



93RD GENERAL ASSEMBLY

State of Illinois

2003 and 2004

Introduced 02/05/04, by Ricca Slone

SYNOPSIS AS INTRODUCED:

New Act
30 ILCS 105/5.625 new

Creates the University Tuition Stabilization Act and amends the State Finance Act. Creates the University Tuition Stabilization Fund as a special fund in the State treasury to reduce the need for State universities to increase tuition in fiscal years of State budgetary shortfalls. Provides that a university's use of tuition revenues shall not exceed 99.5% of the estimated tuition revenues for the fiscal year when estimated State general funds revenues exceed the prior fiscal year's estimated general funds revenues by more than 4% (instead, the university shall deposit a total amount equal to 0.5% of the estimated tuition revenues into the Fund). Provides that a university's use of tuition revenues shall not exceed 99% of the estimated tuition revenues for the fiscal year when estimated State general funds revenues exceed the prior fiscal year's estimated general funds revenues by more than 4% for 2 or more consecutive fiscal years (instead, the university shall deposit a total amount equal to 1% of the estimated tuition revenues into the Fund). Provides that moneys in the Fund shall be appropriated to universities for budget years (i) in which the rate of insured unemployment in this State equals or exceeds 6%, as determined by the Department of Employment Security, or (ii) in which the amount of State funds budgeted for universities is equal to or less than the amount appropriated to universities the prior fiscal year. Effective July 1, 2004.

LRB093 15981 NHT 41605 b

FISCAL NOTE ACT
MAY APPLY

1 AN ACT concerning higher 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
5 University Tuition Stabilization Act.

6 Section 5. Purpose. The University Tuition Stabilization
7 Fund is a special fund in the State treasury established for
8 the purpose of reducing the need for State universities to
9 increase tuition in fiscal years of State budgetary shortfalls.

10 Section 10. Definitions. Unless the context otherwise
11 requires, in this Act:

12 "Estimated State general funds revenues" include, for each
13 budget year, all taxes, fees, and other revenues expected to be
14 deposited into the State's general funds, including recurring
15 transfers from other State funds into the general funds.

16 "Fund" means the University Tuition Stabilization Fund.

17 "University" means a public university in this State.

18 Section 15. University Tuition Stabilization Fund.

19 (a) The University Tuition Stabilization Fund is created as
20 a special fund in the State treasury, consisting of moneys
21 appropriated or deposited into the Fund, as provided in Section
22 25 of this Act and as otherwise provided by law. All earnings
23 on Fund investments shall be deposited into the Fund.

24 (b) Moneys in the Fund shall be appropriated to
25 universities for budget years (i) in which the rate of insured
26 unemployment in this State equals or exceeds 6%, as determined
27 by the Department of Employment Security, or (ii) in which the
28 amount of State funds budgeted for universities is equal to or
29 less than the amount appropriated to universities the prior
30 fiscal year.

1 Section 20. Tuition revenue limitations.

2 (a) A university's use of tuition revenues shall not exceed
3 99.5% of the estimated tuition revenues for the fiscal year
4 when estimated State general funds revenues exceed the prior
5 fiscal year's estimated State general funds revenues by more
6 than 4%.

7 (b) A university's use of tuition revenues shall not
8 exceed 99% of the estimated tuition revenues for the fiscal
9 year when estimated State general funds revenues exceed the
10 prior fiscal year's estimated State general funds revenues by
11 more than 4% for 2 or more consecutive fiscal years.

12 (c) Year-over-year comparisons used to determine the
13 percentage growth factor of estimated State general funds
14 revenues shall exclude the sum of the following:

15 (1) expected revenues resulting from new taxes or fees
16 or from tax or fee increases during the first year of the
17 change;

18 (2) expected revenues resulting from one-time receipts
19 or non-recurring transfers in;

20 (3) expected proceeds resulting from borrowing; and

21 (4) increases in federal grants that must be completely
22 appropriated based on the terms of the grants.

23 Section 25. Deposits into Fund.

24 (a) For each fiscal year when a university's use of tuition
25 revenues does not exceed 99.5% of the estimated tuition
26 revenues pursuant to subsection (a) of Section 20 of this Act,
27 the university shall deposit a total amount equal to 0.5% of
28 the estimated tuition revenues into the Fund.

29 (b) For each fiscal year when a university's use of tuition
30 revenues does not exceed 99% of the estimated tuition revenues
31 pursuant to subsection (b) of Section 20 of this Act, the
32 university shall deposit a total amount equal to 1% of the
33 estimated tuition revenues into the Fund.

34 Nothing in this Act prohibits the General Assembly from

1 appropriating additional moneys into the Fund.

2 Section 80. Rules. The Board of Higher Education and
3 Department of Employment Security may adopt any rules necessary
4 to implement this Act.

5 Section 90. The State Finance Act is amended by adding
6 Section 5.625 as follows:

7 (30 ILCS 105/5.625 new)

8 Sec. 5.625. The University Tuition Stabilization Fund.

9 Section 99. Effective date. This Act takes effect July 1,
10 2004.