



100TH GENERAL ASSEMBLY

State of Illinois

2017 and 2018

SB3176

Introduced 2/15/2018, by Sen. Dan McConchie

SYNOPSIS AS INTRODUCED:

15 ILCS 20/50-10	was 15 ILCS 20/38.1
110 ILCS 205/1	from Ch. 144, par. 181
110 ILCS 205/3.5 new	
110 ILCS 205/7	from Ch. 144, par. 187
110 ILCS 205/8	from Ch. 144, par. 188
110 ILCS 205/9.37 new	

Amends the State Budget Law of the Civil Administrative Code of Illinois. Provides that, beginning with the fiscal year 2020 budget, the budget submitted by the Governor shall include one or more line items appropriating moneys to the Board of Regents. Provides that all appropriations for public universities shall be made to the Board of Regents. Amends the Board of Higher Education Act. Creates the Board of Regents to allocate funds to public universities based on a funding formula recommended by the Board of Higher Education. Provides for the membership of the Board. Provides that the boards of trustees of public universities shall submit to the Board of Regents no later than the 15th day of November of each year their budget proposals for the operation and capital needs of the institutions under their governance or supervision for the ensuing fiscal year. Provides that the Board of Higher Education may require the elimination of any program of instruction, research, or public service at a public university that exhibits a trend of low performance or low enrollment. Provides that the Board of Higher Education shall prepare a comprehensive statewide plan to increase efficiency and enrollment in public institutions of higher education. Specifies the plan requirements. Prohibits the Board of Regents from providing any funds to a public university that does not adhere to the plan.

LRB100 20471 AXK 35827 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

1 AN ACT concerning education.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The State Budget Law of the Civil Administrative
5 Code of Illinois is amended by changing Section 50-10 as
6 follows:

7 (15 ILCS 20/50-10) (was 15 ILCS 20/38.1)

8 Sec. 50-10. Budget contents. The budget shall be submitted
9 by the Governor with line item and program data. The budget
10 shall also contain performance data presenting an estimate for
11 the current fiscal year, projections for the budget year, and
12 information for the 3 prior fiscal years comparing department
13 objectives with actual accomplishments, formulated according
14 to the various functions and activities, and, wherever the
15 nature of the work admits, according to the work units, for
16 which the respective departments, offices, and institutions of
17 the State government (including the elective officers in the
18 executive department and including the University of Illinois
19 and the judicial department) are responsible.

20 For the fiscal year beginning July 1, 1992 and for each
21 fiscal year thereafter, the budget shall include the
22 performance measures of each department's accountability
23 report.

1 For the fiscal year beginning July 1, 1997 and for each
2 fiscal year thereafter, the budget shall include one or more
3 line items appropriating moneys to the Department of Human
4 Services to fund participation in the Home-Based Support
5 Services Program for Adults with Mental Disabilities under the
6 Developmental Disability and Mental Disability Services Act by
7 persons described in Section 2-17 of that Act.

8 The budget shall contain a capital development section in
9 which the Governor will present (1) information on the capital
10 projects and capital programs for which appropriations are
11 requested, (2) the capital spending plans, which shall document
12 the first and subsequent years cash requirements by fund for
13 the proposed bonded program, and (3) a statement that shall
14 identify by year the principal and interest costs until
15 retirement of the State's general obligation debt. In addition,
16 the principal and interest costs of the budget year program
17 shall be presented separately, to indicate the marginal cost of
18 principal and interest payments necessary to retire the
19 additional bonds needed to finance the budget year's capital
20 program. In 2004 only, the capital development section of the
21 State budget shall be submitted by the Governor not later than
22 the fourth Tuesday of March (March 23, 2004).

23 The budget shall contain a section indicating whether there
24 is a projected budget surplus or a projected budget deficit for
25 general funds in the current fiscal year, or whether the
26 current fiscal year's general funds budget is projected to be

1 balanced, based on estimates prepared by the Governor's Office
2 of Management and Budget using actual figures available on the
3 date the budget is submitted. That section shall present this
4 information in both a numerical table format and by way of a
5 narrative description, and shall include information for the
6 proposed upcoming fiscal year, the current fiscal year, and the
7 2 years prior to the current fiscal year. These estimates must
8 specifically and separately identify any non-recurring
9 revenues, including, but not limited to, borrowed money, money
10 derived by borrowing or transferring from other funds, or any
11 non-operating financial source. None of these specifically and
12 separately identified non-recurring revenues may include any
13 revenue that cannot be realized without a change to law. The
14 table shall show accounts payable at the end of each fiscal
15 year in a manner that specifically and separately identifies
16 any general funds liabilities accrued during the current and
17 prior fiscal years that may be paid from future fiscal years'
18 appropriations, including, but not limited to, costs that may
19 be paid beyond the end of the lapse period as set forth in
20 Section 25 of the State Finance Act and costs incurred by the
21 Department on Aging. The section shall also include an estimate
22 of individual and corporate income tax overpayments that will
23 not be refunded before the close of the fiscal year.

