CTBA | Center For Tax and Budget Accountability

Social and economic justice through data-driven policy.

A Continued Disinvestment in Illinois Higher Education

November 9, 2021

About the Center for Tax and Budget Accountability

Founded in 2000, the Center for Tax and Budget Accountability is a non-profit, bipartisan research and advocacy think tank committed to ensuring that tax, spending and economic policies are fair and just, and promote opportunities for everyone, regardless of economic or social status.

CTBA uses a data-focused, bipartisan approach to work in partnership with legislators, community groups and other organizations to help change both public policy and perceptions. You can help strengthen our efforts by making a tax-deductible donation at www.ctbaonline.org/donate.

A Continued Disinvestment in Illinois Higher Education

Authors:

Ralph Martire
Executive Director
(312) 332-1049
rmartire@ctbaonline.org

Allison Flanagan
Associate Director, Budget & Policy
(312) 332-1481
aflanagan@ctbaonline.org

A special thanks to Camille Fleming, a part-time Summer 2021 Policy Research Intern, for her contribution to this report.

70 E. Lake St., Suite 1700
Chicago, IL 60601
www.ctbaonline.org

Table of Contents

1. Introduction

The correlation between educational attainment and economic viability is both strong and growing. Not only do individuals with college degrees experience lower rates of unemployment and higher incomes than those who do not complete college, but communities with more college-educated individuals exhibit lower crime rates, better overall health, and higher wages for *all* workers—not just those with advanced degrees.[1] Which means one effective way Illinois can utilize public policy to promote economic growth is to ensure the state is making an adequate General Fund investment in Higher Education.

Yet, despite the growing body of evidence that greater educational attainment benefits both individuals and communities, Illinois' General Fund support for Higher Education has declined significantly in real, inflation-adjusted terms over time. In fact, after adjusting for inflation, the aggregate General Fund appropriation for Higher Education in Fiscal Year ("**FY**") 2022 is scheduled to be some $1.8 billion or almost 50 percent less in real terms than it was two decades ago in FY 2000.[2] So, rather than promoting enhanced economic competitiveness for the state and its citizens by investing adequate resources in Higher Education, Illinois has instead cut General Fund support for Higher Education in half since FY 2000.

The primary reason for this significant disinvestment in Higher Education has been the long-term structural deficit in the state's General Fund. A "**structural deficit**" exists when revenue growth is not sufficient to cover the inflation-adjusted cost of providing the same level of public services from one fiscal year into the next, even if no public service programs are added or increased (for more information about the state's structural deficit, please see CTBA's "Impact of Illinois' Structural Deficit"). The structural deficit in Illinois is so significant that, despite utilizing $3.8 billion in federal relief to support General Fund expenditures in FY 2022, it is currently projected that the General Fund will have an accumulated deficit of $6.3 billion at Fiscal Year-end.[3]

To make up for the significant loss of General Fund support that has manifested over the last two decades, public colleges and universities in Illinois have increased student tuition and fees substantially. In fact, after accounting for the impact of inflation, between FY 2000 and FY 2020, average in-state tuition at Illinois' four-year public universities more than doubled—increasing by 149 percent.[4] Over that same time, real median household income in Illinois increased by only 6.2 percent.[5] These trends have combined to make it increasingly difficult for students from low- and middle-income families to afford public colleges and universities in Illinois.

Compounding this problem, current funding for the Monetary Award Program ("**MAP**"), which is Illinois' financial aid program for low-income students, does not come close to covering the rapid growth in tuition at the state's public institutions of higher learning. Consider that, in FY 2000, the average MAP award Illinois provided to public university students was sufficient to cover 66 percent of the average tuition and fee costs of attending a public university in the state.[6] By FY 2020, however, the average MAP grant covered just 27 percent of the average annual cost of tuition and fees charged at a four-year public university in Illinois, a significant decline in value of nearly 60 percent.[7]

Not surprisingly, as tuition costs have surged and the value and scope of financial aid available through MAP grants has diminished, enrollment in Illinois public colleges and universities has plummeted. Between 2010 and 2020, total enrollment in Illinois' public institutions of higher learning declined by over 20.4 percent. Meanwhile between 2000 and 2018, the net outmigration of freshman students from Illinois nearly doubled.[8]

In 2008, Illinois adopted a ten-year education policy blueprint, known as the "**Public Agenda for College and Career Success**." As part of the Public Agenda, the state committed to the goal of having 60 percent of adults in

Illinois earn a college degree or post-secondary credential by the year 2025.[9] Given the trends cited previously, it is not surprising that the state is not on track to reach this goal.[10]

There is hope, however, because research indicates boosting state General Fund appropriations for Higher Education could actually help stimulate additional degree completion in Illinois, moving the state closer to realizing the 60 percent Public Agenda goal.[11] Better yet, enhancing state General Fund support for Higher Education can also help reduce the spike in tuition costs Illinois has realized over the last two decades, and thereby help make college more affordable for low- and middle-income families.

In the following analysis, all enrollment data is calculated for Fall through Spring of the applicable school year. For example, student enrollment in "Fall 2018" indicates enrollment data for the 2018-2019 school year. Because the State of Illinois' fiscal years begin on July 1st and run through the immediately following June 30th, the state General Fund budget that would appropriate funding for the 2018-2019 school year would be FY 2019.

2. Key Findings

Higher Education Creates Economic Benefits for Individuals and Communities

- At the national level, a full-time worker who had completed at least a bachelor's degree in 1979 had median weekly earnings that were 38 percent greater than a worker whose highest level of education was a high school diploma. By 2020, that wage premium had more than doubled to 82 percent.[12]
- In 2020, the unemployment rate in Illinois for an individual without a college degree was over 1.8 times higher than the rate for individuals with a four-year degree.[13]
- The median bachelor's degree holder earns $2.9 million over her or his lifetime, which is 33 percent more than the average associate's degree holder, and 53 percent more than someone with just a high school diploma.[14]
- For every dollar spent by an institution of Higher Education in Illinois, an average multiplier of $2.28 is generated in private sector economic activity statewide.[15]
- Between FY 2008 and FY 2019, Illinois underfunded the aggregate IBHE budget recommendation for Higher Education by a total of $6.51 billion in nominal dollars. If instead that $6.51 billion had been invested in Illinois institutions of Higher Education, then after applying the statewide multiplier of $2.28, the state could have generated an additional $14.85 billion in economic activity.[16]
- The wages of all workers, regardless of level of education, are higher in communities with high concentrations of college-educated adults.[17]

Higher Education Attainment Enhances Upward Mobility

- Only 13 percent of the individuals who were both born into families with earnings in the bottom quintile of the income distribution, and who did not obtain a postsecondary degree, were able to attain earnings in one of the top two income quintiles by age 40.
- In contrast, 40 percent of the individuals who were both born into families with earnings in the bottom quintile of the income distribution, and who did obtain a college degree, were able to attain earnings in one of the top two income quintiles by age 40.[18]

Illinois Has Been Decreasing its General Fund Support of Higher Education for Decades

- The FY 2022 General Fund appropriation for Higher Education is $1.993 billion, which is just one percent more in nominal dollars than the $1.973 billion appropriated in FY 2021.[19]
- This relatively minor year-to-year nominal dollar increase did not go very far in countering the state's long-term disinvestment in Higher Education. In fact, the FY 2022 General Fund appropriation for Higher Education remains nearly 50 percent less in real, inflation-adjusted terms than it was in FY 2000.[20]
- Though most core service categories also experienced real cuts in funding over this sequence, Higher Education was the only service area that was cut so dramatically that its current appropriation is actually less in nominal, non-inflation-adjusted dollars than it was in FY 2000.
- As appropriations for current Higher Education services have declined in value over time, General Fund pension contributions to the Illinois State University Retirement System ("**SURS**") have increased substantially. So much so that in FY 2022, that pension contribution is scheduled to be more than eight times greater than it was in FY 2002.[21]
- This growth in General Fund pension contributions to SURS is not being caused by the benefits being earned by university professors and workers who are members of that system. Instead, the driver of these increased contributions is the back-loaded debt service structure created under the 1995 "Pension Ramp."
- In fact, fully 80.5 percent of the pension contribution scheduled to be made to SURS in FY 2022 is to pay debt service in the form of unfunded liabilities owed to SURS under the Pension Ramp, while only 19.5 percent is for the cost of benefits currently being earned.[22]

Decreasing State Support for Public Institutions of Higher Learning Has Caused Tuition to Skyrocket

- In FY 2002, Illinois General Fund appropriations accounted for 72 percent of the total revenue received by the state's public universities, while the remaining 28 percent of such revenue was derived from University Income Funds ("**UIF**"). UIF is primarily comprised of tuition and fees paid by students.[23]
- By FY 2020, however, this ratio substantially reversed, with General Fund appropriations constituting just 35.9 percent of all in-state public university revenue, while UIF—that is tuition and fees—made up the remaining 64.1 percent.[24]
- In FY 2000, Illinois ranked 13th highest nationally for in-state public university tuition and fees, with an average annual cost of $4,040 in nominal dollars, or $6,072 in inflation-adjusted 2020 dollars.[25]
- By FY 2020, however, the average student in Illinois had to pay $14,455 for in-state tuition and fees to attend a four-year public university—the fourth highest price tag in the nation.[26] This means that in real terms, after adjusting for inflation, average in-state tuition at Illinois' four-year public universities has more than doubled—an increase of 138 percent—between FY 2000 and FY 2020.[27]
- Initially, community colleges were funded based on the principle that costs would be evenly split among the state, tuition, and property taxes.[28] However, the portion of community college costs actually covered by state revenue has fallen from 26.3 percent in FY 2003 to just 13.3 percent in FY 2019, a decline of nearly 50 percent.[29]
- During that sequence, the share of costs covered by property tax revenue increased slightly, from 42 to 45.2 percent. Meanwhile, the share covered by tuition jumped from 21.1 percent in FY 2003, to 38.3 percent in FY 2019.[30]

