

Illinois Legislative Report

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Prior to the presentation of Governor Rod Blagojevich's proposed 2005 fiscal year budget for higher education, there was little optimism among the representatives of public colleges and universities. Revenue for the state did not meet expectations, and the consensus was that higher education funding was not a priority. There was, however, support in the General Assembly to prevent further cuts. Fifty four days after the constitutional deadline of May 31, 2004, the FY 05 budget was finally adopted after eighteen special sessions were called by Governor Blagojevich. Although the news out of Springfield was not great, it was certainly better than earlier budget proposals for Illinois higher education.

Public Universities

Public universities received an increase of \$3.2 million or 0.2 percent over fiscal year 2004 appropriations. This amount is considered "flat funding" by most of the university presidents. Separate from the budget bill, the Governor also signed a "memorandum of understanding" with members of the General Assembly that the Governor would not request any "take backs" from the universities for fiscal 2005. During fiscal 2004 the universities were forced to pay \$45 million in employee health insurance costs as "take backs." These "take backs" together with the 6.1 percent decrease in funding from the previous fiscal year caused severe stress on university budgets.

Community Colleges

The FY 05 budget for community college grants and operations was increased by \$5.9 million or 2.0 percent from the fiscal year 2004 base. The governor's FY 05 budget proposal of \$284 million was increased as a result of General Assembly action by \$15 million for the City Colleges of Chicago. The City Colleges have experienced a significant decline in revenue and are limited in raising local taxes since Cook County has tax caps. Although the 2 percent increase looks good, 24 of the 39 community college districts showed reductions in grants for fiscal year 2005.

Monetary Award Programs

On September 2, 2004, Governor Blagojevich signed Senate Bill 1971 which adds new flexibility to the Monetary Awards Program (MAP). These grants help pay for tuition and mandatory fees to Illinois students based on financial need. Previously MAP grants were available for students who were enrolled full time in fall and springs terms only and who completed a bachelor's degree in four years. These requirements do not reflect the current pattern of student attendance. The new law, however, allows students eligible for the needs-based program to receive aid while taking up to 135 credit hours and makes the grants available for summer term as well. The summer MAP grants are available to a student if he did not exhaust his annual MAP eligibility during the fall and spring terms. The first summer MAP grants will be available in 2006. Students will continue to be limited to an annual maximum award, currently funded around \$4,400 per student, depending on tuition and fees established at the college or university attended.

Budget Projections

Although the FY 05 budget for higher education in Illinois is not as bad as originally projected, the future of state funding for higher education does not look promising. At the April 17, 2004, Annual Conference of the Illinois AAUP, University of Illinois-Chicago Chancellor Sylvia Manning cited data from the January 2004 issue of *Postsecondary Education Opportunity* prepared by Thomas G. Mortenson at the Pell Institute. The report illustrates a disturbing trend. Mortenson charted the changes in state tax fund appropriations per \$1,000 of state personal income between fiscal years 1978 and 2004. Manning states that the data shows, "In 49 states there is a decline from one-half of one percent in Kentucky to 67.5 percent in Colorado."

Manning further reports that Mortenson and Associates then calculated the dates by which, if circumstances don't change, the state tax appropriations to higher education will reach zero. In Illinois, the decline in state tax fund appropriations per \$1,000 of state personal income between fiscal years 1978 and

2004 show Illinois ranking 18th (from least to greatest decline), at 28.2 percent. If this trend continues unchecked, state funding for Illinois higher education could be zeroed out in 2093.