



101ST GENERAL ASSEMBLY

State of Illinois

2019 and 2020

SB0080

Introduced 1/23/2019, by Sen. Dan McConchie

SYNOPSIS AS INTRODUCED:

15 ILCS 20/50-10	was 15 ILCS 20/38.1
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 205/9.39 new	

Amends the State Budget Law of the Civil Administrative Code of Illinois. Provides that, beginning with the fiscal year 2021 budget, the budget submitted by the Governor shall include one or more line items appropriating moneys to a 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.

LRB101 04941 AXK 49950 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 For the fiscal year beginning July 1, 2019, and for each
9 fiscal year thereafter, the budget shall include a separate
10 line item request appropriating moneys to each State agency
11 for: (1) estimated costs for each fund under the State Prompt
12 Payment Act; and (2) estimated costs for each fund under
13 Sections 368a and 370a of the Illinois Insurance Code.

14 The budget shall contain a capital development section in
15 which the Governor will present (1) information on the capital
16 projects and capital programs for which appropriations are
17 requested, (2) the capital spending plans, which shall document
18 the first and subsequent years cash requirements by fund for
19 the proposed bonded program, and (3) a statement that shall
20 identify by year the principal and interest costs until
21 retirement of the State's general obligation debt. In addition,
22 the principal and interest costs of the budget year program
23 shall be presented separately, to indicate the marginal cost of
24 principal and interest payments necessary to retire the
25 additional bonds needed to finance the budget year's capital
26 program. In 2004 only, the capital development section of the

1 State budget shall be submitted by the Governor not later than
2 the fourth Tuesday of March (March 23, 2004).

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

1 Department on Aging. The section shall also include an estimate
2 of individual and corporate income tax overpayments that will
3 not be refunded before the close of the fiscal year.

4 For the budget year, the current year, and 3 prior fiscal
5 years, the Governor shall also include in the budget estimates
6 of or actual values for the assets and liabilities for General
7 Assembly Retirement System, State Employees' Retirement System
8 of Illinois, State Universities Retirement System, Teachers'
9 Retirement System of the State of Illinois, and Judges
10 Retirement System of Illinois.

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

20 Together with the budget, the Governor shall transmit the
21 estimates of receipts and expenditures, as received by the
22 Director of the Governor's Office of Management and Budget, of
23 the elective officers in the executive and judicial departments
24 and of the University of Illinois.

25 An applicable appropriations committee of each chamber of
26 the General Assembly, for fiscal year 2012 and thereafter, must

1 review individual line item appropriations and the total budget
2 for each State agency, as defined in the Illinois State
3 Auditing Act.

4 Beginning with the fiscal year 2021 budget, the budget
5 submitted by the Governor shall include one or more line items
6 appropriating moneys to the Board of Regents, in accordance
7 with the recommendations provided to the Governor by the Board
8 of Higher Education under Section 8 of the Board of Higher
9 Education Act. Beginning with fiscal year 2021, no
10 appropriation for higher education or higher education-related
11 purposes may be made to any public university. All
12 appropriations for public universities shall be made to the
13 Board of Regents beginning with fiscal year 2021.

14 (Source: P.A. 99-143, eff. 7-27-15; 100-1064, eff. 8-24-18.)

15 Section 10. The Board of Higher Education Act is amended by
16 changing Sections 7 and 8 and by adding Sections 3.5 and 9.39
17 as follows:

18 (110 ILCS 205/3.5 new)

19 Sec. 3.5. Board of Regents. There is created a Board of
20 Regents to allocate funds to public universities from
21 appropriations made to the Board of Regents, based on a funding
22 formula recommended by the Board under subsection (a) of
23 Section 9.39 of this Act. The Board of Regents shall consist of
24 7 members of the public appointed by the Governor, with the

1 advice and consent of the Senate. No more than 4 members may be
2 affiliated with the same political party. Members of the Board
3 of Regents shall serve at the pleasure of the Governor and
4 without compensation, but shall be reimbursed for their
5 reasonable and necessary expenses from funds appropriated for
6 that purpose. The Board shall provide administrative and other
7 support to the Board of Regents. The Board of Regents shall
8 meet initially at the call of the Governor, and 4 members shall
9 constitute a quorum.