- Over that same time sequence, median household income in Illinois rose by only 6.2 percent. Hence the rate of growth in the cost of attending public institutions of higher learning in Illinois has significantly out-paced the rate of growth in earnings for low- and middle-income families in the state, effectively making Higher Education less affordable.[31]
- In Illinois, middle-income families would need to set aside nearly a quarter of their total annual earnings to pay the average cost of attending a public university in-state, while low-income families would need to set aside fully 63 percent—or almost two-thirds—of their annual income to do so.[32]

The Jump in Tuition Costs for Public Universities In Illinois Has Had Disparate Impacts Along Racial and Ethnic Lines

- In 2019, the average cost of in-state tuition and fees at a public four-year university in Illinois equated to 37 percent of the median income for a Black household in the state, and 26 percent of the median income for a Latinx household in the state.
- For comparison, in 2019 the average cost of in-state tuition and fees at a public four-year university in Illinois equated to 20 percent of the median income for a white household in the state.[33]
- It should be no surprise, then, that low-income and minority students are disproportionately over-burdened with student debt. Twelve years after starting college, the median white borrower owed 65 percent of the college loan principal amount originally borrowed. By comparison, after 12 years, the median Black borrower actually owed 13 percent *more* than what was originally borrowed.[34]

Increases in Tuition in Illinois Have Coincided With Decreases in Funding for Monetary Award Program (MAP) Grants

- In FY 2000, the average MAP grant award in Illinois covered 66 percent of the average public university tuition and fee cost.[35] From FY 2000 to FY 2020, average tuition for both in-state and out-of-state students attending a public university in Illinois jumped by 283 percent in nominal dollars.
- However, the average MAP grant awarded over that sequence did not keep pace with the spike in tuition, growing by just 59 percent in nominal dollars.
- After accounting for changes in inflation and population, tuition costs at public universities in Illinois grew by 149 percent in real terms over the FY 2000-FY 2020 sequence. MAP grant awards, however, increased by only three percent after adjusting for inflation.
- Consequently, the average MAP grant awarded in FY 2020 covered just 27 percent of the average annual cost of tuition and fees for a four-year public university, a significant decline in value of nearly 60 percent.[36]
- Meanwhile after adjusting for inflation, the average tuition and fee cost of attending a community college in Illinois jumped by 86 percent over the FY 2000-FY 2020 sequence. However, the average MAP grant awarded to a student attending community college in Illinois actually decreased by 11 percent in real terms over this twenty-year period.
- The net result: in FY 2020, the average MAP grant awarded to a student attending a community college in Illinois covered just 23 percent of the average cost of community college tuition and fees, a decline in value of 73 percent or almost three quarters from FY 2000 levels.[37]
- By underfunding need-based MAP grants, Illinois hinders economic mobility for low-income families in general, and families of color in particular. Over half of MAP grant recipients are first generation

students, and more than half of the undergraduates at Illinois's public universities who identify themselves as Black or Latinx receive a MAP grant.[38]

As State Investment in Public Higher Education Has Fallen and Net Tuition Costs Have Grown, Enrollment in Illinois Has Declined

- Between FY 2010 and FY 2020, Full-Time Equivalent ("**FTE**") enrollment in public institutions of Higher Education decreased nationally by four percent. During that same sequence, however, the decline in FTE enrollment for Illinois' public colleges and universities was 20.4 percent, or over five times worse.[39]
- Moreover since 2001, Illinois has experienced "**net outmigration**" of first-time undergraduates. That simply means the number of first-time undergraduates who left Illinois to attend public universities in other states, exceeded the number of first-time undergraduates from other states who chose to enroll in Illinois' public universities.
- This net outmigration from Illinois worsened following the Great Recession, and was particularly acute during the state's budget impasse of FY 2016-FY 2017.[40] For instance in FY 2001, Illinois experienced a net loss of 9,773 high school graduates to colleges in other states.[41] By FY 2019, the net loss had grown by 104 percent to 19,929 Illinois high school graduates attending college in another state .[42]

3. Adequate Investment in Higher Education Makes Economic and Fiscal Sense

3.1. Greater Educational Attainment Correlates to Higher Wages and Lower Unemployment for Individuals and Contributes to Better State-Level Economic Growth

The economic well-being of individuals, as well as the economic health of the state, are both highly correlated with higher levels of educational attainment. Consider the importance of educational attainment for individuals first. As shown in **Figure 1**, unemployment rates decrease as educational attainment rises, regardless of geographical location. For instance, in 2020, the unemployment rate in Illinois for high school graduates without a college degree was almost double the unemployment rate for individuals who went on to attain a four-year college degree.[43]

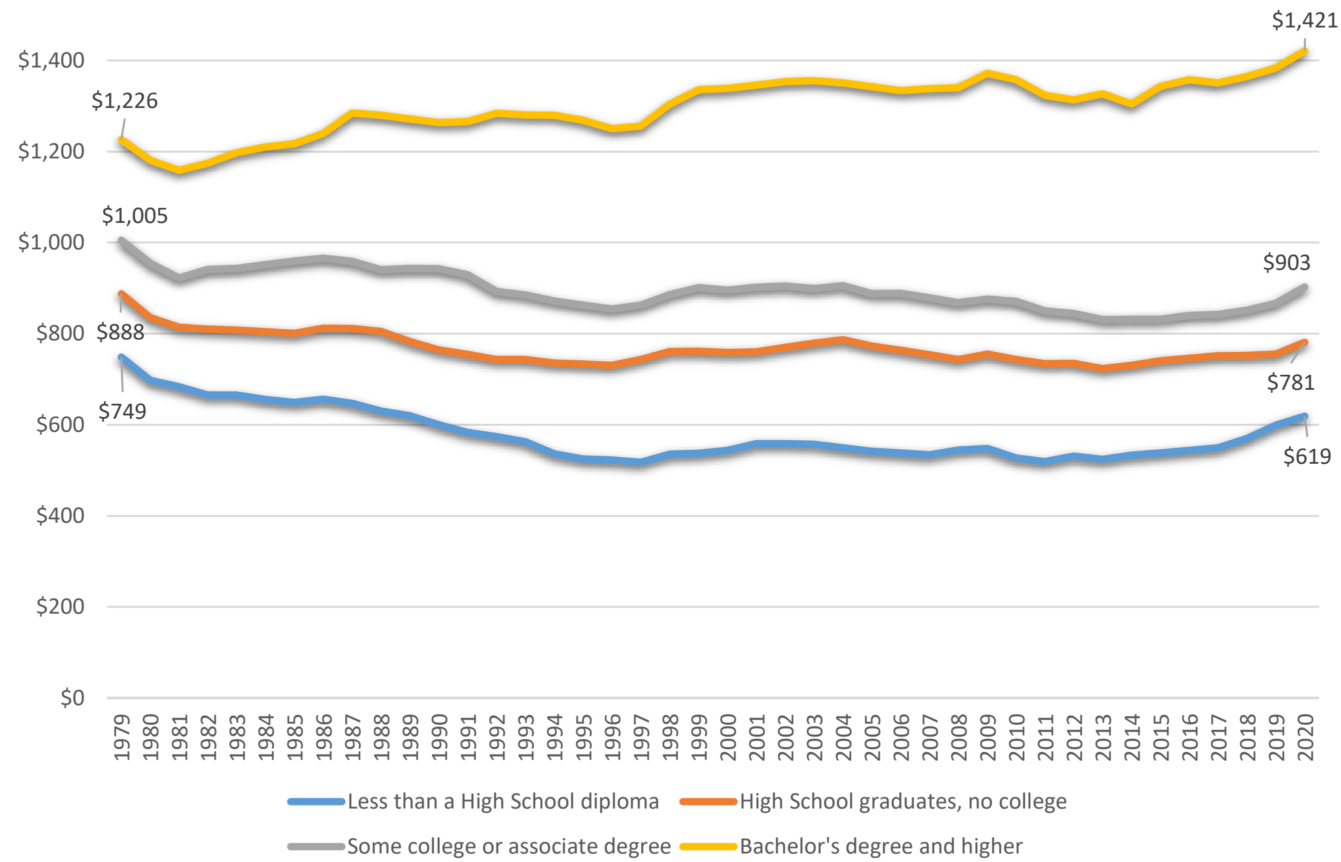
FIGURE 1
2020 UNEMPLOYMENT RATES BY EDUCATIONAL ATTAINMENT AND GEOGRAPHICAL LOCATION

	Illinois	Midwest Region	Nation
Less than a high school diploma	11.5%	10.8%	11.7%
High school graduates, no college	10%	8.5%	9%
Some college or associate's degree	8.8%	7.2%	8.3%/7.1%*
Bachelor's degree and higher	5.6%	4.1%	5.5%

*Sources: U.S. Bureau of Labor Statistics, Current Population Survey, 2020; *The national data separates these categories, while state and regional data sets combine them. For those with an associate's degree, the national unemployment rate was 7.1 percent, while for those with some college it was 8.3 percent.*

Meanwhile, over the last three decades, the correlation between obtaining a post-high school degree on the one hand, and wage levels on the other, grew significantly. In fact, as shown in **Figure 2**, since 1979 the only cohort of workers in America who have seen their incomes grow at a rate faster than inflation—i.e., have seen real growth in purchasing power—are those with a college degree.[44]

FIGURE 2
AVERAGE WEEKLY EARNINGS BY EDUCATIONAL ATTAINMENT, IN 2020 DOLLARS



Source: CTBA analysis of Labor Force Statistics from the Current Population Survey; adjusted for inflation using historical CPI-U data

Figure 3 shows the real change in weekly earnings between 1979 and 2020, by both dollar amount and percentage.

