepresented minority students transferring and a greater proportion of those students moving from community colleges to Illinois senior institutions.

In addition to the IBHE grant, MyCreditsTransfer is supported by the University of Illinois, the iTransfer.org project, and the participating institutions. MyCreditsTransfer received no funding in Fiscal Year 2016. For Fiscal Year 2017 it received a special allocation of \$97,000 from IBHE and a direct appropriation equal to what it received for Fiscal Year 2015, \$203,700.

More information on MyCreditsTransfer can be found at: <http://mycreditstransfer.com/>

Cooperative Work Study Grants

Fiscal Year 2019 Request: \$999,300

Fiscal Year 2018 Funding: \$980,500

Fiscal Year 2017 Spending: \$0

Fiscal Year 2017 Funding: \$1,089,400

Fiscal Year 2016 Funding: \$0

Fiscal Year 2015 Funding: \$1,089,400

Illinois Public Agenda Goals: 1, 2, 3, and 4

This appropriation allows IBHE to award grants to public and nonpublic institutions of higher education to offer cooperative work study programs that provide opportunities for students to apply the theory learned during their educational preparation to the world of work. Institutions seek internships that will assist the students financially, provide relevant clinical work experiences in occupations related to their field of academic study, and lead to future employment. By strengthening the cooperation between higher education, business, industry and government, this program encourages students to seek permanent employment in Illinois. For Fiscal Year 2018 IBHE has recommended funding projects at 38 schools that will provide approximately 1,031 students with internships statewide.

Illinois Mathematics and Science Academy Fusion Program

Fiscal Year 2019 Request: \$97,700

Fiscal Year 2018 Funding: \$95,900

Fiscal Year 2017 Spending: \$0

Fiscal Year 2017 Funding: \$106,500

Fiscal Year 2016 Funding: \$0

Fiscal Year 2015 Funding: \$106,500

IMSA Fusion is an after-school enrichment program for Illinois students in late elementary (grades 4-5) and middle school (grades 6-7-8) that are talented, interested and motivated in mathematics and science, with a special focus on students historically underrepresented and under-served in mathematics and science. Fusion also serves as a professional development program for participating Illinois teachers.

IMSA Fusion has four major goals:

- To maintain or increase students' interest, involvement and literacy in science and mathematics;
- To enhance the knowledge and skills of middle school science and mathematics teachers;
- To stimulate excellence in middle schools' science and mathematics programs; and
- To help increase access to programming for students who are historically underrepresented in mathematics and science, and for all areas of the state.

IMSA received a \$106,500 appropriation for Fiscal Year 2017 for Fusion. However, since P.A. 100-21 was passed after the conclusion of the year, there was no assurance of any funding, IMSA did not offer the program and thus did not incur any billable costs. They are operating the program as before in Fiscal Year 2018.

Diversifying Higher Education Faculty in Illinois (DFI)

Fiscal Year 2018 Funding: \$1,456,500

Fiscal Year 2017 Spending: \$0

Fiscal Year 2017 Funding: \$1,456,500

Fiscal Year 2016 Funding: \$0

Fiscal Year 2015 Funding: \$1,456,500

Illinois Public Agenda Goals: 1, 2, and 3

This appropriation enables IBHE to provide competitive fellowship awards under the Diversifying Higher Education Faculty in Illinois program to eligible underrepresented students pursuing graduate and professional degrees at Illinois public and private institutions of higher education. As a condition of their award, recipients agree to accept a teaching or staff position at an Illinois higher education institution or governing board, or an education-related position in a state agency. For Fiscal Year 2018, DFI is funding 103 fellowships.

Grow Your Own (GYO) Teacher Education Initiative

Fiscal Year 2019 Request: \$1,466,300

Fiscal Year 2018 Funding: \$1,466,300

Fiscal Year 2017 Spending: \$0

Fiscal Year 2017 Funding: \$1,466,300

Fiscal Year 2016 Funding: \$0

Fiscal Year 2015 Funding: \$1,466,300

Illinois Public Agenda Goals: 1, 2, and 3

This appropriation enables IBHE to provide competitive awards under the Grow Your Own Teacher Education Initiative. This program is designed to recruit and prepare parent and community leaders and para-educators statewide to become effective teachers in 1) hard-to-staff schools serving a substantial percentage of low-income students, and 2) hard-to-staff teaching positions in schools serving a substantial percentage of low-income students. In fact, a study by the Center for American Progress finds that “students of color are more likely to progress academically when taught by teachers of color who share similar cultural experiences while serving as role model.”¹ IBHE staff is working with GYO IL and other interested parties to re-organize the program in order to make it financially sustainable and increase efficiency and effectiveness. GYO IL will continue to strengthen its external partnerships to secure additional non-state funding as well. During the budget impasse almost all of the consortia who previously contracted with the

¹ Center for American Progress, “Teacher Diversity Matters: A State-By-State Analysis of Teachers of Color,” 2011.

state disbanded. GYO IL was able to use private contributions to continue working with a reduced number of candidates in Chicago. Because there was no bidding process for Fiscal Year 2017 as required by the GYO law, it was not possible to use any of the funding provided in P.A. 100-21. IBHE has put out requests for competitive grants to restart the program during Fiscal Year 2018.

Nursing School Grant Program

Fiscal Year 2019 Recommendation: \$381,100

Fiscal Year 2018 Funding: \$373,900

Fiscal Year 2017 Spending: \$0

Fiscal Year 2017 Funding: \$415,400

Fiscal Year 2016 Funding: \$0

Fiscal Year 2015 Funding: \$415,400 (Program funding was suspended in Fiscal Year 2015)

Illinois Public Agenda Goals: 1 and 3

This appropriation will be used to increase the number of graduates from Illinois institutions of higher education who are prepared for the workforce. Financial assistance is directed to expand or improve existing registered nursing programs. IBHE intends to focus on expanding collaborations between and within institutions that enroll Registered Nurses with associate degrees to become graduates with baccalaureate degrees in nursing (or RN to BSN programs). Funds will also be used to help others improve student retention and improve the student pass rates on national licensure examinations. A competitive grant process will help ensure awards go to institutions that have effective proposals to meet the needs of the Illinois healthcare workforce. For Fiscal Year 2018 the program will fund two expansion grants and four improvement grants.

Nursing Educator Fellowships

Fiscal Year 2019 Request: \$201,400

Fiscal Year 2018 Funding: \$197,400

Fiscal Year 2017 Spending: \$0

Fiscal Year 2017 Funding: \$219,300

Fiscal Year 2016 Funding: \$0

Fiscal Year 2015 Funding: \$219,300 (Program funding was suspended in FY 2015)

Illinois Public Agenda Goal: 3

The appropriation for the Nurse Educator Fellowships will assist Illinois institutions of higher education with retention of their well-qualified nursing faculty members. Illinois is experiencing a growing demand for faculty members who can effectively instruct and mentor future nurses. A candidate must be nominated by their nursing school administrator. Achieving the status of Nurse Educator Fellow is highly competitive and requires a proposal on how the salary supplement will help a candidate achieve their professional goals in nursing education, research, or outreach. Fellows conclude the program with a presentation and discussion with the highly respected members of the Advisory Board for the Illinois Center for Nursing. The combination of professional and financial recognition helps ignite a renewed dedication to teaching in Illinois. For Fiscal Year 2018 the program will provide 19 fellowship grants.

Chicago Area Health and Medical Careers Program (CAHMCP)

Fiscal Year 2019 Request: \$1,433,600

Fiscal Year 2018 Funding: \$1,433,600

Fiscal Year 2017 Funding: \$0

Fiscal Year 2016 Funding: \$0

Fiscal Year 2015 Funding: \$1,433,600

Illinois Public Agenda Goals: 1, 2, and 4

CAHMCP started as a federally funded project administered by the Illinois Institute of Technology (IIT). It became a state funded general grant program after the federal funding ended. The grant program was administered by IIT. However, with no state grant funding during the budget impasse IIT closed the program. The appropriation for Fiscal Year 2018 was passed with the understanding Public Health Institute of Metropolitan Chicago would assume responsibility for the administration of the program and to work to rebuild with a set of educational, medical and service organizations, including: IIT, City Colleges of Chicago, Chicago State, Rush University School of Medicine, and MAPSCorps.

The CAHMCP previously pursued an intervention strategy for the provision of enhanced academic and counseling supports to minorities seeking to be professionals in medicine, osteopathy, dentistry, veterinary science, optometry, pharmacy, podiatry, and public health. The CAHMCP provides continual academic reinforcement in mathematics and science; standardized test preparation; focused clinical, research, and public policy internships; and highly-individualized career counseling for all program participants at grade levels extending from middle school through the post-baccalaureate years. In Fiscal Year 2015 over 900 students were served by the CAHMCP.

State Universities Retirement System

Fiscal Year 2019 Recommended Funding for All Funds: \$1,659,933,811

The State Universities Retirement System provides retirement benefits to community college and public university faculty and staff. The State also appropriates funds to SURS for the employer's contribution and for the Community College Health Insurance Security Fund. The Board of Trustees of the State Universities Retirement System has certified that approximately \$1,655,543,000 in total net required contributions for retirement benefits, an increase of \$67.8 million over the Fiscal Year 2018 appropriated amount. Only \$397.7 million of the certified amount, 24 percent, goes to cover the normal/current cost of employees earning benefits in Fiscal Year 2019 and 1.0 percent goes for the expenses of administering the program. The remaining 75 percent of costs, \$1,240.5 million, goes to cover past unfunded liabilities. SURS has also certified the contribution amount to the Community College Retiree Health Insurance Fund at \$4,390,811, an increase of \$257,475.

Capital Improvements

Higher Education Capital, Deferred Maintenance, Renewal Needs

Each year, the Illinois Board of Higher Education collects and analyzes detailed information regarding the capital needs of public colleges and universities and makes annual budget recommendations to the Governor and General Assembly. Overall, the Board uses a set of established priority-setting criteria to make its recommendations which place priority on: (1) protecting the state's capital investments; (2) completing projects for which planning or partial funding has been provided; (3) addressing life, health and safety issues; (4) supporting Board of Trustees top priorities; (5) supporting priority needs for the state; and (6) meeting academic program requirements. Since Fiscal Year 2000, capital renewal funding has been the top-ranked priority item in the Board's capital budget recommendations. Capital renewal funding provides support for critical remodeling and infrastructure improvements that maintain and protect the state's investment in educational facilities and generally help reduce the deferred maintenance backlog on college and university campuses.

Lack of capital appropriations prevent colleges and universities from constructing new facilities to meet programmatic needs, forcing institutions to crowd classrooms and laboratories and inhibiting them from meeting student demand for courses and services. However, it also affects existing, aging facilities. The State made significant investment over time in higher education facilities and the Board's Committee on Statewide Capital Policies and Priorities reaffirmed in April 2004 that IBHE would give high priority to protecting that investment. The estimated replacement cost of public university facilities plus IMSA and UCLC will be \$26.3 billion in Fiscal Year 2019.

In Fiscal Year 2010, the Governor and the General Assembly approved the \$3.1 billion *Illinois Jobs Now!* capital program that included more than \$1.6 billion in new appropriations for nearly 120 higher education capital construction and renovation projects. While appropriations were approved for these projects, the actual release of funding was not immediately forthcoming due to the lack of available bond proceeds and the limited amount bonding authority authorized for Fiscal Year 2010. Limited grant funding for select capital projects was approved in Fiscal Year 2014. Emergency funds have been approved for release by the Capital Development Board (CDB) to address immediate health and safety needs on some campuses. The General Assembly did not approve new capital appropriations in Fiscal Years 2011, 2012, 2013, 2014, or 2015. The June Stop-Gap II appropriations bill contained approximately \$184 million in capital reappropriations for Fiscal Year 2016 for the continuation of projects approved under the *Illinois Jobs Now!* capital program in Fiscal Year 2010. There were no new capital appropriations for higher education in Fiscal Year 2016 or Fiscal Year 2017.

The Fiscal Year 2018 budget included \$127.7 million in capital reappropriations for 20 projects and \$139 million for 16 new projects. In each case there is a mix of projects for public universities and community colleges. There were three IMSA projects included in the reappropriations. None of the funded projects were on the Fiscal Year 2018 IBHE priorities list. As a result our recommendations for Fiscal Year 2019 request the same set of priorities. It should be noted that while IBHE and higher education stakeholders put a high priority on addressing deferred maintenance (capital renewal) projects, 80 percent of the funding for Fiscal Year 2018 was for new construction.

The Board's Fiscal Year 2019 Capital Budget Recommendations presented here include approximately \$1.5 billion to meet regular capital and capital renewal needs of Illinois' public universities and IMSA as well as capital renewal needs at community colleges. The

recommendations also include continued support for the release of funding for *Illinois Jobs Now!* capital projects.

Figure 13
IBHE Capital Recommendations Summary (Not including *Illinois Jobs Now!*)

Capital Renewal	
Community College Capital Renewal	\$ 333,963.2
Public University Capital Renewal	132,000.0
IMSA Capital Renewal	8,050.0
Capital Renewal Sub-total	\$ 474,013.2
Regular Capital	
Public University Regular Capital	978,954.6
IMSA Regular Capital	7,080.0
Higher Education Escalation/Emergencies	48,000.0
Regular Capital Sub-total	\$ 1,034,034.6
Total	\$ 1,508,047.8

Selection and Prioritization of Recommended Projects

The Board’s *Higher Education Statewide Capital Policies and Priorities*, adopted in April 2004, serves as a guideline in selecting projects to be included in the budget recommendations. This ensures that recommended projects are consistent with and advance state and institutional priorities. Capital projects recommended for funding shall address a clearly demonstrated need related to special programmatic requirements, enrollment demands, and/or the condition of existing space. Once projects are selected for inclusion in the recommendations, a priority list is developed, indicating the order in which projects should be funded. Factors considered in developing these lists include whether:

- A commitment for a project has been made through prior appropriation(s) or authorizations;
- The status of an ongoing project for which planning or construction funds have been appropriated necessitates that funding be provided to complete the project in a timely fashion;
- The project addresses an emergency infrastructure problem, e.g. problems caused by fire or tornado damage; construction defects; or compliance with life, health, and safety code requirements;
- The project received a high ranking on a public university governing board’s priority list, ICCB’s priority list of community college projects, or IMSA’s priority list;
- The location of the project on the IBHE’s prior year’s priority list to encourage multi-year, statewide planning through a “living priority” list. After a project is recommended to the Governor and General Assembly for funding, the Board endeavors to advance its position on the list until it is funded; and
- External funding sources are available or whether enrollment needs, academic/program needs, and statewide needs are evident.

IBHE staff works with the CDB to develop cost guidelines that provide colleges and universities with guidance on escalation rates by geographic region that are built into project cost estimates on an annual basis. Project cost estimates can be modified to reflect cost escalation factors, as well as changes in project scope and other unforeseen circumstances. Projects are rarely added, or

removed, from the list unless an emergency need or situation arises or a university receives funding through alternative sources or decides to withdraw the project. Once a priority list is established, a project substitution will only be considered if the replacement project meets IBHE priority criteria and has a cost that is equal to or less than the current project on the list.

Emergency Capital Funding Measure – New Item

For Fiscal Year 2019, IBHE proposes providing a set aside appropriation of \$20 million in General Revenue Funds to meet critical life safety and infrastructure needs at the universities and IMSA. IBHE recognizes the urgency in providing this relief to the institutions and IMSA. These funds would be used primarily to address situations where a system failure would endanger public safety or where a failure would significantly interrupt academic operations.

Overall Recommendation

The Illinois Board of Higher Education's Fiscal Year 2019 Capital Budget Recommendations total approximately \$1.5 billion for regular capital projects, capital renewal projects, higher education escalation, and emergencies at IMSA and the public universities. Also included in this total is ICCB's request of \$132 million for capital renewal grants. The recommendations also note continued support for the release of funding for projects in the *Illinois Jobs Now!* plan. As shown in Table 14, institutional requests in Fiscal Year 2019 totaled over \$3.6 billion. The IBHE recommendations for Fiscal Year 2019 support the goals of the *Illinois Public Agenda for College and Career Success* and adhere to the institutional and agency Capital request submissions to IBHE. This includes approximately \$334 million in capital renewal allocations that protect and enhance the state's current investment in higher education facilities at 12 public universities, IMSA, and UCLC. The IBHE recommendation reflects the actual capital renewal amounts requested by the institutions and IMSA in their annual Resource Allocation and Management Program (RAMP) submissions.

Capital Renewal and Deferred Maintenance

Capital renewal remains the Board's number one capital priority in Fiscal Year 2019. This continues the Board's longstanding commitment to providing support for critical remodeling and infrastructure improvements that maintain and protect the state's investment in educational facilities, which will have a value of \$26.3 billion in Fiscal Year 2019. Capital renewal projects are generally of lesser size and scope than regular capital projects and involve minor remodeling of facilities to repair building exteriors; to upgrade electrical, mechanical, roofing, and plumbing systems; to address safety and accessibility code requirements; and to remodel classroom and laboratory areas for current educational and research program requirements.

The deferred maintenance backlog can also be reduced when a regular capital project completely renovates a facility that represented multiple deferred maintenance expenditures. The IBHE collects institutional budget request information through university RAMP submissions and conducted its Fiscal Year 2019 budget overview meetings with Illinois public universities and higher education agencies. With regards to facilities, deferred maintenance was the facility issue most commonly raised by institutions at these meetings. A general sampling of capital renewal requests indicates that funding is needed for the following types of critical projects:

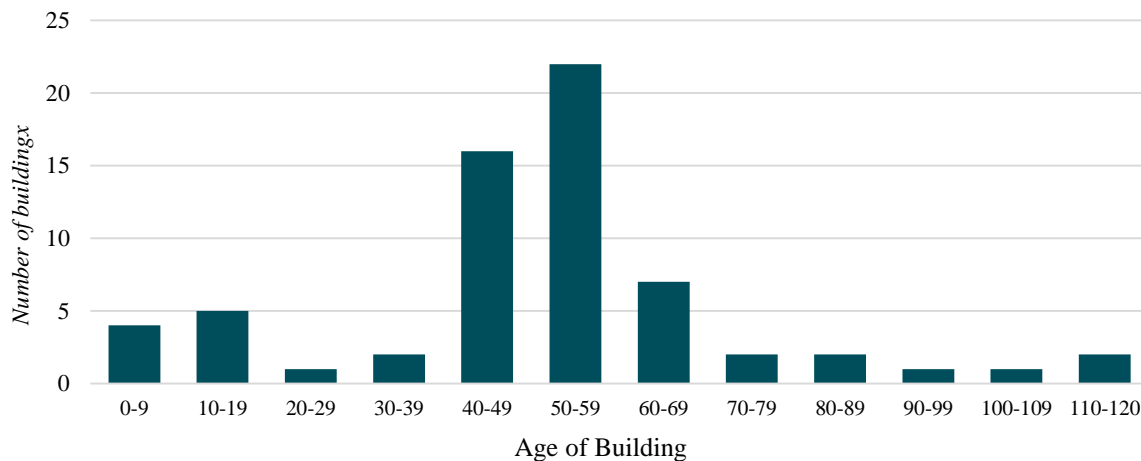
- Electrical switchgear for numerous campus buildings;
- Campus heating and cooling equipment;
- ADA compliance/improvements;

- Sidewalk and roadway repairs;
- Roof repairs, fire alarm upgrades, and emergency generators;
- Elevator repairs and maintenance, window repairs and replacement;
- Steam tunnel rehabilitation;
- Lab remodeling and structural improvements;
- Campus buildings and life safety corrections;
- Plumbing repairs; and
- Campus buildings, re-wiring, and electrical upgrades.

Capital Renewal funds are allocated based upon the state-supported gross square footage of space at each campus. The IBHE conducted a statewide space survey in 2009 to update the space information needed for this type of allocation and annually monitors space information included in RAMP. The allocation for community colleges is based on 100 percent of community college square footage and assumes that local funds will provide 25 percent of the cost of the projects supported with these funds. While the complete elimination of deferred maintenance is not feasible, it is imperative to address the most urgent facility needs on Illinois campuses, halt the spiraling increases in the backlog of needed repairs, and actually bring the deferred maintenance total down to a more manageable level. A sustained level of support for capital renewal could also slow the growth in campus facility fees. As described in great detail elsewhere, the estimated value of deferred maintenance for public universities and community colleges in Fiscal Year 2019 will have doubled from \$2.7 billion to \$5.5 billion.

Another consideration in the deferred maintenance discussion concerns the age of the buildings and their expected life. Typically, institutional grade buildings are heavily constructed with an expected life of over 100 years, with the assumption that at 50 years they be completely remodeled. Most university building stock in the State is now at least that old. Western Illinois University, for example, has several buildings that are at the 50-year point and in need of major renovation. In many of these cases, a major renovation would entail replacement of all the finishes, windows, infrastructure (pipes, equipment, electrical, etc.) and would get the functionality of the building up to modern codes and standards. Teaching practices have changed significantly in 50 years, and the university buildings need to be updated. WIU provided a graphic illustrating the life of their facilities in *Figure 14*.

Figure 14
Age of Major Campus Buildings at Western Illinois University



Source: Western Illinois University

Regular Capital

In addition to capital renewal, the Fiscal Year 2019 recommendations include \$979 million for regular capital projects at the public universities and IMSA. Table 15 includes the prioritized list of capital projects that comprise the IBHE recommendation for Fiscal Year 2019 and are meant to reflect funding needed to complete project planning or planning and construction. The recommendations include several major renovation and remodeling projects designed to upgrade existing facilities and infrastructure systems and to renovate library facilities to address issues and problems that exist due to deferred maintenance on these buildings.

Cost Escalation and Emergencies

The Fiscal Year 2019 capital recommendations also include \$48 million for unanticipated cost escalation and emergencies. Funds designated for this purpose are utilized by the Governor's Office of Management and Budget (GOMB) and the CDB to fund annual inflationary cost increases that may occur as a result of on-hold projects, a lengthy construction process, or delays in the release of funds. Funds may also be utilized for emergency situations that may arise. The Fiscal Year 2010 *Illinois Jobs Now!* capital plan included \$25 million for higher education escalation and emergencies. The recommended amount has been developed by applying average cost escalation factors to the estimated amount of unreleased projects.

Table 14

FISCAL YEAR 2019 HIGHER EDUCATION CAPITAL BUDGET RECOMMENDATIONS
 INSTITUTIONAL REQUESTS AND IBHE RECOMMENDATIONS

(in thousands of dollars)

System/Institution	Amount Requested*	FY 2019 IBHE Recommendation		
		Regular Capital	Capital Renewal	Total
<u>Public Universities</u>	\$ 3,019,869.6	\$ 978,954.6	\$ 333,963.2	\$ 1,312,917.8
Chicago State University	432,120.0	24,488.0	38,229.0	62,717.0
Eastern Illinois University	229,010.2	123,489.9	24,307.8 ^	147,797.7
Governors State University	33,309.0	7,314.0	25,995.0	33,309.0
Illinois State University	297,943.0	116,717.0	3,064.0	119,781.0
Northeastern Illinois University	248,911.0	39,121.0	14,460.0	53,581.0
Northern Illinois University	622,607.7	118,668.8	85,796.4	204,465.2
Western Illinois University	334,100.0	152,500.0	15,600.0	168,100.0
<u>Southern Illinois University</u>	236,758.7	94,261.9	66,511.0	160,772.9
Carbondale	128,061.7	76,901.9	26,330.0	103,231.9
Edwardsville	55,170.0	17,360.0	33,330.0	50,690.0
School of Medicine	53,527.0	-	6,851.0	6,851.0
<u>University of Illinois</u>	585,110.0	302,394.0	60,000.0	362,394.0
Chicago	315,000.0	116,000.0	24,000.0	140,000.0
Springfield	60,600.0	58,200.0	2,400.0	60,600.0
Urbana-Champaign	209,510.0	128,194.0	33,600.0	161,794.0
<u>Illinois Community Colleges</u> (State funds only)	476,397.0	-	132,000.0	132,000.0
Capital Renewal Grants	132,000.0	-	132,000.0	132,000.0
**Regular Capital	344,397.0	-	-	-
<u>Illinois Mathematics and Science Academy</u>	65,130.0	7,080.0	8,050.0	15,130.0
<u>Higher Education Escalation/Emergencies</u>	-	48,000.0	-	48,000.0
Grand Total	\$ 3,561,396.6	\$ 1,034,034.6	\$ 474,013.2	\$ 1,508,047.8

* Includes public university & IMSA requests submitted to the IBHE and community college requests to the ICCB.

** Reflects community colleges most recent recommendations passed 1/20/2017

^ Eastern Illinois fire alarm upgrade project considered capital renewal but included in regular capital (\$4.3 M)

Table 15
ILLINOIS BOARD OF HIGHER EDUCATION
HIGHER EDUCATION CAPITAL IMPROVEMENT PROVISIONAL PRIORITY LIST
FY2019 RECOMMENDATION

(in thousands of dollars)

Institution	Project	Budget Category	FY2019 IBHE Recommendation	Total Project Cost*	
Statewide (non-add figure)		Capital Renewal - Public Universities & IMSA	Repair/Renovate	\$342,013.21	
I. <u>Public Universities and IMSA</u>					
	Public Universities	Capital Renewal	Repair/Renovate	\$ 333,963.2	\$ 333,963.2
	Illinois Mathematics and Science Academy	Capital Renewal	Repair/Renovate	8,050.0	8,050.0
1	Northeastern Illinois University	Education Building ¹	Equipment	10,050.0	10,050.0
2	Northern Illinois University	Computer Science, Health Informatics, & Technology Center ¹	Construction	78,023.4	80,810.8
3	Southern Illinois University Carbondale	Communications Building ¹	Renovation/Addition	76,901.9	81,157.3
4	University of Illinois at Chicago	Medical Sciences Building Modernization, Phase 1 & 2	Remodel/Renovate	27,000.0	77,000.0
5	Western Illinois University	Science Building, Phase I	Planning/Construction	92,500.0	92,500.0
6	Southern Illinois University Edwardsville	Health Sciences Building	Planning	9,170.0	102,870.0
7	Illinois Mathematics and Science Academy	Residence Halls - Phase II, Interior Renovations, Part A	Renovate	2,089.0	23,000.0
8	Eastern Illinois University	New Science Building	Planning/Construction	117,027.6	117,027.6
9	Illinois State University	Milner Library Rehabilitation	Addition/Construction	86,944.0	86,944.0
10	University of Illinois at Springfield	Brookens Library	Remodel/Renovate	58,200.0	58,200.0
11	University of Illinois at Urbana-Champaign	Main Library	Remodel/Renovate	54,050.0	54,050.0
12	Northeastern Illinois University	Carruthers Center for Inner City Studies	Remodeling	20,671.0	20,671.0
13	Northern Illinois University	Wirtz Hall Renovation	Planning/Remodeling	28,123.4	28,123.4
14	Chicago State University	Science Lab	Remodeling	15,275.0	15,275.0
15	University of Illinois at Chicago	Pharmacy Building Renovation & Addition	Renovation/Construction	150,000.0	200,000.0
16	Governors State University	Innovation Center	Planning/Construction	4,019.0	47,265.0
17	Illinois Mathematics and Science Academy	Replace Heating & Cooling Equipment	Remodeling	3,425.0	3,425.0
18	Eastern Illinois University	Rehabilitate Life Science/Coleman HVAC & Plumbing, Escalation ²	Rehabilitation	2,209.4	6,966.5
19	Northern Illinois University	Campus Roadway Repair	Repairs	8,024.3	8,024.3
20	Eastern Illinois University	Fire Alarm Upgrades	Rehabilitation	4,252.9	4,252.9
21	University of Illinois at Urbana-Champaign	Natural History Building	Renovation/Construction	17,500.0	112,500.0
22	Chicago State University	Child Care Center ¹	Equipment	4,166.0	4,166.0
23	Western Illinois University	Science Building, Phase II	Planning/Construction	60,000.0	60,000.0
24	Governors State University	University Library	Planning	3,295.0	38,755.0
25	Southern Illinois University Edwardsville	Alton Dental Consolidation	Planning	8,190.0	87,950.0
26	Illinois State University	Mennonite College of Nursing	Planning/Construction	29,773.0	29,773.0
27	Northeastern Illinois University	Science Building Modernization	Planning	8,400.0	134,020.0
28	Northern Illinois University	Davis Hall Renovation	Planning	4,497.7	49,476.5
29	University of Illinois at Urbana-Champaign	Disability Research, Resources and Education Building	Planning/Construction	56,644.0	56,644.0
30	Chicago State University	Library Exterior Repair	Repairs	5,047.0	5,397.0
31	Illinois Mathematics and Science Academy	Residence Halls - Phase II, Interior Renovations, Part B	Renovate	1,566.0	See # 7
		Public University & IMSA, Subtotal		<u>\$ 1,389,047.8</u>	<u>\$ 2,038,307.5</u>
II. <u>*Community Colleges</u>					
	Community Colleges	Capital Renewal	Repair/Renovation	\$ 132,000.0	\$ 132,000.0
		FY2010 Illinois Jobs Now! Projects - Not Released	Escalation & Emergencies	<u>\$ 48,000.0</u>	<u>\$ 48,000.0</u>
		GRAND TOTAL		<u><u>\$ 1,569,047.8</u></u>	<u><u>\$ 2,218,307.5</u></u>

* In some cases, IBHE capital recommendations are partial project funding for initial phases such as planning and land acquisition. Total project cost reflects the full cost of project completion including construction, renovation, utilities and equipment. These costs excludes prior year state appropriations and non-state funds.

¹ Planning funds were included in the FY2010 Illinois Jobs Now! program for these projects. (Planning & Construction funds for the NEIU Education Building and CSU Child Care Center.)

² The project received \$4.8 million in the FY2010 Illinois Jobs Now! program. This request is to recognize the inflation needs for the project from the original request date.

*Reflects community colleges most recent recommendations passed 1/20/2017

Capital Improvement Projects – Institutional Detail

The following pages provide additional information regarding the Fiscal Year 2019 recommended capital projects for public universities and IMSA.

CHICAGO STATE UNIVERSITY
Fiscal Year 2019

<u>Total Recommendation</u> \$62.7 million	<u>Regular Capital Projects</u> \$24.5 million	<u>Capital Renewal Projects</u> \$38.2 million
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Regular Capital

Science Building Laboratory SE Wing Remodel (\$15.3 million). The University is seeking \$15.3 million for various infrastructure upgrades in the Williams Science Center including remodeling and upgrading of classrooms, instructional areas, and laboratories, and will enable the departments of Biology, Chemistry, and Physics to fulfill their departmental goals of maintaining excellence in teaching and research as well as meeting the Chicago State University mission of providing university level competencies to face the challenge of the next millennium.

Major renovation and remodeling of the existing teaching laboratories is needed to support university and department goals and to address life, health, and safety issues. The science departments request restructuring and modernization of twelve existing teaching laboratories and support areas into modular formats. This includes the replacement of fume hoods, repair/replacement of the ventilation system, removal of drop-down utilities to lab benches in all labs, replacement of worn-out pipes and utilities, replacement/reconfiguration of lab benches, and remodeling to accommodate chemical instrumentation and computer/audio-visual aided instruction. The project will also address lab overcrowding through the creation of additional lecture space by converting a large lecture hall into two lecture rooms.

Child Care Center Equipment/Play Yard (\$4.2 million). The University is seeking \$4.2 million to purchase equipment for the new Child Care Center. The new Child Care facility will be located adjacent to the College of Education building and will provide teacher candidates and university faculty with research opportunities, laboratory training and active participation, and professional development training opportunities. Since the facility will have individual as well as multipurpose spaces for these children it is important that the equipment is specified for the appropriate age groups housed in the center. Additionally, the outdoor play area is required and equally as important as the indoor space. This area will provide safe, anchored, age specific play equipment for the various age groups. The University has received a prior year appropriation for the planning and construction of the Child Care Center.

Library Exterior Repair (\$5 million). The University received a total of \$35 million in Fiscal Year 2000 and Fiscal Year 2002 to construct a new academic library. The new building was delivered over two years late with pending litigation between consultants, contractors, and the Capital Development Board. The project incurred cost increases and a significant portion of the construction was value engineered leaving the need to remediate building functionality deficiencies, construction omissions, design omissions, code compliance, and water infiltration issues which have now caused deterioration of finished and unsafe conditions. The library areas contain safety hazards which are in need of remediation, including exterior building materials which are inappropriate for outdoor use. These materials due to exposure and improper drainage are deteriorating and falling from the exterior.