10 (110 ILCS 205/7) (from Ch. 144, par. 187)

11 Sec. 7. The Board of Trustees of the University of
12 Illinois, the Board of Trustees of Southern Illinois
13 University, the Board of Trustees of Chicago State University,
14 the Board of Trustees of Eastern Illinois University, the Board
15 of Trustees of Governors State University, the Board of
16 Trustees of Illinois State University, the Board of Trustees of
17 Northeastern Illinois University, the Board of Trustees of
18 Northern Illinois University, the Board of Trustees of Western
19 Illinois University, the Illinois Community College Board and
20 the campuses under their governance or supervision shall not
21 hereafter undertake the establishment of any new unit of
22 instruction, research, or public service without the approval
23 of the Board. The term "new unit of instruction, research, or
24 public service" includes the establishment of a college,
25 school, division, institute, department, or other unit in any

1 field of instruction, research, or public service not
2 theretofore included in the program of the institution, and
3 includes the establishment of any new branch or campus. The
4 term does not include reasonable and moderate extensions of
5 existing curricula, research, or public service programs which
6 have a direct relationship to existing programs; and the Board
7 may, under its rulemaking ~~rule-making~~ power, define the
8 character of such reasonable and moderate extensions.

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

15 The Board of Higher Education is authorized to review
16 periodically all existing programs of instruction, research,
17 and public service at the State universities and colleges and
18 to advise the appropriate board of control if the contribution
19 of each program is not educationally and economically
20 justified. Each State university shall report annually to the
21 Board on programs of instruction, research, or public service
22 that have been terminated, dissolved, reduced, or consolidated
23 by the university. Each State university shall also report to
24 the Board all programs of instruction, research, and public
25 service that exhibit a trend of low performance in enrollments,
26 degree completions, and high expense per degree. The Board may

1 require the elimination of any program of instruction,
2 research, or public service at a State university that exhibits
3 a trend of low performance or low enrollment. The Board shall
4 compile an annual report that shall contain information on new
5 programs created, existing programs that have been closed,
6 eliminated, or consolidated, and programs that exhibit low
7 performance or productivity. The report must be submitted to
8 the General Assembly. The Board shall have the authority to
9 define relevant terms and timelines by rule with respect to
10 this reporting.

11 (Source: P.A. 97-610, eff. 1-1-12; revised 10-9-18.)

12 (110 ILCS 205/8) (from Ch. 144, par. 188)

13 Sec. 8. The Board of Trustees of the University of
14 Illinois, the Board of Trustees of Southern Illinois
15 University, the Board of Trustees of Chicago State University,
16 the Board of Trustees of Eastern Illinois University, the Board
17 of Trustees of Governors State University, the Board of
18 Trustees of Illinois State University, the Board of Trustees of
19 Northeastern Illinois University, the Board of Trustees of
20 Northern Illinois University, the Board of Trustees of Western
21 Illinois University, and the Illinois Community College Board
22 shall submit to the Board not later than the 15th day of
23 November of each year its budget proposals for the operation
24 and capital needs of the institutions under its governance or
25 supervision for the ensuing fiscal year. Each budget proposal

1 shall conform to the procedures developed by the Board in the
2 design of an information system for State universities and
3 colleges.

4 In order to maintain a cohesive system of higher education,
5 the Board and its staff shall communicate on a regular basis
6 with all public university presidents. They shall meet at least
7 semiannually to achieve economies of scale where possible and
8 provide the most innovative and efficient programs and
9 services.

10 The Board, in the analysis of formulating the annual budget
11 request, shall consider rates of tuition and fees and
12 undergraduate tuition and fee waiver programs at the State
13 universities and colleges. The Board shall also consider the
14 current and projected utilization of the total physical plant
15 of each campus of a university or college in approving the
16 capital budget for any new building or facility.

17 The Board of Higher Education shall submit to the Governor,
18 to the General Assembly, and to the appropriate budget agencies
19 of the Governor and General Assembly its analysis and
20 recommendations on such budget proposals.

21 The Board is directed to form a broad-based group of
22 individuals representing the Office of the Governor, the
23 General Assembly, public institutions of higher education,
24 State agencies, business and industry, statewide organizations
25 representing faculty and staff, and others as the Board shall
26 deem appropriate to devise a system for allocating State

1 resources to public institutions of higher education based upon
2 performance in achieving State goals related to student success
3 and certificate and degree completion.

