

LEGISLATIVE REPORT

Submitted for: Information.

Summary: This report updates the Board on General Assembly activity and gubernatorial action, including a summary of bills of particular interest to higher education.

Action Requested: None.

STATE OF ILLINOIS
BOARD OF HIGHER EDUCATION

LEGISLATIVE REPORT

The 97th General Assembly adjourned its spring session on May 31st with action on a host of major, and often controversial, issues including reapportionment, gaming expansion, workers compensation reform, education reform, and, of course, the fiscal 2012 budget.

The higher education budget was a mixture of the bitter and the sweet. Overall, General Fund higher education spending in fiscal 2012 will decline by \$34.7 million, or 1.6 percent, from FY11 appropriations, a relatively modest amount considering the sizeable funding cuts experienced throughout the state budget.

The General Assembly-passed budget reduced funding for public universities \$15 million or 1.1 percent, but held community colleges essentially flat, compared with this fiscal year. The budget cut \$18.2 million, or 4.3 percent, from the Illinois Student Assistance Commission, most of it a \$17.2 million reduction in support for the Monetary Award Program (MAP). Major surgery was done on the University Center of Lake County, which will lose 41% of its state support, a \$700,000 cut to \$1 million. Illinois Board of Higher Education (IBHE) grant programs, on the other hand, were largely unscathed.

On the substantive side of legislative activity, the spring session was a busy one, and several initiatives proposed or endorsed by IBHE were enacted.

The most notable legislative achievement, and the agency's top priority, was passage of performance funding as the new paradigm for allocating state resources to public colleges and universities. House Bill 1503, sponsored by Rep. Chapin Rose and Sen. Ed Maloney, directs IBHE to form a steering committee comprised of representatives of the Office of the Governor, the General Assembly, public institutions of higher education, the business community, and other vital stakeholders. The committee's role is to devise performance metrics that will be used to measure contributions to state goals of college completion, retention, and success with underserved populations. The new funding scheme is to form the basis of IBHE budget recommendations for fiscal 2013. HB 1503 is the result of groundwork laid by the creation of the Higher Education Finance Study Commission, which recommended that performance funding should be pursued by the General Assembly.

Other measures that were passed by the General Assembly that will advance goals of the *Illinois Public Agenda for College and Career Success* include:

- House Bill 1710 (Rep. Bob Pritchard/Sen. Maloney) creates the College Planning Act, which directs the Illinois Student Assistance Commission to establish a program, using its College Illinois Corps of recent college graduates to assist low-income and potential first-generation college students in college awareness and planning.

- House Bill 1079 (Rep. Sandra Pihos/Sen. Christine Johnson), and Senate Bill 1883 (Sen. Maloney/Rep. Naomi Jakobsson) have in common a requirement that public universities report annually to the IBHE on programs that have been added, eliminated, or consolidated, plus a listing of programs showing low productivity in enrollments, degrees granted, or both. HB 1079 also requires that universities report on tuition increases for the upcoming school year and cost-saving measures undertaken in the previous fiscal year. SB 1883 does not contain those provisions, but imposes a threshold of \$2 million for the IBHE review of university non-instructional capital projects.
- Senate Bill 122 (Sen. Martin Sandoval/Rep. Dena Carli) directs colleges and universities to submit and the Board of Higher Education to report enrollment, retention, and graduation information regarding students who are the first in their family to attend college.
- Senate Bill 1799 (Sen. Heather Steans/Rep. Linda Chapa LaVia) revamps the teacher certification process, and was a major initiative of the Illinois State Board of Education.
- Senate Bill 1798 (Sen. Maloney/Rep. Rose) gives Eastern Illinois University permission to exceed IBHE restrictions on tuition waivers for a four-year pilot project designed to keep Illinois students from attending college out-of-state and to assist middle-income families in affording a college education.

One measure that was hotly debated but not enacted was Senate Bill 1773, sponsored by Sen. Maloney. The legislation left the Senate as a performance funding bill. But it was amended in the House to exclude students attending for-profit colleges and universities from eligibility for MAP grants. In its amended form, the bill passed the House, but was not taken up by the Senate.

A comprehensive summary of bills affecting higher education follows.

Illinois Public Agenda Goal 1: Increase Educational Attainment

House Bill 1710, Pritchard (Maloney)

Passed Both Houses

Establishes the College Planning Program, to be administered by the Illinois Student Assistance Commission (ISAC), providing that ISAC shall utilize the program to target low-income and potential first-generation college students with programs to promote college awareness and planning. Sets forth provisions concerning the qualifications to participate in the program and the benefits and services provided by ISAC.