Capital Renewal

Capital Renewal Projects (\$38,229,000)

This recommendation includes funding to address infrastructure repair and maintenance requirements and to upgrade academic and instructional space. Specific projects included in the University's Fiscal Year 2019 request include campus heating and cooling, elevator renovations, sidewalk renovations, reconstruction of swimming pools, Americans with Disabilities Act (ADA) improvements (Phase 2 in four buildings), replacement of interior lighting and underground piping, and single pane glazing replacement.

EASTERN ILLINOIS UNIVERSITY Fiscal Year 2019

<u>Total Recommendation</u> \$147.8 million	<u>Regular Capital Projects</u> \$123.5 million	<u>Capital Renewal Projects</u> \$24.3 million
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Regular Capital

New Science Building (\$117 million). The University's top priority in Fiscal Year 2019 is to construct a New Science Building. The University's recently updated Campus Master Plan, identified the need for a new science building to house biology and chemistry departments and include teaching and research laboratories, general classroom space, greenhouse and exterior plant biology facilities. These academic departments are experiencing serious space deficiencies and outdated equipment. The proposed new 104,300 gross square feet facility would contain building equipment and systems to provide adequate ventilation, fume control, plumbing, hazardous waste control, lighting and sound control. The building would also centralize animal care facilities currently housed in two campus buildings. The University proposes to locate the building on a site that is university owned.

Rehabilitate Life Science/Coleman Hall HVAC and Plumbing, Escalation (\$2.2 million). This project received \$4.8 million in the *Illinois Jobs Now!* capital appropriation; however, funding for the project has not been released. The same \$4.8 million was included for the same project in the Fiscal Year 2018 capital budget but again funding has yet to be released. This recommendation provides for \$2.2 million to address inflation needs for the project from the original request. The project would replace the ventilation units, air handling units, and cooling and heating coils throughout the structures. Temperature control instrumentation would be updated and hot and cold domestic water distribution piping would be replaced.

Campus Fire Alarm Upgrades (\$4.3 million). The University is seeking funding to upgrade campus building fire alarm systems to conform to State Fire Marshal code standards, provide the latest alarm functions for tornados, voice capable systems and bring all buildings up to campus standards to align with the 2013 Campus Security Plan. *This project is listed as part of the Eastern capital renewal request but is included in the regular capital recommendation for this purpose because it has been specifically recognized as a priority by the Board.*

Capital Renewal

Capital Renewal Projects (\$24,307,800)

This recommendation includes funding to address infrastructure repair and maintenance requirements and to upgrade academic and instructional space. The University’s Fiscal Year 2019 request includes funding for an emergency generator, upgrading fire alarms, updating heating and air systems, and upgrading electrical systems. As noted above, the \$4.3 million Campus Fire Alarm Upgrade project is considered to qualify as a capital renewal project but also has been accepted as a high priority regular capital project. It is listed there to further highlight what is involved.

**GOVERNORS STATE UNIVERSITY
Fiscal Year 2019**

<u>Total Recommendation</u> \$33.3 million	<u>Regular Capital Projects</u> \$7.3 million	<u>Capital Renewal Projects</u> \$26.0 million
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Regular Capital

Innovation Center (\$4 million). The University is seeking \$4 million for the planning for construction of a multi-story, multi-purpose event center to hold events such as commencement or large lecture classes in excess of 100 students. The University currently lacks sufficient space to hold university-wide events. During the past five years, commencement has been held off-campus at the Tinley Park Holiday Inn Convention Center. The new 88,000 gross square feet Center would consist of an auditorium that could be divided into four lecture halls capable of holding 200 students each. The upper stories of the Center would house classrooms and student services offices. The full cost of the project is anticipated to be \$47.3 million.

University Library (\$3.3 million). The current University Library is a 50,000 square feet portion of the University’s main building, which wraps around a main staircase and an elevator linking the three floors of the building. Over the years, interior renovations have resulted in seminar rooms, training areas, and computer “banks”. Despite these improvements, however, the library space is inadequate for the University’s needs and the noise between classes makes for an environment that’s not conducive for studying or reading. The proposed new 70,000 gross square feet library would provide sufficient space to house the University collections and provide adequate space for access and use of all the learning technologies available at the University. The University is seeking \$3.3 million in planning funds in Fiscal Year 2019; the total estimated project cost is \$38.8 million.

Capital Renewal

Capital Renewal Projects (\$25,995,000)

This recommendation includes funding to address infrastructure repair and maintenance requirements and to upgrade academic and instructional space. Specific projects included in the University’s Fiscal Year 2019 request include roof replacements/safety upgrading, water supply/fire suppression infrastructure, retention pond renovation and vehicular, pedestrian circulation renovations, and athletic field renovation/reconstruction.

ILLINOIS STATE UNIVERSITY
Fiscal Year 2019

<u>Total Recommendation</u> \$119.8 million	<u>Regular Capital Projects</u> \$116.7 million	<u>Capital Renewal Projects</u> \$3.1 million
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Regular Capital

Milner Library Rehabilitation (\$86.9 million). The University’s top capital priority in Fiscal Year 2019 is to secure \$86.9 million to continue the multi-phased rehabilitation of the University’s Milner Library. Previous University and State funds have provided for a new roof, the installation of a canopy on the exterior plaza to reduce water infiltration problems, and remodeling of the “front desk” area. This project, based on the long range plan for the library, will provide for the construction of a new addition to house needed book stacks, study areas, library processing and support spaces, and high-density storage of library materials. It will also include the initial stages of a library expansion to provide computer areas for immediate retrieval of information and conferencing areas for dissemination of information. This project is recommended in *The Campus Master Plan 2010-2030* adopted by the Board of Trustees in February 2011.

Mennonite College of Nursing (\$29.8 million). The University is seeking capital funding to renovate the Mennonite College of Nursing facility. The Mennonite College of Nursing became the sixth college at Illinois State University in July 1999 offering both undergraduate and graduate programs. The College is ranked among the top nursing schools in the country. It is currently located in Edwards Hall, a facility that was opened in 1920 with approximately 31,929 square feet. The College of Nursing has been growing steadily and the current facility is no longer able to meet the demand for the growing program. To meet future program needs, it has been estimated that a facility of approximately 60,000 square feet is needed. This project, which involves construction of a new facility for the College, is recommended in *Master Plan 2010-2030*. The total request in Fiscal Year 2019 is \$29.8 million.

Capital Renewal

Capital Renewal Projects (\$3,064,000)

This recommendation includes funding to address infrastructure repair and maintenance requirements and to upgrade academic and instructional space. The University’s Fiscal Year 2019 budget request seeks capital renewal funding to replace exterior doors and windows and for emergency generators in various campus buildings.

NORTHEASTERN ILLINOIS UNIVERSITY
Fiscal Year 2019

<u>Total Recommendation</u> \$53.6 million	<u>Regular Capital Projects</u> \$39.1 million	<u>Capital Renewal Projects</u> \$14.5 million
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Regular Capital

Education Building – Equipment (\$10.1 million). The University’s Fiscal Year 2019 request includes \$10.1 million to support the moveable equipment needs of the new Education Building. This includes classroom and office furniture, computer laboratory equipment and furniture, and

general supportive equipment for the academic departments and support services. In Fiscal Year 2010, the University received a \$73 million appropriation for a new Education Building that will provide more than 118,000 net assignable square feet and will include general and specialized classrooms, as well as clinics/laboratories for undergraduate and graduate students, and teachers returning for continuing education. The Education Building will consolidate the University's teacher education programs in one centralized location.

Carruthers Center for Inner City Studies – Remodeling (\$20.7 million). The University's Fiscal Year 2019 request includes \$20.7 million to remodel the Carruthers Center for Inner City Studies, established in 1966 to improve the lives of inner city residents by offering undergraduate and graduate degree programs, as well as community service seminars and cultural events. This project will renew the functionality and finish of all interior spaces, update technology, and modernize the buildings mechanical and electrical systems. Specific aspects of the project include, exterior construction work involving the renewal of the building façade and replacement of 9,000 square feet of roof. Planned interior work includes the replacement of two boilers, electrical fixtures, selected supporting systems, security camera systems, ceilings, floors, and interior wall finishes; and renovation of public event areas on the lower level and first floors.

Science Building – Planning (\$8.4 million). Constructed in 1972, the Science Building at NEIU is a three-story concrete frame, masonry veneer building. The major laboratories and other teaching spaces are located in the center of the building, with the offices located around the perimeter. Most of the offices are constructed in a unique double deck fashion with a group of offices located a half story up and down from the main circulation corridor. All of these offices are not, and cannot be modified to meet ADA accessibility requirements. The University is planning to construct a new 200,000 gross square feet Science Building that will include general and specialized classrooms, as well as laboratories for undergraduate and graduate students and faculty. The building will be completely wired for new technologies. The University is seeking a total of approximately \$134 million for this new facility. The IBHE recommendation covers \$8.4 million for planning.

Capital Renewal

Capital Renewal Projects (\$14,460,000)

This recommendation includes funding to address infrastructure repair and maintenance requirements and to upgrade academic and instructional space. Specific projects included in the University's Fiscal Year 2019 request include electric cable replacements, roof replacement, exterior entrance and walkway repair, and window wall replacement in a couple of campus buildings.

***NORTHERN ILLINOIS UNIVERSITY
Fiscal Year 2019***

<u>Total Recommendation</u> \$204.5 million	<u>Regular Capital Projects</u> \$118.7 million	<u>Capital Renewal Projects</u> \$85.8 million
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Regular Capital

Computer Science, Health Informatics and Technology Center (\$78 million). The University is requesting over \$78 million in Fiscal Year 2019 to construct a new Computer Science, Health Informatics and Technology Center. In the last decade the demand for college graduates with

expertise in health technology based fields has increased exponentially. The new facility will offer students a unique learning environment combining the best of a time-honored college education driven by a focus on advancing health technology. The center will have extensive infrastructure to accommodate a broad range of equipment necessary to develop a nationally competitive program with potential for industry and professional certification programs, custom learning labs and single classes for corporations and individuals. In Fiscal Year 2010, the University received an appropriation of \$2.8 million in planning funds.

Wirtz Hall Renovation (\$28.1 million). The University's Fiscal Year 2019 request includes \$28.1 million for the planning, design and renovation of Wirtz Hall. The Wirtz Hall project will provide improvements for programmatic spaces and building efficiency. Plans will focus on upgrading and remodeling the facility in order to consolidate and house the Health and Human Sciences College in one facility. This new facility will provide classrooms that facilitate group discussion, laboratories that allow students to refine presentation skills, computer laboratory space, faculty and administrative offices, and spaces that facilitate student interaction and interdisciplinary faculty relationships.

Campus Roadway Repair (\$8 million). The University is seeking \$8 million in Fiscal Year 2019 for campus roadway repairs. Most roadways serving the NIU campus were constructed in the 1950s and 1960s and are owned by the university. Deterioration of campus streets has progressed to the point that maintenance efforts can no longer keep up with the disintegration. In addition to normal freeze/thaw damage, repairs due to construction projects have led to a patchwork of street surfaces each with seams that lead to more deterioration. The additional burden of Huskie Bus traffic on university streets has accelerated the deterioration, particularly at bus stop locations. Funds are needed to address this critical infrastructure problem.

Davis Hall Renovation (\$4.5 million). The University is seeking \$49.5 million for the Davis Hall renovation project. Davis Hall was constructed in 1942 as the institution's first science building. The original building was constructed with steel and steel reinforced concrete. Other than the installation of a telescope in 1965 and air conditioning in 1975, no major renovations have been completed at Davis Hall over the last 70-plus years. The facility's mechanical systems are inefficient and antiquated, sections of the roof are failing, and two sides of the building need major repairs to the stone work. The 65,500 gross square feet facility requires comprehensive structural rehabilitation and infrastructure updates. The IBHE Fiscal Year 2019 recommendations include \$4.5 million in planning funds for this project.

Capital Renewal

Capital Renewal Projects (\$85,796,400)

This recommendation includes funding to address infrastructure repair and maintenance requirements and to upgrade academic and instructional space. Specific projects included in NIU's Fiscal Year 2019 request include replacement of Boiler Number Three at the West Heating Plant, main steam tunnel rehabilitation, general masonry and stone restoration at multiple buildings, Swen Parson Hall parapet restoration, East Heating Plant coal silo and masonry repairs, electrical infrastructure, elevator repair, simulation labs, ADA updates, classroom conversions, and roof replacement at multiple campus buildings.

SOUTHERN ILLINOIS UNIVERSITY CARBONDALE
Fiscal Year 2019

<u>Total Recommendation</u> \$103.2 million	<u>Regular Capital Projects</u> \$76.9 million	<u>Capital Renewal Projects</u> \$26.3 million
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Regular Capital

Communications Building Renovation/Addition (\$76.9 million). In Fiscal Year 2010, SIUC received a \$4.3 million appropriation in planning funds for this project. Carbondale’s Fiscal Year 2019 request includes \$76.9 million for the renovation/addition to the 229,050 gross square feet Communications Building built in 1964. The project will add approximately 60,000 gross square feet of space to meet the growing needs of the various media and to provide infrastructure improvements; the project also includes equipment upgrades and extensive remodeling of the existing building. The addition will provide new classroom space, fully equipped and flexible auditorium space, laboratory rooms, digital post-production suites, and reflect the growing trend towards media convergence in a combined broadcast-print newsroom.

Capital Renewal

Capital Renewal Projects (\$26,330,000)

This recommendation includes funding to address infrastructure repair and maintenance requirements and to upgrade academic and instructional space. The University’s Fiscal Year 2019 capital renewal request seeks funding for campus roof renovations, classroom and lab renovations, fire alarm replacement, steam tunnel repairs, sprinklers, structural repairs, water line replacement, coal storage rehabilitation, energy efficiency measures, and lighting and electrical upgrades.

SOUTHERN ILLINOIS UNIVERSITY EDWARDSVILLE
Fiscal Year 2019

<u>Total Recommendation</u> \$50.7 million	<u>Regular Capital Projects</u> \$17.4 million	<u>Capital Renewal Projects</u> \$33.3 million
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Regular Capital

Health Sciences Building (\$9.2 million). The University’s Fiscal Year 2019 request seeks \$9.2 million in planning funds for a Health Sciences Building for the School of Pharmacy and the School of Nursing on the Edwardsville campus. The School of Pharmacy currently is housed in temporary facilities, and the School of Nursing, which is serving more than 900 student nurses, is housed in substandard facilities in Alumni Hall. The new three-story building will be located on the core campus, near the Science Building and will feature classrooms, specialized teaching and research laboratories, faculty offices, and student study space. Space currently occupied by the nursing program will be reallocated to meet the needs of other academic programs, particularly in the School of Education. The University’s Fiscal Year 2019 request identified total project cost including construction at an estimated \$103.9 million.

Alton Dental School Consolidation (\$8.2 million). The Alton Dental School campus seeks \$8.2 million in planning funds to construct a new state of the art clinic and academic building and renovate the existing clinic building to house the departmental offices. Most of the houses would

be demolished to replace parking lost to the new building. The current dental clinic was built over 25 years ago and operatory areas are too small to accommodate new technologies such as lasers, operating microscopes, intraoral cameras, bleaching units, and CAD-CAM units. Major classrooms in the facility are located in deteriorating historic buildings that limit the ability to modernize. There is no classroom capable of seating the full complement of 200 students. The University’s Fiscal Year 2019 request identified total project cost including construction to be an estimated \$88.0 million.

Capital Renewal

Capital Renewal Projects (\$33,330,000)

This recommendation includes funding to address infrastructure repair and maintenance requirements and to upgrade academic and instructional space. The University’s Fiscal Year 2019 capital renewal request seeks funding for sprinkler system installation and upgrades, reconstruction of the Stratton Quadrangle, water system upgrades, sidewalk and road repairs, re-wiring projects, window replacement, and mechanical upgrades.

***UNIVERSITY OF ILLINOIS AT CHICAGO
Fiscal Year 2019***

<u>Total Recommendation</u> \$140.0 million	<u>Regular Capital Projects</u> \$116.0 million	<u>Capital Renewal Projects</u> \$24.0 million
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Regular Capital

Medical Sciences Building Modernization, Phase 1 (\$27 million). The University’s Fiscal Year 2019 request includes \$27 million for Phase 1 of its multi-phase program of renovation and infrastructure renewal for the Medical Sciences Building. Due to its age, this nearly 50-year old building cannot support state-of-the-art research. A significant portion of the project budget will support infrastructure renewal and upgrading of the building’s HVAC and electrical systems. This will include upgrading and/or replacement of electrical gear and distribution systems, piping and air handler units, and building control systems. The programmatic remodeling portion of this project will address the needs of the UIC Research Resources Center and the creation of “Class A” laboratory space for use by health sciences researchers.

Pharmacy Renovation and Addition (\$150 million). The University’s Fiscal Year 2019 request includes \$150 million to renovate the existing College of Pharmacy building and construct a new pharmaceutical research addition. The renovation and addition are needed to meet the University’s goal of expanding the College of Pharmacy’s research base and to better serve the people of the State of Illinois. Phase I work will consist of the construction of a 78,000 gross square feet addition that will allow for the relocation of laboratory and laboratory support functions to permit the renovation of the existing laboratory facility, student service space, and offices in the existing building without major disruption to on-going research and educational activities. Fume hoods will be relocated to the new addition to ensure more appropriate air circulation and exhaust capabilities. The renovation portion of this project will modernize the infrastructure of the existing building which has degraded dramatically due to age. This modernization will address problematic HVAC, electrical, telecommunications, plumbing, computer wiring, roof systems, and fire protections systems. Teaching labs and classrooms will also be modernized. The university estimates the total cost of this project will be \$200 million.

Capital Renewal

Capital Renewal Projects (\$24,000,000)

This recommendation includes funding to address infrastructure repair and maintenance requirements and to upgrade academic and instructional space. The University's Fiscal Year 2019 capital renewal request seeks funding for masonry restoration and window replacement in various campus buildings, HVAC replacement, life safety corrections, and facade repairs.

UNIVERSITY OF ILLINOIS AT SPRINGFIELD Fiscal Year 2019

<u>Total Recommendation</u> \$60.6 million	<u>Regular Capital Projects</u> \$58.2 million	<u>Capital Renewal Projects</u> \$2.4 million
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Regular Capital

Library Redevelopment: Brookens Library Springfield (\$58.2 million). In Fiscal year 2019, the University has requested \$58.2 million to renovate and rehabilitate the Brookens Library at the Springfield campus. The Brookens Library is the number one priority for the UIS campus. It was constructed in 1975 and was the first permanent building on the campus. The 200,000 square feet library, which also houses classroom and office space, is now in need of renovations to address many issues and problems that now exist. The deferred maintenance in this building makes up a large portion of the campus's deferred maintenance backlog and renovations are needed to improve overcrowding, poor lighting systems, temperature control systems and windows, worn out furnishings, severe acoustic problems, inaccessible spaces as defined by ADA, and an overall confusing layout that inhibits student use. The renovation, including a new main entrance, is needed to optimize space usage and rehabilitate the building into a state-of-art learning center.

Capital Renewal

Capital Renewal Projects (\$2,400,000)

This recommendation includes funding to address infrastructure repair and maintenance requirements and to upgrade academic and instructional space. The University's Fiscal Year 2019 capital renewal request seeks funding for remodeling and rehabilitation of facilities to make ADA and life, safety corrections, and repair roadways and sidewalks.

UNIVERSITY OF ILLINOIS AT URBANA-CHAMPAIGN Fiscal Year 2019

<u>Total Recommendation</u> \$151.0 million	<u>Regular Capital Projects</u> \$128.2 million	<u>Capital Renewal Projects</u> \$33.6 million
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Regular Capital

Library Redevelopment: Undergraduate Library Urbana-Champaign (\$54.1 million). The University has requested \$54.1 million in Fiscal Year 2019 to modernize the Urbana-Champaign

facility, reconfigure space, and update computer wiring, electrical wiring and lighting in the facility. The Main Library at the Urbana-Champaign campus has changed very little since the 1929 dedication, with the exception of the 1964 addition to the northwest corner.

Natural History Building (\$17.5 million). The University is seeking \$17.5 million in Fiscal Year 2019 to renovate and update the Natural History Building at the Urbana-Champaign campus. The Natural History Building was constructed in 1894 and the entire facility is in need of extensive upgrading. In June 2010, the entire 1908 building addition was evacuated and occupancy discontinued until elevated floor slabs of the addition are replaced; until replaced the floor slabs are vulnerable to sudden failure with little or no advanced warning. This “emergency” project will address the infrastructure needs such as plumbing, laboratory equipment, electrical systems, lighting, and HVAC. New floors and ceilings are needed, along with wall repairs. An elevator is needed and other work is needed to address ADA requirements. Major structural work is needed in the older sections of the facility and window replacement and other exterior repairs also are necessary. The University plans to dedicate an additional \$55 million in institutional funds to support this project.

Disability Research, Resources, and Education Services Building (\$56.6 million). The University is seeking \$56.6 million for a new Disability Research, Resources and Education Services Building for Fiscal Year 2019. The College of Applied Health Sciences at the Urbana/Champaign campus is comprised of three academic units and one service unit – the Division of Disability Resources and Educational Services (DRES). As the first disability-support services program of its kind, DRES programs and services continue to reach far beyond legal mandates, making it one of the prominent programs of its kind. Currently the facility serves 1,000 students a year, with estimates for a 100 percent increase in the next ten years. The space used for DRES activities, the basement and first floor of the Rehabilitation Education Center, is in need of major maintenance and is no longer sufficient to meet the current service needs. Additions to the current space are not sufficient to meet program demands. The requested funds are needed to construct a new 70,000 net assignable square feet facility to address DRES’s basic service program needs, enhance specialized academic support services, and provide space for research and education.

Capital Renewal

Capital Renewal Projects (\$33,600,000)

This recommendation includes funding to address infrastructure repair and maintenance requirements and to upgrade academic and instructional space. The University’s Fiscal Year 2019 request seeks funding for Abbott Power Plant gas turbine and bypass flue, Material Sciences/Engineering Building renovations, Talbot Lab infrastructure repairs, chilled water, HVAC, and other infrastructure improvements for several campus facilities.

**WESTERN ILLINOIS UNIVERSITY
Fiscal Year 2019**

<u>Total Recommendation</u> \$168.1 million	<u>Regular Capital Projects</u> \$152.5 million	<u>Capital Renewal Projects</u> \$15.6 million
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Regular Capital

Science Building, Phase I (\$92.5 million). The University is seeking \$92.5 million for Phase I of a new 155,000 gross square feet state-of-the-art Science Building. The current College of Arts and Sciences’ three science facilities, Currens Hall, Waggoner Hall, and Tillman Hall, are obsolete in providing high-quality comprehensive instructional laboratories. All three facilities were constructed years before modern laboratory standards were developed for acceptable indoor air quality and energy efficiency. The antiquated laboratory fume-hood systems and poor quality heating, ventilation, and air conditioning systems yield inadequate comfort and humidity control. This problem leads to detrimental impacts on teaching; research; and student, faculty, and staff recruitment and retention. The new Science Building will consolidate existing and support new academic programs; and, will integrate new laboratory technologies with the latest in science pedagogy and will support new academic programs including forensic chemistry and nursing.

Science Building, Phase II (\$60 million). The University is seeking \$60 million for Science Building, Phase II. Phase II includes the renovation of Currens Hall to allow the College of Arts and Sciences to consolidate academic programs to a single campus local and provide for additional facility improvements/enhancements for the humanities and social sciences. The new science building and renovation of Currens Hall will also support new academic programs. These actions are consistent with the newly developed Western Illinois University – Macomb campus master plan.

Capital Renewal

Capital Renewal Projects (\$15,600,000)

This recommendation includes funding to address infrastructure repair and maintenance requirements and to upgrade academic and instructional space. The University’s Fiscal Year 2019 capital renewal request seeks funding for HVAC, plumbing and electrical systems, sidewalk and roadway repairs, lighting, exterior stairs, and other repair and maintenance projects.

***ILLINOIS MATHEMATICS AND SCIENCE ACADEMY
Fiscal Year 2019***

<u>Total Recommendation:</u> \$15.1 million	<u>Regular Capital Projects</u> \$7.1 million	<u>Capital Renewal Projects</u> \$8.1 million
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The Illinois Mathematics and Science Academy requested funding for the capital projects described below. The IBHE’s Fiscal Year 2019 recommendation includes \$15.1 million to support IMSA’s three capital project requests and inclusion in the capital renewal formula.

Regular Capital

Residence Halls – Phase, II Interior Renovations, Parts A and B (\$3.7 million). IMSA’s top priority in its Fiscal Year 2019 capital request is funding for interior work in the Residence Halls. The scope of this interior work in the residence halls will include upgrading bathrooms, kitchens, doors, lighting, flooring, and HVAC systems for the common areas, all of which are approaching 25 years old. These updates will address many of the challenging issues associated with over two decades of occupancy by high school-aged students as well as some safety improvements. In addition, they will take advantage of advancing technology, and they will result in reductions to

the operating costs of both energy and water usage, such as a potential 20 percent reduction in water consumption. Part A will address the four Residence Halls (of seven total at a cost of around \$2.1 million) in the greatest need. Part B of this project will address the remaining three Residence Halls (\$1.6 million).

Academic Building HVAC and Domestic Water Handling Systems Upgrades (\$3.4 million).

IMSA's Fiscal Year 2019 request also seeks \$3.4 million to replace heating and cooling plant equipment. The project includes replacement of all boilers, chillers, cooling towers, and associated pumps, piping, and control systems throughout the Academic Building. The new equipment will be more energy efficient and will provide savings in utility costs.

General Academic Building Renovation (\$50 million) – (New request not currently on IBHE's priority list). The scope of the work includes the renovation and new construction to the academic space. The construction would renovate 40,000 square feet of existing space and add 80,000 square feet of new space to the facility. Included in the renovation would be approximately 70,000 square feet of new modern and energy-efficient residential facilities and 50,000 square feet of research space, administration, and student support services space. The completion of this project will allow for future planning and flex space for renovations to the remainder of the facility. The additional space will allow renovations to occur without impacting the academic program and would eliminate the need for other requested projects.

Capital Renewal

Capital Renewal Projects (\$8,050,000)

This recommendation includes funding to address infrastructure repair and maintenance requirements and to upgrade academic and instructional space. IMSA's Fiscal Year 2019 request seeks funding for emergency boiler replacements, general athletic site support, general academic support, general roofing shingle system repair, general fire safety system upgrades, and general flooring maintenance.

Additional Supporting Information

IBHE Statutory Requirements

Pursuant to the Board of Higher Education Act (110 ILCS 205), the Illinois Board of Higher Education is required to annually submit to the Governor and the General Assembly budget recommendations for the ensuing fiscal year budget for higher education programs. In development of the Fiscal Year 19 Budget Recommendations, IBHE staff facilitated the collection of financial data and held meetings that led toward collaboration with several higher education entities. The Board's recommendations are based upon receiving budget submissions from each public university, the Illinois Community College Board, Illinois Student Assistance Commission, the Illinois Mathematics and Science Academy, University Center of Lake County, and the State University Civil Service Commission for operation, capital and grant program needs as well as updates from the State University Retirement System on the amount of funding required to be provided to them by state law.

Benefits from Investing in Higher Education

The State of Illinois invests billions of dollars in the educational and social development of its citizens each year. At the primary and secondary education levels, the state's investment is directed toward helping local school districts provide a high-quality education at no cost to students. At the postsecondary level, the State's investment is directed toward providing a high-quality education to students at subsidized prices, both through direct subsidies to colleges and universities and through grants to students with significant financial need. The State also invests in educational, research, and public service outcomes at the postsecondary level through grants and specific program support that improve the state's economy and quality of life.

Illinois's higher educational system is a cornerstone of a prosperous state economy and its citizens' standard of living. Investment in our higher educational system drives progress, economic growth, and competitiveness in Illinois. It is essential to strengthen Illinois' economy, support students and their families who want their loved ones to go to college, improve the workforce, and enhance Illinois' tax base. For example, a 2015 IBHE analysis showed that if Illinois had today 60 percent of its workforce with a postsecondary credential or college degree (Illinois' goal for 2025) the State would likely collect more than \$900 million more in tax revenue annually. Currently, 51 percent of Illinois citizens have a postsecondary credential or college degree.

Colleges and universities also have a significant economic impact on local communities, states, and the nation as a whole through direct institutional expenditures and employment, as well as the expenditures of students and visitors. In turn, these direct expenditures create a "ripple effect" throughout the economy resulting in further indirect economic activity.

During the Fiscal Year 2016 budget discussion, university presidents emphasized that their "public universities represent over 150 years of investment by the state" and that they serve as a "multitude of regional and statewide economic engines, employing a total of around 60,000 Illinois residents and taxpayers, with annual spending of \$6.9 billion generating an estimated \$28 billion in economic impact."² When combining this with private institutions, the Illinois Coalition to invest in Higher Education that came together to end the budget impasse cites that higher education is an economic

² Illinois Public University President's Letter to Governor and Legislative Leaders, Oct. 1, 2015

engine that employs nearly 175,000 people directly at over 150 locations statewide, generates over \$50 billion in state and local economic activity, and educate over 800,00 students statewide.³

Studies have shown improved health and life expectancy, lower reliance on public assistance, and less crime for those with college educations. All of these improvements reduce pressures on state budgets in health care, public assistance, and criminal justice costs.

Illinois' system of higher education makes several positive contributions to the quality of life for individuals and the state as a whole. Higher education contributes to continued economic growth and societal improvements. The generation of new knowledge and discoveries at colleges and universities oftentimes leads to innovations that increase productivity and bring new products to the marketplace. Many of these innovations also contribute to a higher quality of life for everyone through improvements in such areas as health care, technology, and agriculture. The labor force becomes more productive as it becomes more highly educated. It is no coincidence that the significant growth and success of the United States within the global economy since World War II has occurred in tandem with significant increases in higher education participation and public investment in higher education. Additionally, colleges and universities traditionally have had a common commitment to serve the public, the state, and the individual communities where the institutions are located. In addition to making their facilities and resources available to Illinois citizens for educational, cultural, and athletic activities and events, Illinois colleges and universities have developed hundreds of outreach and public service activities that serve schools, businesses, agricultural enterprises, government agencies, and individuals throughout the state. Together, these activities enhance the quality of life for all Illinoisans.

Impact of the Budget Impasse and the Danger of a New Impasse

The budget impasse was extremely damaging to higher education in Illinois. Some of the problems created by the budget impasse are outlined below but mostly in general terms. The real impact of the budget impasse was felt at the local college and university level where institutions responsibly made many difficult decisions to protect students and to continue to pursue their missions in the face of reduced funding and great uncertainty. Short summaries provided by each of the public universities are included in Appendix B to describe how each school dealt with the lack of funding, what was lost, and plans in place to recover and rebuild.

Community colleges also had to make significant adjustments to get through this period. Universities and community colleges who serve the more needy populations tend to have fewer financial assets to draw on. Those institutions suffered the most during the impasse and some of the most significant negative effects, such as declines in enrollment and lower bond ratings, will take time to reverse. IBHE's recommended budget increases for Fiscal Year 2019 will benefit the hardest hit institutions.

Fiscal Year 2016 Partial Funding but Full Costs: For Fiscal Year 2016, public universities and community colleges received less than 30 percent of the funding they did for the previous fiscal year. This meant overall higher education funding for operations, excluding pension contributions, was reduced from the Fiscal Year 2015 level by almost \$1.2 billion. Community colleges lost \$201.4 million and public universities lost \$851.7 million.

Although funding for MAP was not available and there was no certainty when or even if it would be available, schools, including private colleges and universities, understood the importance of that

³ Save Higher Ed Fact Sheet, IL Coalition to Invest in Higher Education Talking Points, Spring 2016

financial assistance to many students and covered the expected MAP payments in the hope the state would eventually reimburse them. This put further financial pressure on universities and colleges. It represented additional uncertainty about revenues while they struggled to hold down costs. The uncertainty about MAP availability in Fiscal Years 2016 and 2017 contributed to a drop in FAFSA applications which translated into 16.6 percent fewer paid awards after appropriations finally were passed. While community college MAP grants are smaller than for the other sectors, those students are often more vulnerable to uncertainty. As a result, the number of paid community college MAP awards fell more than any other sector.

A number of community college and IBHE grants and initiatives were not funded at all. A few programs continued to operate on a reduced level with other funds but most closed entirely. Adult Education did not receive any general revenue funding in the Fiscal Year 2016 appropriation. A double appropriation was made in the Fiscal Year 2017 budget because that funding was needed to cover federal Adult Education match requirements.

