

SPRING 2020 LEGISLATIVE PROPOSALS

Submitted for: Information.

Summary: This report includes memos sent to the Office of the Governor by IBHE legislative staff and outlining IBHE's 2020 legislative agenda.

Action Requested: None.

STATE OF ILLINOIS
BOARD OF HIGHER EDUCATION

SPRING 2020 LEGISLATIVE PROPOSALS

This document includes the following attached memos sent to the Office of the Governor by IBHE legislative staff and outlining IBHE's 2020 legislative agenda:

- Attachment A: Guaranteed Tuition repeal;
- Attachment B: Certificates of Participation for public universities reinstatement;
- Attachment C: Needs assessment requirement for private and out-of-state institutions applying for new program approval;
- Attachment D: Definition change to "institution of higher learning" regarding the Illinois Longitudinal Data System;
- Attachment E: Closed school transcript fee; and
- Attachment F: Removal of IBHE approval for non-instructional capital projects.

TO: Tiffany Newbern-Johnson, Legislative Director
Ramon Gardenhire, Policy Director

FROM: Jaimee Ray, Legislative Affairs

DATE: 10/29/19

RE: 2020 SPRING Session Legislative Proposal: Higher Ed - Governance of Public Universities

- I. SHORT SYNOPSIS.** Repeals all of the guaranteed tuition sections within the public university statutes.
- II. DESCRIPTION OF CHANGES TO EXISTING LAW.** Current law requires public universities to freeze tuition on incoming freshman for 4 continuous academic years following enrollment (or the normal time to complete the program as determined by the university). This has been commonly referred to as the Truth in Tuition law. IBHE is seeking to repeal these sections. (110 ILCS 305/25, 110 ILCS 520/15, 110 ILCS 660/5-120, 110 ILCS 665/10-120, 110 ILCS 670/15-120, 110 ILCS 675/20-125, 110 ILCS 680/25-120, 110 ILCS 685/30-130, 110 ILCS 690/35-125)
- III. REASONS FOR PROPOSING THE BILL.** A study done by one of IBHE's new board members shows that Illinois' guaranteed tuition program, commonly known as Truth in Tuition, has artificially inflated tuition rates at the public universities. With growing numbers of students leaving the state to attend college elsewhere, this seems like an ideal time to repeal one of the cost inflation factors. Here is a link to the study done by Dr. Jennifer Delaney:
<https://news.illinois.edu/view/6367/398593>
- By repealing this, universities would have the option of keeping a guaranteed tuition program in place as a marketing strategy, but would not be required by statute to do so.
- IV. EFFECTIVE DATE.** Not time sensitive, no effective date on the draft legislation.
- V. PROPOSED SPONSORS.** Open to suggestions

- VI. FISCAL IMPLICATIONS.** This legislation would not have a fiscal impact on IBHE and should not have a negative impact on the State. It has the potential to have a positive fiscal impact on the public universities and may result in tuition rates that will assist in keeping students in the state. Thereby, also increasing state revenues.
- VII. AFFECT ON OTHER STATE AGENCIES, IF ANY.** No impact on any executive agency under the Governor.
- VIII. PRIOR LEGISLATIVE HISTORY.** The guaranteed tuition program went into effect in 2004 with the enactment of P.A. 93-228. It was amended in 2010 to allow students 2 additional years of guaranteed tuition at the rate of students who enrolled the year after said student initially enrolled. This was P.A. 96-1293.
- IX. OTHER STATES' ACTION.** Illinois is the only state that has guaranteed tuition to all in-state residents at public four-year institutions. Oklahoma and Texas have laws requiring institutions offer students the option of a guaranteed rate. In addition to Oklahoma and Texas, four other states have enacted legislation on this topic, Colorado, Minnesota, North Carolina, and Ohio.
- Colorado requires each state-supported institution of higher education to offer a fixed tuition rate to any student who is willing to enter into a contract with the institutions for the fixed rate. In effect since 2004.
 - Minnesota encourages governing boards to create a program that guarantees a stable tuition for up to four academic years at state colleges and universities. In effect since 2011.
 - North Carolina guarantees a fixed tuition to any resident freshman or transfer undergraduate student who is admitted any constituent institution of the University of North Carolina for four or five years dependent upon the degree. In effect since 2016.
 - Ohio permits the board of trustees of a state university to establish an undergraduate tuition guarantee program for four years. In effect since 2013.
- X. PROBABLE SUPPORTERS OF THE BILL.** The public universities will support this bill.
- XI. PROBABLE OPPONENTS OF THE BILL.** No known opponents.
- XII. PROPOSED LANGUAGE.** Attached