Senate Bill 122, Sandoval (Carli)

Passed Both Houses

Amends the Board of Higher Education Act concerning the underrepresentation of certain groups in higher education. With respect to the Board's annual report to the General Assembly and the Governor, requires the report to include, with respect to each public institution of higher education, admission, retention, and graduation statistics of all students who are the first in their immediate family to attend an institution of higher education.

Senate Bill 1799, Steans (Chapa LaVia)

Passed Both Houses

Amends the School Code to add an Article concerning educator licensure. Contains provisions concerning licensure powers of the State Board of Education, a State Educator Preparation and Licensure Board, educator qualifications, types of licenses, endorsement on licenses, educator testing, the minimum requirements for educators trained in other states or countries, fees, licensure renewal, an alternative educator licensure program, an alternative route to superintendent endorsement, principal preparation programs, the National Board for Professional Teaching Standards, the Illinois Teaching Excellence Program, suspension or revocation of a license, conviction of certain offenses as grounds for revocation of a license.

Illinois Public Agenda Goal 2: Ensure College Affordability

House Bill 1079, Pihos (Johnson)

Passed Both Houses

Amends the State Property Control Act and the Board of Higher Education Act, to increase from \$500 to \$1,000 the threshold for inventory listing of equipment at public universities for the Department of Central Management Services. Requires each university to also report on any tuition increases for the upcoming academic year and any cost-saving measures undertaken during the previous fiscal year. Requires the Board to compile a report annually to the General Assembly on tuition increases and cost-saving measures, new programs created, existing programs that have been closed or consolidated, and programs that exhibit low performance or productivity.

House Bill 1256, Colvin (Hutchinson)

Passed Both Houses

Creates the Diversity in Engineering Scholarship Program in the Department of Transportation.

House Bill 1503, Rose (Maloney)

Passed Both Houses

Amends the Board of Higher Education Act, requiring the Illinois Board of Higher Education to incorporate performance-based funding into its annual budget request to the General Assembly, beginning with fiscal 2013, as recommended by the Higher Education Finance Study Commission.

House Resolution 4, Cole**Resolution Adopted**

Requests the Illinois Board of Higher Education to conduct a cost-neutral analysis of all relevant out-of-state tuition and fees charged by the University of Illinois in comparison to those charged by the flagship schools in surrounding states.

House Resolution 174, Durkin**Resolution Adopted**

Resolves that the Auditor General shall conduct a management audit and an asset allocation study of the College Illinois! prepaid tuition program's administrative operations.

Senate Bill 1798, Maloney (Rose)**Passed Both Houses**

Permits Eastern Illinois University to establish a pilot program to exceed the Board of Higher Education's institutional tuition waiver limitation for the University over a 4-year period to increase access to college and make college more affordable for undergraduate students.

Senate Bill, 1883, Maloney (Jakobsson)**Passed Both Houses**

Amends the Board of Higher Education Act, providing that each public university shall report annually to the Board on programs of instruction, research, or public service that have been terminated, dissolved, reduced, or consolidated by the university. Requires each State university to also report to the Board all programs of instruction, research, and public service that exhibit a trend of low performance in enrollments, degree completions, and high expense per degree. Requires the Board to compile an annual report and submit it to the General Assembly. Limits IBHE review and approval of non-instructional capital projects at public universities to those in excess of \$2 million.

Senate Bill 2185, Cullerton (Acevedo)**Passed Both Houses**

Requires the Illinois Student Assistance Commission (ISAC) to establish an Illinois DREAM Fund Commission, appointed by the Governor. Requires the Illinois DREAM Fund Commission to establish, by rule, procedures for accepting and evaluating applications for scholarships from the children of immigrants and issuing scholarships to selected student applicants. Requires ISAC to establish an Illinois DREAM Fund to provide scholarships funded entirely from private contributions.

Illinois Public Agenda Goal 3: Address Workforce Needs**House Bill 166, Winters (Frerichs)****Passed Both Houses**

Creates the Higher Education Green Jobs and Technology Act, providing that State university and community college representatives, in conjunction with research centers that focus on clean or sustainable energy and are located within the same geographic regions, may meet annually to develop collaborative efforts with regard to the green technology industry. Requires the Board of Higher Education and the Illinois Community College Board to annually publicize on their websites information concerning efforts made by State universities and community colleges to promote the green technology industry, including the development of new academic degree and certificate programs, courses of instruction, and initiatives made by these State universities and community colleges to align green jobs programs with employer needs.

House Bill 1876, Cross (Holmes)**Passed Both Houses**

Creates the the Higher Education Technology Entrepreneur Center Act, providing that. the board of trustees of each public university and community college district is authorized to create a technology entrepreneur center for each campus.

