

STATE LEGISLATIVE UPDATE

The 2015-16 academic year is officially underway; however, the 99th General Assembly and Governor have not yet finalized a comprehensive state budget for FY 2016. It should be noted, however, that an estimated 90 percent of state spending is already underway when various budget approvals, court orders and statutory mandates are considered. Specifically, this includes the K-12 education budget, which has been approved for FY 2016, spending on several other key items such as - Medicaid, various human services programs, pensions, debt service, and payroll (and benefits) for nearly 60,000 state employees. Higher education, however, is one of the few remaining areas to operate without an FY 2016 spending plan. Earlier this week Comptroller Munger announced that insufficient cash flow was making it difficult for her to comply with various court-ordered payments and that Illinois is on a current spending trajectory that will leave the state with a \$5 billion budget deficit this year.

Later this morning you will hear more about the FY 2016 university budget and the FY 2017 budget development process. This item provides an overview of the FY 2016 state budget process to-date, the status of the FY 2016 budget and selected legislative issues that remain unresolved.

FY 2016 Budget Notes:

- February 3, 2015: The Illinois Board of Higher Budget approved its FY 2016 budget recommendations for higher education operations, grants, and capital funding. The IBHE recommendation supported a “flat” budget for public universities and a \$50 million increase for the Monetary Award Program (MAP).
- February 18, 2015: Governor Rauner proposed a **31.5 percent** cut for public universities in FY 2016; and he proposed flat funding for community colleges and the Monetary Award Program (MAP).
- March 19, 2015: President Baker and a contingent of staff and students traveled to Springfield to appear before the Senate Appropriation II Committee. On March 26th, President Baker testified at the House Higher Appropriations Committee. Three NIU students also joined the President in his appearance before the Committee.
- March 26, 2015: Governor Bruce Rauner signed HB 317 into law. Public Act 99-0001 reduced public universities’ FY 2015 - current year – appropriations by 2.25%. This reduced NIU’s FY 2015 appropriation \$2.1 million from \$93.2 million to \$91.1million.
- April 16, 2015: President Baker, Mike Mann and 3 NIU students attended a closed door session of the House Higher Education budget working group.

- May 26, 2015: The Illinois House approved a series of higher education budget bills; House Bill 4148 would provide NIU with an FY 2016 appropriation totaling **\$85.2 million**.
- June 24, 2015: House Bill 4148 was approved by the Senate. Having passed both Houses, the bill was sent to the Governor.
- June 25, 2015: HB 4148 was vetoed by the Governor. The bill was placed on the calendar on June 30th, and then, since the legislature took no positive action within the required 15 days, the total veto stands effective July 16, 2015.

Recent Legislative Action:

- **Senate Bill 1229:** On August 19, 2015, the Senate voted to override the Governor's veto of SB 1229. The legislation prevents the Governor from locking out state workers during contract negotiations and also prevents workers from going on strike. In addition, if either the state or union declares an impasse in labor negotiations, the issue will be decided by binding arbitration. **This bill was placed on the House calendar using the effective date of August 25th; the House has 15 days from this date to follow the Senate's lead to override the legislation. If they fail to do so, the veto stands.**
- **SB 1455 – College Readiness/Student Assessment:** This legislation was signed into law on July 29, 2015 and becomes effective on January 1, 2016. Public Act 99-0185 requires that of the 3 assessments conducted by the State Board for students in a secondary education program, one of the assessments “shall include a college and career ready determination that shall be accepted by this State's public institutions of higher education, as defined in the Board of Higher Education Act, for the purpose of student application or admissions consideration.”
- **Senate Bill 2042:** The General Assembly has approved SB 2042 which allows the state to spend federal funds to support a variety of activities to support child care, human service programs, job training programs, disaster relief and assistance for domestic violence victims. Legislative attempts to add state funding to this bill were not successful; those funds included monies needed to match or capture additional federal funds. Governor Rauner signed SB 2042 into law on August 20, 2015; it is Public Act 99-0409.
- **Senate Bill 2043:** On August 19, 2015, the Illinois Senate approved SB 2043, which provides \$373.3 million to the Monetary Award Program (MAP). At NIU, nearly 6,000 students receive more than \$20 million annually in MAP funds. The University, along with all public universities, is crediting student accounts at the MAP announced award level for needy students until the state payments from ISAC (Illinois Student Assistance Commission) are received. The payments may be delayed, or even reduced depending on the final MAP budget, but at this time NIU does not want the budget impasse to affect its most vulnerable student population. **The bill was placed on first reading when the House met earlier this week on Tuesday August 25th.**

