**Figure 1**

State Appropriations for Higher Education Operations and Grants, FY 2002-2016 (in FY16 Dollars)

Includes SURS Payments

Excludes SURS Payments

Source: IBHE Records

Notes: SURS Payments include Pension Funding and College Insurance Program (CIP). FY 2016 total includes grant programs that were appropriated for FY 2017 but used to pay for FY 16 grants.

When adjusted for inflation, higher education funding (excluding pensions) decreased $2.5 billion, or 76.6%, over the past 15 years. The biggest year-to-year decrease was in 2016 when operations were funded at approximately 39% of 2015. Prior to 2016, funding decreased $1.3 billion or 41.0% from 2002 to 2015.

**Figure 2**

State Pension Funding to SURS Compared to Higher Education Funding, FY 2003-2017 (General Funds)

Source: State University Retirement System and IBHE records

As Figure 2 indicates, years of underfunding the pension system has taken a toll. Illinois began making significant contributions after FY 2009 that required payments of amounts well above the normal costs of current pension obligations. Only 29% of the state contributions paid in FY 2016 was attributable to contributions specific to current liabilities.
Figure 3 reflects the state contributions for the next ten years to get the pension funded at 90% by 2045; currently, the system is funded at 43.8%. Pension funding will continue to compete for available state resources that could otherwise go for higher education programs.

Figure 4 indicates that an estimated $944.2 million would be needed in order to cover all eligible Monetary Award Program (MAP) students under the current formula.
A continuing theme for state universities, particularly with the ambiguity surrounding the FY 2016 and FY 2017 budgets, is the need for more predictability and stability in the appropriation of state funds. The IBHE budget recommendation calls for an increase in stability and predictability in state funding while work continues on increasing higher education efficiency and effectiveness.

Community colleges, like public universities, continue to indicate concern about the potential for significant cuts in areas like staffing and academic programs. Issues such as course schedules, layoffs, and other academic programmatic changes require months of preparation time, and the budget uncertainty makes it virtually impossible to plan ahead. This lack of predictability makes it difficult to deal with the continued underfunding of Base Operating and Equalization Grants.
Figure 7 shows that Illinois must dramatically increase the number of college-educated people in the workforce, aligning with the Illinois Public Agenda’s goal of 60% of adults with a college credential by the year 2025. Two-thirds of all new and replacement jobs will require a college credential.

**Good News**

- Over **85% of students** who enrolled full-time at an Illinois public university had **completed a degree within six years**. This was four percentage points higher than the national average (81%).
- Illinois was **best in the nation** in completion rates for students starting part-time at public universities. Its completion rate of 39% was slightly less than two times the national average (20%).
- Illinois was **second in the nation** in completion rates for **adult learners at public universities** and 21 percentage points higher than the national average (66% to 45%).
- This comparatively high rate of overall completion among Illinois community college students is partially due to Illinois being **third in the nation for the rate of bachelor’s degree completion** among full-time community college students who transfer to four-year colleges.

*Source: National Clearinghouse Research Center, March 2017*