



102ND GENERAL ASSEMBLY

State of Illinois

2021 and 2022

HB5707

Introduced 3/1/2022, by Rep. Maurice A. West, II

SYNOPSIS AS INTRODUCED:

New Act

Creates the Level Playing Field Act. Provides that the Board of Higher Education shall annually review, for each college and university in Illinois, the latest available data on instructional spending from the Integrated Postsecondary Education Data System and evaluate and determine whether each college or university meets a minimum instructional spending requirement, deeming each institution either in "Good Standing", "Under Review", or "Failing". Provides that an institution that, by a specified metric, spends less on instruction than 33% of the amount of revenue it receives in tuition and fees shall be declared "Under Review". Provides that a college or university that does not meet a minimum instructional spending requirement and is in the category of "Under Review" must report specified information to the Board within 6 months of the finding. Provides for actions to be taken by the Board based on its determination with respect to the college or university. Provides that an institution that fails to submit a corrective action plan within 6 months of a finding of "Under Review" or that remains "Under Review" for 2 consecutive years shall be deemed "Failing" until the Board determines, through the annual review process, that it is in "Good Standing". Provides that institutions that have been declared "Failing" shall be ineligible for State funding, including participation in the monetary award program for all new applicants, and these institutions must publish on their websites and in a manner that reaches all current, future, and prospective students their "Failing" status. Provides that the Board shall adopt rules necessary to implement the Act.

LRB102 26476 RJT 36948 b

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 1. Short title. This Act may be cited as the Level
5 Playing Field Act.

6 Section 5. Definitions. As used in this Act, unless the
7 context otherwise indicates:

8 "College" and "university" mean an institution of higher
9 education with degree-granting authority operating in
10 Illinois.

11 "Educational support and services" shall be defined by the
12 Board of Higher Education and may not include pre-enrollment
13 activities such as advertising, marketing, or student
14 recruitment and admissions activities.

15 "Instruction", "academic support", and "student support
16 services" mean functional expense categories as defined by and
17 reported to the Integrated Postsecondary Education Data
18 System.

19 Section 10. Evaluation. The Board of Higher Education
20 shall annually review, for each college and university, the
21 latest available data on instructional spending from the
22 Integrated Postsecondary Education Data System. The Board of

1 Higher Education shall evaluate and determine whether each
2 college or university meets the minimum instructional spending
3 requirement set forth below, deeming each institution either
4 in "Good Standing", "Under Review", or "Failing".

5 (a) The metrics for minimum instructional spending shall
6 include the following annual evaluation criteria:

7 (1) Instructional expenditures, as defined by the
8 Integrated Postsecondary Education Data System; and

9 (2) Collected tuition and fee revenue, as defined by
10 the Integrated Postsecondary Education Data System.

11 (b) The Board of Higher Education shall divide each
12 institution's instructional expenditures by its collected
13 tuition and fee revenue to determine the percentage of funds
14 collected from students that are spent on instruction.

15 (c) Any institution that, by this metric, spends less on
16 instruction than 33% of the amount of revenue it receives in
17 tuition and fees shall be declared "Under Review".

18 Section 15. Finding of "Under Review". Any college or
19 university that does not meet the minimum instructional
20 spending requirement set under Section 10, and thus is in the
21 category of "Under Review", must report to the Board of Higher
22 Education within 6 months of the finding the following
23 information in accordance with rules established by the Board
24 of Higher Education that ensure the information is provided in
25 a manner that allows for evaluation:

1 (a) A detailed financial statement disclosing the
2 institution's revenues and expenditures for the prior
3 academic year, adherent to generally accepted accounting
4 principles, certified by an independent certified public
5 accountant and certified by the president of the
6 institution. This financial statement shall include:

7 (1) the number of State students enrolled,
8 including the percentage of State students enrolled
9 fully online, the average tuition and fees charged to
10 these students, and the average net price of
11 attendance, as defined by the Integrated Postsecondary
12 Education Data System;

13 (2) the institution's sources of revenue, by type;

14 (3) the amount of funds, disaggregated by campus,
15 spent on each of the following as compared with total
16 spending by the college or university:

17 (A) educational instruction;

18 (B) educational support and services;

19 (C) advertising; and

20 (D) executive salaries; and

21 (4) a listing of the total individual compensation
22 from the institution to all officers, directors, board
23 members, trustees, shareholders, members, owners, and
24 senior administrators, including all fringe benefits,
25 bonuses, and performance incentives in the prior
26 academic year.

1 (b) A corrective action plan detailing the steps that
2 it will take to come into compliance with the minimum
3 instructional spending requirement outlined in Section 10.

4 (1) At a minimum, corrective action plans must
5 include the following items, to be further defined by
6 the Board of Higher Education:

7 (A) shifts in spending priorities;

8 (B) planned investment in instructional
9 improvement;

10 (C) planned changes in the amount of tuition
11 and fees charged to students; and

12 (D) notification of any planned changes in the
13 categorization of expenditures that would affect
14 the calculations described in Section 10.

15 (2) The Board of Higher Education has the
16 authority to accept or reject an institution's
17 corrective action plan and may request additional data
18 or explanatory statements to better understand how the
19 institution plans to direct more of its tuition
20 revenue toward instruction.

21 The Board of Higher Education shall determine by October 1
22 of each year whether each institution that was "Under Review"
23 during the previous academic year will be moved into "Good
24 Standing" or maintain its "Under Review" status. A finding of
25 "Good Standing" requires that an institution, at minimum:

26 (i) submit the financial statement described in

1 paragraph (a), with all component parts, by the July 1
2 deadline of that year;

3 (ii) spent on instruction at least 33% of the amount
4 of revenue it received in tuition and fees, according to
5 its latest report; and

6 (iii) followed its corrective action plan, as
7 determined by its latest report and any additional
8 documentation requested by the Board of Higher Education,
9 by the July 1 deadline of that year.

10 If the Board of Higher Education does not find that an
11 institution meets these requirements, and any additional
12 requirements they stipulate as necessary to be in "Good
13 Standing", the institution will remain "Under Review".

14 Any institution that fails to submit a corrective action
15 plan within 6 months of a finding of "Under Review" or that
16 remains "Under Review" for 2 consecutive years shall be deemed
17 "Failing" until the Board determines, through this annual
18 review process, that it is in "Good Standing".

19 Section 20. Finding of "Failing". Institutions that have
20 been declared "Failing" shall be ineligible for State funding,
21 including participation in the monetary award program for all
22 new applicants. These institutions must publish on their
23 websites and in a manner that reaches all current, future, and
24 prospective students their "Failing" status.

1 Section 25. Rules. The Board of Higher Education shall
2 adopt rules necessary to implement this Act. The rules must
3 include definitions of "educational instruction", "educational
4 support services", "advertising", and "executive salaries".