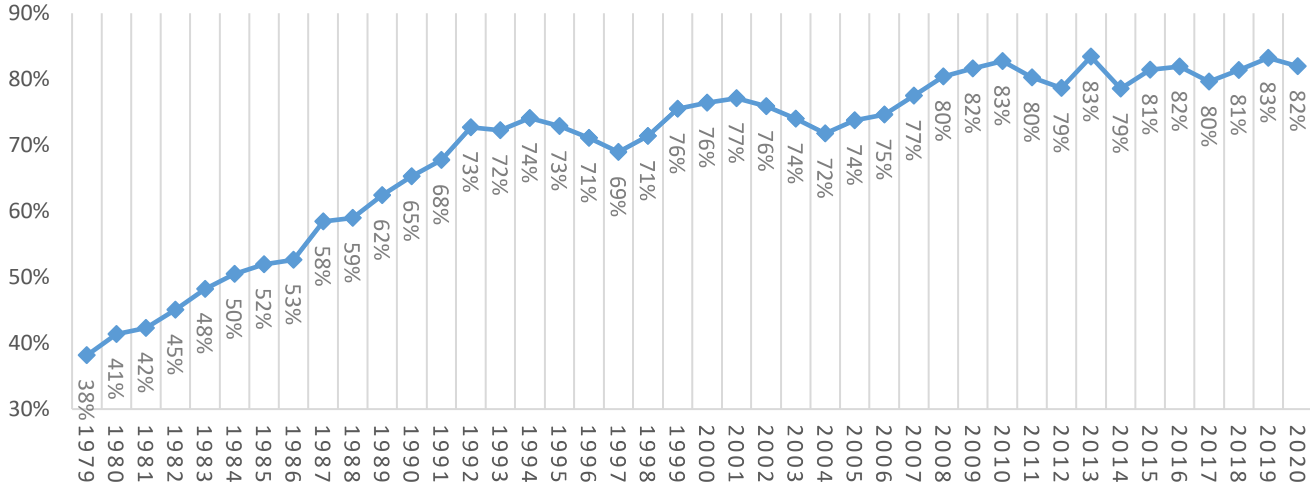
FIGURE 3
COMPARISON OF WEEKLY EARNING, 1979 TO 2020, IN 2020 DOLLARS

	Less than a High School Diploma	High School graduates, no college	Some college or associate degree	Bachelor's degree and higher
1979	$749	$888	$1,005	$1,226
2020	$619	$781	$903	$1,421
$ Change	**($130)**	**($107)**	**($102)**	**$195**
% Change	**-17%**	**-12%**	**-10%**	**16%**

Source: CTBA analysis of Labor Force Statistics from the Current Population Survey; adjusted for inflation using historical CPI-U data

Not surprisingly then, over that 40-year sequence, the difference in earning power between individuals with and without a college degree widened substantially. Consider that, at the national level in 1979, full-time workers with a bachelor's degree or higher had median weekly earnings that were 38 percent greater than workers whose highest level of education was a high school diploma. By 2020, that wage gap had more than doubled to 82 percent, as shown in **Figure 4**.[45]

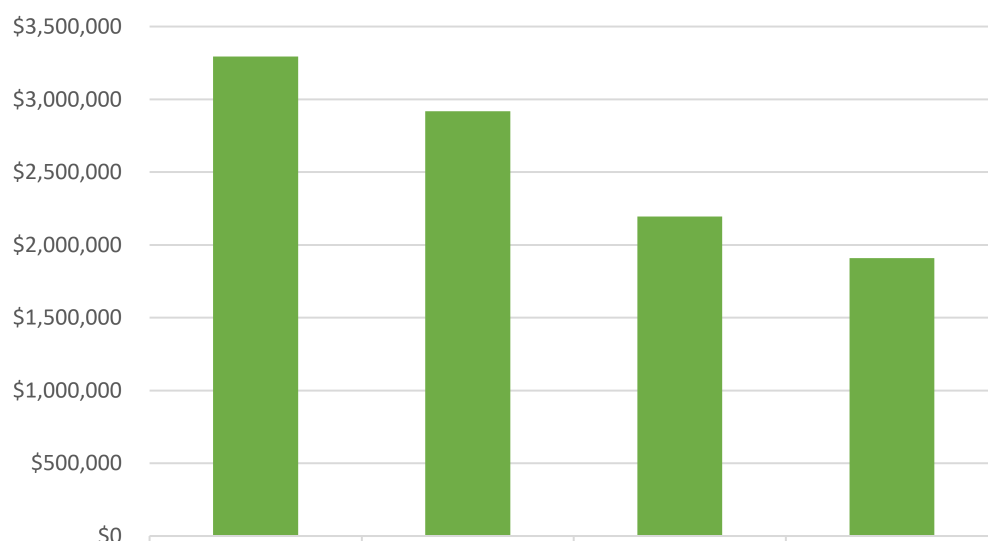
FIGURE 4
WAGE GAP BETWEEN FULL-TIME WORKERS WITH BACHELOR'S DEGREE OR HIGHER & HIGH SCHOOL DIPLOMA, 1979-2020 IN 2020 DOLLARS.



Source: CTBA analysis of Labor Force Statistics from the Current Population Survey; adjusted for inflation using historical CPI-U data

Moreover, as shown in **Figure 5**, the median lifetime earnings of an individual with a bachelor's degree is $2.9 million, which is 25 percent more than the average associate's degree holder and 35 percent more than those with just a high school diploma.[46] Those who obtain a graduate degree—which about 37 percent of bachelor's degree holders do—can expect lifetime earnings over 42 percent greater than those with just a high school diploma.[47]

FIGURE 5
LIFETIME EARNINGS COMPARISON BY EDUCATIONAL ATTAINMENT



	Master's degree	Bachelor's degree	Associate degree	High school diploma, no college
Lifetime earnings	$3,293,940	$2,917,980	$2,194,920	$1,908,764
% Earnings compared to Bachelor's Degree			-25%	-35%
% Earnings compared to Master's degree		-11%	-33%	-42%

Source: CTBA analysis of U.S. Bureau of Labor Statistics, Current Population Survey, 2020

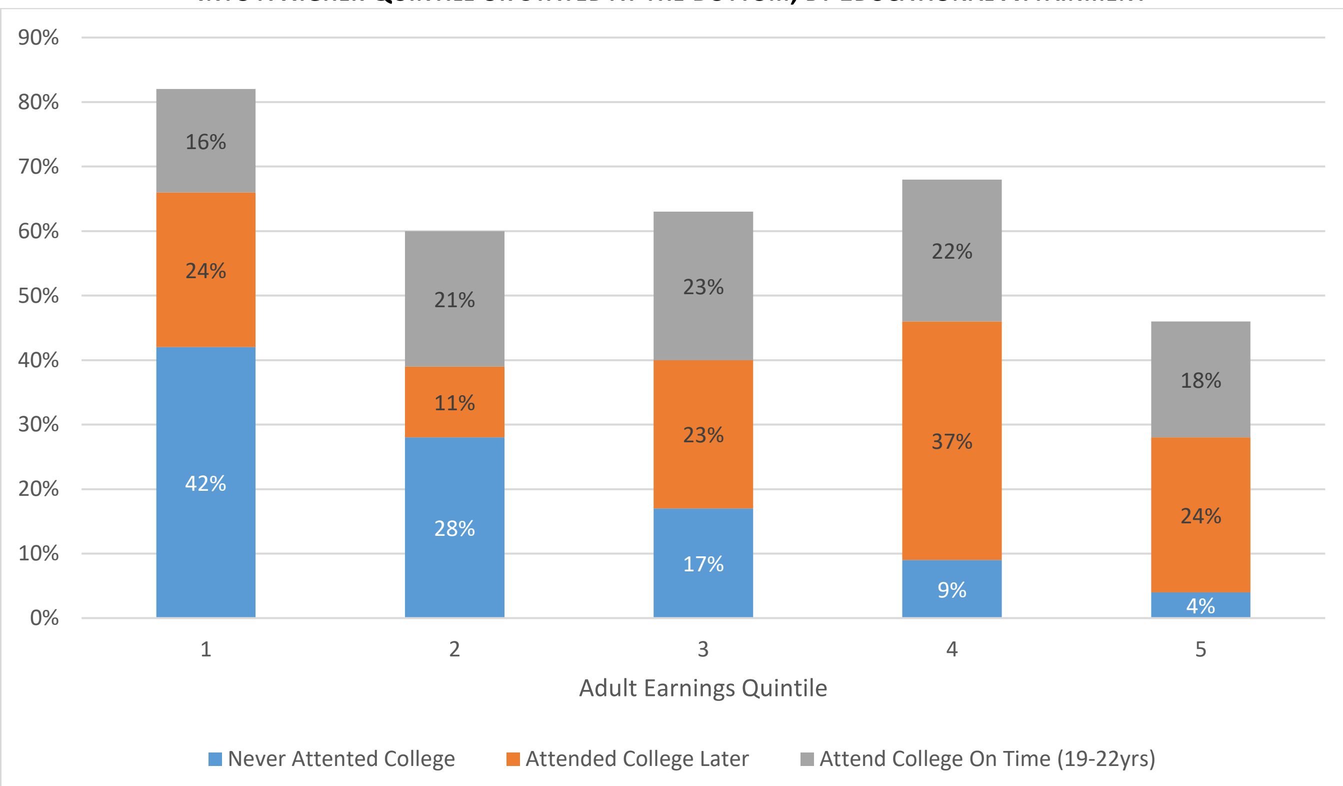
Given the premium in pay associated with higher levels of educational attainment, it should be no surprise that a college degree is a valuable tool for upward mobility. For instance, the Brookings Institute analyzed how educational attainment impacted the income mobility of individuals born into the bottom income quintile, by the time those individuals reached the age of 40.