XIII. ATTACHMENTS/SUPPORTING DOCUMENTS. PDF document titled Guaranteed Tuition

TO: Tiffany Newbern-Johnson, Legislative Director
Ramon Gardenhire, Policy Director

FROM: Jaimee Ray, Legislative Affairs

DATE: 10/29/19

RE: 2020 SPRING Session Legislative Proposal: Higher Ed - Certificates of Participation

- I. SHORT SYNOPSIS.** Reinstate Certificates of Participation for public universities.
- II. DESCRIPTION OF CHANGES TO EXISTING LAW.** Allows state university boards to enter into financing agreements for financing capital improvements by selling certificates of participation in the installment payments made under the agreements. Requires approval by COGFA prior to the sale of such certificates. (110 ILCS 73/30, 110 ILCS 73/35 new, 110 ILCS 73/90, repeal 110 ILCS 73/10, 73/15, 73/20, 73/25)
- III. REASONS FOR PROPOSING THE BILL.** The State University Certificates of Participation Act granted the board of any state university the authority to enter into financing agreements to fund capital improvements by selling Certificates of Participation (COPs). This Act expired on December 31, 2014, and its expiration adversely affects the state universities' ability to maintain and expand their academic facilities and increases their reliance on state capital appropriations. Since this law was enacted in 2009, five state universities issued over \$203 million in certificates of participation to finance facility projects, energy conservation improvements, as well as repair and replacement projects. The state universities use traditional financing, or revenue bonds, when there are direct revenues – such as housing, dining, and athletics – to pay for the related facility construction or renovation. The University of Illinois used COPs for projects including utility infrastructure projects and campus chilled water and steam distribution systems.

Previous projects undertaken:

- Eastern Illinois University, in 2009, \$84.9 M for Renewable Energy Center Project, Energy Conservation Measures
- Western Illinois University, in 2010, \$11.6 M for Energy Conservation Measures, Repair & Replacement Projects

- Northeastern Illinois University, in 2010, \$6.1 M for Energy Conservation Measures
 - Western Illinois University, in 2011, \$11.8 M for Energy Conservation Measures, Repair & Replacement Projects
 - Illinois State University, in 2011, \$15.0 M for Energy Conservation Measures
 - Northeastern Illinois University, in 2012, \$28.5 M for Academic Facility Project
 - Southern Illinois University, in 2014, \$45.8 M for Deferred Maintenance Project, Refunding
- Total \$203.7 M

IBHE would also like to include the Illinois Math & Science Academy (IMSA) in this proposal. IMSA will be building dormitories in order to recruit out-of-state students and because this is a dedicated revenue stream, would be able to benefit by allowing certificates of participation. IMSA was granted the ability to recruit out-of-state students under P.A. 100-937.

IV. EFFECTIVE DATE. Effective immediately, but not time sensitive.

V. PROPOSED SPONSORS. Open to suggestions, possibly a Higher Education Working Group member

VI. FISCAL IMPLICATIONS. There is no fiscal impact to IBHE from this legislation. There could be a positive fiscal impact to the State as this measure would assist universities in being able to accomplish capital projects without needing state capital dollars.

Because COPs have an associated revenue stream, the bond rate is normally lower.

VII. AFFECT ON OTHER STATE AGENCIES, IF ANY. No impact on any executive agency under the Governor.

VIII. PRIOR LEGISLATIVE HISTORY. This concept has been introduced in prior General Assemblies, but not by IBHE. The most recent bill is from the 100th General Assembly, amendments to SB 2357, which were never called for a floor vote in the Senate.

This issue has been of interest to the Higher Education Working Group as a means to give more operating authority back to the universities.

- IX. OTHER STATES' ACTION.** IBHE is not aware if any other state has this requirement, but it also doesn't seem that pertinent in this case.

- X. PROBABLE SUPPORTERS OF THE BILL.** The public universities will support this bill.

- XI. PROBABLE OPPONENTS OF THE BILL.** No known opponents.