- **Senate Bill 2157:** This legislation was introduced in July and it requires elected community college board of trustee members who have been elected after the effective date of this amendatory Act to complete a minimum of 4 hours of professional development leadership training. The community college district shall maintain on its Internet website, the names of all elected voting trustees of the community college district's board who successfully complete the training. The training may be provided by an association established for the purpose of training community college district board trustees or by other qualified providers approved by the Illinois Community College Board. This bill is on first reading in the Senate and has an effective date of January 1, 2017.
- **Senate Bill 2170:** On August 19, 2015, Senator Tom Cullerton introduced SB 2170. The legislation is titled the Public University Administrative Cost Decrease Act and it provides that all public universities shall annually submit a cost certification that certifies the level of spending dedicated to administrative costs for the current academic year. Then, beginning with the 2017-2018 school year, a Board of Trustees of a public university may not enact a budget that contains tuition or fee increases above that of the tuition and fees set in the 2015-2016 academic year until the Auditor General has verified that the cost certification submitted by the public university and due in the same calendar year of the proposed tuition or fees increase has shown a decrease of administrative costs by 25%. This legislation also amends the Illinois State Auditing Act. It is on first reading in the Senate.
- **House Bill 821:** On August 21, 2015, the Governor signed HB 821 into law. Public Act 99-0426 creates the Preventing Sexual Violence in Higher Education Act and amends the Campus Security Enhancement Act of 2008. Earlier this spring the House and the Senate unanimously approved this legislation. The new law requires schools to develop a task force or join a regional task force, provide confidential advisors to assist sexual assault victims/survivors, annual reporting to the Department of Human Rights and the Office of the Attorney General, and the implementation of other processes and notifications.
- **House Bill 1336:** On August 21, 2015, the Governor signed HB 1336 into law. Public Act 99-0447 amends the Liquor Control Act of 1934. The law takes effect on January 1, 2016, and it provides minors who have been drinking alcohol with immunity from prosecution who call authorities/911 to get help. Specifically, it provides legal protection for a person needing medical help and the person who called for him or her; the Act details the conduct required, and the provisions and conditions of the immunity.
- **HB 3428 – Advanced Placement Test:** On August 14, 2015 the Governor signed this legislation into law. Public Act 99-0358 amends the College and Career Success for All Students Act. Provides that beginning with the 2016-2017 academic year, scores of 3, 4, and 5 on the College Board Advanced Placement examinations shall be accepted for credit to satisfy degree requirements by all public institutions of higher education.

Provides that each institution of higher education shall determine for each test whether credit will be granted for electives, general education requirements, or major requirements and the Advanced Placement scores required to grant credit for those purposes. Provides that by the conclusion of the 2019-2020 academic year, the Board of Higher Education shall analyze the Advanced Placement examination score course granting policy of each institution of higher education and the research used by each institution in determining the level of credit and the number of credits provided for the Advanced Placement scores and file a report that includes findings and recommendations to the General Assembly and the Governor. Provides that each institution of higher education shall publish its updated Advanced Placement examination score course granting policy on its Internet website before the beginning of the 2016-2017 academic year.

- **House Bill 4272 – K-12 Pension Cost Shift:** This bill was filed on August 12th and deserves careful monitoring. This legislation creates the Fund Education First Act and provides funding stability for K-12 education by requiring the General Assembly to appropriate funding for the General State Aid formula equal to or in excess of the previous fiscal year and dedicate 55% of total new general funds available for spending from estimated growth revenues, and a continuing appropriation if the general assembly fails to make sufficient appropriations to the general State aid formula. This legislation also amends the Illinois Pension Code; in the Downstate Teacher Article it changes the funding goal from 90% to 100% and shifts certain costs accruing after July 1, 2016 to employers. The bill is on first reading in the House.

Other Items of Interest

- **House Bill 403 - 50% waiver for Children of Employees.** This bill proposed the elimination of the 50% waiver that public university employees receive for dependent tuition after 7 years of service. The legislation would eliminate the benefit for students not already in the program as of Fall 2016. This bill passed out of committee but was returned to the House Rules Committee in April and no further movement has occurred.
- **House Bill 170 – Procurement.** This bill reinstates University exemption from the bid thresholds of the Procurement Code for entertainment, international programs, textbooks and library materials and some professional services. The bill has passed the House and is currently in Senate Assignments.