As shown in **Figure 6**, Brookings found that by age 40, only 13 percent of the individuals who were both born into families with annual earnings in the bottom quintile of the income distribution, and who did not obtain a postsecondary degree, were able to move up the earnings ladder into one of the top two income quintiles.

In contrast, 40 percent of the individuals who were both born into families with earnings in the lowest income quintile, and who did obtain a college degree, were able to attain earnings in one of the top two income quintiles by the time they reached age 40.[48] This powerfully demonstrates how a college degree can impact upward mobility for individuals born into lower income classes.

FIGURE 6

PERCENTAGE OF INDIVIDUALS (AGE 40) WHO WERE BORN INTO THE BOTTOM INCOME QUINTILE AND EITHER MOVED INTO A HIGHER QUINTILE OR STAYED AT THE BOTTOM, BY EDUCATIONAL ATTAINMENT



Source: Brookings Institute, "Opportunity Engines: Middle-Class Mobility in Higher Education," May 2020

College completion not only benefits individuals, but also state economies as a whole. For instance, a study conducted by Noah Berger and Peter Fisher found that the states with the greatest increases in productivity, as measured by gross state product per hour worked, also had the largest share of adults with a college degree.[49] Moreover, that same study found that states with the highest high school and college completion rates also had the highest per capita incomes.[50]

Meanwhile a different study conducted by Ph.D. Economist Eric Hanushek of Stanford University found a strong relationship between the academic achievement of a state's adult workers and economic growth in that state, with states like Massachusetts and Minnesota having both significantly greater levels of academic achievement and rates of economic growth, while states like Alabama and Nevada lagged the nation in both achievement and rate of economic expansion.[51]

3.2. Taxpayer Investments in Higher Education Generate a Positive Rate of Return

A 2016 study of the economic impact of higher education in McLean County (the **"Impact Study"**), concluded that investments in Higher Education create meaningful, positive economic multipliers across the state.[52] For instance, the Impact Study found that in McLean County—home of both Illinois State University and Illinois Wesleyan—the aggregate impact of those institutions of Higher Education on the local economy was $394.6 million of activity.

This total economic impact resulted from both institution payrolls and student spending. Overall, the Impact Study found that for every dollar of direct economic activity generated by a college or university, an additional $0.36 in indirect or induced private sector economic activity was created.[53]

The reason for this is simple: when a state funds postsecondary institutions, those institutions use that funding to pay salaries for staff and to boost enrollment. Those staff members and students then spend money on economic transactions in the local community—such as renting apartments, buying food, or purchasing school supplies. The businesses patronized by those staff members and students in turn spend the money earned from their new customers, generating additional economic activity.[54]

Peoria and Champaign County colleges and universities had economic impacts on their respective communities relatively similar to what McLean County realized. The Chicagoland area and the State of Illinois overall, however, had economic multipliers nearly double the order of magnitude found in McLean County. This is because of limited "leakage" of economic activity out of larger geographical areas. For example, spending on textbooks in McLean might "leak" into other communities because there are no textbook publishers physically present in McLean County, while spending on textbooks in Chicago generates additional economic activity in the city because of the publishing industry presence located there.[55]

So, while McLean County realized $1.36 of private sector economic activity for every dollar spent on things like institutional payroll, the statewide economic multiplier is 2.28. This means that for every dollar spent by an institution of Higher Education in Illinois, $2.28 is generated in economic activity.[56] In FY 2022, Illinois' General Fund appropriation for public colleges and universities is scheduled to be $1.993 billion.[57] Applying the statewide multiplier to that investment in Higher Education translates to $4.54 billion in direct, indirect, and induced economic activity.

The Impact Study also found that the labor multiplier for Higher Education in McLean County is 1.22, meaning that for every 100 college and university employees, 22 additional individuals are employed in the region's private sector.[58] Based on the positive multiplier associated with Higher Education, increased state General Fund investment in Illinois' institutions of Higher Education can be expected to boost employment and earnings for individuals, as well as contribute significantly to the vitality of state and local economies.

3.3. Individuals with Higher Educational Attainment Pay More in Taxes

Increases in personal income for individuals translate into increases in tax revenue for the state. Over a lifetime, the average bachelor's degree holder in the nation spends $278,000 more on local goods and services than the average high school graduate, and hence contributes $43,888 more in state and local taxes.[59] According to Illinois Board of Higher Education ("**IBHE"**) calculations, if Illinois were to increase the percentage of its workforce with a postsecondary credential or college degree from the current 54 percent to 60 percent (the state's goal for 2025), Illinois would collect over $800 million more in tax revenue annually.[60]

Additionally, research shows that state and local governments realize roughly $34,773 in savings on public expenditures for each individual who completes a college degree.[61] That is because when higher education levels are attained, social welfare costs are often averted. Hence there is less reliance on programs such as Medicaid, food stamps, or other public assistance.[62] Which means, in addition to the approximately $800 million in increased tax revenue each year, the state could save nearly $900 million annually from prevented social welfare costs if it met the 60 percent goal.

4. Illinois' FY 2022 General Fund Investment in Higher Education Remains Below the Levels that Pertained Before the Budgetary Impasse of FY 2016-FY 2017

Despite the evidence that adequately funding Higher Education is good for individuals and the economy as a whole, Illinois General Fund appropriations for Higher Education have been cut significantly when viewed over the long term. The FY 2022 General Fund appropriation for Higher Education is scheduled to be $1.993 billion, which does represent a small, nominal dollar increase of $20 million, or one percent, from FY 2021 appropriation levels.[63]

While that modest increase is a sign that the state is moving in the right direction, as shown in **Figure 7**, the FY 2022 appropriation for Higher Education is nonetheless still scheduled to be lower in inflation-adjusted, real terms than it was seven years ago in FY 2015, which was the fiscal year before the infamous two-year budget impasse. Recall that, under former Governor Rauner, Illinois failed to enact a General Fund budget for two consecutive fiscal years, FY 2016 and FY 2017.[64]

FIGURE 7

TOTAL FY 2015 HIGHER EDUCATION APPROPRIATION & FY 2022 ENACTED ($ MILLIONS)

Category	FY 2015 (Nominal)	FY 2015 (infl.-adj.)	FY 2022 Enacted	$ Difference (infl.adj.)	% Difference (infl.adj.)
Higher Education	$1,950	$2,228	$1,993	($234)	(10.52%)

Source: CTBA, "Analysis of FY Illinois' FY 2022 Enacted General Fund Budget"

Indeed, Higher Education realized its most significant year-to-year cut in appropriations, a drop of $1.3 billion in nominal dollars, or 68 percent, between FY 2015, the last fiscal year before Governor Rauner took office, and FY 2016, which was the first year of the budget impasse under Governor Rauner.[65]

Because state General Fund appropriations for Higher Education have only recently been restored to pre-impasse levels in nominal dollars, many public universities and community colleges have not been able to recover from the cuts that were imposed during the budget impasse.[66] For instance, at the university level, numerous staff positions that were eliminated as a result of the budget impasse of FY 2016-FY 2017 remain vacant today.

Consider the case of Northern Illinois University (**"NIU"**), where non-instructional staff declined by 10 percent, a loss of 275 positions, between FY 2014 and FY 2018.[67] In addition to these staff cuts, many NIU faculty members were shifted from full- to part-time.[68] Meanwhile, public universities also received credit rating downgrades during the impasse—and in most cases, multiple downgrades—due to their weakened competitive position driven by reputational damage.[69]

The longstanding underfunding of Higher Education in Illinois has also contributed to substantial growth in deferred maintenance costs for community colleges and public universities across the state. As campus facilities age and deteriorate, lack of adequate state funding has caused maintenance projects—including critical repairs, remodeling, and infrastructure improvements—to be delayed or deferred. With almost no state funding for Higher Education facility maintenance projects over the FY 2004-FY 2020 sequence,[70] total deferred maintenance grew from $2.7 billion in FY 2005 to nearly $6.7 billion in FY 2020.[71]

To address some of the need for statewide infrastructure investments, in July 2019 Governor Pritzker signed the Rebuild Illinois Capital Plan into law.[72] The Rebuild Illinois program will provide significant support for capital investments in the state's public institutions of higher learning. However, the aggregate Rebuild Illinois funding targeted to Higher Education is around $2.9 billion, or roughly 11 percent of the $26.6 billion value in university facilities.[73]

5. Even Before the Budget Impasse, Illinois' General Fund Investment in Higher Education Had Been Inadequate

Higher Education funding cuts did not begin with the budget impasse over the FY 2016-FY 2017 sequence. In fact, the scheduled General Fund appropriation for Higher Education in FY 2022 remains nearly 50 percent less in real, inflation-adjusted terms than it was in FY 2000.[74] Though most core service categories also experienced real cuts in funding over this sequence, as shown in **Figure 8,** Higher Education was the only service area that was cut so dramatically that its current appropriation is actually less in nominal, non-inflation-adjusted dollars than in FY 2000.[75]

FIGURE 8
ILLINOIS GENERAL FUND SPENDING ON CORE SERVICES:
FY 2022 ENACTED COMPARED TO FY 2000 ENACTED ($ MILLIONS)

