



ILLINOIS BOARD OF HIGHER EDUCATION

FISCAL YEAR 2019 BUDGET RECOMMENDATIONS MAJOR HIGHLIGHTS

HOUSE HIGHER EDUCATION APPROPRIATIONS HEARING | APRIL 26, 2018

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.

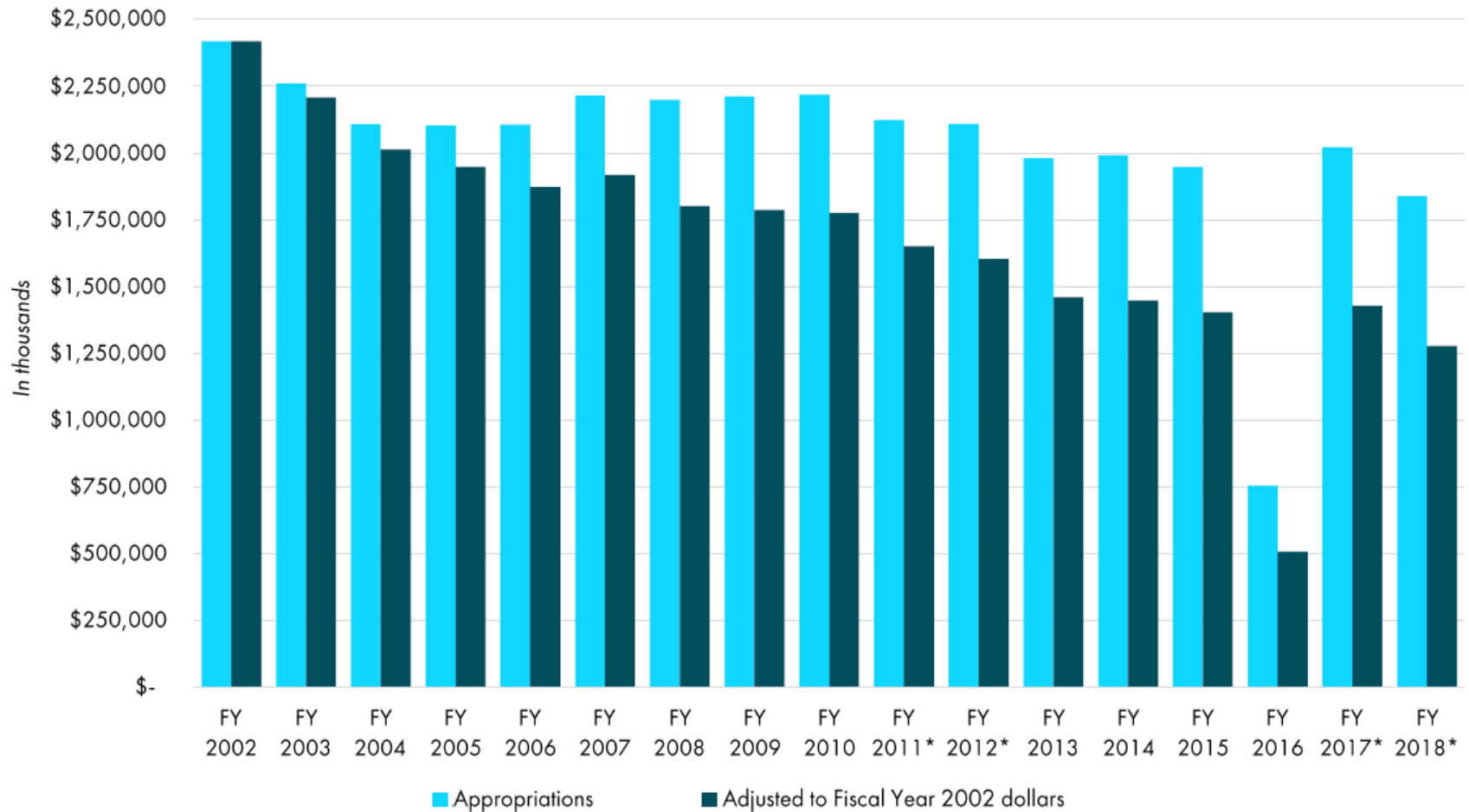
ILLINOIS VETERANS GRANT (IVG), \$19.9 MILLION AND ILLINOIS NATIONAL GUARD GRANTS (ING), \$11.3 MILLION – Until Fiscal Year 2010 funding was provided to the Illinois Student Assistance Commission (ISAC) to reimburse public universities and community colleges for waivers of tuition and fees for Illinois 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.

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.

CAPITAL RENEWAL, \$100 MILLION – IBHE strongly encourages support of the Governor's capital renewal request for \$100 million to be used for maintenance and emergencies.



Illinois Higher Education Appropriations Operations History Adjusted for Mandates and Inflation



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