Fiscal Year 2017 Uncertainty Until After the Last Minute: For Fiscal Year 2017, a stopgap budget was passed that covered approximately 50 percent of base year (Fiscal Year 2015) appropriation level and only allowed funds to cover expenses through December 31, 2016. Final appropriations were passed to equal the Fiscal Year 2015 base year. However, those appropriations were passed in July after the June 30 deadline for the fiscal year. This meant higher education went through another six month period without access to state general revenue support, creating continued pressure on finances, more uncertainty, and more harm to the reputation of colleges and universities. Also, no MAP funding was provided until after the end of the fiscal year. All public universities but fewer community colleges chose to carry the expense of MAP grants in anticipation of MAP funding even though they had no guarantee they would be reimbursed by the state. This was another major burden on the finances of public universities and community colleges.

Funding for the special grants and initiatives through ICCB and IBHE was restored for Fiscal Year 2017. However, funding was not passed until after the end of the fiscal year. In many cases there was no contract in place by the end of the year to facilitate legal payment and in many cases no services had been rendered anyway. Thus, much of that funding lapsed. Services are being restarted in Fiscal Year 2018.

Bond Ratings: Bond ratings are an important measure of the financial health of colleges and universities. They take into account a number of economic factors and reflect the confidence the markets have in individual institutions. Prior to the budget impasse all rated state universities had credit ratings considered investment grade and those ratings had generally been stable for years. (Chicago State was not rated during any of these periods.) This is an indication of stable and wise financial management. (See the Southern Illinois University and Western Illinois University individual impasse statements in Appendix G for examples of how credit ratings were good and stable prior to the budget impasse.)

Unfortunately, all Illinois public universities received credit downgrades during the budget impasse and in most cases multiple times. The primary reason for the downgrades was the budget impasse and the uncertainty of state financing. At this point only the University of Illinois system and the Illinois State University bond ratings are considered investment grade. Although, the ratings that came out after the Fiscal Year 2018 budget was passed moved from negative to stable and Western Illinois University outlook was rated positive. As outlined in the individual impasse statements, all public universities have taken decisive steps to stabilize their finances.

Figure 15
University Credit Ratings throughout the Budget Impasse

Standard & Poor's Financial Services	October 27, 2015		August 5, 2016		July 24, 2017	
	Rating	Outlook	Rating	Outlook	Rating	Outlook
CSU	NR	NR	NR	NR	NR	NR
EIU	A-	Negative	BB	Negative	B+	Stable
GSU	A-	Negative	BB+	Negative	BB+	Stable
ISU	A+	Negative	A	Negative	A-	Stable
NEIU	A-	Negative	BB	Negative	B+	Stable
NIU	NR	NR	NR	NR	NR	NR
SIU	A	Stable	BBB+	Negative	BB+	Stable
U of I	AA-	Stable	A+	Negative	A-	Stable
WIU	A1	Negative	BBB-	Negative	BB-	Positive
Moody's Investors Service	October 27, 2015		August 5, 2016		July 24, 2017	
	Rating	Outlook	Rating	Rating	Outlook	Rating
NIU	Baa1	Negative	Baa3	NR	Ba2	Negative

NR – Not Rated

It is important that higher education funding not continue to decline to give public universities and community colleges the chance to recover their good bond ratings and rebuild the confidence of potential Illinois college students, their families, and their future employers. More importantly, it is critical that there be on-time and adequate funding for Fiscal Year 2019 for higher education funding. Another budget impasse would endanger the progress universities and community colleges are now making.

Enrollment Declines and Net Out-of-State Enrollment: The budget impasse exacerbated two existing problems; declining undergraduate enrollment among most community colleges and public universities and the increase of students to colleges outside of Illinois. The University of Illinois at Urbana/ Champaign and the University of Illinois at Chicago were able to continue to see small enrollment increases during the budget impasse. Illinois State University's 2015-2017 enrollment decrease was just 0.5 percent. Unfortunately, the other nine public universities as a group experienced a two year enrollment decrease of 13.2 percent. The community colleges, private not-for-profit, and for-profit sectors all experienced declines.

Also, as noted in *Figure 16* the number of students enrolled in private not-for-profit schools fell by 1.9 percent during the impasse and for-profit school enrollment declined by 5.8 percent. Clearly Illinois' private colleges and universities did not benefit from skepticism about public schools. Not everyone makes the distinction between the sectors and the uncertainty about MAP funding also affects thousands of private college and university students.

Figure 16
Illinois Fall Undergraduate Enrollment by Sector

	Fall Enrollment			2015-17 # Change	2015-17 % Change
	2015	2016	2017		
All Public University Enrollment	143,614	139,470	136,209	-7,405	-5.2%
UIUC and UIC	50,943	51,854	53,403	2,460	4.8%
ISU	18,427	18,643	18,330	-97	-0.5%
All Other Public Universities	74,244	68,973	64,476	-9,768	-13.2%
Community Colleges	317,192	303,896	293,533	-23,659	-7.5%
Private Not-for-Profits	131,886	131,232	129,407	-2,479	-1.9%
Private For-Profits	49,744	47,315	46,844	-2,900	-5.8%

There has been great concern about the increase in the net outflow of students during the budget impasse. This is a concern since a strong, competitive economy requires a well-educated workforce. An educated workforce earns higher wages and spawns more growth. Students who leave Illinois are less likely to return and contribute to the economy, the so-called “brain drain” effect.

Colleges and universities from other states did ramp-up their recruitment of Illinois students during the impasse. Students and families became more receptive than they would have been in the past as repeated stories of Illinois’ funding woes filled the news reports and were reinforced by high school counselors. However, an even greater concern is that the number of Illinoisans choosing to not attend college at all likely increased. Some of those potential students who did not attend public universities might have opted for lower cost community colleges to start their education. The number of community college students also fell sharply during the impasse. The state completion rates were falling behind for progress on the goal of a workforce ready for the future by having at least 60 percent of its population with a degree or certificate by 2025.

MAP Award Uncertainty: Most colleges, public and private, held off on billing students for the anticipated MAP funding but most also did not promise to forgive the debt if the state failed to pay. This created an environment where even students planning to attend a private school were more likely to look out of state or to decide to not attend college at all. To get an idea of the importance of MAP to college students from Illinois looking to attend college in Illinois, after the higher than anticipated MAP funding was passed for Fiscal Year 2017, awards went to 31.8 percent of students enrolled in public universities. Private colleges and universities are more expensive and the maximum award covers only 13 percent of tuition and fees versus 32 percent for public universities but 27.7 percent of enrolled private not-for-profit students received an award. These number do not account for the eligible applicants whose awards were not funded. In Fiscal Year 2017, 41.9 percent of eligible applicant awards were paid but there was uncertainty throughout the whole year. In Fiscal Year 2016 only 33.4 percent of eligible awards were paid.

Figure 17
MAP Awards during the Budget Impasse

	2014-2015	2015-2016	2016-2017	2015-17 % Change
Public Universities	43,167	39,539	43,267	0.2%
Private Not-for-Profit	37,614	34,360	35,905	-4.5%
Community Colleges	42,121	28,245	37,296	-11.5%
Hospital Schools	1,042	948	1,108	6.3%
Proprietary Schools	4,455	3,965	4,003	-10.1%
Total	128,399	107,057	121,579	-5.3%

Certainty about MAP funding is critical if community colleges and public universities are going to regain their financial stability and regain the trust of Illinois students and families. It also is important to the private colleges and universities' MAP students.

Positive Response to Increase Efficiency: Most public universities cut their staffing during the budget impasse. For more specific details review the impasse impact statements of each university found in Appendix B. Each individual university made a concerted effort to focus reductions on administration and support services. They all attempted to maintain their teaching faculty numbers. However, with the extreme cuts taken in Fiscal Year 2016 and uncertainty about how much state funding they would get or when they might receive it, a number of schools had to make more cuts than they felt were prudent. Prudent or not, these reductions had negative ripple effects beyond the university gates throughout the local communities where they are located and into their surrounding regions. Each public university is an engine of the local economy, not only due to the spending of the students and the university workforce but by providing an educated workforce that helps sustain the local area and propel it forward. A stable state budget that allows all state universities to sustain themselves and recover is critical.

Once the Fiscal Year 2017 and Fiscal Year 2018 budgets were passed and state funds began to flow again, universities began to refill some of the positions they felt were most important for them to recover and move ahead. This is a small but important step forward. An on-time and adequate state budget for Fiscal Year 2019 is critical to continue to take steps forward and to rejuvenate Illinois' higher education system.

Damage to Reputation and Accreditation Scrutiny: The budget impasse brought undeserved negative attention to many of Illinois' public universities. This attention had little or nothing to do with their management or the quality of the education they were providing. It was the result of the financial strains they were under due to the budget impasse. The Higher Learning Commission, which accredits Illinois colleges and universities, placed all public colleges and universities under special scrutiny to assess their ongoing capacities while they were receiving very limited revenue from the state. Specific programs received additional scrutiny from other accrediting bodies as well. News about this scrutiny made students and their families question the wisdom of attending state schools, even if they would be more affordable than they realized and would be a good fit for them. With the passage of the Fiscal Year 2018 budget most of this scrutiny has eased. However, funding certainty is critical to allow the state's public higher education institutions to rebuild their reputation with accrediting bodies.

Fiscal Year 2019 Recommendations and the *Public Agenda*

The *Illinois Public Agenda for College and Career Success* represents a ten-year strategic plan to guide policymakers in addressing the state's economic imperatives in the global marketplace and meeting the educational and workforce needs of its residents. (The *Public Agenda* was adopted in 2009. IBHE is in the process of reassessing the status of this plan and anticipates issuing a new strategic plan as the decade comes to a close.)

The *Public Agenda* documented the untenable conclusion that Illinois has become divided into two states: one educated and prosperous, the other struggling to achieve educational success and financial security. The *Public Agenda* 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 the future. IBHE makes every effort in aligning these annual budget recommendations with the four goals of the *Public Agenda*:

- Goal 1: *Increase educational attainment to match best-performing states and countries.*
- Goal 2: *Ensure college affordability for students, families, and taxpayers.*
- Goal 3: *Increase the number of high-quality postsecondary credentials to meet the demands of the economy and an increasingly global society.*
- Goal 4: *Better integrate Illinois' educational, research, and innovation assets to meet economic needs of the state and its regions.*

IBHE and its higher education partners have been working together to identify and communicate critical needs and issues; advance the goals of the *Public Agenda*; and make progress toward the goal of having 60 percent of Illinoisans holding a degree or certification by 2025. To the extent possible, the Fiscal Year 2019 budget recommendations are aligned with the *Public Agenda*. The higher education budget recommendations for Fiscal Year 2019 continue to maintain support for the critical needs of core capacity of our institutions of higher learning and sustaining the success of our student population. State support is critical to maintaining affordability and ensuring educational attainment (*Public Agenda* Goals 1 and 2), ensuring the quality of the higher education system which provides the education and training needed for graduates to join the Illinois workforce (*Public Agenda* Goal 3), and stimulating research and the Illinois economy by attracting grants, business and industry to the State (*Public Agenda* Goal 4).

APPENDIX A
PERFORMANCE FUNDING

Appendix A

Performance Funding

The Illinois Board of Higher Education Act (as amended by P.A. 97-320) is required to devise a system for allocating State resources to public institutions of higher education based upon performance in achieving State goals related to student success and certificate and degree completion. Under the Act, performance metrics shall reward performance of institutions in advancing the success of students who are academically or financially at-risk, first generation students, low-income students, or students traditionally underrepresented in higher education. The metrics shall also recognize and account for the differentiated missions of institutions of higher education, focus on the fundamental goal of increasing completion, recognize the unique and broad mission of public community colleges, and maintain the quality of degrees, certificates, courses, and programs.

The current public university performance funding model, approved by the IBHE Board, was refined after work involving a Steering Committee was tasked with strengthening the existing performance measures and sub-categories to the extent possible, or finding replacement measures that capture the principles of the performance funding Act. The performance funding model for public universities identifies performance measures or metrics that are linked directly to the goals of the *Illinois Public Agenda for College and Career Success*. IBHE is responsible for collecting the data on the following performance measures:

- Bachelor's degrees awarded
- Masters degrees awarded
- Doctoral and Professional degrees awarded
- Undergraduate degrees per 100 FTE
- Research and public service expenditures
- Graduation Rates 150 percent of Time
- Persistence (24 Credit Hours Completed in One Year)
- Cost per Credit Hour
- Cost per Completion

The model is designed to adapt to Illinois' changing financial climate each year. The metrics are meant to indicate the status of each of the schools at the present time, which then allows them to adjust their practices in order to improve in certain areas moving forward. The model takes into account the diversity of each university's student population as opposed to awarding funding based solely on academic criteria. These sub-populations include: Pell Eligible; Adult Age 25 and Older; African-American; Hispanic; and STEM/Healthcare degrees awarded.

When analyzing the performance funding model for public universities, it is important to note the following:

- All steps are identical at each university.
- The model accounts for each institution's unique mission by adding weight to each measure.
- Each institution's performance point calculation is independent.
- The performance point calculation for each institution will change each year based on annually updated three-year average data.
- The funding allocation is competitive.
- Funds are distributed on a pro rata basis according to each institution's performance point calculation.
- The model is not prescriptive in how to achieve excellence and success (i.e. "what", not "how").
- The Fiscal Year 2019 allocations to public universities are reflective of a 0.5 percent, or \$5.4 million, reallocation of appropriation levels at the Fiscal Year 2015 final appropriation level.

Performance Funding Refinement and Steering Committees

Since its inception in Fiscal Year 2013, IBHE has continued to evaluate, review, and revise the performance funding model with support and guidance from the Performance Funding Steering Committee. Additionally, IBHE created the Performance Funding Refinement Committee, comprised of public university finance and research experts,

which was tasked with strengthening the existing performance measures and sub-categories to the extent possible or finding replacement measures that capture the principles of the performance funding Act.

The Refinement Committee's efforts over the past years have generated the addition of certain measures designed to enhance efficiency. Committee discussion also produced an additional Step to the model which provides for an adjustment factor for high cost entities such as hospitals, medical, dental, and veterinary schools.

The Performance Funding Steering Committee, in November 2014, decided (and IBHE concurred), that the performance funding model should be locked-in for three years, with potential for increasing the percent reallocation from 0.5 percent to as much as five percent. IBHE is currently reviewing several issues, including the *Public Agenda* and performance funding.

Community College Performance Funding Model

The performance funding model for community colleges is based on different criteria than that for public universities. The Illinois Community College Board (ICCB) is responsible for developing and overseeing the model, which has each school vying for dollars against itself instead of against each other. The community college model contains the following performance measures:

- Degree and certificate completion
- Degree and certificate completion of at-risk students
- Transfer to a four-year institution
- Remedial and adult education advancement
- Momentum points
- Transfer to a community college

The community college performance funding model is designed to allocate an equal portion of the total performance funding amount among Illinois' thirty-nine community college districts. Each college competes for a portion of the funding for each measure. Those colleges that show a decrease in performance receive no funds based on performance. Those colleges that show an increase in performance receive a pro rata share of the funding allocation for that measure based on the increase in their performance. Momentum points lend weight to the averages in categories such as first-time or part-time students completing twelve credit hours within their first year, first-time or part-time students completing twenty-four credit hours within their first year, and Adult Education and Family Literacy level gains at each school.

The Fiscal Year 2019 recommended allocation for the community college performance funding model is \$351,900.

APPENDIX B

BUDGET IMPASSE: IMPACT ON PUBLIC UNIVERSITIES AND THEIR RESPONSES

Appendix B

Budget Impasse: Impact on Public Universities and Their Responses



In February of 2016, Chicago State University (CSU), with the consent of the Board of Trustees (BOT), went into financial exigency due to an anticipated lack of cash to meet payroll. Despite previous staff reductions, CSU was forced to further reduce program offerings and personnel increasing the total number of layoffs to 331 or approximately one-third of its faculty and staff.

All areas including staff in revenue generating areas, administrators, union staff, and faculty were affected. For example: faculty counts went down from 357 from April 2016 to 216 (including loss of 10 tenure-track faculty) due to layoffs, retirement, unfilled vacancies and unreturned.

Chicago State University had become the first of several of Illinois' publicly funded institutions forced to make draconian style cutbacks to stay afloat.

Also watching CSU more closely has been the Higher Learning Commission (HLC) who, as a result of the University's highly publicized challenges, requested reports and scheduled advisory meetings to ensure compliance. The HLC honed in on governance and administrative concerns and, in the summer of 2016, issued a sanction notice. The concerns have since been addressed.

Perhaps the biggest hurdle has come as a result of the false impressions this scrutiny generated by leading the general public, which includes prospective students, to believe that Chicago State University is closed or is closing – a proposition that neither the administration nor the board of trustees ever considered.

Enrollment and MAP Grants: Less than five years ago, 15 staff handled critical Enrollment Services intake operations including undergraduate admissions, evaluation, financial aid, records and registration, and recruitment and testing. Since then, staff have been lost to retirement, unfilled vacancies, and consolidations. And, in 2016, it was more layoffs. During the impasse, a remaining staff of just three served as a stark daily reminder of the devastating effects of the Springfield gridlock.

The ability to attract, recruit and matriculate new students as well as to retain current students were hindered with the latter group concerned that they should find a new school because media reports and whispers had begun to convince them that CSU was closing. It was also difficult to enroll or to maintain graduate students. An inordinate amount of time was now being invested in assuring currently enrolled students and the community that the University would remain open and viable. Though total enrollment has declined over the past five years, the most significant decline occurred during the years of the budget impasse. Student population dropped 25 percent from 4,767 to 3,578 from fall 2015 to fall 2016.

State-funded Monetary Award Program (MAP) grants were given to eligible students in the amount of \$4.5 million. In the spring of 2017, CSU further reallocated resources, this time focusing on staff, recruitment, marketing, and technology. In late summer the impasse ended. With the new cash infusion, the administration prioritized enrollment, launched an effective, concentrated outreach campaign and by fall 2017, enough new freshmen and transfer enrolled to net a measurable increase over 2016.

Presently, undergraduate 'new admit' enrollment is up overall nearly 40.1 percent compared to 2016 surpassing 2016 enrollment goals established by both the administration and the BOT. CSU has also been reimbursed for the MAP awards – \$4.5 million and \$3.2 million for Fiscal Year 2016 and Fiscal Year 2017, respectively.

Expense Reductions and Credit Rating: Based on CSU's internal cash projection in Fiscal Year 2016, funding (cash) would have been depleted by the end of April 2016. As a remedy, personnel expenses were minimized. For example, as a preventive, cost-saving measure, commencement was held a week earlier (spring break was canceled), and faculty and staff layoffs were instituted. As a result, payroll expense was reduced by approximately \$1.2 million per month

or \$14.4 million annually.

Non-personnel operating expense reduction strategies were also enforced. These included restricting travel (cut by 34.4 percent from Fiscal Year 2013 to Fiscal Year 2015 and by 18.8 percent in Fiscal Year 2016 to Fiscal Year 2017) and limiting equipment purchases (by 53.1 percent in Fiscal Year 2016 and by 48.7 percent in Fiscal Year 2017). Other reductions were made in the procurement of contractual services and commodities. Overall, total operating expenses were reduced in Fiscal Year 2016 by \$13.1 million or 13 percent and in Fiscal Year 2017 \$12.9 million or 14 percent. However, the budget impasse did not affect CSU's credit rating because the Municipal Bond Insurance Association, Inc. guarantees CSU's bonds. Moody's monitors the bond rating.

Unfunded Mandates: However, since 2009, CSU has not received state funding for the Illinois Veteran Grants, Illinois National Guard and Prisoners of War/Missing in Action – mandated state programs for veterans that require CSU waive tuition and fees. To date, the bill for these programs is approximately \$7.2 million (from Fiscal Year 09 to Fiscal Year 17), mounting costs CSU hopes to recoup from the state. Beginning FY2018, the State will shift the employees' pension cost to the public universities while the operating appropriations budget declined by 9.5 percent for CSU.

Infrastructure: The significant workforce reduction combined with the lack of funding has meant that the maintenance of facilities (e.g., lecture halls, classrooms), and technology upgrades continue to be delayed. The University has suffered significant capital casualties and has to use operating funds for the rental of the boiler and repairs of underground piping because the State did not have and continues to have no capital budget.

Deferred maintenance costs exceed \$60 million and keeps growing.

Reputation: As a consequence of actions taken to keep Chicago State University open in the face of the significant decline in the budget appropriation, many across the Chicago and the state of Illinois assumed that CSU had closed. Numerous media reports about the University contributed to that perception. Unfortunately, many still believe that CSU is closed. In truth, declaring fiscal exigency, laying-off 331 employees including ten tenure-track faculties (many in key areas such as enrollment management and financial affairs), and the declining enrollment contributed to that perception.

The budget impasse also had a serious negative impact on vendor relationships. At worst, many vendors no longer want to do business with CSU or, at best have imposed notably strict conditions.

Recovery in Multiple Forms

With the recent budget appropriation, we have focused on rebuilding and revitalizing the University's reputation. In addition to heightening the University's presence in the surrounding community, we have also given significant attention to institutional advancement, improving media communications and re-branding, and advertising.

CSU also has rebuilt its enrollment management processes and significantly enhanced our recruitment and retention efforts; increased scholarships to high-performing high school students and transfer students; and has rehired staff who had been laid-off in critical areas. Further improvements include:

- Implementing improvements in financial management
- Developing long-term financial modeling based on conservative revenue estimates;
- Updating the financial management system focusing on all critical areas including procurement, human resources, student financial services, receivables and payables;
- Creating a pension funding "set-aside" to prepare for the forthcoming pension obligation;
- Providing transparency and online public access to budget information, including contracts; and
- Developing new revenue generating initiatives based on the following objectives:
 - Expanding university programs with minimal investment;
 - Increasing new student enrollment and improve retention;
 - Increasing net income thereby reducing reliance on State funding;
 - Generating income net of actual costs of the program and services; and
 - Contributing to the university's prestige.

Budget effects of impasse: Since Fiscal Year 2015 the University has made significant cuts in its budget. First, annual personnel services have been cut by almost \$22 million. Second, annual operating costs were cut by another \$7 million. The cuts resulted in a reduction in annual expenditures of nearly \$29 million between the beginning of Fiscal Year 2015 and the end of Fiscal Year 2017. These cuts represent a nearly 21% decrease in our annual budget and total almost \$58 million over the two year period.

All cuts were implemented so as to not impact the direct classroom experience of our students. However, that prioritization disproportionately assigned the entirety of the cuts to our student support, business affairs and administrative support offices resulting in employees who were not laid off being asked to work double duty, but in fewer hours and for less pay (due to mandatory furloughs).

Finally, aside from the dramatic fiscal impact of the inadequate state appropriations during the impasse, the most significant effect of the impasse was its impact on enrollment recruitment efforts which circularly impacts the budget through reduced tuition revenues as well as the forced spending down of our locally held designated funds (such as student fee funds) in order to provide for cash flow. The university effectively floated the State these funds in an effort to continue providing the high quality university experience we are known for without interruption to our students. The state does not appear to have any plans of repaying those funds.

Staff layoffs and other attrition experienced

	2015	2017	Difference		
Administrators	92	85	7	Layoffs	258
Faculty	581	477	104	Retirements/Resignations	142
Staff	940	611	329	Dismissals of Extra-Help Employees	40
Total	1613	1173	440	Total	440

Efforts to protect students: Although the budgetary impasse and consequential reductions in university expenses were severe, the university did everything necessary to maintain our high academic excellence and funding of our instructional needs. Our students were held harmless of the effects of the impasse, but the university’s non-instructional infrastructure and staffing were severely jeopardized as has previously been described.

Impact on Enrollment: Although we have experienced significant enrollment decline over the past several years, the enrollment declines in 2016 and 2017 exceeded the trend-line by 759 students. Tuition for these students would have amounted to approximately \$10 million, fees would have amounted to approximately \$3 million and housing revenue would have been approximately \$4 million.

Impact on Credit Rating: The University’s credit rating has dropped significantly over the past several years. According to the rating agencies, the drop is precipitated by the financial condition of the State of Illinois. In July of 2015, Moody’s rated the University as Baa1. By the end of Fiscal Year 2017, the rating dropped to a B2 for the University’s Auxiliary Facility Systems Bonds and Caa2 for the University’s Certificates of Participation. In July of 2015, Standard & Poor’s rated the University as A-. Their rating dropped to B+ by the end of Fiscal Year 2017.

The University has no plans to issue additional bonds and all of the outstanding bonds have fixed rates of interest. Therefore, the drop in ratings has no immediate financial impact on the University. Although there is no immediate financial impact, reputationally the University has taken a beating from its investors due to the significant decrease in operating funds caused by the budget impasse.

Heightened HLC and other scrutiny: We have been asked to respond to HLC regarding the decline in our Composite Financial Index (CFI). All of the indicators that make up the CFI have been directly affected by the budget impasse.

Impact on the economy in the region: The University recently completed an economic impact study. Using the numbers determined by the study, the University calculates that the loss of 440 employees due to the budget impasse, cost the region's economy approximately \$33 million due to lost wages paid directly by the University and an additional \$10M of wages supported by the University's lost wages within the region. In addition, the reduction of the University's operating costs of nearly \$14 million resulted in an additional reduction in the region's economy estimated to be over \$1M.

Although the loss of the University's wages and operating costs were the most significant part of the region's loss, the loss of 759 students also affected the region's economy. Using numbers from the economic impact study, the loss of students resulted in a loss of \$2 million from their spending in the local economy and a loss of approximately \$8 million from the local housing market and related support costs.

All told, it is estimated that our largely rural region lost nearly \$68 million due to the budget impasse.

Loss of quality faculty and difficulty in recruiting new faculty: The budget impasse had a direct effect on faculty. Many decided to leave the University. Of the 104 faculty members mentioned above, only 27 of them were actually laid off, the rest either retired or resigned. At this time, we are not in a position to rehire many of those faculty members that have departed. However, when we have been able to replace the faculty member we have noted smaller employment pools and difficulty in coming to financial terms with those that are willing to come to the University.

Efforts undertaken to mitigate negative impacts: The University has undertaken a Vitalization Project to identify further efficiencies, to assess viability and sustainability of existing services and/or programs and identifying enhancements or changes that would result in increased marketability and success for growing student enrollment.

Turning around the enrollment trend is paramount to the ease in which the University is able to rebound from the two-year state budget impasse. The University has implemented a new marketing plan that directly addresses the lack of awareness about Eastern's incredible value in Illinois public higher education. We are now out telling the story of this great university.



Governors State University implemented significant changes through strategic planning at a time of uncertain and declining state support, financing mission focused transformation through broad-based budget reallocation, and cost management.

The severe declines in state appropriation, especially those of the last two fiscal years, have forced GSU to make very difficult choices, eliminating a significant number of concentrations and programs and increasing Academic Year 2017-18 tuition rates by 15 percent. These decisions were necessary to maintain and secure the quality and integrity of the university's future, amid ongoing budget uncertainties. Even with tuition increases, GSU continues its position as the most affordable public university in the Chicagoland region, a distinction it has held for years.

University reserves, carefully built over many years to address campus needs, were exhausted by the budget impasse. These reserves have been necessary to address GSU's deferred maintenance backlog of over \$41 million. Due to lack of capital support in the Illinois state budget, major infrastructure failure (corroded water pipes and deteriorating roofs) have the potential of shutting down the campus for an extended period.

Our ability to attract and retain candidates for key faculty positions has been irreversibly inhibited. Hiring and travel have been severely restricted for several years. In Fiscal Year 2016, 62 positions were eliminated, including 18 administrative positions and ten Graduate Assistantship positions. It is important to note, no full-time, tenured faculty were dismissed and only three part-time University Lectures contracts were not renewed. Faculty were affected in many ways by the budget impasse, including:

- Restricted course offerings and limited program development;

- Faculty prevented from seeking peer-review or professional development because of limited travel and university financial support; and
- Faculty prevented from conducting vital research or obtaining necessary federal grants through limited university financial support.

Despite the declines in funding, GSU has maintained a freshman program with all courses taught in small classes by full-time faculty members. Our philosophy is that first-year courses provide the foundation for all future study and should be the responsibility of the most experienced and dedicated faculty members. In addition, GSU provides outstanding support, including transfer specialists and peer mentors for students in our 17 partner community colleges and beyond in alignment with state priorities for increasing graduates and facilitating transfer from community college to bachelor's degree programs.

The effects of the budget crisis were compounded by out-migration in Illinois due, largely, to anxiety about the future of public higher education, nationally, and in Illinois. The most significant enrollment change for GSU occurred in international enrollment and part-time student enrollment. GSU has responded with access to more online, hybrid learning opportunities, and scholarship opportunities that keep education affordable. GSU continues to promote the value of a GSU degree abroad and nationally, while ensuring that 90% of our students are residents of the State of Illinois.

When support for the Illinois Monetary Award Program (MAP) grants was withheld, GSU put students first by providing MAP-related funding for its students, even while uncertain that it would be reimbursed by the state. MAP funding availability has resulted in the loss of students in fall 2016 that continued through 2017 and persists into the 2018 year. For example, the impasse resulted in a 10.3% decrease in returning MAP-supported students in the fall 2017 term who began in fall 2016, based on internal calculations. It is difficult to measure the loss of new students for our transfer and freshmen admissions, but a similar effect is thought to be evident.

MAP eligible students make up roughly 33 percent of all undergraduates at Governors State University at this time, but previously made up closer to 45 percent of all undergraduates. In addition to the MAP, unfunded mandatory scholarship programs for Illinois veterans and military personnel place a financial strain on the university's budget year after year.

In Fiscal Year 2016, Governors State University generated an estimated \$274.7 million for our region, which including Metropolitan Chicago and Cook, Will, and Kankakee counties. Our financial impact includes funds spent to offer educational opportunities, the wages of our approximately 1,200 world-class faculty and staff, and the research grants received from external agencies and the federal government.

Another impact of budget impasse was the University's withdrawal of financial support for the Metropolitan Institute for Learning Education (MILE) and the Small Business Development Center (SBDC) housed at GSU, resulting in the closure of both programs. While these reductions did not adversely affected the quality of instruction, however, they did result in the elimination of seven positions and critical services the programs provided to the community.

Overall, negative effects arising from the ongoing budget impasse generated greater scrutiny from the Higher Learning Commission and other accrediting bodies and substantial downgrades to the University's credit rating. These downgrades have significantly affected GSU's ability to borrow and have required interim reporting and continued assurance to accreditors as to our progressive program development and ability to support our students and retain our faculty and staff. Downgrades to our debt rating/capacity have further limited our ability to address our deferred maintenance needs.

GSU's financial statements demonstrate the austerity measures put in place during the Fiscal Year 2016 fiscal year, but the lingering impact of the budget impasse continues. We anticipate a three percent reduction in enrollment for Fiscal Year 2019. Stabilization of state funding, dedicated and focused program development, availability of additional housing, expansion of international partnerships, and strengthened and sustained retention practices will position GSU for enrollment based resurgence through the next decade ensuring the successes of our students and continue to make GSU the regional University of Choice for Illinois students. We remain hopeful that state support will make that an affordable choice.

Number of staff layoffs and positions left vacant, including the breakdown by category, since most universities made a concerted effort to protect teaching positions: As a result of the 2-year budget impasse, ISU has reduced 120 (approximately five percent) non-instructional staff positions; made up of Administrative Professional and Civil Service personnel spread throughout the university. There were no reductions in faculty or positions directly in support of academic instruction. In addition, the number of student jobs has declined by approximately 50 (roughly 1.5 percent) over the last two fiscal years.

Efforts to protect students from the negative consequences of the budget impasse: In order to lessen the negative impact to students where possible, ISU fronted MAP funding for an extended portion of the impasse in the amount of \$12.3 million for Fiscal Year 2016 and \$16 million in Fiscal Year 2017. ISU also continues to provide additional monetary aid to financially needy students in order to help maintain their access to ISU's high-quality education. In Fiscal Year 2017, ISU provided an additional \$12 million from university general revenue funds to supplement MAP funding for all students eligible for financial assistance.

Impact on enrollment: ISU continues to field numerous questions from parents and students concerned about the state's inadequate and inconsistent funding for universities. While we attempt to alleviate the fears of these families, recruitment of students from lower to middle-income families has suffered because of this uncertainty, especially as it relates to the MAP program. In addition, we feel that the prolonged budget impasse contributed to the decrease in ISU's First Time in College (FTIC) student enrollment (9 percent decline) for fall 2017. Despite unstable and inequitable funding, (ISU is funded at the lowest level per student FTE of all public universities in Illinois at \$3,551), ISU continues to be fiscally prudent by serving and retaining our students as evidenced by only a one percent decline in total enrollment for fall 2017.