24 For the budget year, the current year, and 3 prior fiscal
25 years, the Governor shall also include in the budget estimates
26 of or actual values for the assets and liabilities for General

1 Assembly Retirement System, State Employees' Retirement System
2 of Illinois, State Universities Retirement System, Teachers'
3 Retirement System of the State of Illinois, and Judges
4 Retirement System of Illinois.

5 The budget submitted by the Governor shall contain, in
6 addition, in a separate book, a tabulation of all position and
7 employment titles in each such department, office, and
8 institution, the number of each, and the salaries for each,
9 formulated according to divisions, bureaus, sections, offices,
10 departments, boards, and similar subdivisions, which shall
11 correspond as nearly as practicable to the functions and
12 activities for which the department, office, or institution is
13 responsible.

14 Together with the budget, the Governor shall transmit the
15 estimates of receipts and expenditures, as received by the
16 Director of the Governor's Office of Management and Budget, of
17 the elective officers in the executive and judicial departments
18 and of the University of Illinois.

19 An applicable appropriations committee of each chamber of
20 the General Assembly, for fiscal year 2012 and thereafter, must
21 review individual line item appropriations and the total budget
22 for each State agency, as defined in the Illinois State
23 Auditing Act.

24 Beginning with the fiscal year 2020 budget, the budget
25 submitted by the Governor shall include one or more line items
26 appropriating moneys to the Board of Regents, in accordance

1 with the recommendations provided to the Governor by the Board
2 of Higher Education under Section 8 of the Board of Higher
3 Education Act. Beginning with fiscal year 2020, no
4 appropriation for higher education or higher education-related
5 purposes may be made to any public university. All
6 appropriations for public universities shall be made to the
7 Board of Regents beginning with fiscal year 2020.

8 (Source: P.A. 98-460, eff. 1-1-14; 99-143, eff. 7-27-15.)

9 Section 10. The Board of Higher Education Act is amended by
10 changing Sections 1, 7, and 8 and by adding Sections 3.5 and
11 9.37 as follows:

12 (110 ILCS 205/1) (from Ch. 144, par. 181)

13 Sec. 1. The following terms shall have the meanings
14 respectively prescribed for them, except when the context
15 otherwise requires:

16 "Public institutions of higher education": The University
17 of Illinois; Southern Illinois University; Chicago State
18 University; Eastern Illinois University; Governors State
19 University; Illinois State University; Northeastern Illinois
20 University; Northern Illinois University; Western Illinois
21 University; the public community colleges of the State and any
22 other public universities, colleges and community colleges now
23 or hereafter established or authorized by the General Assembly.

24 "Board": The Board of Higher Education created by this Act.

1 (Source: P.A. 100-167, eff. 1-1-18.)

2 (110 ILCS 205/3.5 new)

3 Sec. 3.5. Board of Regents. There is created a Board of
4 Regents to allocate funds to public universities from
5 appropriations made to the Board of Regents, based on a funding
6 formula recommended by the Board under subsection (a) of
7 Section 9.37 of this Act. The Board of Regents shall consist of
8 7 members of the public appointed by the Governor, with the
9 advice and consent of the Senate. No more than 4 members may be
10 affiliated with the same political party. Members of the Board
11 of Regents shall serve at the pleasure of the Governor and
12 without compensation, but shall be reimbursed for their
13 reasonable and necessary expenses from funds appropriated for
14 that purpose. The Board shall provide administrative and other
15 support to the Board of Regents. The Board of Regents shall
16 meet initially at the call of the Governor, and 4 members shall
17 constitute a quorum.

18 (110 ILCS 205/7) (from Ch. 144, par. 187)

19 Sec. 7. The Board of Trustees of the University of
20 Illinois, the Board of Trustees of Southern Illinois
21 University, the Board of Trustees of Chicago State University,
22 the Board of Trustees of Eastern Illinois University, the Board
23 of Trustees of Governors State University, the Board of
24 Trustees of Illinois State University, the Board of Trustees of

1 Northeastern Illinois University, the Board of Trustees of
2 Northern Illinois University, the Board of Trustees of Western
3 Illinois University, the Illinois Community College Board and
4 the campuses under their governance or supervision shall not
5 hereafter undertake the establishment of any new unit of
6 instruction, research or public service without the approval of
7 the Board. The term "new unit of instruction, research or
8 public service" includes the establishment of a college,
9 school, division, institute, department or other unit in any
10 field of instruction, research or public service not
11 theretofore included in the program of the institution, and
12 includes the establishment of any new branch or campus. The
13 term does not include reasonable and moderate extensions of
14 existing curricula, research, or public service programs which
15 have a direct relationship to existing programs; and the Board
16 may, under its rule making power, define the character of such
17 reasonable and moderate extensions.