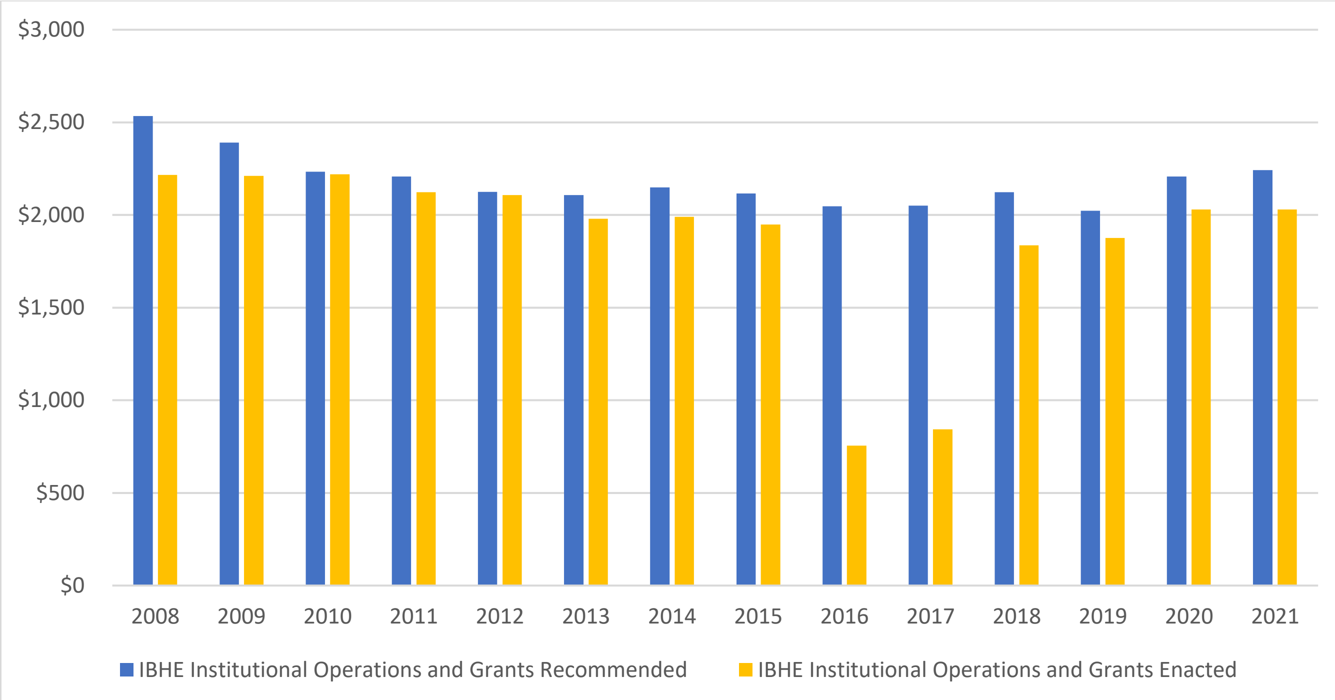
Category	FY 2000 Enacted (Nominal)	FY 2000 Enacted (inf. adj.)	FY 2022 Enacted	$ Change (inf. adj.)	% Change (inf. adj.)
Healthcare	$5,022	$10,038	$7,795	($2,243)	-22.35%
Human Services	$4,599	$8,187	$7,384	($803)	-9.81%
K-12 Education	$4,674	$8,321	$8,696	$375	4.51%
Higher Education	$2,152	$3,831	$1,993	($1,838)	-47.97%
Early Childhood Education	$170	$303	$544	$241	79.67%
Public Safety	$1,350	$2,403	$1,934	($469)	-19.52%
Total Net General Fund Service Appropriations	**$20,064**	**$35,718**	**$27,802**	**($7,204)**	**-20.17%**

Sources: FY 2000 unadjusted appropriations from Governor's final budget summary for FY 2000; and CTBA analysis of P.A. 102-0017; Healthcare appropriations inflation-adjusted using Midwest Medical Care CPI; all other appropriations adjusted using ECI-C from the BLS and population growth from the Census Bureau

By comparison, real, inflation-adjusted state appropriations for Higher Education declined by only 15.4 percent between FY 2000 and FY 2020 on the national level.[76] Which means ***the cuts to Higher Education in Illinois over this sequence were fully 32.5 percentage points worse than the national average.***

Moreover, state General Fund appropriations for Higher Education have consistently fallen below the levels requested by the IBHE. Each year, IBHE is required to submit to the Governor and the General Assembly a Higher Education budget recommendation for the ensuing fiscal year. Despite the demonstrable economic importance of Higher Education, Illinois decision makers have opted to underfund IBHE's budget recommendations every fiscal year since 2008, as shown in **Figure 9.**

FIGURE 9
IBHE GENERAL FUND BUDGET RECOMMENDATIONS VERSUS
ENACTED GENERAL FUND APPROPRIATIONS FY 2008-FY 2021 ($ MILLIONS)



Source: IBHE FY 2008-FY 2021 Budget Recommendations and Final Appropriations

Between FY 2008 and FY 2019, Illinois underfunded the aggregate IBHE budget recommendation for Higher Education by a total of $6.51 billion in nominal dollars. **If instead that $6.51 billion had been invested in Illinois institutions of Higher Education, the state could have generated an additional $14.85 billion in economic activity, according to the statewide economic multiplier referenced previously in Section 3.2.**[77]

Meanwhile, as appropriations for current Higher Education services have declined in real terms over time, General Fund pension contributions to the Illinois State University Retirement System ("**SURS**") have increased substantially. So much so, that in FY 2022, this contribution is scheduled to be more than eight times greater than it was in FY 2002.[78]

The significant growth in General Fund pension contributions to SURS is not being caused by the benefits being earned by university professors and workers who are members of that system. Instead, the driver of these increased contributions is the back-loaded debt service structure created under the 1995 "Pension Ramp."[79]

Pension contributions the state makes to SURS are comprised of two items. First is the "normal cost" of covering the benefits that will ultimately be paid to current workers who are members of SURS when those workers retire. Second is the amount needed to repay SURS for the accumulated unfunded liabilities or debt that the state ran up by intentionally underfunding SURS in the past.

Based on the 1995 Pension Ramp—which both identifies the payment of normal costs in a given year, as well as the amortization schedule for repaying unfunded liabilities—80.5 percent of the total pension contribution to SURS in FY 2022 is for paying debt service in the form of unfunded liabilities, while only 19.5 percent is for covering the normal cost of benefits being earned.[80]

Though the normal costs of funding pensions being earned under SURS have remained relatively stagnant (and have even begun a downward trend due to the implementation of less generous Tier II benefits for employees hired on or after January 1, 2011), the state's contribution to SURS required under the Pension Ramp for FY 2022 is scheduled to be 8.08 times greater than the contribution made in FY 2002.[81] This shows how significantly backloaded the debt service plan created under the Pension Ramp is.

Unfortunately, until the repayment of the pension debt is re-amortized into an affordable and responsible schedule, state contributions to SURS will continue to grow at unaffordable rates, and artificially reduce available state resources that could otherwise go to fund current Higher Education programs and operations. (For more information on how to create a responsible approach to funding the pensions, see CTBA's report "Update: Addressing Illinois' Pension Debt Crisis with Re-amortization")

6. As the State Investment in Higher Education Declines, Public Institutions Rely Increasingly on Tuition and Fees, Making Postsecondary Education Unaffordable for Many Illinoisans

6.1. Reduced General Fund Support for Higher Education Has Driven Up Tuition Costs

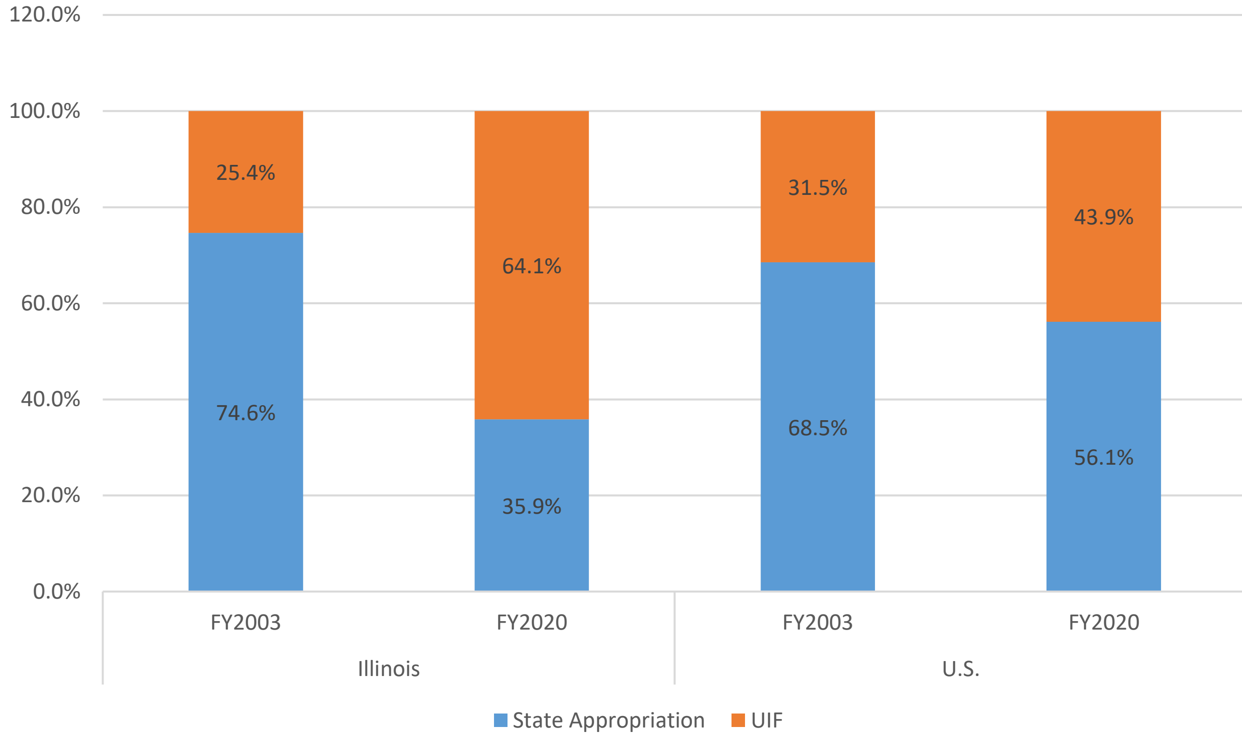
The ongoing disinvestment in Higher Education documented previously in this report has had many negative consequences. Among the most concerning is it makes attending public university in Illinois increasingly less affordable for low-and middle-income families over time.