- XII. PROPOSED LANGUAGE.** Attached

- XIII. ATTACHMENTS/SUPPORTING DOCUMENTS.** PDF document titled COPS

TO: Tiffany Newbern-Johnson, Legislative Director
Ramon Gardenhire, Policy Director

FROM: Jaimee Ray, Legislative Affairs

DATE: 10/29/19

RE: 2020 SPRING Session Legislative Proposal: Higher Ed - Program Approval

- I. **SHORT SYNOPSIS.** Require private and out-of-state institutions to provide a needs assessment when applying for new program approvals.

- II. **DESCRIPTION OF CHANGES TO EXISTING LAW.** Currently in-state public institutions must provide the IBHE with a needs assessment indicating that the proposed unit of instruction is educationally and economically consistent with the educational priorities and needs of the state. This requirement does not exist for private or out-of-state institutions. (110 ILCS 205/7, 110 ILCS 205/7.5 new, 110 ILCS 1005/4, 110 ILCS 1010/4, 110 ILCS 1010/5)

- III. **REASONS FOR PROPOSING THE BILL.** We have seen an increasing number of out-of-state institutions seeking to offer instructional programs that may be duplicated offerings at one of the public institutions. Currently, there is nothing IBHE can cite as a reason to deny these programs.

Therefore, IBHE is seeking to make it equitable to all institutions requesting IBHE program approval.

- IV. **EFFECTIVE DATE.** Not time sensitive, no effective date on the draft legislation.

- V. **PROPOSED SPONSORS.** Open to suggestions

- VI. **FISCAL IMPLICATIONS.** There will not be a fiscal impact to IBHE from this legislation as it would just add to what institutions must submit as part of their application package.

- VII. AFFECT ON OTHER STATE AGENCIES, IF ANY.** No impact on any executive agency under the Governor.
- VIII. PRIOR LEGISLATIVE HISTORY.** None
- IX. OTHER STATES' ACTION.** IBHE is not aware if any other state has this requirement, but it also doesn't seem that pertinent in this case.
- X. PROBABLE SUPPORTERS OF THE BILL.** All in-state institutions should support this measure.
- XI. PROBABLE OPPONENTS OF THE BILL.** No known opponents.
- XII. PROPOSED LANGUAGE.** Attached
- XIII. ATTACHMENTS/SUPPORTING DOCUMENTS.** PDF document titled Out-of-state Needs Assessment

TO: Tiffany Newbern-Johnson, Legislative Director
Ramon Gardenhire, Policy Director

FROM: Jaimee Ray, Legislative Affairs

DATE: 10/29/19

RE: 2020 SPRING Session Legislative Proposal: Higher Ed - Education-P-20
Longitudinal Education Data

- I. **SHORT SYNOPSIS.** Definition change to “institution of higher learning”.

- II. **DESCRIPTION OF CHANGES TO EXISTING LAW.** Currently, only MAP-eligible schools have to report information to IBHE under the Illinois Longitudinal Data System (ILDS). We are seeking to remove the MAP eligibility requirement so that all public and private institutions in the state are reporting student data. (105 ILCS 13/10, 105 ILCS 13/20)

- III. **REASONS FOR PROPOSING THE BILL.** IBHE has had some difficulty getting non-MAP eligible schools to submit student information to be included in the ILDS. Therefore, Illinois is not getting a complete picture of college students.

- IV. **EFFECTIVE DATE.** Not time sensitive, no effective date on the draft legislation.

- V. **PROPOSED SPONSORS.** Open to suggestions

- VI. **FISCAL IMPLICATIONS.** There will not be a fiscal impact to IBHE from this legislation.

- VII. **AFFECT ON OTHER STATE AGENCIES, IF ANY.** No impact on any executive agency under the Governor.

- VIII. **PRIOR LEGISLATIVE HISTORY.** None

- IX. OTHER STATES' ACTION.** IBHE is not aware if any other state has this requirement, but it also doesn't seem that pertinent in this case.
- X. PROBABLE SUPPORTERS OF THE BILL.** No known proponents besides IBHE.
- XI. PROBABLE OPPONENTS OF THE BILL.** No known opponents.
- XII. PROPOSED LANGUAGE.** Attached
- XIII. ATTACHMENTS/SUPPORTING DOCUMENTS.** PDF document titled ILDS Schools

TO: Tiffany Newbern-Johnson, Legislative Director
Ramon Gardenhire, Policy Director

FROM: Jaimee Ray, Legislative Affairs

DATE: 10/29/19

RE: 2020 SPRING Session Legislative Proposal: Higher Ed - Transcript Fees

I. SHORT SYNOPSIS. Allows IBHE to establish a fee for processing transcripts of closed institutions.

II. DESCRIPTION OF CHANGES TO EXISTING LAW. Currently if a Private Business Vocational School (PBVS) ceases operations, it may send its students transcripts to IBHE to retain and we are allowed to charge a nominal fee for processing.