Impact on bond credit rating: ISU's current bond credit rating remains negatively impacted by the State of Illinois' low credit rating and the continued budget uncertainty. If ISU were evaluated as an independent university, we would expect an A1 rating by Moody's; however, due to our agency connection to the State of Illinois, we are currently rated three notches lower at Baa2. This lower rating will cost ISU approximately \$7 million in higher interest costs over the next 25 years in a 2018 debt financing of a \$60 million housing complex.

Heightened Higher Learning Commission (HLC) and other scrutiny: The prolonged nature of the budget impasse caused the HLC to more closely examine the financial viability of all public institutions in Illinois. ISU has not been subjected to significant concern from HLC, however, a repeat of Fiscal Year 2016 and Fiscal Year 2017 funding unpredictability would likely cause heightened scrutiny by this governing body.

Any other measures of reputation: ISU remains strong and stable. However, lack of predictable funding threatens the ability to maintain our solid reputation. Continued funding reductions and budget uncertainty will result in a degradation of quality instruction, student support, facilities and operational services provided by ISU to its students, staff, the state, and local communities.

Impact on the regional economy:

- A grant program for \$40,000 for the Illinois Small Business Development Center was terminated due to lack of funding through the Illinois DCEO. The Center was closed and staff terminated.
- The defunding of the Autism Project caused serious harm to the BN community. The program provided services to over 100 children with autism spectrum disorders and their families each week as well as professional training to day-care workers, first responders, social workers, and physicians throughout the community that work with individuals with autism spectrum disorders.

Loss of quality faculty and difficulty recruiting new faculty:

- The uncertainty and lack of adequate fiscal resources has resulted in a negative effect on faculty recruitment especially strong applicants from fiscally-stable states and private institutions
- The state capital funding freeze for the renovation of the ISU CFA complex has left ISU with a series of old and run-down buildings needing significant structural repairs in order to remain functional. This has

caused serious faculty morale and recruiting problems in this highly desired academic discipline.

Any efforts undertaken to mitigate negative impacts:

- Increase international student recruitment
- Enhance online academic program options to attract more non-traditional students to ISU.
- Expand student retention efforts with added funding to existing programs (i.e. TRIO, etc.)
- Review feasibility of additional academic programs to meet state employment needs (i.e. Cyber Security, Engineering)
- Explore opportunities with external entities to select & promote ISU as a “Preferred Educational Provider” for educational advancement opportunities for their employees (i.e. Advocate Bromenn Health System).
- Publicly announced largest fundraising campaign – “Redbirds Rising” – with a goal of \$150 million by 2020. ISU has raised over \$108 million thru mid-November 2017.
- Proactively monitor and adjust academic programs for student needs and market viability.
- Continuously evaluate current student support services, administrative, and operational practices for improved efficiency and effectiveness.

Notable efforts to reduce spending: In Fiscal Year 2016 and Fiscal Year 2017, approximately \$11 million was permanently cut from university budgets with over 40 percent allocated to non-faculty personnel reductions, 25 percent in operating expenditures, and 35 percent in critical, non-safety related facility repairs.

Successes achieved in spite of the loss of funding: Confirmed by our ISU Metrics of Excellence:

- Top 100 Public University
- Top 10 percent Graduation Rate (73.4 percent)
- Diverse Campus (24 percent of total student body – up one percent from prior year)
- High Freshman Retention Rate (81.1 percent)
- Low Student Loan Default Rate (2.8 percent)
- Great Place to Work (only four-year IL public university on list)
- Best College for the Money (22nd out of 1,200)
- Record Fund Raising (over \$20 million for 3 straight years)
- Military Friendly School
- Top 50 College Town in America



Much has already been reported regarding the negative consequences of the recent Illinois budget impasse on public higher education in the state. This summary will focus specifically on Northeastern Illinois University, which celebrates its 150-year anniversary this year, and how it has adapted to and has been changed by the financial difficulties brought upon by Springfield’s inability to provide adequate and reliable funding to the 9,000 students the University serves.

Perhaps the most significant change has been with staffing. In late May, the University announced that it had no choice but to eliminate 177 positions as a cost-savings measure. (This follows similar cuts during the summer of 2015 when it eliminated about 65 non-instructional positions to prepare for an expected cut to its state funding.) It was a painful process even though the University was able to afford the return of 18 of those positions (10 percent) after the state budget deal had been reached.

By division, the 177 positions that were eliminated in 2017 were broken down in this way:

- Office of the President: 3
- Finance and Administration: 69
- Academic Affairs: 87 (non-instructional positions only)
- Student Affairs: 15

- Institutional Advancement: 3

While Northeastern has done all it can to shield its students from the budget crisis and has continued to maintain its high standards for academics and student services, the blow to faculty and staff has been traumatic as they have had to endure not just job cuts but unpaid furlough days as well. In 2016, Northeastern required all employees to take one unpaid day off per week for six weeks while also instituting a hiring and travel freeze. In 2017 Northeastern implemented a second round of furloughs just prior to a second round of position eliminations; the University shut down operations during its 2017 Spring Break (to avoid instruction time) as well as three days in April. Employees classified as Administrative and Professional took two additional furlough days in May.

The furlough days and staffing cuts had taken a toll on Northeastern's reputation. As word spread, the problem was compounded with news that two credit ratings agencies had downgraded ratings for Northeastern and many other Illinois public universities. Our regional accrediting body, the Higher Learning Commission, had also expressed concern as it was in the middle of Northeastern's ten-year review. Even though Northeastern's accreditation had been successfully reaffirmed this fall, HLC has requested semi-annual reports of its financial standing to prove its stability.

The reputational harm that Northeastern endured is difficult to quantify but was obvious during the two-year long budget impasse. The media reported negative stories regarding the University's closures, the position eliminations, the layoffs of student employees and the departure of faculty. In fact, it has been difficult to retain and recruit faculty during the crisis, and many notable faculty left to pursue opportunities at universities in states that show stable funding of higher education. The same anxiety has been reflected in the declining retention and recruitment of students. Northeastern's total student enrollment has dropped precipitously during the years of the budget impasse:

- 2014: 10,275
- 2015: 9,897
- 2016: 9,538
- 2017: 8,984

Now that the budget impasse is over, the University has worked hard to mitigate its negative impacts. Interim President Richard Helldobler has hosted numerous town hall meetings to inform and engage the University Community. And, in 2017, he launched a University-wide initiative, called Forward 150, that is intended to prepare the institution for declining state support and help chart the course for the University's next 150 years.

This fall semester, Northeastern's University Community is slowly showing signs of a rebound. In September, we welcomed our largest incoming freshman class in four years, and we exceeded annual goals for a multi-year comprehensive capital campaign, which concludes in 2018. Also this fall, Northeastern began a yearlong celebration of its sesquicentennial anniversary, dubbed NEIU150. This anniversary celebration is equal parts acknowledgement of its 150-year history and anticipation of its next 150 years, which continues to be bright. With adequate state support, it can be.



Northern Illinois University

Efforts undertaken to mitigate negative impacts: In Fiscal Year 2016, Northern Illinois University (NIU) executed a comprehensive Program Prioritization effort, directed at aligning resources with mission. Program Prioritization reviewed each of 233 administrative programs and 226 academic programs. Programs were categorized as targets for potential enhancement, sustained resources, reduced resources, transformation or potential elimination. This process, while initiated in advance of the state budget impasse was nevertheless a key tool in informing NIU's response to the budget impasse. It has provided a rigorous, transparent and inclusive framework for informing resource allocation that has guided NIU's budgeting decisions throughout the state budget impasse. The full potential of this program to allocate resources to programs in high demand or with significant growth potential was not realized because of the budget impasse and resultant funding shortfall.

Notable efforts to reduce spending: Program Prioritization has guided the direction of budget actions. Some of the

key actions taken to reduce spending that have been guided by Program Prioritization include the elimination of a vice presidency; consolidation of enrollment management, marketing and communications; consolidation of scholarship and financial aid; centralization of many IT functions and their funding (WIFI, printing, servers, storage); restructuring of building services; restructuring online program delivery; consolidation of data support services into a single Office of Institutional Effectiveness; consolidation of non-academic event programming and support.

Efforts to protect students: In addition to the use of Program Prioritization to identify, protect and improve programs that were seen as most important to NIU's access mission and persistence of our students, NIU took active steps to protect students from the most direct impacts of the state budget impasse. NIU covered the gap in MAP funding for our students, accepting the risk of non-payment and the near-term impact on cash flow. NIU dedicates approximately \$14 million to students through institutional aid, and the NIU Foundation has made the generation of unrestricted scholarship dollars its top priority.

Successes achieved in spite of the loss of funding: NIU continues to advance its mission of combining high-quality education, research, engagement and accessibility. Our integration of these efforts has been reflected in the development of a new general education program Progressive Learning in Undergraduate Studies (PLUS) whose innovative features include Academics PLUS in the classroom, Engage PLUS in co-curricular activities and undergraduate research, and Jobs PLUS in the workplace. Our success in this integrated mission was recognized by the Brookings Institute, who identified NIU as one of the top public institutions in the country for combining social mobility and high-impact research. Some examples of NIU's programmatic excellence are:

- In the newest U.S. News and World Report rankings, the College of Engineering and Engineering Technology ranked in the top third of undergraduate engineering programs at institutions where the highest degree offered is a bachelor's or master's degree. The College of Education's online graduate programs tied for fourth out of 200 schools nationally.
- The NIU Accountancy Program ranks among the top 25 large programs in the country in a survey of accounting faculty conducted by the Public Accounting Report. The department has been a fixture on that list for more than 20 years.
- The College of Law was recently recognized by National Jurist as a Best Value Law School. In addition, Law.com recently ranked us fourth in the nation when it comes to placing graduates in government and public interest jobs.
- The Department of Public Administration has been consistently ranked by U.S. News and World Report as one of the top five programs in the country for local government management.

Impact on enrollment: In fall 2014, NIU's enrollment was just over 20,500 students. In fall 2017, it had fallen by 12 percent to just over 18,000. Our experiences in the 2016 and 2017 recruiting cycles showed that the state budget impact had a direct impact on our enrollments. On the one hand, while the budget impasse lasted, we encountered prospective students and their parents who directly asked if NIU would remain open long enough for them to complete their degree. Institutions in surrounding states aggressively, and successfully, recruited students from Illinois, often offering in-state tuition rates. On the other hand, when the budget impasse ended in July 2017, we saw an unexpected upturn in enrollments coincident with the veto override.

Impact on faculty and staff: The impact on faculty and staff was felt in a variety of ways: reduction in force; exodus of talent; unionization. From Fiscal Year 2014 to Fiscal Year 2018, both civil service and supportive professional staff declined by more than 10 percent, a loss of 275 staff positions. Faculty shifted towards more part-time faculty as positions were left vacant either intentionally or because it was impossible to attract faculty from high demand fields. For both faculty and staff, the uncertainty at the state level, coupled with multiple years without salary increments, led to voluntary departures of talented individuals. Early-career faculty who were recruited away from us told us that they were leaving as a direct result of the financial uncertainty. Some of these individuals represented the best and brightest in their fields. Others had long-standing ties to Illinois. In some cases, we were able to make successful retention offers. While the cost of those retention packages was judged to be worth bearing given the costs and challenges of recruiting talent, those costs were nevertheless an additional unbudgeted strain on our resources. Finally, the uncertainty and financial strain led to the formation of two new collective bargaining units that include almost half of our workforce, one for tenure-line faculty, one for paraprofessionals (clerical, information technology etc.).

Impact on facilities: From Fiscal Year 2014 to Fiscal Year 2018, NIU cut annual spending on facilities (including maintenance, major and minor repairs) in half, from approximately \$8 million to \$4 million. We estimate that long-term institutional health would call for annual facilities expenditures on the order of \$20 million, or 2 percent of plant

replacement value. With repairs and maintenance scaled back to only the most essential, students, staff and faculty have faced challenges such as a building failing to be handicap-accessible because of the inability to repair a broken elevator. NIU's one state capital project, the Stevens Building housing Anthropology and Theatre, has twice halted for lack of state funding. This has delayed the completion of the project by two years, increased the overall cost of the project, and forced NIU to spend approximately \$300 thousand in institutional funds to winterize the site during an extended shut-down.

Impact on reputation: Both the Higher Learning Commission and the Accreditation Board for Engineering and Technology (ABET) signaled significant concern about our accreditation. The HLC sent notice that NIU's financial composite index fell "in the zone" for Fiscal Year 2016, signaling their concern that NIU was experiencing financial difficulties. The HLC further indicated that a second year "in the zone" may make NIU subject to further review by a financial panel, with potential impact on our accreditation status. ABET similarly expressed concerns about NIU's ability to sustain engineering programs that meet accreditation requirements. Two other smaller disciplinary accreditation bodies cited NIU for concerns directly related to our financial health.

Impact on financial health and credit rating: The state budget impasse, particularly the 70 percent cut in state funding for Fiscal Year 2016, has put a severe strain on NIU's financial health. In Fiscal Year 2017, NIU's cash position fell as low as one month cash on hand, far below the normal guidelines of three to four months cash on hand. NIU was forced to rigorously, almost obsessively manage cash flow to ensure the ability to pay bills and meet payroll. One of the most visible impacts was to the bond ratings of our three bond series. Starting from upper medium grade ratings of A2 and A3, the bond ratings fell steadily through Fiscal Year 2016 and Fiscal Year 2017 to non-investment grade speculative status. At their lowest ebb, in June, 2017, with no state relief in sight, two of the bond series ratings stood at Ba3 and the third at Ba2. This has significantly increased costs for NIU. Absent a Fiscal Year 2018 budget, Moody's threatened to reduce NIU's bond ratings even lower, to B1, highly-speculative, high-risk investments.

Impact on the economy of the region: NIU is the major employer and in DeKalb County and the major driver in the regional economy. The budget impasse had three negative impacts on the local economy: the university significantly curtailed non-personnel spending, which often meant that local vendors saw a loss of business; the reductions in force meant loss of employment for many people in the region; and the decline in students meant losses for landlords, retail, restaurants, and many other elements of the local economy. These negative impacts fed off of each other, as the decline in students meant less tuition and fee revenue, which in turn drove reductions in institutional spending and cuts in staffing.



The fiscal condition of the State of Illinois has deeply affected SIU Carbondale over the past decade, with the largest budget challenges attributable to state appropriated funding occurring during fiscal years 2016 and 2017. SIUC received 29 percent of expected Fiscal Year 2016 state funding and, following a protracted legislative budget impasse, 100 percent of expected Fiscal Year 2017. Factoring in the 10 percent cut in appropriations in Fiscal Year 2018, funding for SIU Carbondale is \$89 million, or 49 percent, less than the peak appropriation in Fiscal Year 2002, after adjusting for inflation.

The 71 percent reduction in expected Fiscal Year 2016 appropriated funding resulted in a \$64 million decrease in total unrestricted cash at June 30, 2017, compared to June 30, 2015. The depletion of total unrestricted cash reserves resulted in the Carbondale campus borrowing from SIU Edwardsville in order to avoid spending restricted funds. The borrowing was short-term; following the July 2017 receipt of

\$19.5 million of state appropriated funds and \$11.7 million in MAP funding, unrestricted cash was in the black. However, the campus spent \$38.2 million more than the total cash reserve of the income fund (tuition revenue) to maintain operations in Fiscal Years 2016 and 2017. That deficit will need to be eliminated over time.

Since Fiscal Year 2015, the Carbondale campus operating budget has been cut 16 percent. Permanent budget cuts totaling almost \$14 million were taken in Fiscal Years 2016 and 2017. The campus developed a *Financial Sustainability Plan* in July 2017 for the SIU Board of Trustees that outlined permanent state budget reductions for

fiscal year 2018 totaling an additional \$19 million. The plan included the layoff of 49 civil service employees and the non-renewal of contracts of 27 non-tenure-track faculty and two administrative professional staff. Combining layoffs and position vacancies, the Carbondale campus now has about 400 fewer positions, 12 percent less than it did at the beginning of the state budget impasse.

Budgets to fund graduate assistant positions are about 20 percent lower, compared to fiscal year 2015.

To the extent possible, budget cuts were based on maintaining the university's core academic mission. However, since Academic Affairs accounts for 70 percent of the university's state budget, it was not possible to avoid reductions to academic units entirely. Recent efforts to reduce spending have included the closure of Morris Library on Saturdays; closure of the University Museum for fall 2017; elimination of University College as a standalone entity; and restructuring of the Graduate School. Also, the workday at Plant and Service Operations was reduced from eight to 7.5 hours, which resulted in a pay cut of 6.5 percent for 92 employees; on-campus employment opportunities were eliminated for 200 students; and additional cuts were made to intercollegiate athletics, resulting in the elimination of the men's and women's tennis teams.

Despite the financial challenges, SIU Carbondale did not impose furlough days on employees; did not schedule campus closure days; used institutional funds to award MAP grants to over 4,000 students each fall and spring in the absence of state funding; continued to pay vendors promptly; and generally minimized the direct impact of the budget impasse on students.

The specific impact of the budget impasse on enrollment is difficult to measure, but the ongoing impasse created negative public relations issues for state universities as a whole. Enrollment at the Carbondale campus has been in decline, but it worsened in fall 2017, due in large part to the uncertainty created by the lack of a state budget for higher education. It is anticipated that the trend will continue into fall 2018. The recruitment and retention of students remains the highest priority. The decline in state funding has resulted in increases in tuition rates to fill the budget gap, although SIU Carbondale remains the most affordable public research institution in Illinois.

In February 2016, the Higher Learning Commission (HLC) requested information regarding the university's plans to continue operations without a state appropriation, as the budget impasse raised serious concerns related to accreditation. In December 2016, the HLC again requested that the university affirm its ability to meet HLC's Criteria for Accreditation, specifically as it related to the availability of financial, physical and human resources required for the ongoing support of the institution. While SIU Carbondale successfully demonstrated each time its ability to meet its commitments to students, the heightened scrutiny was solely due to the state's budget impasse and the absence of appropriated funding.

The budget impasse also took a toll on SIU's credit rating, dropping to Ba2 in 2017 from A1 in 2009 (Moody's) and BB+ from A+ (Standard and Poor's (S&P)). In their July 24, 2017, rating review of SIU, S&P included the observation that "the protracted budget impasse has resulted in considerable, forced expense control measures.....these cuts have, in our view, weakened many of these institutions' competitive market position with regard to faculty, staff, and student recruitment." Moody's Investor Services published a comment on July 14, 2017, which said, "Illinois public universities' competitive positions have been impaired due to reputational damage during the budget shortfalls, driven in part by program and staff reductions, as well as student uncertainty concerning MAP awards."

Rebuilding the SIU credit rating to pre-2010 levels will take several years. During that time, SIU will suffer from unwilling investors and higher financing rates, limiting the ability to make capital investments.

In spite of the recent financial challenges, SIU Carbondale continues to move forward as a comprehensive university that educates the entire student. This fall, academic reorganization is underway. All academic programs are under review to determine how they fit within the academic structure of the entire university. The current college structure will be redefined. Programs will be transitioned into schools, based on opportunities for synergy and new program growth. These new scholarly communities will lead to innovation in teaching and knowledge creation and help ensure the ongoing stability of the university.



Since Fiscal Year 2002, after adjusting for inflation, Illinois Public Universities have had the buying power of their state appropriations decreased by 51 percent. During this slow and steady decline in state support SIU School of Medicine was able to operate with minimal impact to students by incrementally improving operating efficiencies and seeking out alternate revenue-generating partnerships. While this decrease in funding was occurring over a 14-year time period, higher education had the opportunity to make changes step- by-step while always being mindful of the impact. By contrast, what happened to higher education funding during the budget impasse was sudden and more damaging as it left higher education with little time to react and instead forced institutions to cut staffing quickly while also destabilizing most institutions' working capital. The immediate impact was to weaken every Illinois Public University's financial position and thus their ability to recruit and retain many top faculty and prospective students.

In Fiscal Year 2016 alone, SIU School of Medicine state appropriation was cut by \$27 million dollars and has never been restored. Over the past two years, the SIU School of Medicine has had to cut 93 positions, largely administrative and civil service positions, and another 36 remain vacant on state accounts. The School is challenged more than ever to recruit and retain high quality faculty and staff because of the concern new recruits have for working for a public university in Illinois. Some physician faculty report the uncertainty with the state budget and funding to the Universities as their reason for leaving the institution. There are also physician specialties that never even apply to SIU because of the declining state support. For the first time, graduating medical students reported a preference to leave the state for their residency training to assure no negative impact on their training because of the state budget impasse. This will have a long term detrimental effect on physician access in Illinois. The data suggests that physician are more likely to stay in the regional where they receive residency training.

Travel for training and education has been significantly reduced impacting our faculty and staffs' ability to stay current with the newest clinical procedures. Equipment purchases and deferred maintenance are being delayed until the institution can restore a reasonable level of working capital, which will likely require many years. This is a particular challenge related to computer equipment for electronic medical records, data breaches and HIPAA security concerns. Plans for clinical expansion have been put on hold, reducing the capacity to meet the patient care needs for the region.

Not only did the appropriation shortfall negatively affect the School, the slowdown of payments for state employees' health insurance claims has impacted the university related faculty practice plan, also resulting in reduced funds available for academic programs and patient care.

Furthermore, the School has reduced its ability to receive competitive bids for essential goods and services. Vendors are hesitant to conduct business with the State and decline opportunities for contractual engagements due to concerns of not being paid for their services in a timely manner.

In addition to the Fiscal Year 2018 state appropriation reduction, pension cost-shift legislation enacted in July 2017 will also have significant impact on the medical school's finances. Establishing the threshold for paying pension costs on existing employees at the Governor's salary level, currently \$177,500, places a disproportionate financial burden on the two public medical schools in Illinois. SIU School of Medicine is projecting that this component of the pension cost-shift alone will add \$650,000 to \$700,000 in annual costs and this must be added to the projected \$1,100,000 annual pension cost for new hires. After adding the 10 percent appropriation reduction, the effective cuts to the medical school are more in the range of 15 percent for Fiscal Year 2018. A medical school must hire physician faculty to teach medical students and residents. Most physician salaries exceed \$177,500 per year and can be upwards of \$500,000 for surgical specialties. Without these physician specialties, patients in Illinois will lose access to important health care services and will also reduce the number of physicians trained for the region for the future.

In spite of the financial difficulty experienced during the past two years, School of Medicine has worked diligently to protect its reputation as a top medical school and a pioneer in the area of problem-based learning curriculum. In the middle of the budget impasse, the Liaison Committee for Medical Education from the American Association of Medical Colleges completed a thorough accreditation review for which SIU received its second straight extended 8-year accreditation with no negative citations, a first for any public medical school in the United States. However, as the budget impasse continued, the accreditation committee requested regular updates on the financial status of the

School of Medicine to assure student teaching would not be impacted. The 8-year accreditation is a testament to the commitment of the faculty and staff of SIU School of Medicine to focus on the student's experience even during the most trying of financial times.

However, in order to recruit and retain this high level of faculty and staff, we must be able to help them keep pace with the increased cost-of-living which we have been unable to do since the budget impasse began over two years ago. This is especially a challenge in Springfield as the School of Medicine must compete with the high salaries of staff within state government. The School frequently loses staff to state agencies because of guaranteed salary increases and a higher rate base pay, even at entry level positions.



Throughout the two-year Illinois budget impasse, SIU Edwardsville sought to remain focused on our core mission of educating students through our comprehensive and unique array of undergraduate and graduate programs which develop professionals, scholars, and leaders who help shape a changing world.

However, the State of Illinois' fiscal challenges during the past decade have impacted SIUE, and especially so during the Illinois budget impasse, which occurred during Fiscal Years 2016 and 2017 and which included SIUE receiving only 29 percent of expected Fiscal Year 2016 state funding. Since Fiscal Year 2002, after adjusting for inflation, Illinois public universities, including SIUE, have had the buying power of their state appropriations reduced by 51 percent.

SIUE is the most efficient public university in Illinois based on several different measures, including having the lowest undergraduate instructional cost of all the Illinois public universities and having the most students per administrator (the lowest administrator-to-student ratio). SIUE's Fiscal Year 2018 tuition and fee cost is also the lowest among the Illinois public universities. More than 42 percent of SIUE students graduate with zero student debt and overall SIUE students graduate with 20 percent less debt compared to state and national averages.

These measures indicate that we are the most efficiently operated public university in the State. However, to be prudent, SIUE reduced the Fiscal Year 2016 operating budget by nearly \$12.5 million, or approximately 9 percent of the budget supported by state appropriations and tuition revenue, compared to the Fiscal Year 2015 budget. This nine percent cut followed a one percent cut in Fiscal Year 2014 and a 3.2 percent cut in Fiscal Year, for a three-year total of 13.2 percent.

While we focused on maintaining the academic quality of our programs, the budget cuts did result in increases in class sizes, decreases in the number of elective classes offered, and increases in current faculty and staff workloads. The impact of the budget reductions were felt campus-wide, including the elimination of two sports in Intercollegiate Athletics. While we attempted to protect students from the impact of the budget reductions, the cuts did result in a decrease in the number of graduate assistant and student employment opportunities.

The impact of SIUE's 9 percent budget realignment included 25 layoffs and the elimination of 44 vacant positions, while 68 vacant positions were put on hold. The layoffs included no tenure/tenure-track faculty and only 2 non-tenure track faculty positions in order to maintain the high quality of academic programs delivered to students. In total, as of November 1, 2017, SIUE has 112 fewer employees than we did three years earlier. It should be noted that the 9 percent budget cut implemented in fall 2015 (Fiscal Year 2016) occurred during SIUE's highest enrollment in its nearly 60 year history.

The Illinois budget impasse not only put financial pressures on the University and made both short-term and long-term planning difficult, it also led to a significant amount of negative coverage in the news media. Our recruitment efforts were negatively impacted by the constant media reports conveying the uncertain future of the Illinois budget. Specifically, freshmen deposits significantly decreased in conjunction with news media coverage regarding the dire financial situation at many Illinois public universities. These comments appear to legitimize the concerns of potential students and parents, and along with the uncertainty of MAP funding, have resulted in an increase in the number of Illinois high school graduates choosing to attend colleges and universities in other states. It should be noted that

SIUE's enrollment was growing during the several years prior to the budget impasse but has declined during the last two years, corresponding with the timing of the budget impasse.

The negative media coverage may also have contributed to the drop in SIUE's rankings in several nationally published rankings of colleges and universities. In its "Best Colleges of 2016", U.S. News & World Report ranked SIUE among the best Regional Universities for the 12th consecutive year and among the top 10 public universities in that category. SIUE was featured at number 44 in the 2016 rankings of Regional Universities Midwest, advancing three spots from the previous year. In the recently published "Best Colleges of 2018" ranking, SIUE's ranking had slipped to number 70. Similarly, in Fiscal Year 2016, SIUE was included in Washington Monthly's Top 40 for master's universities in the nation (first among all master's institutions in Illinois on their list). In this year's ranking, SIUE's ranking had slipped to number 89.

The budget impasse led to several periodic requests for information from the Higher Learning Commission (HLC) regarding the university's plans to continue operations without a state appropriation, as the budget impasse raised serious concerns related to accreditation. While SIUE successfully demonstrated each time its ability to meet its commitments to students, the heightened scrutiny was solely due to the state's budget impasse and the absence of appropriated funding. The 71 percent reduction in the level of Fiscal Year 2016 state appropriation funding also had a notable impact on the financial ratios in the HLC's Composite Financial Index. The heightened scrutiny also resulted in significant staff time required to formulate responses.

The budget impasse also took a toll on SIU's credit rating, dropping to Ba2 in 2017 from A1 in 2009 (Moody's) and BB+ from A+ (Standard and Poor's (S&P)). In their July 24, 2017, rating review of SIU, S&P included the observation that "the protracted budget impasse has resulted in considerable, forced expense control measures....these cuts have, in our view, weakened many of these institutions' competitive market position with regard to faculty, staff, and student recruitment." Moody's Investor Services published a comment on July 14, 2017, which said, "Illinois public universities' competitive positions have been impaired due to reputational damage during the budget shortfalls, driven in part by program and staff reductions, as well as student uncertainty concerning MAP awards."

Rebuilding the SIU credit rating to pre-2010 levels will take time. During that time, SIU will suffer from unwilling investors and higher financing rates, limiting the ability to borrow funds for capital investments, and resulting in additional borrowing costs.

We have seen a dramatic increase in the numbers of long-term faculty who were tenured and in the prime of their careers – many of them chairs, directors, and leaders among their peers – who have chosen to resign and move to universities in other states. Most often, they have let us know that they would not consider a counteroffer to stay. One factor which has led to an increase in employee dissatisfaction is that access to health care has been delayed or reduced for many due to the State's backlog in paying doctors and their hesitancy to keep treating university employees.

We have also experienced an increase in the number of failed faculty searches across academic departments in recent years, resulting in the need to fill open faculty lines with temporary Visiting Professors, Instructors, etc. Some candidates have shared that as they learned about the budget impasse in the state, they had second thoughts. A number of candidates in failed faculty searches declined our counteroffers.

SIUE is the second largest employer in the Metro-East Illinois region with a total annual economic impact of over \$514 million. In addition, every state dollar spent on SIUE generates \$8.60 of economic impact in the local economy, so the Illinois budget impasse has not only negatively affected SIUE, but the surrounding metro-east region as well.

SIUE has reallocated resources in an effort to protect students from the negative consequences of the budget impasse through budget reductions/reallocations and prudent planning, working to ensure that students have access to required courses to keep them on track for graduation. We have also reallocated funding for student tutoring to help students successfully progress in their education.

In spite of the recent financial challenges, SIUE has worked to protect our reputation and the quality of education offered to our students. The University continues to receive national recognition for the quality of our programs. Recent examples include the National Science Foundation's ranking of SIUE as first among all Emerging Research Institutions in the Midwest for research expenditures and SIUE's ranking as 4th among Illinois public institutions on Forbes magazine's list of America's Top Colleges, based on the criteria of return on investment, including success

after graduation, student debt and student satisfaction.

In addition to our institutional accreditation by the Higher Learning Commission, many of SIUE’s academic schools and departments maintain additional accreditation through program-specific accrediting bodies, which is an indication of academic quality. SIUE continues to move forward and make progress in various areas – our retention rates are up, we have increasing success in fundraising, and our grant- funding/research is up. And, in an effort to meet student demand, expand course offerings and increase enrollment, SIUE continues to focus on online education, experiencing increases in the number of credit hours delivered online. With consistent levels of state appropriation funding, SIUE will continue to expand and improve the educational opportunities offered to students in the state and region.



Impact on Credit Rating: The state budget impasse of 2016 and 2017 came on the heels of 7 years of delayed payment forcing most Illinois Public Universities to exhaust cash reserves that resulted in cash liquidity concerns. As investors, rating agencies, faculty & staff, students and other constituency groups began to question the state’s commitment to public higher education, most of the Illinois public university’s credit ratings spiraled to below investment grade. Below is 10 year summary of SIU’s credit rating history.

Southern Illinois University Credit Rating History since 2006

<u>Housing & Auxiliary Facilities System</u>			<u>Certificates of Participation</u>		
Calendar Year	Moody's	S&P	Calendar Year	Moody's	S&P
2017*	Ba2	BB	2017*	B1	BB+
2016	Baa2	BBB	2016	Baa3	BBB
2015	Baa1	A	2015	Baa1	A
2014	A3	A	2014	A3	A
2013	A3	A	2013	A3	A
2012	A2	A+	2012	A2	A+
2011	A2	A+	2011	A2	A+
2010	A2	A+	2010	A2	A+
2009	A1	A+	2009	A1	A+
2008	A1	A+	2008	A1	A+
2007	A1	A+	2007	A1	A+
2006	A1	A+	2006	A1	A+

*As of July 24, 2017

Moody’s Investor Service published a sector comment on July 14, 2017, highlighted their observation on the impact of the budget impasse which stated: *Illinois public universities’ competitive positions have been impaired due to reputational damage during the budget shortfalls, driven in part by program and staff reductions, as well as student uncertainty regarding MAP awards. Many universities suffered notable enrollment declines, which are expected to continue for fall 2017. As a result, the two core revenue streams for most universities – state funding and tuition revenue – will be down for fiscal 2018, forcing continued budget adjustments. Liquidity will be partially restored, but will not return to 2015 levels.*

Uncertainty about the legislator’s willingness to pass a fiscal year 2018 budget and the ultimate level of support for higher education going forward continue to loom over the Illinois public higher education sector. Standard and Poor’s in their July, 24, 2017, rating review of Southern Illinois University outlined their observations as follows: *Our outlook reflects our expectation that while delayed state appropriations and payments have directly affected the financial profiles of the Illinois public universities--stressing their liquidity, operating margins, and available resources--the prolonged budget impasse has to varying degrees also diminished the enterprise profiles of these institutions. For many universities, the protracted budget impasse has resulted in considerable, forced expense control measures, including layoffs, furloughs, frozen hiring, and delayed maintenance, the elimination of student jobs, and the closure of classes or programs. These cuts have, in our view, weakened many of these institution’*

competitive market position with regard to faculty, staff, and student recruitment. It is our opinion that it will take some time to fully understand the long-term implications of the state's actions on these institutions.