Consider that General Fund appropriations for Higher Education peaked in FY 2002 at $2.4 billion—or the equivalent of $3.45 billion in today's dollars after adjusting for inflation.[82] To reach FY 2002 levels again, Illinois would have to invest $1.5 billion more into Higher Education than what is appropriated in FY 2022—or nearly double the state's current General Fund appropriation for Higher Education of $1.993 billion.[83]

At the peak level of state funding for Higher Education that was reached in FY 2002, General Fund appropriations accounted for 72 percent of total revenue for Illinois' public universities, with the remaining 28 percent derived from UIF.[84] UIF are primarily the tuition and fees paid by students.[85] As a result of the decades long disinvestment in Higher Education that occurred thereafter, however, this ratio substantially reversed. By FY 2020, General Fund appropriations covered just 35.9 percent of public university revenue, while the remaining 64.1 percent was made up of UIF—that is tuition and fees.[86]

Even though tuition and fees also accounted for an increased percentage of total public university revenue nationally over this time period, the shift in Illinois is significantly more drastic than the national shift, as shown in **Figure 10**.[87]

FIGURE 10
PUBLIC UNIVERSITY REVENUE BY SOURCE, FY 2003 AND FY 2020



Sources: IBHE Annual Report on Public University Revenues and Expenditures: FY 2020; SHEEOA State Higher Education Finance: FY 2020

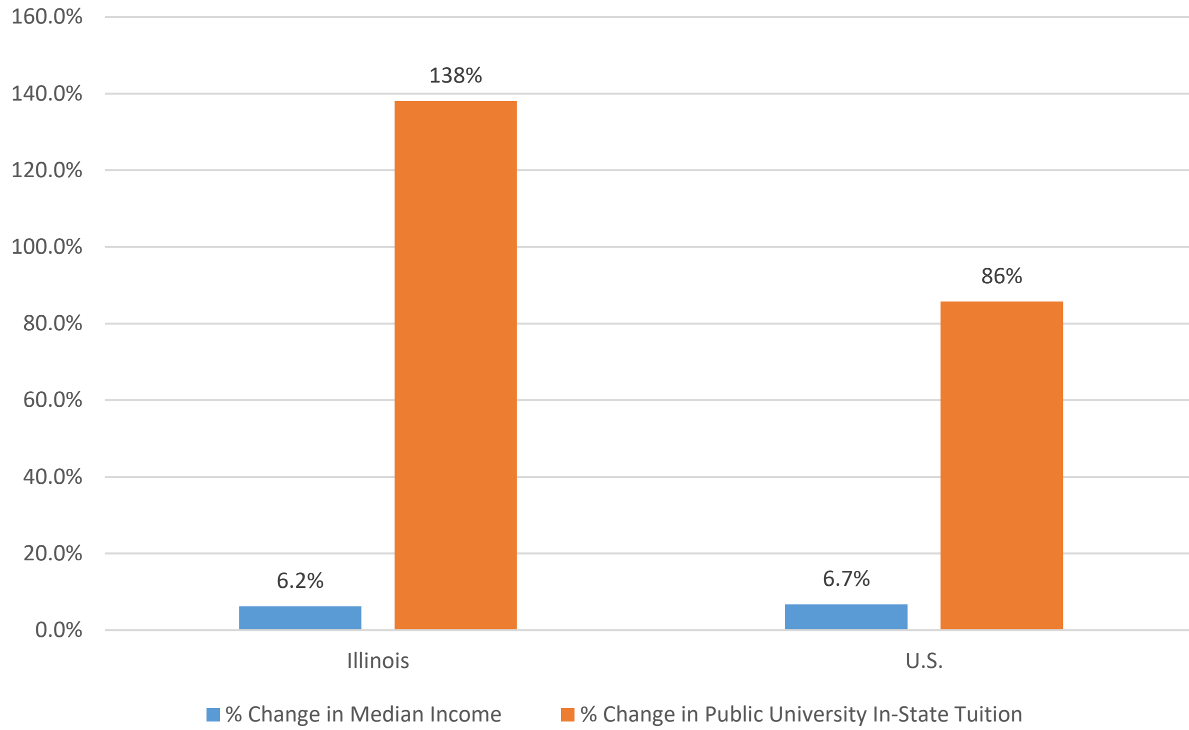
Over the FY 2003-FY 2019 time period, community college support also shifted away from the state, but this time it shifted not just onto students and their families, but also local property taxes. Initially, community colleges were funded based on the principle that costs would be evenly split among the state, tuition, and property taxes.[88] However, the portion of community college costs actually covered by state revenue has fallen from 26.3 percent in FY 2003 to just 13.3 percent in FY 2019, a decline of nearly 50 percent.[89]

During that sequence, the share of costs covered by property tax revenue increased slightly, from 42 to 45.2 percent. Meanwhile, the share covered by tuition jumped from 21.1 percent in FY 2003, to 38.3 percent in FY 2019.[90] In FY 2016, the first year of the budget impasse, property taxes covered the majority of community college costs—52.2 percent—tuition covered 43.7 percent, and state funds covered just 4.1 percent.[91]

Cuts in Illinois state-level funding for Higher Education over the last two decades have led to an increased tuition burden being placed on students and their families. Nationally, Illinois had the 13th highest total, in-state public university tuition and fee cost in FY 2000, with an average annual cost of $4,040 in nominal dollars, or $6,072 in 2020 dollars.[92]

By FY 2020, the average student in Illinois had to pay $14,455 for in-state tuition and fees to attend a four-year public university—the fourth highest price tag in the nation.[93] This means that, after adjusting for inflation, average in-state tuition at Illinois' four-year public universities has more than doubled—increasing by 138 percent—between FY 2000 and FY 2020, as shown in **Figure 11**.[94]

FIGURE 11
PERCENTAGE CHANGE IN MEDIAN INCOME AND PUBLIC UNIVERSITY IN-STATE TUITION, FY 2000-FY 2020



Sources: CTBA analysis of FRED St. Louis Fed Median Income data and NCES Digest of Education Statistics Table 330.20

This creates a real economic challenge for most Illinois families, given that the median household income in Illinois increased by 6.2 percent over the same sequence.[95] As shown in **Figure 11**, national trends are similar to but not as extreme as in Illinois. Between FY 2000 and FY 2020, national median income rose by just 6.7 percent, while average in-state public university tuition went up 86 percent.[96]

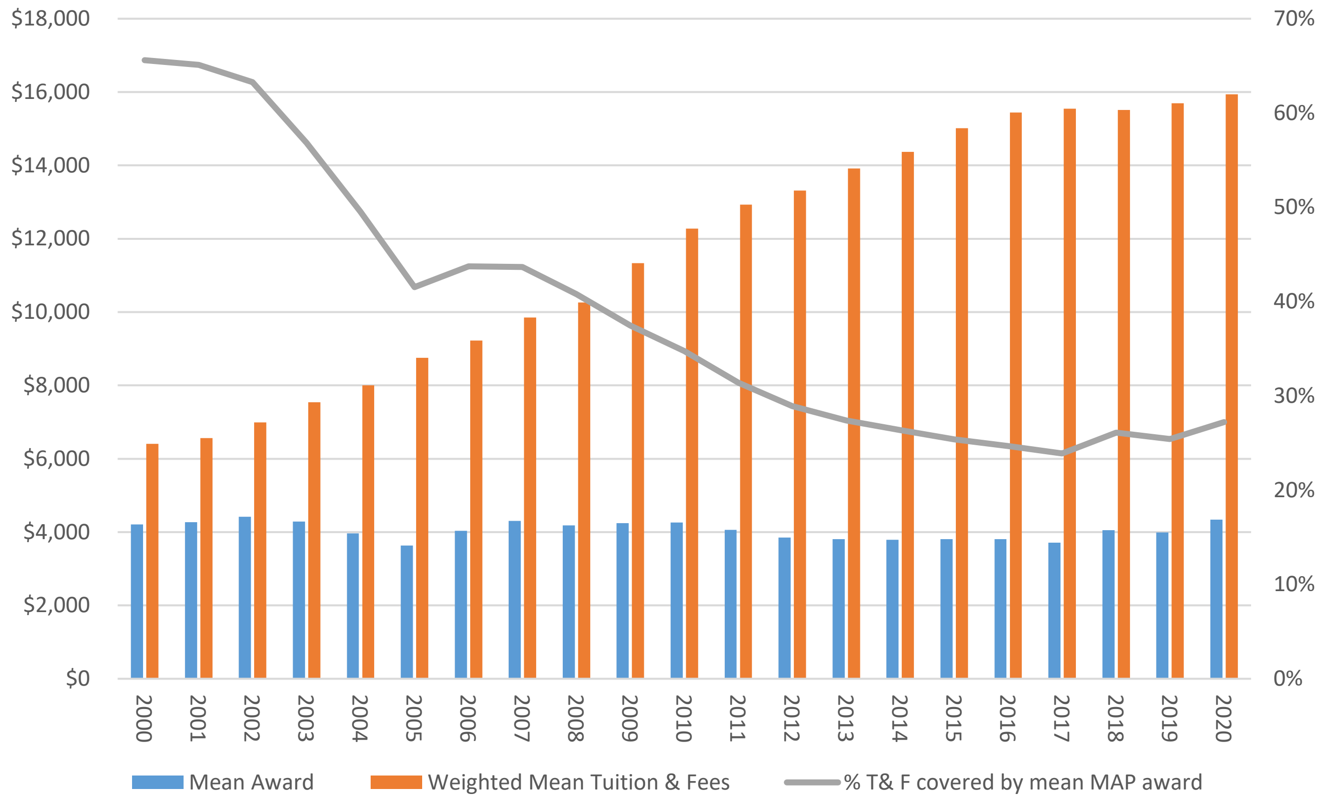
6.2. As Tuition Costs Increase, Underfunded MAP Grants Make College Even Less Affordable For Low-income Families

The Monetary Award Program—or "**MAP**"—is a financial aid grant program administered by the Illinois Student Assistance Commission ("**ISAC**"), and funded by the State of Illinois. Eligibility for MAP is based on financial need as determined under the Free Application for Federal Student Aid ("**FAFSA**") rubric. Because it is a grant program, MAP awards do not have to be repaid. MAP grants are awarded on a first-come, first-served basis, with eligible applicants who are not initially awarded a grant being added to a waitlist.[97]

The average MAP grant awarded in FY 2000 covered 66 percent of the then average annual tuition and fee cost of attending a four-year public university in Illinois.[98] Then came the spike in tuition at public universities in Illinois. From FY 2000 to FY 2020, the average four-year tuition cost for students attending public universities in Illinois jumped 283 percent in nominal dollars. Unfortunately, MAP grant awards did not keep pace with this tuition spike—increasing on average by just 59 percent in nominal dollars.

