ILLINOIS BOARD OF HIGHER EDUCATION: STATE AND NATIONAL UPDATE

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GOOD NEWS

New IBHE DataPoint
Illinois is **best in the nation** for completion rates at four-year institutions among all community college students (part-time and full-time).

- **Illinois**: 20.9%
- **Kansas**: 20.2%
- **Maryland**: 19.8%

**National Average**: 15.8%
Illinois is **fourth in the nation** for overall degree completion among full-time community college students.

- **Minnesota** (N = 4,974): 82.3%
- **South Dakota** (N = 865): 76.6%
- **North Dakota** (N = 750): 75.5%
- **Illinois** (N = 11,334): 73.5%
- **U.S. Overall**: 60.8%
Illinois is third in the nation in completion rates for adult learners at public universities and not-for-profit private colleges.

- Illinois
  - Public Universities: 72.0%
  - Private Not-for-Profits: 74.8%

- National Ave.
  - Public Universities: 50.6%
  - Private Not-for-Profits: 62.2%
Illinois public colleges **substantially outpace** the national averages in terms of six-year completion rates.
The overwhelming majority of full-time students at Illinois not-for-profit private colleges and public universities complete a degree within six-years.

Public Universities: 83.7%

Private Not-for-Profit Colleges: 87.7%
Illinois also has the **highest percentage** of full-time community college students earning degrees at both their community college and a four-year institution.

**National Average: 18.4%**

**Illinois: 27.8%**
BUDGET OVERVIEW
Support for the Governor’s Budget

- The Governor’s recommended 6.9% increase for higher education operations overall is the largest percentage increase since FY 02
  - Although total operations appropriations would be 16% lower than the FY 02 total

- Also the largest percentage increase for universities & community colleges
  - Although university appropriations will still be 23% below FY 02, community colleges 15% below

- Largest recommended funding level for ISAC ever

- **IBHE does appreciate the Governor’s support & endorses his request**
  - The Board recognizes that state resources are limited

- However, it is important to review the history of state funding for higher education & to explain the request approved by the Board in December & why it is reasonable in the context of history & why it is in the interest of the state

- It is important to remember that in spite of the Governor’s historic recommendations, Illinois higher education needs more help to recover & to help the state’s economy
REVIEW OF ILLINOIS HIGHER EDUCATION FUNDING SINCE FY 02

Documenting the decline in state support
Decline in State Support & Erosion from Inflation & Mandates

- Funding for higher education other than pensions peaked in FY02 at $2.4 B, compared to $1.9B for FY 2019, 22% less, not accounting for inflation or new mandates

- Greatest single impact came from FY16
  - A one-time hit of $1.2 B overall
  - 30% funding for public universities & community colleges

- Adjusted for inflation & unfunded mandates, the buying power of FY 19 higher education appropriations amount to only 52.9% what was received in FY 02

- Worst impact has been on public universities
  - Funding fell from $1.5 B in FY 02 to $1.1 B in FY 19, just 74% of what was received in FY 02
  - Adjusted for CPI inflation & unfunded mandates FY 19 state appropriation buying power is only 48.3% of FY 02 & adjusted to the Higher Education Price Index it is only 43.1% of FY 02 buying power
Illinois Higher Education Appropriations Operations History
Adjusted for Mandates an Inflation

8 Year Change: 0.2%
Adjusted for Inflation:
FY19 = 52.9% of FY02

$1.2 billion

Appropriations  Adjusted to Fiscal Year 2002 Dollars
Falling State Support: Impact on Tuition & Property Taxes

- To make-up for declining state revenues, tuitions increased sharply
- State appropriations fell from 72% of support for universities in FY 02 to just 34.9% in FY 18
  - State funds covered just 14.5% of costs in FY 16
- Community colleges were established on the principle that state funds would cover 1/3rd of their costs
  - State funds fell short of that goal in FY 02 but still covered 27.4% of CC costs in FY 02
  - State funds covered just 14.5% of CC costs in FY 17
  - State funds covered just 4.5% of community college costs in FY 16
  - Declining state support has resulted in significant increases in tuition and fees
  - Declining state support for community colleges also resulted in increased dependence on property taxes since FY 02
- For both universities & community colleges, those with the greatest resource challenges have been hurt the most & they tend to also serve the more needy students
University Distribution of Spending – FY 02 – FY 18

- University Income Funds: 72%
- State General Funds: 34.9%
- 15%
Declining Monetary Award Program Coverage

- Traditionally MAP covered 100% of the average weighted tuition & fees at public universities & community colleges & all applications deemed eligible

- The proportion of average weighted public university tuition & fees covered has fallen to just 31.2% for FY 19

- The proportion of awards in suspension (unfunded) has increased significantly, with the less than half of eligible applications being funded for many years now

- Declining funding of MAP has been a contributing factor to out-of-state student migration & likely to many students choosing to not attend college at all
MAP Coverage of Tuition (Public Univ.)