We expect it will take several years to rebuild our credit rating to a rating similar to pre-2010 levels. In the meantime, we will continue to suffer from a smaller universe of possible investors and higher financing rates. One prime example of the negative impact is highlighted through our attempts to finance three Piper planes for \$1.5 million. Planes with upgraded equipment were needed to keep Aviation, one of our signature programs, competitive nationally. SIU began working on financing the planes in December 2016. Typically, the project would have been financed using IPHEC financing, but banks were no longer submitting bids to IPHEC due to the budget impasse. SIU worked for four months with 6 banks attempting to secure financing. All the banks declined. SIU found one lender willing to assist. The lender required a 30 percent down payment and a financing rate of at Prime +0.09 percent (4.25 percent + 0.09 percent = 4.34 percent). A comparable IPHEC financing rate for this transaction would have been approximately 2.50 percent. Having no other choice, SIU accepted the terms.

UNIVERSITY OF ILLINOIS SYSTEM



The University of Illinois (U of I) System plays a crucial role in the future of the state of Illinois and its educational and economic well-being. Across our three universities, we enroll half of all students attending Illinois public universities. We produce more than 21,000 graduates each year, of which well over half stay in Illinois after graduation to become part of the Illinois workforce, to start new companies and industries, and to contribute to the state's taxpayer base. A recent study estimated the U of I System's economic impact at nearly \$14 billion a year. Our faculty are engaged in cutting-edge research to solve pressing societal problems and they bring in high levels of federal research dollars to do so, our graduation rates are high, and our alumni are loyal contributors to their communities. In short, the University of Illinois System has a crucial role in ensuring that the state of Illinois thrives.

In Fiscal Year 2016, the University of Illinois received approximately 28 percent of its final Fiscal Year 2015 appropriation, a shortfall of over \$460 million that still has not been recovered. This substantial funding gap is not our only financial challenge. Like all public universities in the state, we have experienced a steady decline in direct appropriation over the past 15 years. For example, in Fiscal Year 2002 the state appropriated \$804 million to the University of Illinois System for operating expenses. Just 15 years later, we received \$583 million in direct appropriation, representing a 34.5 percent decrease. With the passage of the budget bill, all universities will be required to cover pension benefit costs for new employees effective July 2018. An estimate of this liability is unknown given the program has not yet been developed, but the cost-shifting will grow over time and will have an impact on our ability to meet our mission and serve the citizens of Illinois.

Admittedly, the two-year budget impasse has had different effects on public universities in the state. Unlike many of the regional institutions, the U of I System continues to have strong student demand and more diverse revenue streams, which helped buffer the dramatic swings in state support over the last two years. Nevertheless, we have experienced serious negative consequences that are detailed in this document. To be clear, our financial position has been weakened. As a result of the budget impasse, the University has increased class sizes, substantially reduce faculty hiring, cut administrative support staff, and postponed critical infrastructure repairs that have increased the already staggering deferred maintenance backlog. In addition, our credit rating was reduced and both rating agencies pointed to the State's deteriorating credit rating as the reason for the downgrade, not an underlying weakness of the University's creditworthiness.

Our ability to attract and retain faculty members is vitally important to the fulfillment of our core education and research missions. Although we have not experienced massive flight of faculty, our position in the national marketplace has been diminished. Peer institutions have actively targeted our top faculty and administrators and it is becoming increasingly difficult – and expensive – to retain them.

Further, faculty members who bring in the most research dollars are typically the most likely to receive attractive offers. Even the loss of a few key faculty members can have significant effects on our institutions.

System wide, our faculty accounted for almost \$1 billion in research funding last year. Our strengths in science,

technology, engineering, and medicine make us very competitive for federal and private research funding. For example, the University of Illinois at Urbana-Champaign (UIUC) has been the top recipient of NSF grants across the U.S. for the past 7 years. Research funding is closely related to reputation and rankings of our programs, and in highly ranked colleges, such as Engineering at UIUC, we must attract and retain the best faculty in the world. The recent drop of UIUC Engineering from 5th to 9th in the *US News and World Report* rankings is a serious warning and is due in large part to the budgetary challenges we face.

Below are some examples of the lasting impact of the budget impasse and declining direct state support across our three universities.

Staff layoffs/vacant positions:

- System-wide reduction in non-instructional staff of 424 FTE between Feb 2015 and October 2017
- University of Illinois at Chicago (UIC)
 - Unpredictability in state support has caused an increased reliance on non-tenured, part-time faculty
 - UIC's colleges have not had the resources to keep up with the demand that enrollments are putting on the need to hire more tenure track faculty and invest in capital projects and deferred maintenance
 - 118 notices of non-reappointment for academic professionals in Fiscal Year 2017 and 48 in Fiscal Year 2018 to date
 - 19 civil service position layoffs resulting in eight layoffs in Fiscal Year 2017 and eight to date in Fiscal Year 2018
- UIUC
 - Colleges have been conservative in hiring new tenure-track faculty
 - Units facing difficulty recruiting faculty because of uncertainty of state paid benefit costs; several units are hiring additional specialized faculty when tenure system faculty retire and/or new degree programs are offered
 - Continue to receive questions from external candidates about the stability of the university/state
- University of Illinois at Springfield (UIS)
 - 13 Academic professional, five civil service, and five faculty positions have been left unfilled
 - Reduction in the number of graduate assistantships and fellowships

Loss of quality faculty and difficulty recruiting new faculty:

- UIUC faculty retention cases were up 41 percent and resignations up 76 percent in academic years Academic Year 2015-16 and Academic Year 2016-17 when compared to Academic Year 2013-14 and Academic Year 2014-15, for reasons that include decreased pension benefits, flat salaries for multiple years, increased health benefit costs, and uncertainty of state funding
 - All departing faculty members from UIUC have mentioned concerns about the state situation during exit interviews
 - Peer institutions in other states are using the budget impasse to “cherry pick” and recruit the best faculty and staff; competitors are able to offer attractive salaries and/or startup packages
 - Examples of high profile faculty members who have left, at least partly due to the state budget uncertainty, include: Sara Brown-Schmidt (Psychology) to Vanderbilt, Jennifer Cole (Linguistics) to Northwestern, Tom Overbye (Electrical Engineering) to Texas A&M, Daniel Wasserman (Electrical Engineering) to UT Austin, Duane Watson (Psychology) to Vanderbilt, John Rogers (Materials Science & Engineering, MacArthur Fellow, NAE member) to Northwestern
 - College the Education – tenure track faculty losses prior to FY18 have devastated academic programs such as bilingual education, creating disadvantages for students
 - Our ability to make counter offers for those who are being recruited to other institutions has been limited, which contributes to increasing retention challenges in our units
- UIUC also experiencing challenges in faculty recruiting
 - Business – 13 tenure-track faculty offers were declined in the last year
 - Engineering also has an alarming number of challenges in recruiting assistant professors in the past two years
 - LAS – lost 27.5 faculty and hired only 24 so overall net loss in spite of hiring activity; difficult to fill gaps in departments and keep up with growing enrollments in certain departments such as Economics and Statistics
- UIC
 - Loss of 13 FTE tenured faculty between February 2016 and February 2017; almost all replaced with

- adjunct or clinical faculty
- Significant number of faculty retention cases, and retaining faculty was very difficult and expensive
- Applied Health – lost three faculty to other institutions, retained two
- Business – lost four, retained four
- Engineering – lost three (two for other institutions), retained 13
- LAS – lost seven, retained ten
- Faculty exit surveys indicate that budget and lack of raises, as well as concerns about pension, health care, etc., are a significant factor in faculty leaving the university
- UIS
 - Difficulty recruiting and hiring candidates for faculty positions
 - Candidates withdrawing at the last minute due to the uncertainty caused by the budget impasse

Additional costs and lost potential:

- We have been forced to promise higher base salaries to recruit faculty as well as senior administrators to compensate for little-to-no prospect of future salary increases; candidates are asking questions about the financial situation and demonstrating concern about the long-term health of the institution
- Reduced cash available for faculty startup and retention packages, which are critical to attracting and keeping the best scholars; it is significantly more cost effective to retain excellent faculty than to hire new faculty who typically require expensive initial investments and more time to establish themselves and to build the network and infrastructure needed to conduct the level of research we expect from our highly productive scholars
- Reduced administrative support for faculty to apply for grants and other opportunities that bring in outside funding – for example, Applied Health Sciences at UI at Urbana Champaign has delayed hiring an additional grant support specialist despite the growth in grant applications due to the uncertainty of the state budget – many of these grant applications are for NIH funding which would bring additional dollars to the university and state
- Several research centers have been forced to discontinue operations, including the Illinois Simulator Laboratory and the Institute for Computing in Humanities, Arts, and Social Science; seed funding for emerging research areas within current institutes (e.g., Beckman Institute) has declined significantly
- State and federal research dollars are at risk – \$913 million in research funding depends heavily on state investment to secure federal funding; with reduced state research support, our research funding portfolio is at risk, as well as the social benefits resulting from research outcomes
- Impact on credit rating and borrowing costs
 - In 2014, the Board of Trustees of the University of Illinois’ Auxiliary Facilities System (AFS) Revenue Bonds were rated AA- by S & P and Aa3 by Moody’s
 - Over the next three years, as the State was downgraded, the Board’s AFS revenue bonds were downgraded to A- by S & P and A1 by Moody’s
 - Both rating agencies pointed to the State’s deteriorating credit rating as the reason for the downgrade of the Board, not to any underlying weakness of the Board’s credit

Impact on other specialized services:

- Prairie Research Institute (PRI) has experienced decrements in state funding, which affects personnel and mandated services
 - Sustained cuts to PRI impacts the ability to address issues and challenges facing Illinois residents, communities and businesses
 - This impacts the four Scientific Surveys and Illinois Sustainable Technology Center’s ability to meet all state mandates related to community health issues, clean water programs, natural resource monitoring, cultural resource assessment and protection
 - Numerous sustainability and environmental programs with Illinois communities and manufactures are threatened
- Further reductions in Extension services and offices throughout Illinois impact the economy at both the state and local levels - the areas of applied research and extension education are particularly at risk, resulting in forfeiture of growth opportunities such as inability to respond to demand for locally produced specialty crops in Illinois and inability to mount responses to threats such as disease or pest outbreaks that affect important food and agricultural crops throughout Illinois
- The UI Health enterprise at UIC is the state’s largest public healthcare provider, with over 489,000 patient visits at the University’s hospital and clinics in Fiscal Year 2017. UIC provides an estimated \$53+ million

in uncompensated care each year.

- The hospital contracts for audio- and video-assisted care to 585 Illinois Department of Corrections (IDOC) prisoners with HIV and/or Hepatitis C, reducing overall healthcare and prescription costs; the contract with IDOC was extended on a short-term basis only and the future is highly uncertain as the program would be discontinued without receipt of minimum payment amounts
- Decline in state funding to the hospital puts matching federal Medicaid dollars at risk
 - Provides reimbursement for Medicaid services to the neediest Chicago and Illinois residents; Medicaid accounts for just under 46 percent of inpatient discharges

Infrastructure risks:

- The backlog of deferred maintenance continues to grow with no state-funded capital program and as fewer dollars are available from operations to cover infrastructure repair and replacement
- \$935 million in deferred maintenance on the Urbana campus, \$974 million on the Chicago campus, and \$52 million on the Springfield campus means that many facilities used by students are in dire need of repair or upgrade; to a certain degree, this impacts student and faculty recruitment
- Reduced funding has resulted in reductions in preventive maintenance programs, decreasing the life and value of facilities and equipment and increasing cost of total ownership by as much as 32.4 percent over 50 years
- Enterprise resource planning (ERP) system replacement is needed in the near term. The last system upgrade cost over \$100 million

Heightened HLC and other scrutiny:

- The Higher Learning Commission (HLC) has closely monitored Illinois institutions of higher education over the past two and a half years for negative impacts related to the budget crisis – outside of the normal reaccreditation process
- HLC required information submissions outside of the normal reaccreditation process due to the state budget impasse
- UIC – had its formal reaffirmation of accreditation visit in April 2017 at which time reviewers posed more budget-related questions and were originally recommending a rating of “met with concerns” for Core Component 5A, which relates to the institution’s resource base; after UIC provided additional information and argued to have this rating removed, the HLC removed the “with concerns” qualifier
- UIS is scheduled for HLC reaccreditation in spring 2018 and UIUC in spring 2020

Other measures of reputation:

- UIUC
 - College of Business and College of Engineering continues to have very high student-to-faculty ratios compared to peers, which directly impacts rankings
 - Two College of Education departments are struggling with growing deficits that they have been unable to mitigate to date; multiple years of budget reductions/pressure have reduced ability to support and maintain quality graduate students
 - College of LAS – all 37 departments have experienced reductions in instructional budgets that are used for teaching and this has hampered ability to hire a lecturer or TA to teach a course; in some cases, courses may be put on hiatus until more funding is available
- UIC experienced increases in rankings this year, in part because of increases in peer assessment and student selectivity scores; however, continued improvements in reputation will be hindered by increasing student-to-faculty ratio and lower expenditures per student
- UIS
 - Experienced a decline in rankings among top regional universities (Midwest) – decline of 22 places in two years
 - Experienced a decline in rankings among Midwest publics (9th to 12th in two years)

Enrollment:

- Enrollments have increased substantially at UIC and slightly at UIUC; however, enrollments have declined in the last year at UIS
- Declining yields – we are offering admission to a record number of Illinois residents but a higher number are choosing to go elsewhere, often out of state

- More than one in four Illinois residents that declined their offer of admission to UIUC for fall 2017 identified “uncertainty of the State of Illinois budget” as a reason for choosing another school
- Urbana student-to-faculty ratio has increased from 15.1:1 in 2007 to 17:1 in 2016 and 17.6:1 in 2017
- Chicago student-to-faculty ratio has increased from 16:1 in 2007 to 17:1 in 2015 to 18:1 in 2017
- Springfield student-to-faculty ratio has increased from 12.4:1 in 2007 to 13.8 in 2016 and 14.4:1 in 2017

Efforts to protect students from negative consequences of budget impasse:

- Our three universities covered MAP grants for students until the state enacted funding to protect students
- In spite of budget cuts, we have increased our commitment to institutionally funded financial aid to protect the most vulnerable students and protect affordability
- Redirected \$8.2 million in recurring funds from System Offices to financial aid and student-centered programs at the three universities
- Held tuition flat for three consecutive years for new resident undergraduate students and limited tuition rate increases for new non-residents, graduate students and professional students
- Minimized increases in student fees and housing costs
- Focused budget cuts on System Offices and central campus administration to reduce the cuts to academic departmental budgets
- Continue to invest in new academic programs
- Enhanced retention and student success initiatives

Notable efforts to reduce spending:

- Extended replacement cycle for technology equipment (beyond useful life), but this does expose the universities to additional risk, especially related to replacement of the core system infrastructure
- Implemented shared services in several areas (human resources, IT, business and financial services, etc.)
- Hiring freeze in System Offices for two years, resulting in a 20 percent reduction in staff
- Eliminated customary salary program in 2015-16, avoiding \$22-33 million in recurring costs
- Strategic sourcing: savings from using negotiated contracts and from reducing cost of transactions through contracts in place: approximate estimate of \$12.5 million annually
- UI Chicago – reduced units’ state budgets by \$34 million in Fiscal Year 2016 and \$14 million in Fiscal Year 2018; imposed soft hiring freeze, limiting recruitment to essential positions
- UI Urbana-Champaign
 - Reduced administrative and academic units’ state budgets by \$49 million in Fiscal Year 2016 and by \$18M in Fiscal Year 2017
 - College of Business – suspended Executive MBA and MS Tax programs as of 5/18; MSBA scaled back and will be suspended 5/19; delayed launch of innovative courses due to budget costs and need for additional faculty hires
 - College of Education – Center for Education in Small Urban Communities scaling back teacher collaborators and efforts with local schools to reduce costs
 - College of ACES – using endowment/gift funds to cover TA salaries due to lack of adequate state funding; shifting approximately \$260 thousand in indirect cost recovery (ICR) funds to replace recurring, state supported, non-salary expenses in central college units
 - College of AHS – shifted departmental operating budgets to ICR and gift funds, which is not sustainable
 - Technology Services – currently \$3 million deferred maintenance backlog for end-of-life network equipment (includes more than \$4.7 million in savings over past three years); reduced refresh cycles for lab computers from three to four years; reduced classroom A/V support staffing; personnel savings of approximately \$4 thousand over the past THREE fiscal years due to not replacing vacancies
- UI Springfield
 - Reductions in extra-help support, travel, supplies and commodities, professional development for AP and CS staff, and other non-personnel expenditures
 - Halted campus desktop/laptop refresh program
 - Minimal building maintenance
 - Eliminated and consolidated services across campus
 - Curtailed public outreach programs
 - Reductions in library holdings, subscriptions and electronic reference materials

Successes achieved in spite of loss of funding:

- System-wide record highs in applications, admissions and enrollments
- Increased number of non-resident and international students who pay full out-of-state tuition without displacing Illinois residents
- Have not increased tuition rates for resident undergraduate students for three consecutive years
- Held the line on student fees and housing for three consecutive years
- UIC has had enrollment gains, rankings increases, increased tuition revenue, and increases in grants and contracts
- UIC created new admissions pathway, offering immediate acceptance for students in top four percent of class or 3.9+ GPA
- UIC will begin construction of new College of Engineering building due to strong enrollment growth; will add 50 thousand square feet of active learning classrooms; will break ground on first living- learning environment through public-private partnership with American Campus Communities
- UIUC – Institutional Advancement reported an overwhelming positive response to campaign but may be impacted if unable to move forward with planning/executing future events and engagement with alumni and other donors
- Construction of the Student Union building at UIS continued as planned
- UIS continued to implement select new academic programs to meet student demands



The last decade in Illinois public higher education tells a stark story of disinvestment and out migration of citizens. The Western Illinois University has made every attempt to control expenses throughout the recent budget impasse but in order to continue to provide the quality education that our citizens expect of us, we are in need of adequate financial resources and stability in state confidence. Despite the crisis we are and will continue to be good stewards of state and student resources.

Number of staff layoffs and positions left vacant, including the breakdown by category, since most universities made a concerted effort to protect teaching positions: We have done everything possible to protect our employees during the past two to three years. However, it has been our employees who have sacrificed in order to maintain the financial needs of the University. Eighty percent of our appropriated expenses are directly related to personnel. This leaves us with little choice when considering adjustments in our financial models. Below are some of the statistics and changes in our employment.

- 28 positions were issued permanent layoff.
- As of April 2017, WIU eliminated 182 positions through resignations, retirements, etc.
- We issued 84 layoff notices that were later rehired.
- We currently have 126 vacant positions. Some of these will be filled and some will not depending on their demonstrated need.
- From the chart below, you will see that we have done our best to protect our faculty and many others who are front line people for our students. However, it is clear that we have reduced full time employees in order to protect our financial resources.

	Fall 2014	Fall 2017	% change over 4 years
Faculty	658	573	-12.92%
Civil Service	797	622	-21.96%
Administrators	309	262	-15.21%
Professionals	125	123	-1.6%
Total Employee	1,889	1,580	-16.36%

Efforts to protect students from the negative consequences of the budget impasse: Western has attempted to protect students in the recent decisions we have made. We have spared all tenured faculty from any layoff consideration. This has resulted in a very low faculty to student ratio of 14:1. We have also filled positions that are critical to student success including employees in financial aid, counseling center, advising, and may others. We have even added a student success coach to our advising staff to help direct attention to at risk students.

Impact on enrollment: Included below is a history of student enrollment (headcount). There is no doubt that the budget impasse has had a significant impact on our ability to recruit and retain students. This is more out of state competition for Illinois students than ever before. Students are more price sensitive then they have ever been. Our enrollment has dropped 19.4% over the last 4 years and 29.2% over the last 10 years. This drop in enrollment is greater than the drop in Illinois High School graduates during a similar time frame.

Fall 2012	Fall 2013	Fall 2014	Fall 2015	Fall 2016	Fall 2017
12,205	11,707	11,458	11,094	10,373	9,441

Impact on your credit rating: Included below is the history of our ratings with Standard and Poor’s. We no longer have a rating with Moody’s as we have retired all the debt with their rating. You will see the decline in our rating over the last 6 years.

2011	2012	2013	2014	2015	2016	2017
A	A	A-	A-	A-	BBB-	BB- (<i>non-investment grade</i>)

Heightened HLC and other scrutiny: WIU has responded to concerns from the Higher Learning Commission on two occasions in the past 2 years. Both letters have demonstrated how the state budget impasse is effecting WIU and has attempted to reassure our accrediting body that WIU is strong and explain the steps we have taken to manage through the budget crisis.

Any other measures of reputation: We continue to fight rumors of closure and the realities of declining state investment. These have caused deep brand and reputational issues with Illinois Public Universities and have hit the regional Universities very hard. This affects our ability to recruit both students and employees.

Impact on the economy in your region: According to a study conducted by the Institute for Rural Affairs in April 2016, Western Illinois University has a \$500 million economic impact on the 16 county region in West Central Illinois. This impact happens through our students, our employees, through the grant activities and through the citizens we educate. We are the economic engine for West Central Illinois and create the educated citizenry to support that engine.

Loss of quality faculty and difficulty recruiting new faculty: We continue to experience challenges in our candidate pools. We have had to cancel some searches because we have not had qualified candidates to consider for employment. We have more than one example where employees have left the University because of the furlough program or because they do not have confidence that Illinois will support WIU. The lack of confidence in Illinois Public Higher Education has caused ripple effects throughout the education system and this is just one of the consequences of the budget impasse.

Any efforts undertaken to mitigate negative impacts: See below in number ten our efforts to reduce spending. All our decisions were made in order to protect our employees and our students. We have attempted, where possible to spread-out the sacrifice among all employee groups.

Notable efforts to reduce spending: Over the past several years, we have taken multiple steps in order to adjust to fewer financial resources. These decisions were made to protect the core academic mission of the University but with the realities of declining state resources and enrollment.

- Prior to 2016, Western Illinois University combined academic and administrative departments to achieve streamlined operations and efficiencies and we have decreased facilities and maintenance services.
- Since 2016, we have closed the Learning to Lead Program, discontinued our lease with the Macomb Area Economic Development Corporation (MAEDCO), and eliminated the Men's Tennis program.

- In June 2016, Western Illinois University Board of Trustees voted to eliminate four academic programs: African American Studies, Women's Studies, Philosophy, and Religious Studies. http://www.wiu.edu/board_of_trustees/minutes/JUNE%202016%20BOT%20MATERIALS.pdf.
- In February 2015 the University had eliminated several minors. http://www.wiu.edu/news/newsrelease.php?release_id=12362
- In December 2015, Western Illinois University announced a retirement incentive program which allowed those employees who were retirement eligible, a cash incentive if they separated from the University before December 2015. 59 employees participated in the program.
- In April 2016, Western Illinois University began a mandatory furlough program for all non-negotiated administrative, professional and Civil Service personnel. http://www.wiu.edu/news/newsrelease.php?release_id=13379
- In April 2016, Western Illinois University announced employee layoffs to assist with the ongoing cash flow concerns. http://www.wiu.edu/news/newsrelease.php?release_id=13549
- In April 2016, Western Illinois University began to exercise our ability, under the state finance act, to remit payment to our vendors on a 90-day cycle. This delayed payment plan resulted in over \$2 million being delayed as of June 30, 2016.
- In June 2016, Western Illinois University and the University Professional of Illinois Local 4100, agreed to a reduction in pay for Fiscal years 2017 and 2018. http://www.wiu.edu/board_of_trustees/minutes/JUNE%202016%20BOT%20MATERIALS.pdf (page 99).
- In June 2016, Western Illinois University announced the continuation of a furlough program for non-negotiated Administrative and Professional employees. http://www.wiu.edu/news/newsrelease.php?release_id=13729&ur=1
- In April 2017, Western Illinois University again began to exercise our ability, under the state finance act, to remit payment to our vendors on a 90-day cycle.
- In June 2017, Western Illinois University announced the continuation of a furlough program for non-negotiated Administrative and Professional employees. http://www.wiu.edu/news/newsrelease.php?release_id=14660&ur=1

Successes achieved in spite of the loss of funding:

- We continue to be ranked very high by several independent groups such as US News and World Report, the Princeton Review and others. Please see this link for some of the accolades that WIU has received. <http://www.wiu.edu/admissions/best.php>
- Additionally, our students and faculty and staff continue to produce outstanding results in and out of the classroom. We can provide examples of these achievements should that be requested.
- Our honors college just reached the highest enrollment it has ever had, despite a declining enrollment.

APPENDIX C

GLOSSARY

Appendix C

Glossary: Higher Education Appropriations, Programs, and Budget Terminology

Chicago Area Health & Medical Careers Program (CAHMCP) (administered by the Illinois Board of Higher Education). This program is the embodiment and progressive evolution of the CAHMCP component programs that have served Illinois students, from seventh grade through their post baccalaureate studies, in their quests to achieve excellence in higher education pursuits. The program identifies and recruits minority students and provides successive years of structured academics, counseling, as well as motivational and financial support until participants graduate with post secondary degrees that allow them to enter the career fields of health and/or medical professions, law, business and technology, arts and humanities, engineering industrial science.

Adult Education Grant (administered by the Illinois Community College Board). This grant goes to various adult education providers throughout the state. Adult Education is defined as instruction and support services below the postsecondary (college) level for individuals who have attained 16 years of age; who are not enrolled or required to be enrolled in secondary school under state law; and who: (1) lack sufficient mastery of basic educational skills to enable the individuals to function effectively in society; (2) do not have a secondary school (high school) diploma or its recognized equivalent, and have not achieved an equivalent level of education; or (3) are unable to speak, read, or write the English language. www.iccb.org/adult_ed/

Alternative Schools Network (administered by the Illinois Community College Board). This grant was transferred by the General Assembly from the Illinois State Board of Education to the ICCB to fund the Alternative Schools Network. This program re-enrolls high school dropouts in a program that will ultimately allow them to receive a high school diploma

Base Operating Grant (administered by the Illinois Community College Board). The base operating grant focuses on equity, productivity, and mission. By providing the same allocation for the same programs to each community college district, the formula provides for an equitable distribution of funds. Because enrollment growth and decline affect the allocation of funds, productivity is addressed. Because the funding strategy recognizes differences in programming; e.g., some districts have a greater concentration of technical programs than others, mission differences are recognized in the funding strategy.

Career and Technical Education Grant (administered by the Illinois Community College Board). This grant recognizes that keeping career and technical programs current and reflective of the highest quality practices in the workplace is necessary to prepare students to be successful in their chosen careers and to provide employers with the well-trained workforce they require. CTE programs offered by the colleges provide students with opportunities in over 100 career & technical fields. These programs include integrated academic and technical instruction, work-based learning, dual credit opportunities and potential for continuing education at the baccalaureate level. www.iccb.org/cte/

College Access Challenge Grant (CACG) (administered by the Illinois Student Assistance Commission). This program is a federal formula grant program authorized by the College Cost Reduction and Access Act of 2007. CACG supports programming that promotes access to college. In Illinois, the funds primarily support the Illinois Student Assistance Corps of near-peer mentors; the Corps provides direct-to-student outreach that helps young people and adults understand how to prepare, pick, and pay for college. States are required to provide one-third of the total spent on CACG programming, which ISAC has contributed through in-kind contributions of staff time and resources funded by the Student Loan Operating Fund (SLOF). www.isac.org

Cooperative Work Study Grants (CWS) (administered by the Illinois Board of Higher Education). Provides grants to both public and independent colleges and universities which is designed to enhance public-private sector partnerships, expand internship opportunities, reduce student reliance on loans, encourage permanent employment of graduates in Illinois, and provide links between academic programs and employment (competitive program). www.ibhe.org/Grants

Deferred Maintenance. The Board's number one capital priority is capital renewal funding to address deferred maintenance. As campus facilities age and deteriorate, lack of adequate financial resources have resulted in the

delay or deferral of maintenance projects that include critical repairs, remodeling and infrastructure improvements that maintain and protect campus facilities. Deferred Maintenance, or capital renewal, projects are generally of lesser size and scope than Regular Capital projects and involve minor remodeling of facilities to repair building exteriors; to upgrade electrical, mechanical, roofing, and plumbing systems; to address safety and accessibility code requirements; and to remodel classroom and laboratory areas for current educational and research program requirements.

Dependents Grant (administered by the Illinois Student Assistance Commission). If a correctional officer employed by the Illinois Department of Corrections in a security position or an Illinois police or fire officer is killed or sustains an injury resulting in a permanent disability in the line of duty, the officer's spouse and children may receive grant assistance under this program, without regard to financial need. The grant pays the tuition and fees for an equivalent of 8 semesters or 12 quarters of undergraduate or graduate enrollment. www.isac.org

Designated Grant - City Colleges of Chicago (administered by the Illinois Community College Board). This grant originated in fiscal year 2005 to compensate for the district's loss in equalization funding. The grant can be used for operating expenditures at City Colleges of Chicago.

Diversifying Higher Education Faculty in Illinois (DFI) (administered by Illinois Board of Higher Education). DFI Program Board awards financial aid to minority graduate students to help increase the number of underrepresented faculty and staff in Illinois institutions of higher education and higher education governing boards. www.ibhe.org/Grants

East St. Louis Higher Education Center (administered by the Illinois Community College Board). Funding for the East St. Louis Community College Center provides support to fund higher education consortium activities at the center. Higher education training has been offered at the Center since 1999 after the closing of Metropolitan Community College. www.eslccc.com

Equalization Grants (administered by the Illinois Community College Board). The grants attempt to reduce the disparity among districts in local property tax funds available per student, thereby ensuring that colleges with limited local tax bases have access to funds necessary to support educational programs.

Federal Family Education Loan Program (FFELP) (administered by the Illinois Student Assistance Commission). Until July 1, 2010, the Federal Family Education Loan Program (FFELP) allowed non-federal entities to originate three types of federally-backed education loans: Federal Stafford loans (both subsidized loans, which are awarded based on need, and unsubsidized loans), Federal PLUS loans (for graduate students and parents of dependent students), and Federal Consolidation loans. Although the end of FFELP originations means that students can no longer apply for such loans directly from ISAC, the agency remains a guarantor of previously-issued FFELP student loans and therefore continues to earn FFELP revenues. The agency works with borrowers to prevent defaults, arrange payment plans for defaulted loans, and encourage loan rehabilitation for qualified borrowers. (Education loans are still available through the federal William D. Ford Direct Loan Program.) www.isac.org

Fiscal Year for the State of Illinois. Begins on July 1 and ends on June 30 of the next year.

Funds – funds are explained in a separate section at the end of the glossary.

Grant Accountability and Transparency Act (GATA). The Grant Accountability and Transparency Act (GATA), (30 ILCS 708/1), is legislation meant to increase accountability and transparency in the use of grant funds while reducing the administrative burden on both State agencies and grantees through adoption of the federal grant guidance and regulations. Pursuant to the Act, the Grant Accountability and Transparency Unit (GATU) was established in the Governor's Office of Management and Budget (GOMB). GATU is charged with implementation of the Act in coordination with State grant-making agencies and grantees.

The Golden Apple Scholars of Illinois Program (administered by the Illinois Student Assistance Commission). The Illinois Student Assistance Commission provides pass-through funding to the Golden Apple Scholars of Illinois Program. The program is a public-private partnership that recruits and prepares talented and diverse high school

graduates for successful teaching careers in high-need schools throughout Illinois and provides scholarships to students pursuing teaching degrees. www.goldenapple.org and www.isac.org

Grow Your Own (GYO) (administered by the Illinois Board of Higher Education). The goal of the GYO initiative is to recruit and prepare parent and community leaders and paraeducators statewide to become effective teachers in schools serving a substantial percentage of low-income students. This initiative was previously administered by the Illinois State Board of Education www.growyourownteachers.org and www.ibhe.org/Grants

Higher Education Cooperation Act (HECA) Grants. This program is designed to promote effective use of resources through cooperation among institutions, to achieve an equitable distribution of education services, and to develop innovative concepts and applications. The grants go to both public and private institutions. Cooperation, as defined by the statute, involves at least two higher education institutions, and should be designed to serve a public purpose, while promoting effective use of educational resources, the equitable distribution of educational services, and the development of innovative concepts and applications. Despite minimal funding, many HECA projects still exist today, including the Quad-Cities Graduate Studies Center, which brings quality graduate education to hundreds of students in the Quad-Cities area without the need to establish a new graduate institution or new graduate program.