After adjusting for changes in inflation and population, tuition costs at public universities in Illinois grew by 149 percent over the FY 2000-FY 2020 sequence, while MAP grant awards increased by only three percent in real, inflation-adjusted terms.[99] Consequently, the average MAP grant awarded in FY 2020 covered just 27 percent of the average annual cost of tuition and fees for a four-year public university, a significant decline of nearly 60 percent, as shown in **Figure 12**.[100]

FIGURE 12
COMPARISON OF PUBLIC UNIVERSITY TUITION AND FEES TO MEAN MAP AWARDS, FY 2000-FY 2020



Source: Illinois Student Assistance Commission, FY 2019 Databook and FY 2020 Databook

MAP grant coverage of community college tuition and fees followed a similar downward trajectory over the same time sequence. In FY 2000, the average community college MAP grant award covered 53 percent of average community college tuition and fees. Between then and FY 2020, Illinois community college tuition and fees grew by 187 percent in nominal dollars, while the average MAP award increased by just 23 percent in nominal dollars. The preceding nominal dollar comparison does not accurately reveal the dramatic extent of the state's disinvestment in MAP grants for community college.

That is because after adjusting for inflation, the average tuition and fee cost of attending a community college in Illinois jumped by 86 percent over the FY 2000-FY 2020 sequence. Meanwhile, the average MAP grant awarded to a student attending community college in Illinois actually decreased by 11 percent in real terms over this twenty-year period. The net result: in FY 2020, the average MAP grant award for a student attending community college in Illinois covered just 23 percent of average community college tuition and fees, a decline of 73 percent or almost three quarters from FY 2000 levels, as shown in **Figure 13**.[101]

Figure 13
Community College Tuition and Fees and Mean MAP Award, FY 2000-FY 2020

Source: Illinois Student Assistance Commission, FY 2019 Databook and FY 2020 Databook

The good news is that since FY 2020, General Fund appropriations for MAP grants have increased in nominal dollars each year, growing from $443 million in FY 2020 to $480 million in FY 2022.[102] That $480 million appropriation for MAP grants in FY 2022 marks a new nominal dollar peak in MAP grant funding. Prior to FY 2020, the previous high point of $412 million was set in FY 2012.[103]

The bad news is despite those recent increases, the funding level for MAP in the FY 2022 General Fund is insufficient for the program to award grants which cover enough of tuition and fee costs to encourage all eligible low-income students to attend college. Consider that the highest MAP grant currently awarded covers only 34 percent of the average tuition and fee cost at a public university, and 36 percent of the average tuition and fee cost at a community college.[104] That means a low-income student who qualifies for financial aid will have to foot anywhere from 66 percent to 64 percent of the cost of attaining a post-secondary degree at a public institution of higher learner in Illinois—which will be prohibitive for many.

Meanwhile in 2019-2020, 80 percent of eligible applicants were offered a MAP grant—but only 65 percent of all eligible applicants actually enrolled in college and ultimately received such a grant.[105]

Which means it is quite likely that the substantial decline in the value of MAP grants Illinois has been awarding over the last two decades is dissuading many low-income students from attending college. That is a real negative outcome, given the significant and growing correlations between an individual attaining a college credential and economic viability in the modern economy.

By underfunding need-based MAP grants, Illinois hinders economic mobility for low-income families in general, and families of color in particular. Over half of MAP grant recipients are first generation students, and more than half of the undergraduates at Illinois's public universities who identify themselves as Black or Latinx receive a MAP grant.[106]

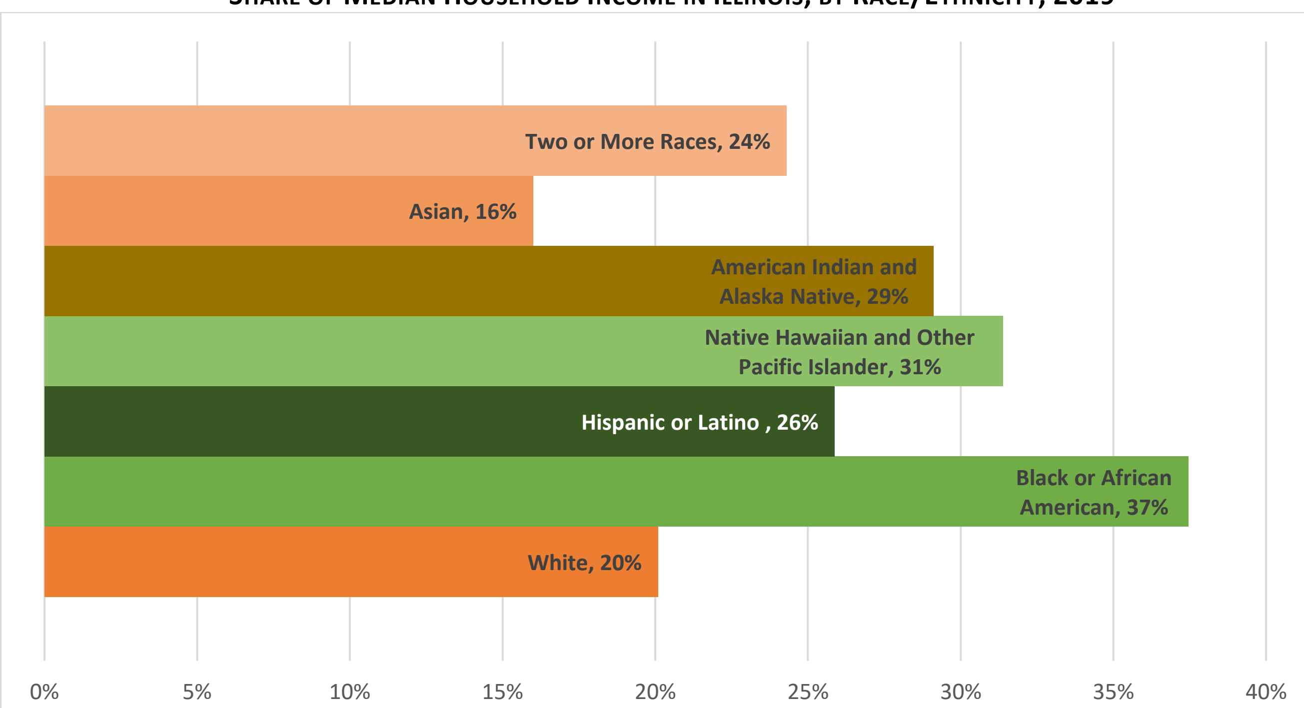
7. Increases in Tuition and Fees Have a Disproportionately Negative Impact on Low-Income Students and Students of Color

Though the drastic increase in the net price of attending a public university—that is, total tuition and fees minus average financial aid—has made Higher Education less affordable for most families, the impact has disproportionately affected low-income students. So much so that currently, the average cost of having a student attend a public university in Illinois would consume nearly a quarter of the total annual earnings of a typical middle-income family, and a whopping 63 percent of the annual earnings of the typical low-income family.[107]

Moreover, given that median income for white households in Illinois is 48 percent greater than median income for Black households, and 25 percent greater than median income for Latinx households, it should be no surprise that college affordability issues disproportionately burden people of color.[108]

In 2019, the average cost of in-state tuition and fees at a public four-year university in Illinois would consume 37 percent of the median Black household income, and 26 percent of median Latinx household income. For comparison, average tuition and fees in Illinois would consume 20 percent of median white household income, as shown in **Figure 14.**[109]

FIGURE 14
AVERAGE IN-STATE TUITION AND FEES AT A PUBLIC 4-YEAR UNIVERSITY AS A SHARE OF MEDIAN HOUSEHOLD INCOME IN ILLINOIS, BY RACE/ETHNICITY, 2019