*MAP Covered 100% of public university tuition in FY 02 but just 31.2% for FY 19
Monetary Award Program Eligibility History FY 09-19
REVIEW OF ILLINOIS HIGHER EDUCATION FUNDING RECOMMENDATIONS FOR FY 2020
FY 2020 Budget Recommendation Decision Rules

- 10% increase for universities & community colleges returns roughly to FY 15/17 level
  - In-line with incoming Governor’s campaign suggestion, although we were discussing this with universities & community colleges well before campaign platforms were issued
  - A number of larger requests, for which there is reasonable justification, but this allows for equitable treatment of all sectors of higher education
  - The size of the requested increase needs to be taken in an historical context & the problems of affordability, out-migration & competitiveness

- Requested increase for MAP equal to last two IBHE requests & in-line with incoming Governor’s campaign suggestions for MAP

- Additional funding for AIM HIGH because to do otherwise would mean the program would only cover one class of students, greatly diminishing its impact

- 10% increase for programs cut by 10% in FY 18 but no increases for programs which were not cut, to emphasize the need to prioritize programs which were cut
Monetary Award Program: $501,341,900

- Request for $100 M increase is equal to the Board requested increase for the last two fiscal years

- In sync with the incoming Governor’s plans for MAP

- Would still leave MAP coverage substantially below historic levels in both the proportion of tuition & fees covered & the proportion of eligible grants paid
AIM HIGH: $45,000,000

- Request is for a $20 M increase
- Intent is to cover a second year of this new program
- The program is set-up to cover up to four years, including the university match
- Without additional funding the program would not be able to cover a second class as outlined in the university plans
- Without additional funding the program would not gain traction in the effort to bring students back to Illinois & improve affordability in general
- The amount requested assumes some students will not return or will lose eligibility for the individual university programs
ISAC Veterans & National Guard Grants: $26,424,800

- Veterans & National Guard grants have been an unfunded mandate since FY 11
- Universities & community colleges must waive tuition & fees for eligible veterans & National Guard members
  - ICCB does get a grant to cover much of the cost for community colleges
- Before funding was phased-out it was a grant program under ISAC
- IBHE has requested the restoration of this funding for many years
- The burden of the program falls more heavily on universities with weaker finances
- The current situation creates a subtle disincentive for schools to recruit veterans & National Guard members (Although there is no sign they discourage them.)
- Restored funding would allow schools to more aggressively recruit veterans, which would bring in more federal funds from the federal program as well
  - Many veterans also qualify for similar, but not identical, federal benefits
- ISAC has not requested this funding because students do receive these services
Public University Capital Renewal Request

- 30.9% of the $24.5 B in university facilities are not supported by state funds
- To keep up with a 50-year replacement cycle for facilities 2% of the replacement cost should be invested each year in capital renewal, $338.5 M
- If an additional 1% of replacement cost was invested each year it would take 30.9 years to catch-up, $169.3 M
- 3% total for universities, $507.8 M
- Table excludes IMSA, UCLC & community colleges

Public University Capital Analysis *

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<tr>
<th>Total Square Feet</th>
<th>71,739,730</th>
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<tbody>
<tr>
<td>Avg. $/Square Foot</td>
<td>341.26</td>
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<tr>
<td>Total Value of University Facilities</td>
<td>$24,481,575,213</td>
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<table>
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<tr>
<th>State Supported Square Feet</th>
<th>49,466,618</th>
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<tr>
<td>Avg. $/Square Foot</td>
<td>342.18</td>
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<td>Est. Value of State Supported Fac.</td>
<td>$16,926,246,303</td>
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<tr>
<th>2% Current Capital Renewal</th>
<th>$338,525,000</th>
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<tr>
<td>1% Catch-up Funding</td>
<td>$169,262,500</td>
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<td>3% Capital Renewal Request</td>
<td>$507,787,500</td>
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<th>FY 19 Deferred Maintenance</th>
<th>$5,229,723,000</th>
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<td>Est. Years to Recovery @1%</td>
<td>30.9</td>
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<tr>
<th>Non-State Supported Facilities</th>
<th>22,273,111</th>
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<tr>
<td>Avg. $/Square Foot</td>
<td>339.21</td>
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<tr>
<td>Est. Value of Non-State Supported</td>
<td>$7,555,328,910</td>
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<td>% Non-State Supported Facilities</td>
<td>30.9%</td>
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* Excludes IMSA & UCLC
CONTEXT