Higher Education License Plate (HELP) (administered by the Illinois Student Assistance Commission). The Higher Education License Plate Program provides grants to students who attend colleges for which the special collegiate license plates are available. The Illinois Secretary of State issues the license plates, and part of the proceeds are used for grants for undergraduate students attending these colleges. Program grants may be used only for tuition and mandatory fees for two semesters or three quarters in an academic year. The number of grants and the amount of the individual dollars awarded are subject to the amount of the annual appropriations. www.isac.org

Illinois Board of Higher Education (IBHE). The state coordinating board for higher education. www.ibhe.org/Grants

Illinois Community College Board (ICCB). Serves as the state coordinating board for community colleges. <http://www.iccb.org>

Illinois Fire Services Institute (University of Illinois). This Institute is the statutory fire academy for the State of Illinois. It is operated as a continuing education and public service activity by the University of Illinois. www.fsi.illinois.edu

Illinois Longitudinal Data System (ILDS) (administered by the Illinois Board of Higher Education). The Illinois Longitudinal Data System in development is intended to link student test scores, length of enrollment, and graduation records over time. The higher education component of the system would then be linked to partner organizations to track Illinois students as they progress from Pre-K through Postsecondary, as they enter the workforce.

Illinois Longitudinal Data System (ILDS) (administered by the Illinois Community College Board). In addition to general adaptation of the system, the ICCB uses these funds for staff salary and benefits (some Institutional Research and some IT) and for equipment. Along with the equipment, the ICCB has found that some consulting contracts are needed to operate the system effectively.

Illinois Mathematics & Science Academy (IMSA). A teaching and learning laboratory created by the State in Aurora, Illinois. IMSA enrolls academically talented Illinois students (grades 10-12) in its advanced, residential college preparatory program. It also serves thousands of educators and students in Illinois and beyond through innovative instructional programs that foster imagination and inquiry. IMSA also advances education through research, groundbreaking ventures and strategic partnerships. www.imsa.edu

Illinois National Guard Grant Program (administered by the Illinois Student Assistance Commission). The Illinois National Guard Grant Program pays tuition and fees for members of the Illinois National Guard to attend public four or two-year institutions for undergraduate or graduate study. Students are eligible for eight semesters or 12 quarters of assistance. www.isac.org

Illinois Optometric Education Scholarship Program (administered by the Illinois Student Assistance Commission). The Optometric Education Scholarship Program provides scholarship assistance to encourage eligible students to pursue a graduate degree in optometry. The scholarship may be used to pay tuition and mandatory fees for two semesters, or three quarters in an academic year. The award amount determined by the institution will be the lesser of \$5,000 or tuition and mandatory fees. www.isac.org

Illinois Special Education Tuition Waiver Program (administered by the Illinois Student Assistance Commission). The Illinois Special Education Teacher Tuition Waiver Program encourages current teachers and academically talented students to pursue careers in any area of special education as public, private, or parochial preschool, elementary or secondary school teachers in Illinois. Recipients must be seeking initial certification in any area of special education as undergraduate or graduate students. For non-teachers, students must be ranked in the upper half of their Illinois high school graduating class. Recipients are exempt from paying tuition and fees at an eligible institution for up to four calendar years. Recipients must fulfill a teaching requirement or repay funds received plus interest. www.isac.org

IMSA FUSION (administered by the Illinois Mathematics & Science Academy). IMSA FUSION is an after-school enrichment program for Illinois 4th-8th grade students who are talented, interested, and motivated in math and science with special emphasis schools on schools in under resourced and underserved communities. The program's four major goals include: maintain or increase students' interest, involvement and literacy in science and mathematics; enhance the knowledge and skills of teachers in science, mathematics, and technology; stimulate excellence in schools' science and mathematics programs; and help increase access to programming for students who are historically under-resourced in science, mathematics and technology and for all areas of the state. <https://www.imsa.edu/extensionprograms/fusion>

Independent Colleges Capital Program (ICCAP) (administered by the Illinois Board of Higher Education). The Independent Colleges Capital Program (ICCAP) was created in 2009 as part of the Illinois Jobs Now! Capital program to provide private not-for-profit colleges and universities with financial assistance for capital projects. This multi-year grant program uses a distribution formula based entirely on the fall 2008 student enrollment numbers. The formula provides a base grant and an FTE (full-time equivalent) grant for each eligible institution. Institutions must certify the eligibility of the institution, the determination of credit hours using the methodology provided, and the use of funds only for eligible Capital Projects. Grant funds will be distributed as the proceeds of Build Illinois bond sales become available to the IBHE. As of January 1, 2015, a total of \$275 million of the original \$300 million appropriation has been made available for distribution. www.ibhe.org/Grants

Illinois Student Assistance Commission (ISAC). The mission of ISAC is to make college accessible and affordable for all Illinois students. ISAC provides guarantee services and loan origination for student loans, administers grants and scholarships and provides outreach programs and services to help students plan for college and borrow responsibly. It also offers College Illinois!, the state's 529 prepaid tuition program. www.isac.org

John R. Justice Loan Repayment (administered by the Illinois Student Assistance Commission). The John R. Justice Student Loan Repayment Program provides for the payment of eligible educational loans for state and federal public defenders and state prosecutors who agree to remain employed as public defenders and prosecutors for at least three years. The annual awards to qualified defenders and prosecutors may be up to \$4,000, up to an aggregate total of \$60,000, to repay their student loan debt. www.isac.org

Lincoln's Challenge Scholarships (administered by the Illinois Community College Board). The Lincoln's Challenge Program is a military style boot camp for at-risk teenagers who have not completed high school. Students successfully completing the program are eligible to receive a scholarship to attend a community college through this grant.

Midwest Higher Education Compact (MHEC). The Midwestern Higher Education Compact (MHEC), one of four statutorily-created interstate compacts, was founded in 1991 and is a nonprofit regional organization serving Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota, and Wisconsin. The purpose of MHEC is to improve greater higher education opportunities and services to the Midwest region, with the aim of furthering regional access to, research in and choice of higher education for the citizens

residing in the several states which are parties to the compact. IBHE is responsible for making the mandatory annual State payment to MHEC.

Minority Teachers of Illinois (MTI) Scholarship (administered by the Illinois Student Assistance Commission). The MTI Scholarship Program encourages academically talented minority students to pursue careers as teachers at Illinois preschool, elementary and secondary schools. The program also aims to provide minority children with access to a greater number of positive minority role models. The scholarship awards up to \$5,000 per academic year for a maximum of four years. Students receiving this scholarship must fulfill a teaching commitment at an Illinois public, private, or parochial preschool, elementary or secondary school at which no less than 30% of the enrolled students are minority students for each year of scholarship assistance. www.isac.org

Monetary Award Program (MAP) (administered by Illinois Student Assistance Commission). The Monetary Award Program (MAP) provides grant assistance to eligible students demonstrating financial need. MAP grants are applied toward tuition and mandatory fees at Illinois colleges and universities and certain other degree-granting institutions for undergraduate students not to exceed the maximum award amount for the academic year. The maximum award level is dependent on legislative action and available funding in any given year. Students apply using the Free Application for Federal Student Aid (FAFSA) and must release their financial data to ISAC. www.isac.org

MyCreditsTransfer (formally known as u. Select System) (administered by the Illinois Board of Higher Education). MyCreditsTransfer is a web-based information access tool that communicates up-to-date information about program requirements, course equivalencies, and sees how coursework from one school will apply toward a degree at another school. This tool greatly expedites and improves student planning and transfer. www.transferology.com

No Child Left Behind (NCLB) – Improving Teacher Quality State Grant Program (administered by the Illinois Board of Higher Education). The federally funded Improving Teacher Quality State Grant Program (ITQ) supports professional development and teacher and school leader preparation activities across all core academic subject areas to assist schools in increasing the academic achievement of all students and in the preparation of highly-qualified teachers and school leaders. Partnerships are made up of institutions of higher education and high-need school districts to provide professional development aimed at improving and increasing teacher and school leader knowledge in core academic areas. www.ibhe.org/Grants

Nurse Educator Fellowships (administered by the Illinois Board of Higher Education). The purpose of the Nurse Educator Fellowship Program is to ensure the retention of well-qualified nursing faculty at institutions of higher learning that award degrees in nursing. Awards will be used to supplement the salaries of the nursing faculty selected for the Fellowship. Participation in this program is open to Illinois institutions of higher learning with a nursing program approved by the Illinois Department of Financial and Professional Regulation and accredited by the Commission on Collegiate Nursing Education (CCNE) or the Association Commission for Education in Nursing (ACEN). Nominations must be certified by the institution's Chief Nursing Administrator. www.ibhe.org/Grants

Nurse Educator Loan Repayment (administered by Illinois Student Assistance Commission). In an effort to address the shortage of nurses and the lack of instructors to staff courses teaching nursing in Illinois, the Nurse Educator Loan Repayment Program encourages longevity and career change opportunities. The program is intended as an incentive to nurse educators in maintaining their teaching careers within the State of Illinois. The annual awards to qualified nurse educators may be up to \$5,000 to repay their student loan debt, and may be received for up to a maximum of four years. www.isac.org

Nursing School Grant Program (administered by the Illinois Board of Higher Education). The intent of this program is to increase the number of registered nurses graduating from Illinois institutions of higher learning. The Nursing School Grant Program provides grants in two categories: expansion of high-performing nursing programs and improvement of nursing programs with performance concerns. Eligible nursing programs must meet accreditation requirements and other eligibility criteria (competitive program). www.ibhe.org/Grants

Operations Expenses. Expenses required for normal agency activities (including expenditures for personal services, fringe benefits, contractual services, commodities, equipment, electronic data processing, telecommunication, and operation of automotive equipment).

Paul Douglas Teachers Scholarship (administered by the Illinois Student Assistance Commission). The Paul Douglas Teacher Scholarship Program is a federally-funded program that enables and encourages outstanding high school graduates to pursue teaching careers at the pre-school, elementary or secondary school level by providing financial assistance in the form of a scholarship. The total number of recipients selected is contingent upon the available funds and the number of scholarship renewals. All scholarships and scholarship renewals are contingent upon sufficient appropriation. www.isac.org

Performance Based Funding. The purpose of performance funding is to assist with linking the goals of the *Illinois Public Agenda for College and Career Success* to the state's higher education budgeting process. Performance funding is a component of the state's plan to meet the Complete College America (CCA) goal that by 2025, 60% of Illinois adults will have a college degree or credential because that is the proportion of jobs which will require a degree or certificate by 2025. To that end, the Illinois Board of Higher Education (in consultation with the Performance Funding Steering Committee) devised a system for allocating state resources to public institutions of higher education based upon performance in achieving state goals. The current formula is being reviewed and may be adjusted prior to the next fiscal year budget request. www.ibhe.org/PerformanceFunding

Perkins Grants (administered by the Illinois Community College Board). These federal grants, which require a state match, are allocated to the colleges for career and technical education (CTE) curriculum. Specifically colleges must improve the academic achievement of CTE students by strengthening the connections between secondary and postsecondary education; restructuring the way high schools, community colleges, universities, and businesses work together; and increasing state and local accountability standards.

Public Agenda for College and Career Success. In 2008 the General Assembly directed the Illinois Board of Higher Education to create a 25-member Task Force consisting of leaders who represent the education sector, the business sector, and the General Assembly. The purpose of the Task Force was to develop a master plan and action agenda, based on quantifiable evidence, for institutions, state education agencies, and the Governor and General Assembly to address the education, workforce, social, and economic needs of the State by setting priorities, developing policies, and allocating resources. The agenda report proposes a series of recommended strategies and action steps to achieve four goals over a decade. www.illinois.org

Quad Cities Graduate Study Center (administered by the Illinois Board of Higher Education). The mission of the Center is to facilitate and support graduate-level education opportunities to the Quad Cities area. The Center, a bi-state academic consortium, was created by members of the community to increase access to graduate-level programming. This consortium includes Drake University, Saint Xavier University, Illinois State University, University of Illinois, Iowa State University, University of Iowa, Northern Illinois University, University of Northern Iowa, St. Ambrose University, and Western Illinois University. www.gradcenter.org

Small College Grants (administered by the Illinois Community College Board). This grant is designed to recognize that small colleges have fixed costs, particularly in administrative areas, and that these costs should be recognized to some extent in funding.

State Appropriations. All direct operations and grants appropriations made by the General Assembly and signed by the Governor should be reported in this category. These revenue sources are generally unrestricted.

State University Retirement System (SURS). Administers retirement system for state universities, community colleges, and state agencies in Illinois. Provides for SURS annuitants, participants, and their employers, in accordance with State law; manages and invests the fund's assets prudently; and endeavors to achieve and maintain a financially sound retirement system. www.surs.com

State Universities Civil Service System (SUCSS). Provides a statewide personnel administration system at 12 public institutions of higher education and at five affiliated agencies. Administers, develops, and maintains the basic

rules and procedures related to the employment of professional (non-academic), technical, and support staff. www.sucss.state.il.us

STEM (Science, Technology, Engineering, & Mathematics) Diversity. STEM is used to refer to programs of study in science, technology, engineering, and mathematics and special initiatives designed to increase the number of students majoring in those and related disciplines. www.istem.illinois.edu

Teacher/Child Care Provider Loan Repayment Program (administered by the Illinois Student Assistance Commission). The Illinois Teachers and Child Care Providers Loan Repayment Program provides awards to encourage academically talented Illinois students to teach in Illinois schools in low-income areas and to enter the early child care profession and serve in low-income areas in Illinois. (A listing of Illinois schools in low-income areas is provided at the U.S. Department of Education's Teacher Cancellation Low Income Directory.) If these obligations are met by a Federal Stafford loan borrower who has qualified for the federal government's loan forgiveness programs, Illinois may provide an additional matching award of up to \$5,000 to the qualifying teacher to repay their student loan debt.

University Center of Lake County (UCLC) (administered by the Illinois Board of Higher Education). The University Center is comprised of 10 public and 10 private institutions providing bachelor completion, graduate, and advanced professional development programs at multiple sites to those who work or reside in or near Lake County. Students apply to and graduate from an individual college or university offering fully-accredited degrees. Classes are scheduled in a variety of delivery formats that appeal to working non-traditional students: evenings and weekends, face-to-face, online, correspondence, and interactive video. www.ucenter.org

Veterans' Home Nurse Loan Repayment (administered by the Illinois Student Assistance Commission). This program provides for the payment of eligible educational loans as an incentive for nurses to pursue and continue their careers at State of Illinois veterans' homes. The annual award to qualified registered professional nurses and licensed practical nurses may be up to \$5,000 to repay their student loan debt. This award may be received up to a maximum of four years. www.isac.org

Veterans Shortfall Grants (administered by the Illinois Community College Board). This grant is provided for offsetting the mandated tuition and fee waiver for veterans enrolling at community colleges. This grant only covers a small portion of costs waived by community colleges and goes to those colleges who fact the greatest burden by waiving veterans tuition and fees.

Washington Center Internship and Academic Seminars (administered by the Illinois Board of Higher Education). First included as a line item in IBHE's budget in Fiscal Year 2014, this program seeks to prepare young people for leadership positions and promotes civic participation while providing academic credit. Seventeen scholarships are awarded each year to eligible undergraduate students attending an Illinois public university. www.twc.edu

Workforce Development Grant (administered by the Illinois Community College Board). This grant focuses on providing resources for districts to meet workforce training needs within their local communities. This program last received funding in Fiscal Year 2012. www.iccb.org/workforce/

FUNDS

Academic Quality Assurance Fund. This fund was created to deposit fees collected for the administration and enforcement of the Academic Quality Act by the Illinois Board of Higher Education. Fees collected cover the cost of reviewing applications for authorization to operate and for authorization to grant degrees by private or proprietary institutions. Funds must be used by the Board to supplement support for the administration and enforcement of the Act.

Chicago State University Education Improvement Fund. Established in Fiscal Year 2014, monies in the fund shall be used by Chicago State University, subject to appropriation, for expenses incurred by the university.

Distance Learning Fund. The Distance Learning Fund was created as a special fund in the State treasury as part of Public Act 98-792. Fees collected from institutional participation in state distance learning reciprocity agreements shall be deposited into the Fund. "Distance learning" means instruction offered by any means where the student and faculty member are in separate physical locations. It includes, but is not limited to, online, interactive video or correspondence courses or programs.

Education Assistance Fund. The EAF is one of four funds that comprise the state general funds. It is used to fund elementary, secondary, and higher education. It receives 7.3 percent of the state income tax net of refunds, as well as wagering taxes paid to the state by riverboat casinos.

Emergency Public Health Fund. The purpose of this fund is to receive monies obtained from fees from the sale of new and used tires. Monies in the fund may be expended pursuant to appropriation for the Prairie Research Institute at the University of Illinois and for grants for expenses related to the West Nile Virus and other vector-borne diseases.

Federal Student Assistance Scholarship Fund. This fund acts as a repository for collections from individuals who do not fulfill their teaching requirements after receiving the federal Paul Douglas Teaching Scholarship. Once the collected funds are received, they are deposited into the U.S. Treasury as required by law. This fund is also used for administration costs for the Robert C. Byrd federal scholarship program, a merit and achievement based program available to high school seniors.

Federal Student Incentive Trust Fund. Until Fiscal Year 08, this fund's sole purpose was to serve as the repository for federal (S)LEAP funding to supplement Monetary Award Program (MAP) grants. Beginning in Fiscal Year 09, the fund also became the repository for funds from the federal College Access Challenge Grant (CACG). With the elimination of (S)LEAP in 2011, the fund primarily holds CACG dollars.

Federal Student Loan Fund. Pursuant to federal law (PL 105-244 Section 422), the Federal Student Loan Fund may only be used by a guaranty agency (ISAC) to pay lender claims and a default aversion fee. ISAC is the fiduciary agent for this fund which is established to ensure that lenders receive at least partial reimbursement for defaulted loans. ISAC is required to keep at least a 25 basis point reserve calculated on outstanding principal of all loans.

Fire Prevention Fund. The purpose of this fund is to record money received from the Department of Financial and Professional Regulation pursuant to Section 12 of the Fire Investigation Act, fees and reimbursements received by the Office of the Fire Marshal, and fees from Boiler and Pressure Vessel Certifications. Monies in the fund are to be used for the maintenance and operations of the Office of the State Fire Marshall and the Illinois Fire Services Institute.

General Funds. Those funds established to receive the major portion of tax revenues and to pay the regular operating and administrative expenses of most state agencies.

General Professions Dedicated Fund. This fund receives receipts from fees and fines collected by the Department of Financial and Professional Regulation under various Acts as indicated by state statute. Revenue in this fund received from dental licensing fees is used to supplement dental education programs at Chicago State University, Southern Illinois University Edwardsville, and University of Illinois Chicago.

General Revenue Fund (GRF). "All money, belonging to or for the use of the State, paid into the treasury thereof, not belonging to any special fund in the State Treasury, shall constitute the general revenue fund." (30 ILCS 105/4)

Hazardous Waste Research Fund. The fund receives monies deposited by the Environmental Protection Agency from fees collected by the owner or operator of each hazardous waste disposal site and feed paid by hazardous waste haulers. These funds are expended by the Prairie Research Institute at the University of Illinois for research toward the reduction of hazardous properties of hazardous wastes in Illinois.

IBHE Federal Grants Fund. This fund is a federal trust fund created to receive and disburse monies received from the federal government. This funded is used to receive funding from the U.S. Department of Education from the No Child Left Behind (NCLB) – Improving Teacher Quality State Grant Program.

ICCB Adult Education Fund. Monies in the Fund may be expended by the Illinois Community College Board for operational costs associated with the administration of adult education, literacy activities and educational-related services.

ICCB Career & Technical Education Fund. This fund receives monies from the Federal Department of Education for operating expenses and other related costs associated with administration, grants, and leadership activities.

ICCB Contracts and Grants Fund. Allows the Illinois Community College Board to receive and spend contracts or grants from various sources.

ICCB Federal Trust Fund. This fund was established in statute for deposit of indirect funds charged to the Adult Education and CTE grants. It funds the Illinois Community College Board operating costs used for federal programs.

ICCB Instructional Development Revolving Fund. This fund was established in statute for deposit of funds from the sale of software developed in-house. Funds must be reinvested in the software sold.

Illinois Future Teacher Corps Scholarship Fund. This fund is to be used for IFTC Awards to students to encourage academically talented Illinois students, especially minority students, to pursue teaching careers, especially in teacher shortage disciplines or at hard-to-staff schools. The revenue source for this fund is Motor Vehicle Licenses.

Illinois Mathematics and Science Academy Income Fund. IMSA's Income Fund receives essentially three types of earned revenues:(1) Annual fees from the families of students who enroll in IMSA's residential academic program; (2)Fees from students and others who participate in IMSA's various outreach programs (e.g., FUSION, PBL); and (3)Fees from parties who from time to time rent portions of IMSA's facilities. These revenues are used to support primarily the programs that generated them: Athletic and co-curricular programs for residential students (e.g., Resident Counselors' compensation) and outreach programs.

ISAC Contracts and Grants Fund. The purpose of this fund is to support the Commission's research, training, and outreach activities through private grants and contracts for specific purposes. Revenue consists of payments received from private organizations, which are approved grant proposals and current contractual agreements.

ISAC State Accounts Receivable Fund. This fund is used to receive payments from scholarship recipients that do not fulfill their teaching obligation set forth when they received scholarships from Illinois programs such as the Illinois Future Teacher Corps Scholarship and Minority Teacher of Illinois Scholarship. On a quarterly basis, approximately 75% of the collected funding is transferred to GRF. The remainder of the receipts is used to pay administrative cost of collections.

National Guard and Naval Militia Grant Fund. Any person who has served at least one year in the Illinois National Guard or the Illinois Naval Militia and who possesses all necessary entrance requirements shall, upon application and proper proof, be awarded a grant to the State-controlled university or community college of his or

her choice, consisting of exemption from tuition and fees for not more than the equivalent of 4 years of full-time enrollment, including summer terms. Beginning with the 2013-2014 academic year, any person who has served over 10 years in the Illinois National Guard shall be awarded an additional grant. The grants may be used at any state-supported institution of higher education.

Non-Appropriated Funds. Funds include revenue from local property taxes (community colleges only); government grants and contracts; private gifts, grants, and contracts; sales and services of auxiliary enterprises (e.g. student housing), educational departments, and hospitals; and endowment income. Funds are collected, held, and allocated locally by each university and community college district and reported to the Governor and the General Assembly annually by the Illinois Board of Higher Education.

Optometric Licensing and Disciplinary Board Fund. The purpose of this fund is to receive monies from the Department of Financial and Professional Regulation pursuant to the Illinois Optometric Act of 1987. Monies in the fund are used by the Illinois Student Assistance Commission for the Optometric Education Scholarship Program.

Private Business and Vocational School Quality Assurance Fund. This fund was created to deposit fees collected for the administration and enforcement of the Private Business and Vocational School Act by the Illinois Board of Higher Education. Funds must be used by the Board to support the administration and enforcement of the Act.

Private College Academic Quality Assurance Fund. This fund was created to deposit fees collected for the administration and enforcement of the Private College Act by the Illinois Board of Higher Education. Fees collected cover the cost of reviewing applications for a certificate of approval to establish or operate private or proprietary postsecondary educational institution. Funds must be used by the Board to supplement support for administration and enforcement of the Act.

SBE GED Testing Fund. This fund receives receipts from students taking GED tests in Cook County and is used for operating the GED testing program in Cook County.

State Pension Fund. This fund received monies from the sale of abandoned property pursuant to the Unclaimed Property Act of 1961. Revenues are used to reduce deficiency in retirement system funds.

Student Loan Operating Fund. The purpose of this fund is to pay administrative costs for ISAC related to the financial aid programs for which it is responsible. Revenues deposited into the fund consist primarily of collections on defaulted student loans and student loan portfolio maintenance fees from the federal government. Prior to Fiscal Year 2006, this fund was used to pay costs related to ISAC's role as a guaranty agency. However, since Fiscal Year 2006, the fund has also been the primary source of funding for all agency operating costs, including outreach, research, and all costs of administering state scholarship and grant programs. Revenues come from the federal student loan program that is now in decline, with no new loans made since 2010. ISAC's student loan operations remain-self-sustaining, but they cannot continue to fully fund the rest of the agency's core operations.

University Grant Fund (HELP Fund). The purpose of this fund is to receive and record monies from original issuance fees and applicable registration fees from private colleges' special license plates. Funding remitted to private institutions during the fiscal year is taken from the proceeds collected during the previous school calendar year.

University Income Funds. Fund used to account for student tuition revenue and other additional charges and fees. Funds are collected, held, and allocated locally by each university and reported to the Governor and the General Assembly annually by the Illinois Board of Higher Education.

Used Tire Management Fund. A portion of this fund is expended by the Prairie Research Institute at the University of Illinois. Revenue is received from the sale of used tires and penalties or damages for violation of the Environmental Protection Act.

APPENDIX D
HISTORICAL ILLINOIS HIGHER EDUCATION BUDGET DATA

Appendix D - 1

STATE GENERAL FUNDS APPROPRIATIONS FOR ILLINOIS HIGHER EDUCATION
FISCAL YEAR 2000 TO FISCAL YEAR 2018

(in thousands of dollars)

Fiscal Year	Public Universities	Community Colleges *	Adult Education/ Postsecondary Career and Technical Education	Illinois Student Assistance Commission	Institutional Grants	IMSA/Agencies/ Other Institutions	Sub-Total Operations & Grants	Retirement	3) Higher Education	Total
2000	1,329,400.8	298,602.9	-	385,563.5	94,328.6	21,260.5	2,129,156.3	227,239.0		2,356,395.3
2001	1,409,882.7	313,793.6	2,000.0	408,636.5	100,170.7	22,465.8	2,256,949.3	235,391.0		2,492,340.3
2002	1,502,910.9	331,103.5	39,005.3 1)	423,752.3	97,256.0	23,801.5	2,417,829.5	243,392.3		2,661,221.8
2003	1,411,720.3	317,383.8	34,243.5	382,782.0	93,801.0	20,487.8	2,260,418.4	272,606.3		2,533,024.7
2004	1,303,764.8	291,345.4 2)	46,155.2 3)	398,954.9	46,915.3 4)	20,685.0	2,107,820.6	314,841.1		2,422,661.7
2005	1,304,875.4	297,198.2	46,257.2	392,250.8	40,568.3	22,158.7	2,103,308.6	273,250.7		2,376,559.3
2006	1,306,876.4	298,268.2	46,802.8	390,299.8	41,657.3	22,548.7	2,106,453.2	170,033.9		2,276,487.1
2007	1,333,530.6	303,897.8	47,885.8	462,209.8	43,959.3 1)	24,057.0	2,215,540.3	255,770.8		2,471,311.1
2008	1,357,067.3	307,799.3	47,765.8	429,204.8	34,266.3	24,046.5	2,200,150.0	345,060.2		2,545,210.2
2009	1,393,838.6	305,720.3	47,765.8	429,204.8	10,201.9 2)	24,735.0	2,211,466.4	426,105.3		2,637,571.7
2010	1,394,438.6	318,182.5	50,844.9	425,031.1	6,801.0	24,613.0	2,219,911.1	706,573.5		2,926,484.6
2011	1,308,901.0	305,434.1	50,843.4	425,031.1	9,301.0	24,613.0	2,124,123.6	636,237.3		2,760,360.9
2012	1,309,715.8 4)	308,184.1	50,843.4	406,865.0	8,315.0	24,313.2	2,108,236.5	984,881.2		3,093,117.7
2013	1,230,092.0	287,400.6	51,323.4	380,629.4	6,774.9	23,589.6	1,979,809.9	1,402,800.0		3,382,609.9
2014	1,232,192.0	290,835.6	51,323.4	384,265.7	8,355.7	24,337.4	1,991,309.8	1,514,164.7		3,505,474.5
2015	1,201,776.6	285,942.1	51,301.4	376,672.7	8,167.7	23,779.4	1,947,639.9	1,548,659.5		3,496,299.4
2016 5)	350,059.1	74,142.3	- 6)	324,560.7	-	6,575.0	755,337.1	1,606,104.6		2,361,441.7
2017	1,205,164.0	287,607.9	102,602.8 6)	377,563.7	27,363.6 7)	21,917.9	2,022,219.9	1,675,735.1		3,697,955.0
2018	1,083,448.4	259,355.8	51,323.4	412,695.2	7,698.7	23,204.6	1,837,726.1	1,592,118.3		3,429,844.4
FY2008-FY2018										
Change	\$ (273,618.9)	\$ (48,443.5)	\$ 3,557.6	\$ (16,509.6)	\$ (26,567.6)	\$ (841.9)	\$ (362,423.9)	\$ 1,247,058.1	\$	\$ 884,634.2
Percent Change	(20.2)	% (15.7)	% 7.4	% (3.8)	% (77.5)	% (3.5)	% (16.5)	% 361.4	%	% 34.8
Annual % Change	(2.2)	(1.7)	0.7	(0.4)	(13.9)	(0.4)	(1.8)	16.5		3.0
FY2002-FY2018										
Change	\$ (419,462.5)	\$ (71,747.7)	\$ 12,318.1	\$ (11,057.1)	\$ (89,557.3)	\$ (596.9)	\$ (580,103.4)	\$ 1,348,726.0	\$	\$ 768,622.6
Percent Change	(27.9)	% (21.7)	% 31.6	% (2.6)	% (92.1)	% (2.5)	% (24.0)	% 554.1	%	% 28.9
Annual % Change	(2.0)	(1.5)	1.7	(0.2)	(14.7)	(0.2)	(1.7)	12.5		1.6
FY2017-FY2018										
Change	\$ (121,715.6)	\$ (28,252.1)	\$ (51,279.4)	\$ 35,131.5	\$ (19,664.9)	\$ 1,286.7	\$ (184,493.8)	\$ (83,616.8)	\$	\$ (268,110.6)
Percent Change	(10.1)	% (9.8)	% (50.0)	% 9.3	% (71.9)	% 5.9	% (9.1)	% (5.0)	%	% (7.3)

* Excludes ICCB operations expenses (ICCB is included in Agencies/Other Institutions)

- 1) Includes \$61.2 million in Student Loan Operating Funds for MAP and MAP Plus.
- 2) FY 2009 Medical Scholarship Program transferred to IDPH.
- Includes \$2.8 million for Diversifying Higher Education Faculty in Illinois from the Budget Relief Fund.
- 3) Includes the State Pension Fund.
- 4) Includes \$15.8 million for the Prairie Research Institute transferred to the University of Illinois base budget.
- 5) Excludes personal services & related costs paid via court order, not appropriated
- 6) Required staer match for federal adult education programs to cover FY 16 & FY 17 included in FY 17 appropriations
- 7) \$17 million provided for Essential Services grants to Essential Services grants to CSU, EIU & WIU, \$3 million provided for community colleges

Source: IBHE Records

APPENDIX D - 2
ILLINOIS PUBLIC UNIVERSITIES
ANNUAL FULL-TIME RESIDENT UNDERGRADUATE TUITION AND FEES: ENTRY LEVEL
FY 2009 - FY 2018