18 Such governing boards shall submit to the Board all
19 proposals for a new unit of instruction, research, or public
20 service. The Board may approve or disapprove the proposal in
21 whole or in part or approve modifications thereof whenever in
22 its judgment such action is consistent with the objectives of
23 an existing or proposed master plan of higher education.

24 The Board of Higher Education is authorized to review
25 periodically all existing programs of instruction, research
26 and public service at the State universities and colleges and

1 to advise the appropriate board of control if the contribution
2 of each program is not educationally and economically
3 justified. Each State university shall report annually to the
4 Board on programs of instruction, research, or public service
5 that have been terminated, dissolved, reduced, or consolidated
6 by the university. Each State university shall also report to
7 the Board all programs of instruction, research, and public
8 service that exhibit a trend of low performance in enrollments,
9 degree completions, and high expense per degree. The Board may
10 require the elimination of any program of instruction,
11 research, or public service at a State university that exhibits
12 a trend of low performance or low enrollment. The Board shall
13 compile an annual report that shall contain information on new
14 programs created, existing programs that have been closed,
15 eliminated, or consolidated, and programs that exhibit low
16 performance or productivity. The report must be submitted to
17 the General Assembly. The Board shall have the authority to
18 define relevant terms and timelines by rule with respect to
19 this reporting.

20 (Source: P.A. 97-610, eff. 1-1-12.)

21 (110 ILCS 205/8) (from Ch. 144, par. 188)

22 Sec. 8. The Board of Trustees of the University of
23 Illinois, the Board of Trustees of Southern Illinois
24 University, the Board of Trustees of Chicago State University,
25 the Board of Trustees of Eastern Illinois University, the Board

1 of Trustees of Governors State University, the Board of
2 Trustees of Illinois State University, the Board of Trustees of
3 Northeastern Illinois University, the Board of Trustees of
4 Northern Illinois University, the Board of Trustees of Western
5 Illinois University, and the Illinois Community College Board
6 shall submit to the Board not later than the 15th day of
7 November of each year its budget proposals for the operation
8 and capital needs of the institutions under its governance or
9 supervision for the ensuing fiscal year. Each budget proposal
10 shall conform to the procedures developed by the Board in the
11 design of an information system for State universities and
12 colleges.

13 In order to maintain a cohesive system of higher education,
14 the Board and its staff shall communicate on a regular basis
15 with all public university presidents. They shall meet at least
16 semiannually to achieve economies of scale where possible and
17 provide the most innovative and efficient programs and
18 services.

19 The Board, in the analysis of formulating the annual budget
20 request, shall consider rates of tuition and fees and
21 undergraduate tuition and fee waiver programs at the State
22 universities and colleges. The Board shall also consider the
23 current and projected utilization of the total physical plant
24 of each campus of a university or college in approving the
25 capital budget for any new building or facility.

26 The Board of Higher Education shall submit to the Governor,

1 to the General Assembly, and to the appropriate budget agencies
2 of the Governor and General Assembly its analysis and
3 recommendations on such budget proposals.

4 The Board is directed to form a broad-based group of
5 individuals representing the Office of the Governor, the
6 General Assembly, public institutions of higher education,
7 State agencies, business and industry, statewide organizations
8 representing faculty and staff, and others as the Board shall
9 deem appropriate to devise a system for allocating State
10 resources to public institutions of higher education based upon
11 performance in achieving State goals related to student success
12 and certificate and degree completion.

13 Beginning in Fiscal Year 2013, the Board of Higher
14 Education budget recommendations to the Governor and the
15 General Assembly shall include allocations to public
16 institutions of higher education based upon performance
17 metrics designed to promote and measure student success in
18 degree and certificate completion. Public university metrics
19 must be adopted by the Board by rule, and public community
20 college metrics must be adopted by the Illinois Community
21 College Board by rule. These metrics must be developed and
22 promulgated in accordance with the following principles:

23 (1) The metrics must be developed in consultation with
24 public institutions of higher education, as well as other
25 State educational agencies and other higher education
26 organizations, associations, interests, and stakeholders

1 as deemed appropriate by the Board.

2 (2) The metrics shall include provisions for
3 recognizing the demands on and rewarding the performance of
4 institutions in advancing the success of students who are
5 academically or financially at risk, including
6 first-generation students, low-income students, and
7 students traditionally underrepresented in higher
8 education, as specified in Section 9.16 of this Act.