IBHE is seeking to extend this to any school that ceases operations and seeks to house their student records with us. (110 ILCS 205/16)

III. REASONS FOR PROPOSING THE BILL. IBHE is seeing an ever-increasing number of schools closing and most make arrangements with an outside entity to house their student records. These outside entities will charge students to receive their transcripts. IBHE is receiving approximately 3-4 calls per week for student's transcripts and would like the ability to offset some of our additional costs for these records. The fee we currently charge for PBVS schools is \$10.

IV. EFFECTIVE DATE. Not time sensitive, no effective date on the draft legislation.

V. PROPOSED SPONSORS. Open to suggestions

VI. FISCAL IMPLICATIONS. This would have a positive fiscal impact for IBHE. If you estimate 4 calls per week, 52 weeks per year, and \$10 per transcript request, that is a positive fiscal impact of \$2,080.

- VII. AFFECT ON OTHER STATE AGENCIES, IF ANY.** No impact on any executive agency under the Governor.
- VIII. PRIOR LEGISLATIVE HISTORY.** None
- IX. OTHER STATES' ACTION.** IBHE is not aware if any other state has this requirement, but it also doesn't seem that pertinent in this case.
- X. PROBABLE SUPPORTERS OF THE BILL.** No known proponents besides IBHE.
- XI. PROBABLE OPPONENTS OF THE BILL.** No known opponents.
- XII. PROPOSED LANGUAGE.** Attached
- XIII. ATTACHMENTS/SUPPORTING DOCUMENTS.** PDF document titled Transcript Fees

TO: Tiffany Newbern-Johnson, Legislative Director
Ramon Gardenhire, Policy Director

FROM: Jaimee Ray, Legislative Affairs

DATE: 10/29/19

RE: 2020 SPRING Session Legislative Proposal: Higher Ed - Capital Plan Review

- I. **SHORT SYNOPSIS.** Eliminate IBHE approval on non-instructional capital projects.

- II. **DESCRIPTION OF CHANGES TO EXISTING LAW.** Current law requires public universities to submit plans for capital improvements of non-instructional facilities to IBHE for approval before final commitments are made if the total cost of the project exceeds \$2 million. These projects include, but are not limited to, dormitories, union buildings, field houses, stadium, other recreational facilities, and parking lots. (110 ILCS 205/8)

- III. **REASONS FOR PROPOSING THE BILL.** The IBHE has never denied one of these projects and waiting for IBHE approval to start a project could delay it and cost the university more money. Repeal of non-instructional capital reviews would reduce administration burdens for public universities and the IBHE. It would also alleviate the potential financial impact if delays impact bids or RFP processes or create missed opportunities for land and facility purchases, favorable interest rates, etc.

- IV. **EFFECTIVE DATE.** Not time sensitive, no effective date on the draft legislation.

- V. **PROPOSED SPONSORS.** Open to suggestions, possibly a Higher Education Working Group member

- VI. **FISCAL IMPLICATIONS.** While the exact fiscal impact is unknown, there is the potential for cost savings to public universities and personnel resource savings for IBHE. The potential cost savings are detailed above.

VII. AFFECT ON OTHER STATE AGENCIES, IF ANY. No impact on any executive agency under the Governor. However, this would have a positive effect on the public universities due to the fact that they would no longer have to await IBHE approval on non-instructional capital projects.

VIII. PRIOR LEGISLATIVE HISTORY. This concept has been introduced in prior General Assemblies, but not by IBHE. We tried to get this included in the BFR mandate review but were told that it is too substantial. The most recent bill is from the 100th General Assembly, HB 5657, which was never released from the House Rules Committee.

IBHE also believes that this issue has been of interest to the Higher Education Working Group as a means to give more operating authority back to the universities.

IX. OTHER STATES' ACTION. IBHE is not aware if any other state has this requirement, but it also doesn't seem that pertinent in this case.

X. PROBABLE SUPPORTERS OF THE BILL. The public universities will support this bill.

XI. PROBABLE OPPONENTS OF THE BILL. No known opponents.

XII. PROPOSED LANGUAGE. Attached

XIII. ATTACHMENTS/SUPPORTING DOCUMENTS. PDF document titled Non-instructional Capital