<u>Annual based on 30 credit hours</u>	<u>FY2009</u>	<u>FY2010</u>	<u>FY2011</u>	<u>FY2012</u>	<u>FY2013</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	FY 2018	\$ Change FY 17-18	% Change FY 17-18
<u>Chicago State University</u>	\$8,878	\$9,500	\$10,366	\$10,724	\$11,006	\$11,126	\$11,610	\$11,902	\$11,910	\$11,644	-\$266	-2.2%
<u>Eastern Illinois University</u>	\$8,782	\$9,429	\$9,987	\$10,534	\$10,930	\$11,144	\$11,108	\$11,312	\$11,580	\$11,678	\$97	0.8%
<u>Governors State University</u> ¹	\$7,542	\$8,352	\$8,746	\$8,936	\$9,116	\$9,386	\$9,386	\$10,246	\$10,516	\$11,746	\$1,230	11.7%
<u>Illinois State University</u>	\$9,814	\$10,531	\$11,417	\$12,230	\$12,726	\$13,010	\$13,296	\$13,666	\$14,061	\$14,061	\$1	0.0%
<u>Northeastern Illinois University</u> ²	\$8,964	\$9,908	\$10,698	\$11,394	\$11,564	\$12,015	\$12,609	\$13,374	\$14,564	\$13,676	-\$888	-6.1%
<u>Northern Illinois University</u>	\$9,403	\$10,180	\$11,144	\$11,797	\$12,472	\$12,853	\$13,510	\$14,318	\$14,292	\$14,351	\$58	0.4%
<u>Western Illinois University</u>	\$8,862	\$9,617	\$10,149	\$10,719	\$11,181	\$11,766	\$12,217	\$12,889	\$12,655	\$12,897	\$242	1.9%
<u>Southern Illinois University</u>												
Carbondale	\$9,813	\$10,411	\$10,467	\$11,038	\$11,528	\$12,093	\$12,248	\$13,137	\$13,481	\$13,932	\$451	3.3%
Edwardsville ³	\$7,831	\$8,336	\$8,401	\$8,865	\$9,251	\$9,666	\$9,738	\$10,247	\$11,008	\$11,493	\$485	4.4%
<u>University of Illinois</u>												
Chicago	\$11,716	\$12,034	\$12,864	\$13,464	\$13,938	\$14,330	\$14,588	\$14,816	\$14,816	\$14,856	\$40	0.3%
Springfield	\$9,077	\$9,541	\$10,374	\$10,984	\$11,413	\$11,776	\$12,195	\$12,411	\$12,617	\$12,663	\$46	0.4%
Urbana\Champaign	\$12,240	\$12,660	\$13,658	\$14,414	\$14,960	\$15,258	\$15,602	\$15,626	\$15,698	\$15,868	\$170	1.1%

APPENDIX D - 2
ILLINOIS PUBLIC UNIVERSITIES
ANNUAL FULL-TIME RESIDENT UNDERGRADUATE TUITION: ENTRY LEVEL
FY 2009 - FY 2018

<u>Annual based on 30 credit hours</u>	FY2009	FY2010	FY2011	FY2012	FY2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	\$ Change FY 17-18	% Change FY 17-18
<u>Chicago State University</u>	\$6,870	\$7,470	\$8,070	\$8,310	\$8,550	\$8,550	\$8,820	\$8,820	\$8,820	\$8,820	\$0	0.0%
<u>Eastern Illinois University</u>	\$6,540	\$7,170	\$7,620	\$8,070	\$8,370	\$8,490	\$8,490	\$8,550	\$8,670	\$8,760	\$90	1.0%
<u>Governors State University</u>	\$6,120	\$6,720	\$7,110	\$7,290	\$7,470	\$7,650	\$7,650	\$8,160	\$8,160	\$9,390	\$1,230	15.1%
<u>Illinois State University</u>	\$7,680	\$8,280	\$9,030	\$9,630	\$10,050	\$10,260	\$10,470	\$10,784	\$11,108	\$11,108	\$1	0.0%
<u>Northeastern Illinois University</u>	\$6,600	\$7,350	\$7,800	\$8,250	\$8,250	\$8,610	\$9,120	\$9,660	\$10,481	\$11,320	\$839	8.0%
<u>Northern Illinois University</u>	\$6,720	\$7,260	\$7,950	\$8,491	\$8,894	\$9,072	\$9,253	\$9,466	\$9,466	\$9,466	\$0	0.0%
<u>Western Illinois University</u>	\$6,456	\$6,779	\$7,220	\$7,649	\$8,012	\$8,405	\$8,632	\$8,805	\$8,541	\$8,541	\$0	0.0%
<u>Southern Illinois University</u>												
Carbondale	\$6,975	\$7,290	\$7,290	\$7,794	\$8,169	\$8,415	\$8,415	\$8,835	\$9,099	\$9,450	\$351	3.9%
Edwardsville	\$5,850	\$6,201	\$6,201	\$6,630	\$6,948	\$7,296	\$7,296	\$7,662	\$8,352	\$8,772	\$420	5.0%
<u>University of Illinois</u>												
Chicago	\$8,130	\$8,342	\$9,134	\$9,764	\$10,232	\$10,406	\$10,584	\$10,584	\$10,584	\$10,584	\$0	0.0%
Springfield	\$7,215	\$7,403	\$8,108	\$8,670	\$9,090	\$9,248	\$9,405	\$9,405	\$9,405	\$9,405	\$0	0.0%
Urbana-Champaign	\$9,242	\$9,484	\$10,386	\$11,104	\$11,636	\$11,834	\$12,036	\$12,036	\$12,036	\$12,036	\$0	0.0%

APPENDIX D - 2
ILLINOIS PUBLIC UNIVERSITIES
ANNUAL FULL-TIME RESIDENT UNDERGRADUATE FEES: ENTRY LEVEL
FY 2009 - FY 2018

<u>Annual based on 30 credit hours</u>	FY2009	FY2010	FY2011	FY2012	FY2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	\$ Change FY 17-18	% Change FY 17-18
<u>Chicago State University</u>	\$2,008	\$2,030	\$2,296	\$2,414	\$2,456	\$2,576	\$2,790	\$3,082	\$3,090	\$2,824	-\$266	-8.6%
<u>Eastern Illinois University</u>	\$2,242	\$2,259	\$2,367	\$2,464	\$2,560	\$2,654	\$2,618	\$2,762	\$2,910	\$2,918	\$7	0.3%
<u>Governors State University</u> ¹	\$1,422	\$1,632	\$1,636	\$1,646	\$1,646	\$1,736	\$1,736	\$2,086	\$2,356	\$2,356	\$0	0.0%
<u>Illinois State University</u>	\$2,134	\$2,251	\$2,387	\$2,600	\$2,676	\$2,750	\$2,826	\$2,882	\$2,953	\$2,953	\$0	0.0%
<u>Northeastern Illinois University</u> ²	\$2,364	\$2,558	\$2,898	\$3,144	\$3,314	\$3,405	\$3,489	\$3,714	\$4,083	\$2,356	-\$1,727	-42.3%
<u>Northern Illinois University</u>	\$2,683	\$2,920	\$3,194	\$3,306	\$3,579	\$3,781	\$4,257	\$4,852	\$4,826	\$4,885	\$58	1.2%
<u>Western Illinois University</u>	\$2,406	\$2,838	\$2,929	\$3,070	\$3,169	\$3,361	\$3,585	\$4,084	\$4,114	\$4,356	\$242	5.9%
<u>Southern Illinois University</u>												
Carbondale	\$2,838	\$3,121	\$3,177	\$3,244	\$3,359	\$3,678	\$3,833	\$4,302	\$4,382	\$4,482	\$100	2.3%
Edwardsville ³	\$1,981	\$2,135	\$2,200	\$2,235	\$2,303	\$2,370	\$2,442	\$2,585	\$2,656	\$2,721	\$65	2.5%
<u>University of Illinois</u>												
Chicago	\$3,586	\$3,692	\$3,730	\$3,700	\$3,706	\$3,924	\$4,004	\$4,232	\$4,232	\$4,272	\$40	0.9%
Springfield	\$1,862	\$2,138	\$2,267	\$2,314	\$2,323	\$2,528	\$2,790	\$3,006	\$3,212	\$3,258	\$46	1.4%
Urbana-Champaign	\$2,998	\$3,176	\$3,272	\$3,310	\$3,324	\$3,424	\$3,566	\$3,590	\$3,662	\$3,832	\$170	4.6%

¹ Health service fee included as of FY 2017

² Discontinued offering "mandatory health insurance, now provide students with third party information

³ Health insurance unavailable, fee not included.

Source: IBHE Records
Last updated: November 2017

APPENDIX D - 3
ILLINOIS PUBLIC UNIVERSITIES
ANNUAL FULL-TIME RESIDENT GRADUATE TUITION AND FEES
FY 2009 - FY 2018

Annual based on 24 credit hours

	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>\$ Change</u> <u>FY 17-18</u>	<u>% Change</u> <u>FY 17-18</u>
<u>Chicago State University</u>	\$6,496	\$7,286	\$7,984	\$8,678	\$9,038	\$9,392	\$9,870	\$10,258	\$10,530	\$10,264	-\$266	-2.5%
<u>Eastern Illinois University</u>	\$7,347	\$7,868	\$8,322	\$8,764	\$9,086	\$9,260	\$9,260	\$9,461	\$9,705	\$9,785	\$79	0.8%
<u>Governors State University</u> ¹	\$6,588	\$7,236	\$7,576	\$7,754	\$7,898	\$8,138	\$8,138	\$9,052	\$9,268	\$10,372	\$1,104	11.9%
<u>Illinois State University</u>	\$6,668	\$6,761	\$8,314	\$8,942	\$9,614	\$10,567	\$10,994	\$11,381	\$11,798	\$11,798	\$0	0.0%
<u>Northeastern Illinois University</u> ²	\$6,414	\$7,082	\$7,492	\$8,089	\$8,089	\$8,460	\$8,940	\$9,495	\$10,381	\$11,174	\$793	7.6%
<u>Northern Illinois University</u> ³	\$8,753	\$9,479	\$10,376	\$10,975	\$11,614	\$11,976	\$12,614	\$11,847	\$11,858	\$11,905	\$47	0.4%
<u>Western Illinois University</u>	\$7,739	\$8,383	\$8,845	\$9,352	\$9,752	\$10,269	\$10,561	\$11,310	\$11,340	\$11,577	\$238	2.1%
<u>Southern Illinois University</u>												
Carbondale	\$10,366	\$10,987	\$11,043	\$11,652	\$12,357	\$12,977	\$13,127	\$14,001	\$14,583	\$15,207	\$624	4.3%
Edwardsville ⁴	\$7,363	\$7,662	\$7,723	\$8,054	\$8,292	\$8,535	\$8,582	\$8,957	\$9,285	\$9,659	\$375	4.0%
<u>University of Illinois</u>												
Chicago	\$12,116	\$12,564	\$13,444	\$14,084	\$14,588	\$14,998	\$15,258	\$15,712	\$15,712	\$15,752	\$40	0.3%
Springfield	\$7,952	\$8,442	\$8,949	\$9,660	\$10,017	\$10,434	\$10,962	\$11,430	\$11,636	\$11,682	\$46	0.4%
Urbana\Champaign	\$12,112	\$12,656	\$13,638	\$14,390	\$14,938	\$15,198	\$15,560	\$15,818	\$16,106	\$16,542	\$436	2.7%

APPENDIX D - 3
ILLINOIS PUBLIC UNIVERSITIES
ANNUAL FULL-TIME RESIDENT GRADUATE TUITION
FY 2009 - FY 2018

Annual based on 24 credit hours

	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>\$ Change</u> <u>FY 17-18</u>	<u>% Change</u> <u>FY 17-18</u>
<u>Chicago State University</u>	\$4,488	\$5,256	\$5,688	\$6,264	\$6,624	\$6,816	\$7,080	\$7,176	\$7,440	\$7,440	\$0	0.0%
<u>Eastern Illinois University</u>	\$5,232	\$5,736	\$6,096	\$6,456	\$6,696	\$6,792	\$6,792	\$6,840	\$6,936	\$7,008	\$72	1.0%
<u>Governors State University</u>	\$5,400	\$5,880	\$6,216	\$6,384	\$6,528	\$6,696	\$6,696	\$7,368	\$7,368	\$8,472	\$1,104	15.0%
<u>Illinois State University</u>	\$4,896	\$4,896	\$6,336	\$6,840	\$7,392	\$8,280	\$8,640	\$8,976	\$9,336	\$9,336	\$0	0.0%
<u>Northeastern Illinois University</u>	\$5,280	\$5,880	\$6,240	\$6,600	\$6,600	\$6,888	\$7,368	\$7,872	\$8,553	\$9,237	\$684	8.0%
<u>Northern Illinois University</u>	\$6,096	\$6,576	\$7,200	\$7,690	\$8,055	\$8,216	\$8,380	\$11,847	\$11,858	\$11,905	\$47	0.4%
<u>Western Illinois University</u>	\$5,696	\$5,981	\$6,370	\$6,748	\$7,069	\$7,415	\$7,615	\$7,767	\$7,767	\$7,767	\$0	0.0%
<u>Southern Illinois University</u>												
Carbondale	\$7,534	\$7,872	\$7,872	\$8,414	\$9,005	\$9,456	\$9,456	\$10,022	\$10,524	\$11,050	\$526	5.0%
Edwardsville	\$5,838	\$6,012	\$6,012	\$6,312	\$6,504	\$6,702	\$6,702	\$7,038	\$7,320	\$7,613	\$293	4.0%
<u>University of Illinois</u>												
Chicago	\$8,530	\$8,872	\$9,714	\$10,384	\$10,882	\$11,066	\$11,254	\$11,480	\$11,480	\$11,480	\$0	0.0%
Springfield	\$6,144	\$6,390	\$6,774	\$6,978	\$7,314	\$7,440	\$7,662	\$7,896	\$7,896	\$7,896	\$0	0.0%
Urbana-Champaign	\$8,960	\$9,318	\$10,204	\$10,908	\$11,432	\$11,626	\$11,824	\$12,060	\$12,266	\$12,488	\$222	1.8%

APPENDIX D - 3
ILLINOIS PUBLIC UNIVERSITIES
ANNUAL FULL-TIME RESIDENT GRADUATE FEES
FY 2009 - FY 2018

Annual based on 24 credit hours

	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>\$ Change</u> <u>FY 17-18</u>	<u>% Change</u> <u>FY 17-18</u>
<u>Chicago State University</u>	\$2,008	\$2,030	\$2,296	\$2,414	\$2,414	\$2,576	\$2,790	\$3,082	\$3,090	\$2,824	-\$266	-8.6%
<u>Eastern Illinois University</u>	\$2,115	\$2,132	\$2,226	\$2,308	\$2,390	\$2,468	\$2,468	\$2,621	\$2,769	\$2,777	\$7	0.3%
<u>Governors State University</u> ¹	\$1,188	\$1,356	\$1,360	\$1,370	\$1,370	\$1,442	\$1,442	\$1,684	\$1,900	\$1,900	\$0	0.0%
<u>Illinois State University</u>	\$1,772	\$1,865	\$1,978	\$2,102	\$2,222	\$2,287	\$2,354	\$2,405	\$2,462	\$2,462	\$0	0.0%
<u>Northeastern Illinois University</u> ²	\$1,134	\$1,202	\$1,252	\$1,489	\$1,489	\$1,572	\$1,572	\$1,623	\$1,828	\$1,937	\$109	6.0%
<u>Northern Illinois University</u> ³	\$2,657	\$2,903	\$3,176	\$3,285	\$3,559	\$3,760	\$4,234	\$0	\$0	\$0	\$0	0.0%
<u>Western Illinois University</u>	\$2,043	\$2,402	\$2,475	\$2,604	\$2,684	\$2,855	\$2,946	\$3,543	\$3,573	\$3,810	\$238	6.6%
<u>Southern Illinois University</u>												
Carbondale	\$2,832	\$3,115	\$3,171	\$3,238	\$3,353	\$3,521	\$3,671	\$3,979	\$4,059	\$4,157	\$98	2.4%
Edwardsville ⁴	\$1,525	\$1,650	\$1,711	\$1,742	\$1,788	\$1,833	\$1,880	\$1,919	\$1,965	\$2,046	\$82	4.1%
<u>University of Illinois</u>												
Chicago	\$3,586	\$3,692	\$3,730	\$3,700	\$3,706	\$3,932	\$4,004	\$4,232	\$4,232	\$4,272	\$40	0.9%
Springfield	\$1,808	\$2,052	\$2,175	\$2,682	\$2,703	\$2,994	\$3,300	\$3,534	\$3,740	\$3,786	\$46	1.2%
Urbana-Champaign	\$3,152	\$3,338	\$3,434	\$3,482	\$3,506	\$3,572	\$3,736	\$3,758	\$3,840	\$4,054	\$214	5.6%

¹ Health insurance fee included as of FY 2017

² U-Pass applies to FT students only at \$128 per semester.

³ Fees no longer charged starting in FY 16

⁴ Health insurance unavailable, fee not included.

Source: IBHE Records

Last updated: November 2017

APPENDIX D - 4
ILLINOIS PUBLIC UNIVERSITIES
ANNUAL FULL-TIME RESIDENT DOCTOR'S DEGREE PROFESSIONAL SERVICES TUITION AND FEES
FY 2010 - FY 2018

<u>Annual based on 24 credit hours</u>	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	\$ Change FY 17-18	% Change FY 17-18
<u>Chicago State University</u>											
Pharmacy	\$20,930	\$22,758	\$24,584	\$24,637	\$25,741	\$26,644	\$27,183	\$27,191	\$26,925	-\$266	-1.0%
<u>Governors State University</u>											
Physical Therapy		\$12,160	\$12,434	\$12,698	\$13,058	\$13,058	\$14,476	\$14,692	\$16,612	\$1,920	13.1%
Occupational Therapy		\$15,760	\$16,130	\$16,130	\$16,562	\$16,562	\$18,316	\$18,532	\$21,028	\$2,496	13.5%
Nursing Practice		\$15,760	\$16,130	\$16,130	\$16,562	\$16,562	\$18,316	\$18,532	\$21,028	\$2,496	13.5%
<u>Illinois State University</u>											
Nursing Practice						\$10,994	\$11,381	\$11,798	\$11,798	\$0	0.0%
Audiology		\$8,314	\$8,942	\$9,614	\$10,567	\$10,994	\$11,381	\$11,798	\$11,798	\$0	0.0%
<u>Northern Illinois University</u>											
Law	\$15,436	\$17,858	\$19,258	\$20,448	\$22,295	\$23,082	\$21,918	\$21,930	\$21,978	\$48	0.2%
<u>Southern Illinois University</u>											
Carbondale											
Law (30 credit hours)	\$14,137	\$14,745	\$15,988	\$16,996	\$17,997	\$18,152	\$19,624	\$19,705	\$20,571	\$866	4.4%
Medicine (42 credit hours)	\$27,261	\$28,515	\$29,842	\$31,279	\$32,835	\$32,835	\$34,827	\$35,799	\$36,818	\$1,019	2.8%
Edwardsville											
Dental	\$28,448	\$30,135	\$31,656	\$33,022	\$33,899	\$33,946	\$34,557	\$34,603	\$35,558	\$955	2.8%
Pharmacy	\$19,666	\$21,855	\$23,462	\$24,358	\$24,997	\$25,044	\$25,767	\$25,813	\$26,294	\$481	1.9%
<u>University of Illinois</u>											
Chicago											
Dental ¹	\$31,708	\$32,866	\$31,930	\$33,066	\$33,880	\$41,908	\$43,282	\$44,450	\$45,294	\$844	1.9%
Medicine	\$33,144	\$35,828	\$36,758	\$37,764	\$38,552	\$39,488	\$39,716	\$40,678	\$34,810	-\$5,868	-14.4%
Pharmacy	\$22,354	\$24,164	\$25,462	\$26,316	\$27,560	\$28,458	\$29,152	\$29,152	\$29,192	\$40	0.1%
Physical Therapy	\$15,856	\$17,416	\$18,070	\$18,938	\$19,392	\$19,774	\$20,332	\$20,816	\$21,188	\$372	1.8%
Occupational Therapy						\$19,762	\$20,332	\$20,332	\$20,694	\$362	1.8%
Doctor of Nursing Practice						\$25,708	\$26,482	\$26,482	\$26,968	\$486	1.8%
Urbana/Champaign											
Law	\$36,445	\$36,519	\$38,567	\$40,691	\$41,907	\$42,071	\$42,093	\$42,175	\$39,139	-\$3,036	-7.2%
Veterinary Medicine	\$22,778	\$25,374	\$26,422	\$28,446	\$29,512	\$30,176	\$30,592	\$30,808	\$31,424	\$616	2.0%
Doctor of Audiology		\$13,638	\$14,390	\$14,938	\$15,198	\$15,560	\$16,618	\$16,906	\$17,342	\$436	2.6%

APPENDIX D - 4
ILLINOIS PUBLIC UNIVERSITIES
Annual Full-Time Resident Doctor's Degree Professional Services Tuition
FY 2010 - FY 2018

<u>Annual based on 24 credit hours</u>	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	\$ Change FY 17-18	% Change FY 17-18
<u>Chicago State University</u>											
Pharmacy	\$18,900	\$20,412	\$22,045	\$22,056	\$23,040	\$23,616	\$23,976	\$23,976	\$23,976	\$0	0.0%
<u>Governors State University</u>											
Physical Therapy		\$10,800	\$11,064	\$11,328	\$11,616	\$11,616	\$12,792	\$12,792	\$14,712	\$1,920	15.0%
Occupational Therapy		\$14,400	\$14,760	\$14,760	\$15,120	\$15,120	\$16,632	\$16,632	\$19,128	\$2,496	15.0%
Nursing Practice		\$14,400	\$14,760	\$14,760	\$15,120	\$15,120	\$16,632	\$16,632	\$19,128	\$2,496	15.0%
<u>Illinois State University</u>											
Nursing Practice						\$8,640	\$8,976	\$9,336	\$9,336	\$0	0.0%
Audiology		\$6,336	\$6,840	\$7,392	\$8,280	\$8,640	\$8,976	\$9,336	\$9,336	\$0	0.0%
<u>Northern Illinois University</u>											
Law	\$12,504	\$13,692	\$14,623	\$15,318	\$15,624	\$15,936	\$21,918	\$21,930	\$21,978	\$48	0.2%
<u>Southern Illinois University</u>											
Carbondale											
Law (30 credit hours)	\$11,022	\$11,574	\$12,750	\$13,643	\$14,325	\$14,325	\$15,329	\$15,329	\$16,095	\$766	5.0%
Medicine (42 credit hours)	\$23,988	\$25,186	\$26,446	\$27,768	\$29,156	\$29,156	\$29,740	\$30,632	\$31,550	\$918	3.0%
Edwardsville											
Dental	\$23,284	\$24,910	\$26,400	\$27,720	\$28,552	\$28,552	\$29,124	\$29,124	\$29,998	\$874	3.0%
Pharmacy	\$17,566	\$19,674	\$21,250	\$22,100	\$22,764	\$22,764	\$23,448	\$23,448	\$23,448	\$0	0.0%
<u>University of Illinois</u>											
Chicago											
Dental ¹	\$28,016	\$29,136	\$28,230	\$29,360	\$29,948	\$30,846	\$31,780	\$32,730	\$33,384	\$654	2.0%
Medicine	\$29,394	\$32,040	\$33,000	\$34,000	\$34,578	\$35,442	\$35,442	\$36,328	\$30,420	-\$5,908	-16.3%
Pharmacy	\$18,662	\$20,434	\$21,762	\$22,610	\$23,628	\$24,454	\$24,920	\$24,920	\$24,920	\$0	0.0%
Physical Therapy	\$12,164	\$13,686	\$14,370	\$15,232	\$15,460	\$15,770	\$16,100	\$16,584	\$16,916	\$332	2.0%
Occupational Therapy						\$15,758	\$16,100	\$16,100	\$16,422	\$322	2.0%
Doctor of Nursing Practice						\$21,704	\$22,250	\$22,250	\$22,696	\$446	2.0%
Urbana-Champaign											
Law	\$33,000	\$33,000	\$35,000	\$37,100	\$38,250	\$38,250	\$38,250	\$38,250	\$35,000	-\$3,250	-8.5%
Veterinary Medicine	\$19,240	\$21,740	\$22,740	\$24,740	\$25,740	\$26,240	\$26,634	\$26,768	\$27,170	\$402	1.5%
Doctor of Audiology		\$10,204	\$10,908	\$11,432	\$11,626	\$11,824	\$12,860	\$13,066	\$13,288	\$222	1.7%

APPENDIX D - 4
ILLINOIS PUBLIC UNIVERSITIES
Annual Full-Time Resident Doctor's Degree Professional Services Fees
FY 2010 - FY 2018

<u>Annual based on 24 credit hours</u>										\$ Change	% Change
	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 17-18	FY 17-18
<u>Chicago State University</u>											
Pharmacy	\$2,030	\$2,346	\$2,539	\$2,581	\$2,701	\$3,028	\$3,207	\$3,215	\$2,949	-\$266	-8.3%
<u>Governors State University</u>											
Physical Therapy		\$1,360	\$1,370	\$1,370	\$1,442	\$1,442	\$1,684	\$1,900	\$1,900	\$0	0.0%
Occupational Therapy		\$1,360	\$1,370	\$1,370	\$1,442	\$1,442	\$1,684	\$1,900	\$1,900	\$0	0.0%
Nursing Practice		\$1,360	\$1,370	\$1,370	\$1,442	\$1,442	\$1,684	\$1,900	\$1,900	\$0	0.0%
<u>Illinois State University</u>											
Nursing Practice						\$2,354	\$2,405	\$2,462	\$2,462	\$0	0.0%
Audiology		\$1,978	\$2,102	\$2,222	\$2,287	\$2,354	\$2,405	\$2,462	\$2,462	\$0	0.0%
<u>Northern Illinois University</u>											
Law	\$2,932	\$4,166	\$4,635	\$5,130	\$6,671	\$7,146	\$0	\$0	\$0	\$0	0.0%
<u>Southern Illinois University</u>											
Carbondale											
Law (30 credit hours)	\$3,115	\$3,171	\$3,238	\$3,353	\$3,672	\$3,827	\$4,296	\$4,376	\$4,476	\$100	2.3%
Medicine (42 credit hours)	\$3,273	\$3,329	\$3,396	\$3,511	\$3,679	\$3,679	\$5,087	\$5,167	\$5,268	\$101	2.0%
Edwardsville											
Dental	\$5,164	\$5,225	\$5,256	\$5,302	\$5,347	\$5,394	\$5,433	\$5,479	\$5,560	\$81	1.5%
Pharmacy	\$2,100	\$2,181	\$2,212	\$2,258	\$2,233	\$2,280	\$2,319	\$2,365	\$2,846	\$481	20.3%
<u>University of Illinois</u>											
Chicago											
Dental ¹	\$3,692	\$3,730	\$3,700	\$3,706	\$3,932	\$11,062	\$11,502	\$11,720	\$11,910	\$190	1.6%
Medicine	\$3,750	\$3,788	\$3,758	\$3,764	\$3,974	\$4,046	\$4,274	\$4,350	\$4,390	\$40	0.9%
Pharmacy	\$3,692	\$3,730	\$3,700	\$3,706	\$3,932	\$4,004	\$4,232	\$4,232	\$4,272	\$40	0.9%
Physical Therapy	\$3,692	\$3,730	\$3,700	\$3,706	\$3,932	\$4,004	\$4,232	\$4,232	\$4,272	\$40	0.9%
Occupational Therapy						\$4,004	\$4,232	\$4,232	\$4,272	\$40	0.9%
Doctor of Nursing Practice						\$4,004	\$4,232	\$4,232	\$4,272	\$40	0.9%
Urbana-Champaign											
Law	\$3,445	\$3,519	\$3,567	\$3,591	\$3,657	\$3,821	\$3,843	\$3,925	\$4,139	\$214	5.5%
Veterinary Medicine	\$3,538	\$3,634	\$3,682	\$3,706	\$3,772	\$3,936	\$3,958	\$4,040	\$4,254	\$214	5.3%
Doctor of Audiology		\$3,434	\$3,482	\$3,506	\$3,572	\$3,736	\$3,758	\$3,840	\$4,054	\$214	5.6%

¹ Includes Clinical Infrastructure Assessment of \$3,819 per semester

Source: IBHE Records
Last updated: November 2017

APPENDIX D - 5
 FY 2018 COMMUNITY COLLEGE TUITION AND FEES BY DISTRICT

<u>District</u>	In-District Fall FY2018 (calendar 2017)			In-District Spring FY2018 (calendar 2018)		
	<u>Tuition</u>	<u>Fee</u>	<u>Total</u>	<u>Tuition</u>	<u>Fee</u>	<u>Total</u>
BLACK HAWK	\$149.00	\$ -	\$149.00	\$149.00	\$ -	\$149.00
DANVILLE	135.00	15.00	150.00	135.00	15.00	150.00
DUPAGE	102.15	32.85	135.00	102.15	32.85	135.00
ELGIN	129.00	-	129.00	129.00	-	129.00
HARPER	125.00	16.00	141.00	125.00	17.50	142.50
HEARTLAND	137.00	11.00	148.00	137.00	11.00	148.00
HIGHLAND	141.00	25.00	166.00	141.00	25.00	166.00
ILLINOIS CENTRAL	143.00	-	143.00	143.00	-	143.00
ILLINOIS EASTERN	83.00	32.00	115.00	83.00	32.00	115.00
ILLINOIS VALLEY	122.60	7.40	130.00	122.60	7.40	130.00
JOLIET	113.00	31.00	144.00	113.00	31.00	144.00
KANKAKEE	134.00	13.00	147.00	134.00	13.00	147.00
KASKASKIA	133.00	16.00	149.00	133.00	16.00	149.00
KISHWAUKEE	139.00	17.00	156.00	139.00	17.00	156.00
LAKE COUNTY	115.00	23.00	138.00	115.00	23.00	138.00
LAKE LAND	102.50	30.50	133.00	102.50	30.50	133.00
LEWIS & CLARK	120.00	23.00	143.00	120.00	23.00	143.00
LINCOLN LAND	121.00	11.00	132.00	121.00	11.00	132.00
LOGAN	115.00	5.00	120.00	115.00	5.00	120.00
MC HENRY	104.00	17.00	121.00	104.00	17.00	121.00
MORAIN VALLEY	122.00	20.00	142.00	122.00	20.00	142.00
MORTON	88.00	40.00	128.00	88.00	40.00	128.00
OAKTON	136.25	5.00	141.25	136.25	5.00	141.25
PARKLAND	143.50	20.50	164.00	143.50	20.50	164.00
PRAIRIE STATE	140.50	30.50	171.00	140.50	30.50	171.00
REND LAKE	110.00	20.00	130.00	110.00	20.00	130.00
RICHLAND	133.00	14.00	147.00	133.00	14.00	147.00
ROCK VALLEY	115.00	10.00	125.00	115.00	10.00	125.00
SANDBURG	160.00	-	160.00	160.00	-	160.00
SAUK VALLEY	125.00	8.00	133.00	125.00	8.00	133.00
SHAWNEE	115.00	5.00	120.00	115.00	5.00	120.00
SOUTH SUBURBAN	145.00	17.75	162.75	145.00	17.75	162.75
SOUTHEASTERN	106.00	20.00	126.00	106.00	20.00	126.00
SOUTHWESTERN	113.00	9.00	122.00	113.00	9.00	122.00
SPOON RIVER	135.00	25.00	160.00	135.00	25.00	160.00
TRITON	118.00	16.00	134.00	118.00	16.00	134.00
WAUBONSEE	126.00	8.00	134.00	126.00	8.00	134.00
WOOD	142.00	18.00	160.00	142.00	18.00	160.00
State Average	\$124.64	\$16.12	\$140.76	\$124.64	\$16.16	\$140.80

CHICAGO See Attached Schedule

*Standard fees paid by all students per credit hour

APPENDIX D - 6
CITY COLLEGS OF CHICAGO TUITION AND FEE RATES

District: 508

	Fall FY 2018		Spring FY 2018	
In District Rate per Hour	1 course/1-4 CHs	\$599	1 course/1-4 CHs	\$599
	5-11 CHs	\$1,069	5-11 CHs	\$1,069
	12 or more CHs	\$1,753	12 or more CHs	\$1,753
In District Universal Fee per Hour	\$0.00		\$0.00	
Out of District Rate per Hour	1 course/1-4 CHs	\$1,359	1 course/1-4 CHs	\$1,359
	5-11 CHs	\$3,159	5-11 CHs	\$3,159
	12 or more CHs	\$4,603	12 or more CHs	\$4,603
Out of District Universal Fee per Hour	\$0.00		\$0.00	
Out of State Rate per Hour	1 course/1-4 CHs	\$599	1 course/1-4 CHs	\$599
	5-11 CHs	\$1,069	5-11 CHs	\$1,069
	12 or more CHs	\$1,753	12 or more CHs	\$1,753
Out of State Universal Fee per Hour	\$0.00		\$0.00	
Online Tuition Rate per Hour	1 course/1-4 CHs	\$599	1 course/1-4 CHs	\$599
	5-11 CHs	\$1,069	5-11 CHs	\$1,069
	12 or more CHs	\$1,753	12 or more CHs	\$1,753
Online Universal Fee per hour	\$0.00		\$0.00	

APPENDIX D -7
ILLINOIS MONETARY AWARD PROGRAM GRANTS
AWARD VALUE BY TYPE OF INSTITUTION STUDENT ATTENDS
FISCAL YEARS 1995 - 2017

(in millions of dollars)

Fiscal Year	Public Universities		Community Colleges		Public Total		Independent Colleges and Universities		Total
	Dollars	% of Total	Dollars	% of Total	Dollars	% of Total	Dollars	% of Total	
1995	94.3	39.3	30.4	12.7	124.7	52.0	115.0	48.0	239.7
1996	99.4	38.9	32.2	12.6	131.6	51.5	123.7	48.5	255.3
1997	105.3	40.0	32.2	12.2	137.5	52.2	125.8	47.8	263.3
1998	112.8	40.3	33.0	11.8	145.8	52.1	133.8	* 47.9	279.6
1999	116.4	38.0	36.1	11.8	152.5	49.7	154.2	* 50.3	306.7
2000	120.8	37.1	37.4	11.5	158.2	48.6	167.5	* 51.4	325.7
2001	128.1	36.8	41.0	11.8	169.1	48.5	179.4	* 51.5	348.5
2002	133.6	35.9	46.5	12.5	180.1	48.4	192.3	* 51.6	372.4
2003	120.0	35.8	45.3	13.5	165.3	49.3	169.9	* 50.7	335.2
2004	125.5	37.8	43.2	13.0	168.7	50.8	163.1	* 49.2	331.8
2005	119.9	36.3	47.8	14.5	167.7	50.8	162.7	* 49.2	330.4
2006	135.6	39.0	52.2	15.0	187.8	54.1	159.6	* 45.9	347.4
2007	149.2	38.9	56.6	14.8	205.8	53.7	177.4	* 46.3	383.2
2008	149.0	38.8	56.6	14.8	205.6	53.6	178.2	* 46.4	383.8
2009	150.1	39.1	56.8	14.8	206.9	53.9	177.0	* 46.1	383.9
2010	152.7	39.1	54.3	13.9	207.0	53.0	183.4	* 47.0	390.4
2011	160.0	39.9	53.7	13.4	213.7	53.3	187.0	* 46.7	400.7
2012	165.1	40.1	56.8	13.8	221.9	53.9	189.7	* 46.1	411.6
2013	154.2	41.6	48.3	13.0	202.5	54.6	168.3	* 45.4	370.8
2014	157.3	42.3	44.2	11.9	201.5	54.1	170.7	* 45.9	372.2
2015	153.3	42.9	39.8	11.1	193.1	54.1	164.1	* 45.9	357.2
2016	141.9	44.4	27.8	8.7	169.7	53.0	150.2	* 47.0	319.9
2017	154.1	44.5	36.1	10.4	190.2	54.9	156.2	* 45.1	346.4

* Includes awards to students attending proprietary institutions.