9 (3) The metrics shall recognize and account for the
10 differentiated missions of institutions and sectors of
11 higher education.

12 (4) The metrics shall focus on the fundamental goal of
13 increasing completion of college courses, certificates,
14 and degrees. Performance metrics shall recognize the
15 unique and broad mission of public community colleges
16 through consideration of additional factors including, but
17 not limited to, enrollment, progress through key academic
18 milestones, transfer to a baccalaureate institution, and
19 degree completion.

20 (5) The metrics must be designed to maintain the
21 quality of degrees, certificates, courses, and programs.

22 In devising performance metrics, the Board may be guided by the
23 report of the Higher Education Finance Study Commission.

24 Beginning with budget proposals for Fiscal Year 2020, the
25 Board of Trustees of the University of Illinois, the Board of
26 Trustees of Southern Illinois University, the Board of Trustees

1 of Chicago State University, the Board of Trustees of Eastern
2 Illinois University, the Board of Trustees of Governors State
3 University, the Board of Trustees of Illinois State University,
4 the Board of Trustees of Northeastern Illinois University, the
5 Board of Trustees of Northern Illinois University, and the
6 Board of Trustees of Western Illinois University shall submit
7 to the Board of Regents no later than the 15th day of November
8 of each year their budget proposals for the operation and
9 capital needs of the institutions under their governance or
10 supervision for the ensuing fiscal year. Each budget proposal
11 shall conform to the requirements of this Section.

12 Budget proposals and recommendations for Fiscal Year 2020
13 and thereafter shall conform to a funding formula recommended
14 by the Board under subsection (a) of Section 9.37 of this Act.

15 Each State university must submit its plan for capital
16 improvements of non-instructional facilities to the Board for
17 approval before final commitments are made if the total cost of
18 the project as approved by the institution's board of control
19 is in excess of \$2 million. Non-instructional uses shall
20 include but not be limited to dormitories, union buildings,
21 field houses, stadium, other recreational facilities and
22 parking lots. The Board shall determine whether or not any
23 project submitted for approval is consistent with the master
24 plan for higher education and with instructional buildings that
25 are provided for therein. If the project is found by a majority
26 of the Board not to be consistent, such capital improvement

1 shall not be constructed.

2 (Source: P.A. 99-655, eff. 7-28-16.)

3 (110 ILCS 205/9.37 new)

4 Sec. 9.37. State efficiency and enrollment plan.

5 (a) The Board shall prepare a comprehensive statewide plan
6 to increase efficiency and enrollment in public institutions of
7 higher education. The plan shall include, but is not limited
8 to:

9 (1) support for students in grade 12 who wish to file a
10 Free Application for Federal Student Aid;

11 (2) an opportunity for a student to participate in
12 early enrollment at a public institution of higher
13 education;

14 (3) establishing an awareness program in an effort to
15 market public institutions of higher education to
16 non-traditional students;

17 (4) creating a single application for admission, with a
18 one-time application fee, to be distributed by every public
19 university;

20 (5) identifying programs that exhibit a trend of low
21 performance or enrollment under Section 7 of this Act;

22 (6) ensuring public universities work collectively as
23 partners and with other entities, including those in the
24 private sector, to share resources and deliver programs to
25 enhance learning opportunities for State residents;

1 (7) ensuring that academic credits for equivalent
2 courses are appropriately recognized by every public
3 institution of higher education;

4 (8) enhancing and expanding partnerships with public
5 universities and high schools in this State to offer dual
6 credit and dual enrollment opportunities;

7 (9) ensuring academic credits for equivalent courses
8 earned at community colleges are recognized at every public
9 university;

10 (10) developing merit-based financial aid programs to
11 help retain students at public institutions of higher
12 education;

13 (11) recommending a funding formula to the Board of
14 Regents for public universities based upon policy goals
15 that include degree completion and placement;

16 (12) collaborating with government and community
17 organizations to identify pressing and emerging societal
18 needs that can be addressed by public institutions of
19 higher education and devising effective ways to address
20 those needs; and

21 (13) exploring loan forgiveness programs for graduates
22 who work in high-need public sectors.

23 (b) The Board shall submit the plan under this Section to
24 the Board of Regents, which shall approve the plan and may make
25 any necessary changes. After approval by the Board of Regents,
26 the Board shall submit the plan to every public institution of

1 higher education and may audit public institutions of higher
2 education for compliance with this plan.

3 (c) Notwithstanding the funding formula recommended by the
4 Board under subsection (a) of this Section, the Board of
5 Regents shall not allocate any funds to a public university
6 that does not adhere to the plan under this Section.