4 Beginning in Fiscal Year 2013, the Board of Higher
5 Education budget recommendations to the Governor and the
6 General Assembly shall include allocations to public
7 institutions of higher education based upon performance
8 metrics designed to promote and measure student success in
9 degree and certificate completion. Public university metrics
10 must be adopted by the Board by rule, and public community
11 college metrics must be adopted by the Illinois Community
12 College Board by rule. These metrics must be developed and
13 promulgated in accordance with the following principles:

14 (1) The metrics must be developed in consultation with
15 public institutions of higher education, as well as other
16 State educational agencies and other higher education
17 organizations, associations, interests, and stakeholders
18 as deemed appropriate by the Board.

19 (2) The metrics shall include provisions for
20 recognizing the demands on and rewarding the performance of
21 institutions in advancing the success of students who are
22 academically or financially at risk, including
23 first-generation students, low-income students, and
24 students traditionally underrepresented in higher
25 education, as specified in Section 9.16 of this Act.

26 (3) The metrics shall recognize and account for the

1 differentiated missions of institutions and sectors of
2 higher education.

3 (4) The metrics shall focus on the fundamental goal of
4 increasing completion of college courses, certificates,
5 and degrees. Performance metrics shall recognize the
6 unique and broad mission of public community colleges
7 through consideration of additional factors including, but
8 not limited to, enrollment, progress through key academic
9 milestones, transfer to a baccalaureate institution, and
10 degree completion.

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

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

15 Beginning with budget proposals for Fiscal Year 2021, the
16 Board of Trustees of the University of Illinois, the Board of
17 Trustees of Southern Illinois University, the Board of Trustees
18 of Chicago State University, the Board of Trustees of Eastern
19 Illinois University, the Board of Trustees of Governors State
20 University, the Board of Trustees of Illinois State University,
21 the Board of Trustees of Northeastern Illinois University, the
22 Board of Trustees of Northern Illinois University, and the
23 Board of Trustees of Western Illinois University shall submit
24 to the Board of Regents no later than the 15th day of November
25 of each year their budget proposals for the operation and
26 capital needs of the institutions under their governance or

1 supervision for the ensuing fiscal year. Each budget proposal
2 shall conform to the requirements of this Section.

3 Budget proposals and recommendations for Fiscal Year 2021
4 and thereafter shall conform to a funding formula recommended
5 by the Board under subsection (a) of Section 9.39 of this Act.

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

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

20 (110 ILCS 205/9.39 new)

21 Sec. 9.39. State efficiency and enrollment plan.

22 (a) The Board shall prepare a comprehensive statewide plan
23 to increase efficiency and enrollment in public institutions of
24 higher education. The plan shall include, but is not limited
25 to:

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

3 (2) an opportunity for a student to participate in
4 early enrollment at a public institution of higher
5 education;

6 (3) establishing an awareness program in an effort to
7 market public institutions of higher education to
8 non-traditional students;

9 (4) creating a single application for admission, with a
10 one-time application fee, to be distributed by every public
11 university;

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

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

18 (7) ensuring that academic credits for equivalent
19 courses are appropriately recognized by every public
20 institution of higher education;

21 (8) enhancing and expanding partnerships with public
22 universities and high schools in this State to offer dual
23 credit and dual enrollment opportunities;

24 (9) ensuring academic credits for equivalent courses
25 earned at community colleges are recognized at every public
26 university;

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

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

7 (12) collaborating with government and community
8 organizations to identify pressing and emerging societal
9 needs that can be addressed by public institutions of
10 higher education and devising effective ways to address
11 those needs; and

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

14 (b) The Board shall submit the plan under this Section to
15 the Board of Regents, which shall approve the plan and may make
16 any necessary changes. After approval by the Board of Regents,
17 the Board shall submit the plan to every public institution of
18 higher education and may audit public institutions of higher
19 education for compliance with this plan.

20 (c) Notwithstanding the funding formula recommended by the
21 Board under subsection (a) of this Section, the Board of
22 Regents shall not allocate any funds to a public university
23 that does not adhere to the plan under this Section.