Illinois Public Agenda Goal 4: Enhance Economic Growth

Senate Bill 107, Kotowski (Biss)

Passed Both Houses

Amends the Technology Development Act, authorizing the State Treasurer to segregate up to 2% of the Treasurer's investment portfolio in the Technology Development Account to provide venture capital to help attract, assist, and retain quality technology businesses in Illinois.

Budget

House Bill 116, Madigan (Steans)

Sent to the Governor

Appropriates \$135,000,000, minus the amount transferred to the State Universities Retirement System pursuant to continuing appropriation authorized by the State Pension Funds Continuing Appropriation Act, from the State Pensions Fund to the Board of Trustees of the State Universities Retirement System. Appropriates \$845,485,000 from the Education Assistance Fund to the Board of Trustees of the State Universities Retirement System for the State's contribution, as provided by law.

House Bill 3700, Madigan (Kotowski)

Passed Both Houses

The higher education budget for FY 12, reduces general funds funding for higher education by \$34.7 million, or 1.6 percent, below fiscal 2011 appropriations. Funding for public universities is reduced \$15.0 million or 1.1 percent, and community colleges are held nearly flat. ISAC is cut \$18.2 million or 4.3 percent. The majority of the ISAC cut is the \$17.2 million reduction in MAP funding. IBHE institutional grants are held flat with the exception of a 50.0 percent reduction in the Quad Cities Graduate Center and the elimination of the \$205,000 P-20 grant. The University Center of Lake County is cut 41.7 percent from \$1.7 million to \$1.0 million. IMSA is held flat, but Civil Service System operations are cut 5.6 percent. The IBHE agency budget is reduced \$199,700, or 6.7 percent.

House Resolution 110, Madigan

Resolution Adopted

Provides that the House of Representatives estimates the general funds (State and federal sources) to be available during State fiscal year 2012 to total \$33,173,000,000.

Community Colleges

Senate Bill 2042, Bomke (Brauer)

Passed Both Houses

Amends the Public Community College Act., with respect to trustee districts in Community College District No. 526, by removing a reference to reapportionment by the General Assembly.

Universities

House Bill 466, Jakobsson (Kotowski)

Passed Both Houses

Amends the Uncollected State Claims Act, providing that a public university may delete from its records debts of \$1,000 or more certified as uncollectible when the debt is more than 8 years old. Amends the Illinois State Collection Act, providing that public universities are not subject to certain provisions of the Act setting out requirements for entering into deferred payment plans or comprising past due debt.

House Bill 1852, Brady (Bill Brady)

Passed Both Houses

Amends the Liquor Control Act of 1934, providing that alcoholic liquors may be sold at retail in buildings of golf courses owned by Illinois State University in connection with the operation of an established food serving facility during times when food is dispensed for consumption upon the premises.

House Bill 1877, Barickman (Cultra)

Passed Both Houses

Amends the Illinois Controlled Substances Act, providing the University of Illinois the ability to request the Department of Financial and Professional Regulation to issue a registration to the University of Illinois Veterinary Teaching Hospital.

Senate Bill 1668, Holmes (Pritchard)

Passed Both Houses

Amends the Liquor Control Act of 1934, providing that alcoholic liquors may be served or sold in buildings under the control of the Board of Trustees of Northern Illinois University for events that the Board may determine are public events and not student-related activities.

Miscellaneous

House Bill 106, Jakobsson (Trotter)

Passed Both Houses

Amends the Abandoned Newborn Infant Protection Act, expanding the definition of the term "police station" to include a campus police department located on any public or private college or university.

House Bill 1277, Rita (Martinez)

Passed Both Houses

Amends the Open Meetings Act, authorizing the closure of meetings between internal or external auditors and governmental audit committees, finance committees, and their equivalents, when the discussion involves internal control weaknesses, identification of potential fraud risk areas, known or suspected frauds, and fraud interviews conducted in accordance with generally accepted auditing standards of the United States.

House Bill 1353, Pritchard (Dillard)

Passed Both Houses

Amends the School Code, prohibiting a nominee for a General Assembly scholarship from being a relative of the member of the General Assembly making the nomination.

House Bill 1949, Jakobsson (Maloney)

Passed Both Houses

Amends the Illinois Police Training Act, providing that the Executive Director of the Illinois Board of Higher Education shall no longer serve on the Illinois Law Enforcement Training Standards Board, and the Clerk of the Circuit Court of Cook County shall have a seat on the Board.

House Bill 2972, Turner (Cullerton)

Passed Both Houses

Amends the Illinois Governmental Ethics Act, providing that appointees with expired terms shall not continue in office longer than 60 calendar days after the expiration of that term of office.