60 By 2025 Goal & Relative Education Funding
Historic Comparison of K-12 to Higher Education

State Appropriations for Education: K-12 vs. Higher Education

- Until FY 02 there was an unwritten rule that for every $2 K-12 got in new money HE should get $1
- The ratio of actual operations funding was 2.5:1 in FY 02
- The ratio of funding has diverged sharply since FY 02 to 4.4:1 in FY 19
- With new funds promised to K-12 this ratio will grow even wider without the restoration of funding to higher education
Preparing Illinois for the Economy of the Future

- 60% of jobs will require a degree or certificate by 2025
- Illinois was making progress towards the goal until FY 2013
- Since FY 13 we have fallen far behind the goal
- In FY 17 the state produced fewer degrees & certificates than in FY 13
REGULATORY WORK
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<tbody>
<tr>
<td>Applications Received</td>
<td>143</td>
<td>143</td>
<td>105</td>
<td>170</td>
<td>225*</td>
<td>32</td>
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<td>Applications Withdrawn</td>
<td>53</td>
<td>52</td>
<td>24</td>
<td>45</td>
<td>28</td>
<td>3</td>
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<td>Applications Returned</td>
<td>2</td>
<td>3</td>
<td>9</td>
<td>29</td>
<td>0</td>
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<td>Application Denied</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>0</td>
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<td>NOIs Received</td>
<td>62</td>
<td>201</td>
<td>181</td>
<td>128</td>
<td>202</td>
<td>23</td>
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<td>ICs (institutional changes)</td>
<td>46</td>
<td>25</td>
<td>40</td>
<td>36</td>
<td>42</td>
<td>17</td>
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<td>PCs (program changes)</td>
<td>234</td>
<td>217</td>
<td>388</td>
<td>186</td>
<td>236</td>
<td>84</td>
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<td>RMEs</td>
<td>38</td>
<td>39</td>
<td>30</td>
<td>33</td>
<td>43</td>
<td>19</td>
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<td>Dual Credit Approved Institutions</td>
<td>1</td>
<td>18</td>
<td>10</td>
<td>2</td>
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<td>Second Region Approval for Dual Credit Approved Institutions</td>
<td>0</td>
<td>4</td>
<td>2</td>
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<td>Total # of DC Institutions: 6 public/7 OOS/18 private [31]</td>
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<td>SARA Renewals</td>
<td>49</td>
<td>60</td>
<td>76</td>
<td>62</td>
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<td>SARA Denial/Returns</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>0</td>
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<td>SARA Initial Applications</td>
<td>8</td>
<td>8</td>
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<td>Closed SARA School</td>
<td>1</td>
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<td>Complaints Received</td>
<td>100</td>
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<td>Complaints Closed</td>
<td>98</td>
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<tr>
<td>Phone/Mail Complaints</td>
<td>84**</td>
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<tr>
<td>Board Revocation</td>
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<td>Institutional Closures</td>
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<td>FY19 counts to July 1, 2018 to December 31, 2018</td>
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*117 applications were related to 6 changes of ownership

**Complaints related to institutional closures were not included; FY18-19 data provided as part of online complaint system and related tracking; previous year’s complaint data are housed in less-accessible forms
Important News:

Argosy University, Chicago (Closed)

Argosy University Transfer Institution Options (pdf) Updated 3/19/19
Letter from Argosy University Campus President Kevin Beaver (pdf)
Letter from Argosy University Indicating Closure (pdf)
IBHE to Appoint Hearing Officer to Potentially Revoke Authority of Argosy University to Operate in Illinois (pdf)
Argosy University loses Title IV funds as of 2/27/19
Argosy Update 2/26/2019

Argosy University (Chicago) Frequently Asked Questions
Printer Friendly Version

Department of Education Webinars:

Effective March 8, 2018, Argosy University – Chicago has ceased all operations and abruptly closed. Previously, Argosy University – Schaumburg Campus announced closure and ceased enrollments as of July 2, 2018. The institution closed on December 28, 2018; students completed their programs or transferred to Argosy University – Chicago.
U.S. DEPARTMENT OF EDUCATION

Negotiated Rule-Making
Negotiated Rulemaking Topics

- U.S. Department of Education white papers (December 2018)
  - “Rethinking Higher Education”
  - “Rethinking Higher Education: Accreditation Reform”

- Topics
  - Faith-Based Entities
  - Distance Learning and Educational Innovation
  - Accreditation and Innovation
  - TEACH Grants

- About the Process

- How to Learn More and Watch Live Streaming of Remaining Meetings