APPENDIX D - 8
ILLINOIS MONETARY AWARD PROGRAM GRANTS
NUMBER OF AWARDS BY TYPE OF INSTITUTION STUDENT ATTENDS
FISCAL YEARS 1995 - 2017

Fiscal Year	Public Universities		Community Colleges		Public Total		Independent Colleges and Universities		Total
	Awards	% of Total	Awards	% of Total	Awards	% of Total	Awards	% of Total	
1995	44,222	34.8	44,450	34.9	88,672	69.7	38,547	30.3	127,219
1996	44,297	34.1	45,243	34.8	89,540	68.9	40,443	31.1	129,983
1997	44,749	35.1	43,179	33.8	87,928	68.9	39,679	31.1	127,607
1998	45,378	35.7	41,095	32.3	86,473	68.1	40,566 *	31.9	127,039
1999	45,849	33.6	44,819	32.8	90,668	66.4	45,788 *	33.6	136,456
2000	44,280	32.4	44,688	32.7	88,968	65.1	47,729 *	34.9	136,697
2001	44,663	32.0	46,195	33.1	90,858	65.2	48,563 *	34.8	139,421
2002	44,094	31.3	48,481	34.4	92,575	65.8	48,169 *	34.2	140,744
2003	39,844	30.2	48,421	36.7	88,265	66.9	43,760 *	33.1	132,025
2004	43,824	31.1	51,656	36.7	95,480	67.8	45,418 *	32.2	140,898
2005	43,989	29.3	58,745	39.1	102,734	68.3	47,576 *	31.7	150,310
2006	43,361	29.5	57,967	39.5	101,328	69.0	45,525 *	31.0	146,853
2007	43,377	29.6	57,211	39.0	100,588	68.6	46,047 *	31.4	146,635
2008	42,724	29.4	56,679	38.9	99,403	68.3	46,140 *	31.7	145,543
2009	42,372	29.4	56,326	39.1	98,698	68.4	45,532 *	31.6	144,230
2010	42,115	29.8	52,690	37.3	94,805	67.1	46,575 *	32.9	141,380
2011	44,743	30.5	53,411	36.5	98,154	67.0	48,377 *	33.0	146,531
2012	47,588	30.1	59,771	37.7	107,359	67.8	50,990 *	32.2	158,349
2013	44,219	31.4	51,549	36.6	95,768	67.9	45,205 *	32.1	135,747
2014	44,581	32.6	46,929	34.4	91,510	67.0	45,053 *	33.0	136,563
2015	43,167	33.6	42,121	32.8	85,288	66.4	43,111 *	33.6	128,399
2016	39,539	36.9	28,245	26.4	67,784	63.3	39,273 *	36.7	107,057
2017	43,267	35.6	37,296	30.7	80,563	66.3	41,016 *	33.7	121,579

* Includes students attending proprietary institutions.

APPENDIX E

ILLINOIS JOBS NOW! CAPITAL PROJECTS

Appendix E

ILLINOIS JOBS NOW! PROGRAM

FY2010 HIGHER EDUCATION CAPITAL IMPROVEMENTS

NEW APPROPRIATIONS: P.A. 96-0035 (HB 312) and P.A. 96-0039 (SB 1221)

(\$ in 000's)					FY2010	
Institution	Project	Budget Category	Public Act	Final Action		
<u>Public Universities</u>						
Public Universities	Capital Renewal	Remodeling/Renovate	P.A. 96-0035	\$ 62,677.2	CDF	
Chicago State University	Early Childhood Development Center	Equipment	P.A. 96-0035	3,000.0	CDF	
Chicago State University	Convocation Building	Remediation/Complete	P.A. 96-0035	5,000.0	CDF	
Chicago State University	Douglas Hall	Remodeling/Complete	P.A. 96-0035	19,500.0	CDF	
Chicago State University	Westside Campus Construction	Buildings/Construction	P.A. 96-0039	40,000.0	CDF	
Eastern Illinois University	Fine Arts Center Renovation and Expansion	Equipment	P.A. 96-0035	1,650.0	CDF	
Eastern Illinois University	HVAC, Plumbing, Life Science Bldg. & Coleman Hall	Remodeling	P.A. 96-0035	4,757.1	CDF	
Governors State University	Campus Roadway and Sidewalk Renovation	Site Improvements	P.A. 96-0035	2,028.0	CDF	
Governors State University	Teaching/Learning Complex	Escalation	P.A. 96-0035	8,000.0	CDF	
Illinois State University	Centennial East/West and Center for Visual Arts Rehab	Building/Remodeling	P.A. 96-0035	54,250.1	CDF	
Illinois State University	ROTC Building	Buildings/Construction	P.A. 96-0039	250.0	BILBF	
Illinois State University	Newman Center/Student Services Building	Buildings/Construction	P.A. 96-0039	200.0	BILBF	
Northeastern Illinois University	Education Building	Planning/Buildings	P.A. 96-0035	72,977.2	CDF	
Northeastern Illinois University	Latino Cultural Center	Buildings/Construction	P.A. 96-0039	1,500.0	CDF	
Northern Illinois University	Stevens Building Renovation and Addition	Planning/Remodeling	P.A. 96-0035	22,517.6	CDF	
Northern Illinois University	Computer Science and Technology Center	Planning	P.A. 96-0035	2,787.4	CDF	
Northern Illinois University	Cole Hall	Buildings/Construction	P.A. 96-0039	8,008.0	CDF	
Southern Illinois University Carbondale	Communications Building	Planning	P.A. 96-0035	4,255.4	CDF	
Southern Illinois University Carbondale	Transportation Education Center	Buildings	P.A. 96-0035	56,718.8	CDF	
Southern Illinois University Carbondale	Morris Library Renovation and Addition	Equipment	P.A. 96-0035	17,564.4	CDF	
Southern Illinois University Edwardsville	Science Laboratory Bldg Renovation & Construction	Remodeling/Buildings	P.A. 96-0035	78,867.3	CDF	
SIU Edwardsville School of Dental Med.	Lab Construction & Renovation	Renovations/Construct.	P.A. 96-0039	4,121.4	BILBF	
University of Illinois at Chicago	Rockford, College of Medicine Addition, Rural Health	Buildings	P.A. 96-0035	14,820.0	CDF	
University of Illinois at Chicago	College of Dentistry, Building Infrastructure	Remodeling	P.A. 96-0035	20,800.0	CDF	
University of Illinois at Chicago	College of Medicine/Peoria Cancer Center	Buildings/Construction	P.A. 96-0039	1,300.0	BILBF	
University of Illinois at Chicago	Heartland Foundation/College of Med./Peoria	Buildings/Construction	P.A. 96-0039	500.0	BILBF	
University of Illinois at Chicago	College of Dentistry Pediatric Dental Clinic	Buildings/Construction	P.A. 96-0039	175.0	BILBF	
University of Illinois at Springfield	Public Safety Building	Buildings/Construction	P.A. 96-0039	4,000.0	CDF	
University of Illinois at Urbana-Champaign	Lincoln Hall Remodeling	Remodeling	P.A. 96-0035	57,304.0	CDF	
University of Illinois at Urbana-Champaign	DCEO/Petascale Computing Facility	Buildings	P.A. 96-0035	60,000.0	BILBF	

Appendix E

ILLINOIS JOBS NOW! PROGRAM

FY2010 HIGHER EDUCATION CAPITAL IMPROVEMENTS

NEW APPROPRIATIONS: P.A. 96-0035 (HB 312) and P.A. 96-0039 (SB 1221)

(\$ in 000's)	Institution	Project	Budget Category	Public Act	FY2010	
					Final Action	
	University of Illinois at Urbana-Champaign	Electrical and Computer Engineering Building	Buildings	P.A. 96-0035	44,520.0	CDF
	University of Illinois at Urbana-Champaign	South Farms Realignment/Integrated Bioprocessing	Planning/Buildings	P.A. 96-0035	20,034.0	CDF
	University of Illinois at Urbana-Champaign	Campus Street Extension	Renovations	P.A. 96-0039	570.0	ROAD
	University of Illinois at Urbana-Champaign	YMCA	Renovations	P.A. 96-0039	250.0	BILBF
	Western Illinois University	Performing Arts Center, Phase I	Buildings	P.A. 96-0035	67,835.8	CDF
	Western Illinois University	Riverfront Campus Development, Phase I	Remodeling	P.A. 96-0035	15,863.1	CDF
	Western Illinois University	Quad Cities Riverfront Campus, Phase II	Buildings/Construction	P.A. 96-0039	42,000.0	CDF
	Western Illinois University	Alumni House	Buildings/Construction	P.A. 96-0039	42.5	BILBF
		Subtotal, Public University Projects			<u>\$ 820,644.3</u>	

Community Colleges

Illinois Community Colleges	Capital Renewal	Remodeling/Renovate	P.A. 96-0035	\$ 27,322.8	CDF
Illinois Community Colleges	CDB/Temporary Facility Replacement Program			<u>\$ 134,487.5</u>	
CCC: Olive-Harvey College	Construct New Building	Enhanced Construction	P.A. 96-0035	30,671.6	CDF
College of DuPage	Temporary Facility Replacement	Enhanced Construction	P.A. 96-0035	25,000.0	CDF
College of Lake County	Construct Grayslake Classroom Building	Enhanced Construction	P.A. 96-0035	17,569.2	CDF
IECC-Lincoln Trail College	Construct Technology Building	Enhanced Construction	P.A. 96-0035	1,495.5	CDF
IECC-Olney Central	Construct Collision Repair Tech. Center	Enhanced Construction	P.A. 96-0035	1,122.8	CDF
IECC-Wabash Valley	Construct Student Center	Enhanced Construction	P.A. 96-0035	4,029.4	CDF
Illinois Central College	Renovate Dirksen Hall	Enhanced Construction	P.A. 96-0035	2,633.7	CDF
Illinois Valley Community College	Construct Community Tech. Center	Enhanced Construction	P.A. 96-0035	6,521.7	CDF
Joliet Junior College	Temporary Facility Replacement	Enhanced Construction	P.A. 96-0035	8,815.9	CDF
Lake Land College	Construct Workforce Relocation Center	Enhanced Construction	P.A. 96-0035	9,881.7	CDF
Lewis & Clark Community College	Construct Daycare and Montessori	Enhanced Construction	P.A. 96-0035	1,663.0	CDF
Lewis & Clark Community College	Construct Engineering Annex	Enhanced Construction	P.A. 96-0035	1,536.6	CDF
Lincoln Land Community College	Renovate Logan and Mason Hall	Enhanced Construction	P.A. 96-0035	2,991.2	CDF
McHenry County College	Construct Greenhouse	Enhanced Construction	P.A. 96-0035	671.6	CDF
McHenry County College	Construct Pumphouse	Enhanced Construction	P.A. 96-0035	115.9	CDF
Parkland College	Construct Applied Technology Addition	Enhanced Construction	P.A. 96-0035	9,180.6	CDF
Spoon River College	Construct Multi-Purpose Building	Enhanced Construction	P.A. 96-0035	4,027.1	CDF
Waubensee Community College	Replace Building A	Enhanced Construction	P.A. 96-0035	2,615.2	CDF
William Rainey Harper College	Replace Hospitality Facility	Enhanced Construction	P.A. 96-0035	3,944.8	CDF
<u>Illinois Community Colleges: Projects</u>					
Blackhawk College	Energy Efficiency Infrastructure Upgrades	Upgrades	P.A. 96-0039	1,000.0	BILBF

Appendix E

ILLINOIS JOBS NOW! PROGRAM

FY2010 HIGHER EDUCATION CAPITAL IMPROVEMENTS

NEW APPROPRIATIONS: P.A. 96-0035 (HB 312) and P.A. 96-0039 (SB 1221)

(\$ in 000's)	Institution	Project	Budget Category	Public Act	FY2010	
					Final	Action
	Blackhawk College	Capital Improvements/East Campus-Kewanee	Improvements	P.A. 96-0039	100.0	BILBF
	Carl Sandburg Community College	Capital Improvements/Galesburg Campus	Improvements	P.A. 96-0039	100.0	BILBF
	CCC-Harry S. Truman College	Capital Improvements	Improvements	P.A. 96-0039	5,000.0	CDF
	CCC-Wilbur Wright College	Humboldt Park Vocational Education Center	Building/Remodeling	P.A. 96-0039	5,000.0	CDF
	CCC-Wilbur Wright College	Feasibility Study: Humboldt Park Center Project	Study	P.A. 96-0039	100.0	BILBF
	College of DuPage	Instructional Center Noise Abatement	Remodeling	P.A. 96-0035	1,544.6	CDF
	College of Lake County	Student Services Building	Buildings	P.A. 96-0035	35,927.0	CDF
	Danville Area Community College	Mary Miller Center Expansion & Renovation	Renovations	P.A. 96-0039	5,190.4	BILBF
	Elgin Community College	Spartan Drive Extension	Site Improvements	P.A. 96-0035	2,244.8	CDF
	Elgin Community College	Library & Textbooks, Security, and rad tech prog.	Miscellaneous	P.A. 96-0039	250.0	BILBF
	Heartland Community College	Construction/Challenger Learning Center	Buildings/Construction	P.A. 96-0039	125.0	BILBF
	Highland Community College	Construct Wind Turbine Technician Building	Buildings/Construction	P.A. 96-0039	50.0	BILBF
	Highland Community College	Construct Wind Turbine Technician Building	Buildings/Construction	P.A. 96-0039	50.0	BILBF
	Illinois Central College	University Street Intersection Improvements & Ent.	Buildings/Construction	P.A. 96-0039	130.0	BILBF
	IECC-Lincoln Trail College	Center for Technology	Buildings	P.A. 96-0035	7,569.8	CDF
	Illinois Valley Community College	Community Instructional Center	Buildings	P.A. 96-0035	16,323.1	CDF
	John A. Logan College	Infrastructure Improvements	Improvements	P.A. 96-0039	100.0	BILBF
	John Wood Community College	Facility Renovation	Renovations	P.A. 96-0039	200.0	BILBF
	John Wood Community College	Workforce Development Center/Emerg.Vehicle Track	Miscellaneous	P.A. 96-0039	500.0	BILBF
	Joliet Junior College	Utilities Renovation	Utilities	P.A. 96-0035	4,522.9	CDF
	Joliet Junior College	Infrastructure Improvements	Improvements	P.A. 96-0039	100.0	BILBF
	Joliet Junior College	Infrastructure Improvements to Veterans Center	Improvements	P.A. 96-0039	100.0	BILBF
	Kankakee Community College	Infrastructure Improvements	Improvements	P.A. 96-0039	5,000.0	BILBF
	Kaskaskia College	Infrastructure Improvements/Vandalia Campus	Improvements	P.A. 96-0039	5,600.0	CDF
	Kaskaskia College	Training Building Construction	Buildings/Construction	P.A. 96-0039	45.0	BILBF
	Kishwaukee Community College	Early Childhood Center, HVAC, and Parking	Miscellaneous	P.A. 96-0039	150.0	BILBF
	Lake Land College	Forsyth Center/Expansion of Auto Tech Center	Improvements	P.A. 96-0039	10.0	BILBF
	Lake Land College	Student Services Building Addition	Buildings	P.A. 96-0035	2,361.1	CDF
	Lake Land College	Rural Development Technology Center	Buildings	P.A. 96-0035	7,524.1	CDF
	Lewis and Clark College	National Great Rivers Research & Ed. Center	Buildings/Construction	P.A. 96-0039	16,294.3	CDF
	Lincoln Land Community College	Taylorville Campus/Facility Construction	Buildings/Construction	P.A. 96-0039	250.0	BILBF
	Lincoln Trail College	Welding Program Building Expansion	Renovations	P.A. 96-0039	25.0	BILBF
	Moraine Valley College	Renovations to the Nursing and Allied Health Fac.	Renovations	P.A. 96-0039	100.0	BILBF
	Morton College	Capital Improvements	Renovations	P.A. 96-0039	5,000.0	CDF
	Oakton Community College	Solar Panel Installation	Miscellaneous	P.A. 96-0039	125.0	BILBF
	Oakton Community College	Capital Needs at Skokie Campus	Miscellaneous	P.A. 96-0039	100.0	BILBF
	Parkland College	Student Services Center Addition	Buildings	P.A. 96-0035	15,442.1	CDF

Appendix E

ILLINOIS JOBS NOW! PROGRAM

FY2010 HIGHER EDUCATION CAPITAL IMPROVEMENTS

NEW APPROPRIATIONS: P.A. 96-0035 (HB 312) and P.A. 96-0039 (SB 1221)

(\$ in 000's)	Institution	Project	Budget Category	Public Act	FY2010	
					Final Action	
	Prairie State College	Capital Improvements	Improvements	P.A. 96-0039	5,200.0	CDF
	Prairie State College	Renovations and Campus Improvements	Improvements	P.A. 96-0039	75.0	BILBF
	Rend Lake College	Art Program Addition	Buildings	P.A. 96-0035	451.3	CDF
	Richland Community College	Student Success Center and Addition	Building/Remodeling	P.A. 96-0035	3,524.0	CDF
	Rock Valley College	Arts Instructional Center	Buildings	P.A. 96-0035	26,711.9	CDF
	Rock Valley College	Remodel Science Lab and Other Improvements	Improvements	P.A. 96-0039	100.0	BILBF
	Rock Valley College	Stenstrom Center Reconstruction	Renovations	P.A. 96-0039	200.0	BILBF
	Shawnee Community College	Capital Improvements	Improvements	P.A. 96-0039	40.0	BILBF
	South Suburban College	Roof Repairs and Maintenance	Repairs & maint.	P.A. 96-0039	75.0	BILBF
	Southeastern Illinois College	Capital Improvements	Improvements	P.A. 96-0039	40.0	BILBF
	Southwestern Illinois Community College	Campus and Building Improvements	Improvements	P.A. 96-0039	19,100.0	CDF
	Triton College	Renovations to Facilities & Roof Replacement	Renovations	P.A. 96-0039	400.0	BILBF
	Triton College	ADA Accessible/Restrooms	Renovations	P.A. 96-0039	100.0	BILBF
	Triton College	ADA Door Operator and Other Improvements	Renovations	P.A. 96-0039	192.5	BILBF
	Triton College	Technology Building Rehabilitation	Remodeling	P.A. 96-0035	10,666.1	CDF
	Waubonsee Community College	Infrastructure Improvements and Repairs	Renovations	P.A. 96-0039	20.0	BILBF
	Waubonsee Community College	Equipment and Building/Sugar Grove Campus	Equipment & Buildings	P.A. 96-0039	250.0	BILBF
	William Rainey Harper College	Engineering and Technology Center Renovations	Remodeling	P.A. 96-0035	20,336.8	CDF
	William Rainey Harper College	One Stop/Admissions and Campus/Student Life Ctr.	Buildings	P.A. 96-0035	40,653.9	CDF
	Subtotal, Community College Projects, Capital Renewal and Enhanced Construction				\$	434,201.0

Independent Colleges and Universities

Independent Colleges and Universities	CDB/Statewide Construction and Capital Improvements	Remodeling/Buildings	P.A. 96-0035	\$	300,000.0	BILBF
Benedictine University	Infrastructure, Public Safety, Security Improvements	Miscellaneous	P.A. 96-0039		150.0	BILBF
Blackburn College	Parking Lot Repairs & Residence Hall Upgrades	Repairs & Upgrades	P.A. 96-0039		165.0	BILBF
Dominican University	Restore Hemingway Boyhood Home	Renovations	P.A. 96-0039		150.0	BILBF
Illinois Wesleyan University	Construction/New Building	Construction	P.A. 96-0039		200.0	BILBF
Judson College	Security System	Security	P.A. 96-0039		80.0	BILBF
North Central College	Infrastructure, Public Safety, Security Improvements	Improvements	P.A. 96-0039		150.0	BILBF
Northwestern University	Equipment for Science & Tech. Center & Infrastructure	Equipment	P.A. 96-0039		5,000.0	BILBF
Northwestern University	Settlement House/Renovations and Infrastructure	Renovations	P.A. 96-0039		50.0	BILBF
Roosevelt University	Classroom Renovations	Renovations	P.A. 96-0039		200.0	BILBF
Roosevelt University	Pharmacy School Construction	Construction	P.A. 96-0039		75.0	BILBF
Roosevelt University	Pharmacy School Construction	Construction	P.A. 96-0039		75.0	BILBF

Appendix E

ILLINOIS JOBS NOW! PROGRAM

FY2010 HIGHER EDUCATION CAPITAL IMPROVEMENTS

NEW APPROPRIATIONS: P.A. 96-0035 (HB 312) and P.A. 96-0039 (SB 1221)

(\$ in 000's)	Institution	Project	Budget Category	Public Act	FY2010	
					Final Action	
	Roosevelt University	Pharmacy School Infrastructure Improvements	Improvements	P.A. 96-0039	100.0	BILBF
	Rosalind Franklin University	Infrastructure Improvements	Improvements	P.A. 96-0039	150.0	BILBF
	Rosalind Franklin University of Med. & Sci.	Office and Classroom Construction	Construction	P.A. 96-0039	200.0	BILBF
	Rush University	Medical Center	Renovations	P.A. 96-0039	10,000.0	CDF
	Telshe Yeshiva	Facility Renovations	Renovations	P.A. 96-0039	100.0	BILBF
	University of Chicago	Medical Center/Provident Hospital	Renovations	P.A. 96-0039	5,000.0	CDF
	University of Chicago	Center for HIV Excellence/Provident Hospital	Renovations	P.A. 96-0039	1,500.0	BILBF
	University of St. Francis	Downtown Campus Project	Renovations	P.A. 96-0039	150.0	BILBF
		Subtotal, Independent Colleges and Universities			\$ 323,495.0	
Higher Education Agencies and Other						
	Illinois Mathematics and Science Academy	"A" Wing Laboratories Remodeling	Remodeling	P.A. 96-0035	\$ 3,600.0	CDF
	Illinois Mathematics and Science Academy	Residence Hall Rehabilitation	Remodeling	P.A. 96-0035	6,260.0	CDF
	Illinois Mathematics and Science Academy	Residence Hall Renovations	Remodeling	P.A. 96-0039	150.0	BILBF
	All Higher Education Institutions	IEMA/Statewide Safety and Security Improvements	Campus Security	P.A. 96-0035	25,000.0	BILBF
	Public Higher Education Institutions	CDB/Escalation and Emergencies	Escalation/Emergencies	P.A. 96-0035	25,000.0	CDF
	University Center of Lake County	Repairs and Renovations	Renovations	P.A. 96-0039	125.0	BILBF
		Subtotal, Agencies and Other			\$ 60,135.0	
		GRAND TOTAL FY2010 CAPITAL			\$ 1,638,475.3	

NOTES:

1) CDF: Capital Development Fund. BILBF: Build Illinois Bond Fund.

APPENDIX F

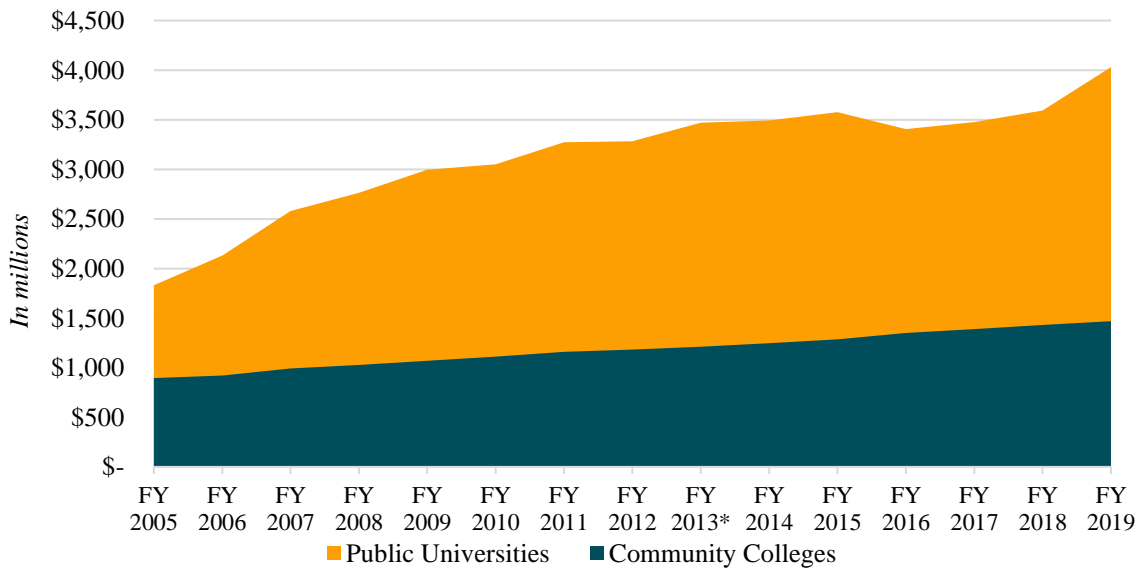
PUBLIC UNIVERSITY CAPITAL AND DEFERRED MAINTENANCE PICTORIAL

Public University Capital and Deferred Maintenance Pictorial

To emphasize the growing problem of deferred maintenance needs at public universities and community colleges we have included a set of pictures provided by the public universities that help show the need for funding to start repairing the damage of neglected facility maintenance. This is just a small sample of the problems that need to be addressed. Community colleges have similar problems. At the request of the institutions, we are not disclosing the location of the items. Their request is due to the fact college recruitment has become increasingly competitive and the budget impasse proved to be an added competitive drag. We face the problem of needing to demonstrate problems and advocate for positive movement without further harming institutional reputations in a way that might drive away students.

The state has gone many years without a regular maintenance program funded by the state. Many campuses were built in the '60's and '70's and those facilities are increasingly facing problems with age. Since Fiscal Year 2002 the buying power of state funding for higher education operations has fallen by about half. This made it difficult for schools to divert funds to cover maintenance. Schools increased tuition and fees significantly to maintain programs and services for students but the increasingly competitive nature of higher education today, increasing affordability challenges, and the increased mobility of students limit the option of further increases in tuition and fees as a means of raising revenues to address maintenance. Some schools can tap private contributions for some projects but nobody contributes to fix a schools hidden, crumbling pipe problem or aging boilers.

Public Higher Education Deferred Maintenance Estimates



If no new funding is provided the backlog in deferred maintenance at public universities and community colleges will reach \$5.5 billion in Fiscal Year 2019.

Even the limited funds universities and community colleges have received has not gone to maintenance. The Fiscal Year 2018 budget includes \$138 million for capital but 80% of that money is for new construction. Technically universities could bond to fund capital maintenance but the budget impasse resulted in lower credit ratings for all public universities. This increased the cost of borrowing. Only the University of Illinois and Illinois State still have bond ratings considered investment grade. For the others the costs of borrowing is prohibitive. The Fiscal Year 2016 operations budget provided less than 30% of what universities and community colleges received for Fiscal Year 2015. This took over \$1 billion out of the assets of public universities and community colleges, further reducing their flexibility to address even the most serious problems.

The long drought in the provision of funding from the state for facility maintenance and the increasingly constricted flexibility of schools to tap any other source of funds to pay for maintenance on their own has reached a critical point. Schools increasingly face situations where the failure of a system could result in a health and safety danger or the need

to suspend normal campus operations until the problem can be addressed. When these situations do happen they can be very expensive to fix and there rarely is enough time and money to fix things properly. Therefore, while unavoidable, some of those fixes arguably are a waste of money. IBHE has requested a \$20 million appropriation just to help address the worst of these problems.

The replacement cost of state higher education facilities in Fiscal Year 2019 will be \$26.3 billion. The state needs to begin a program of annual funding for maintenance to help address these problems.

Water Damage



Ceiling leak (with improvised drainage system)



Ceiling damage



Rooftop ponding

Corrosion and Pipe Damage



Completely rotted pipe



HVAC damage



Pipe casing damage



Internal drain damage



Internal pipe damage

ADA Compliance



Sidewalk replaced by gravel path



Temporary wooden ramp

General Public Safety



Deteriorating road



Large pothole



Damaged window

APPENDIX G
DESCRIPTION OF BOND RATINGS

Appendix G

Description of Bond Ratings

Moody's	S&P	Rating	Credit Worthiness	Grade
Aaa	AAA	Prime	An obligor has EXTREMELY STRONG capacity to meet its financial commitments.	Investment-grade
Aa1	AA+	High grade	An obligor has VERY STRONG capacity to meet its financial commitments. It differs from the highest-rated obligors only to a small degree.	
Aa2	AA			
Aa3	AA-			
A1	A+	Upper medium grade	An obligor has STRONG capacity to meet its financial commitments but is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligors in higher-rated categories.	
A2	A			
A3	A-			
Baa1	BBB+	Lower medium grade	An obligor has ADEQUATE capacity to meet its financial commitments. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the obligor to meet its financial commitments.	
Baa2	BBB			
Baa3	BBB-			
Ba1	BB+	Non-investment grade, speculative	An obligor is LESS VULNERABLE in the near term than other lower-rated obligors. However, it faces major ongoing uncertainties and exposure to adverse business, financial, or economic conditions which could lead to the obligor's inadequate capacity to meet its financial commitments.	Non-investment grade, AKA high-yield, AKA junk bonds
Ba2	BB			
Ba3	BB-			
B1	B+	Highly speculative	An obligor is MORE VULNERABLE than the obligors rated 'BB', but the obligor currently has the capacity to meet its financial commitments. Adverse business, financial, or economic conditions will likely impair the obligor's capacity or willingness to meet its financial commitments.	
B2	B			
B3	B-			
Caa1	CCC+	Substantial risks	An obligor is CURRENTLY VULNERABLE, and is dependent upon favorable business, financial, and economic conditions to meet its financial commitments.	
Caa2	CCC	Extremely speculative		
Caa3	CCC-	Default imminent with little prospect for Recovery	An obligor is CURRENTLY HIGHLY-VULNERABLE.	
Ca	CC		The obligor is CURRENTLY HIGHLY-VULNERABLE to nonpayment. May be used where a bankruptcy petition has been filed.	
	C			
C	D	In default	An obligor has failed to pay one or more of its financial obligations (rated or unrated) when it became due.	

Source: Banker's Almanac