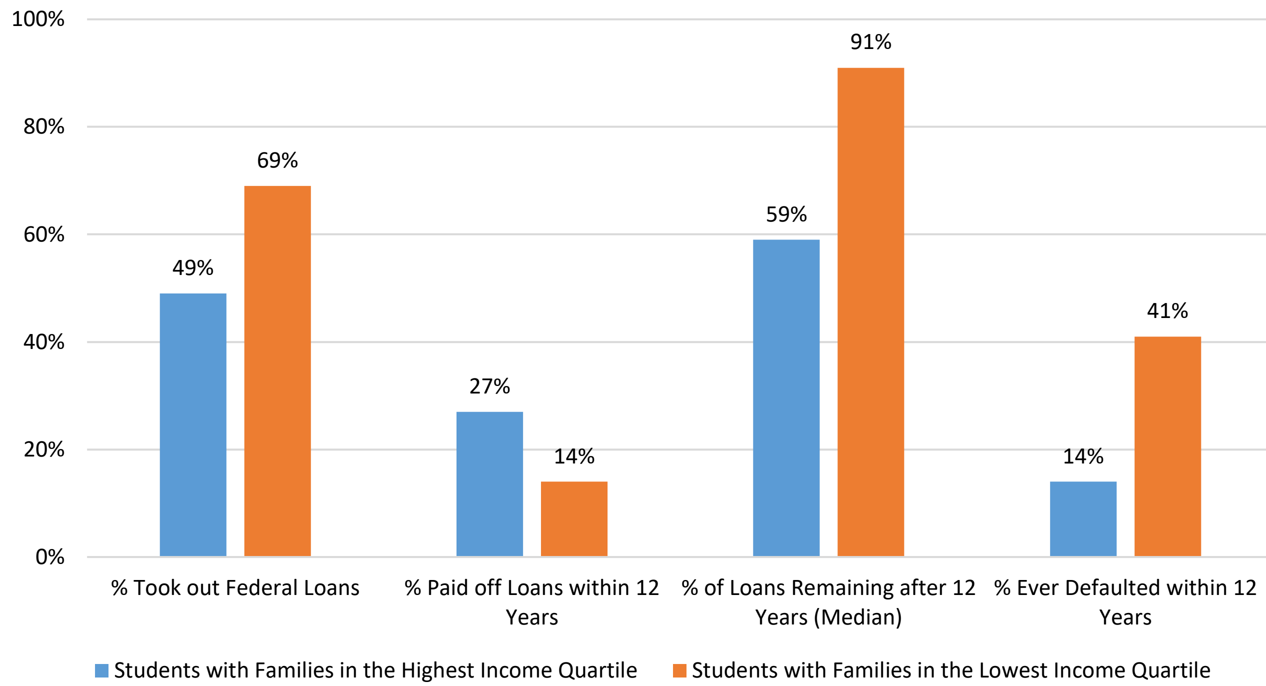


Source(s): U.S. Census Bureau, 2015-2019 American Community Survey 5-Year Estimates; U.S. Department of Education, National Center for Education Statistics, Integrated Postsecondary Education Data System (IPEDS), Fall 2018 and Fall 2019, Institutional Characteristics component; and Spring 2019 and Spring 2020, Fall Enrollment component

Because tuition costs consume so much more of the annual earnings of low-income families generally, and minority families specifically, low-income and minority students are disproportionately over-burdened with student debt. According to the most recent report from the National Center of Education Statistics, postsecondary students with a family income in the lowest quartile not only take out loans to attend college at higher rates than other income classes, but also still owe a much larger percentage of the amount borrowed 12 years after incurring their student debt.

As shown in **Figure 15**, only 14 percent of low-income students pay off all of their federal college loans within 12 years, while 41 percent have defaulted on their loans within those 12 years. Compare that to the 27 percent of high-income students who pay off all of their college loans within 12 years, and the 14 percent who have defaulted within 12 years.[110]

FIGURE 15
STUDENT DEBT AND REPAYMENT, BY FAMILY INCOME QUARTILE



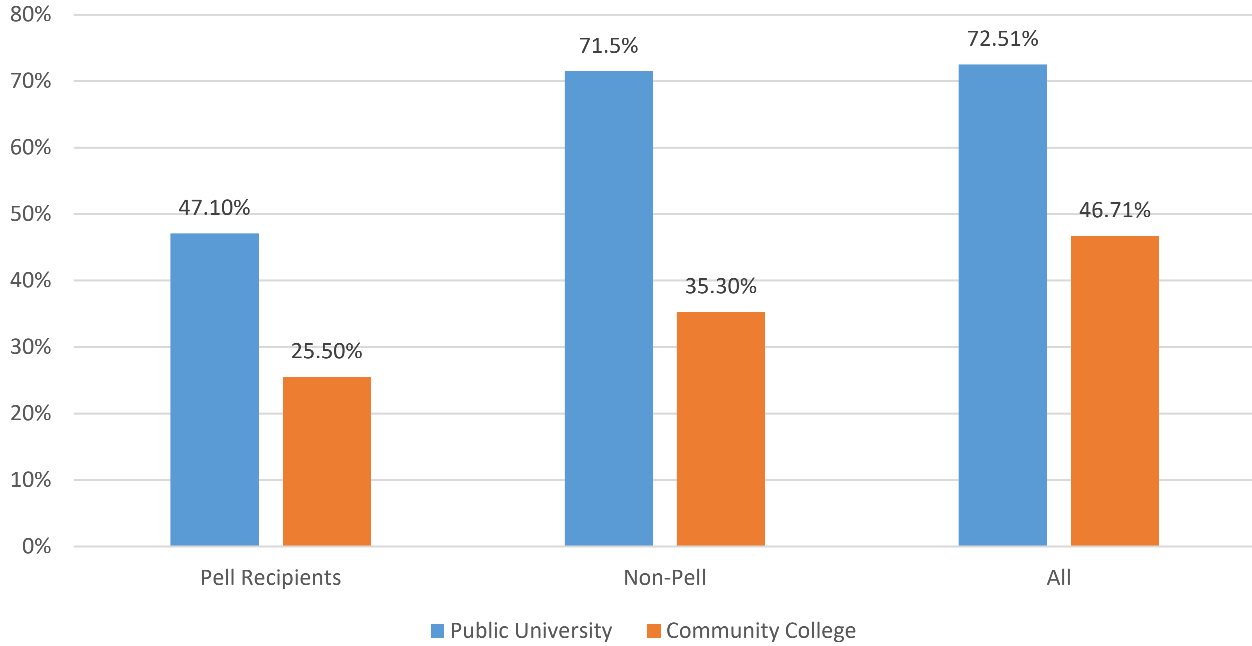
Source: NCES, Repayment of Student Loans as of 2015 among 2003-04 First-Time Beginning Students, 2017

As a sub-group, Black students are particularly hard hit by student debt. For instance, 78 percent of Black students who began college in the 2003-2004 school year took out federal student loans, compared to 57 percent of white students, and 60 percent of all students. Twelve years after beginning school, the median white borrower still owed 65 percent of the principal amount of the college loans they originally borrowed. By comparison, after 12 years, the median Black borrower owed 13 percent ***more*** than originally borrowed.[111]

Another example of the disproportionate impact of rising college costs on low-income students and students of color can be observed in college completion rates, which are shown in **Figure 16**. While 72.5 percent of all students who enroll in public university in Illinois graduate in six years, just 47 percent of low-income students do, compared to 71.5 percent of non-low-income students.[112]

FIGURE 16

SIX-YEAR POSTSECONDARY COMPLETION RATE FOR STUDENTS ENROLLED IN COLLEGE IN ILLINOIS

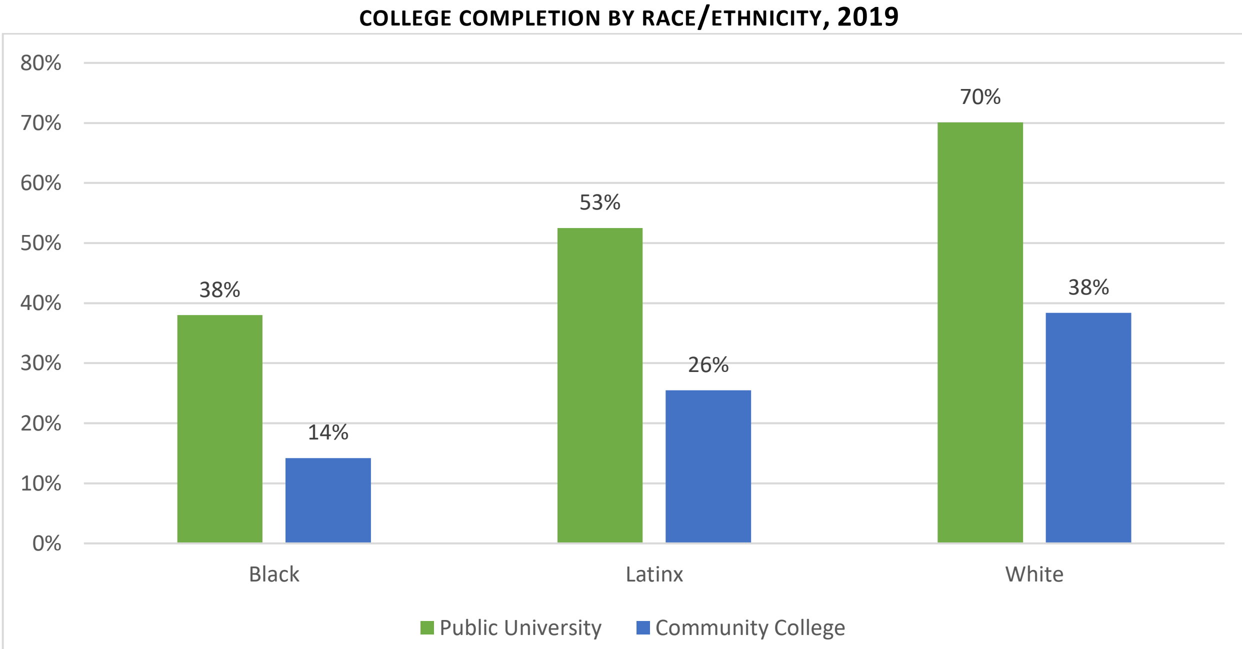


Source: Illinois State Board of Higher Education, "Assessing Equity in Illinois Higher Education: Part 2," September 15, 2020

College completion rates also vary by race and ethnicity. Of all students enrolled in four-year Illinois universities, 70 percent of white students graduate in six years, compared to just 38 percent of Black and 53 percent of Latinx students. The three-year community college completion rate for white students is 38 percent, compared to 14 percent for Black and 26 percent for Latinx students, shown in **Figure 17**.[113]

FIGURE 17

COLLEGE COMPLETION BY RACE/ETHNICITY, 2019



Source: IBHE, "A Thriving Illinois: Higher Education Paths to Equity, Sustainability, and Growth." 2021

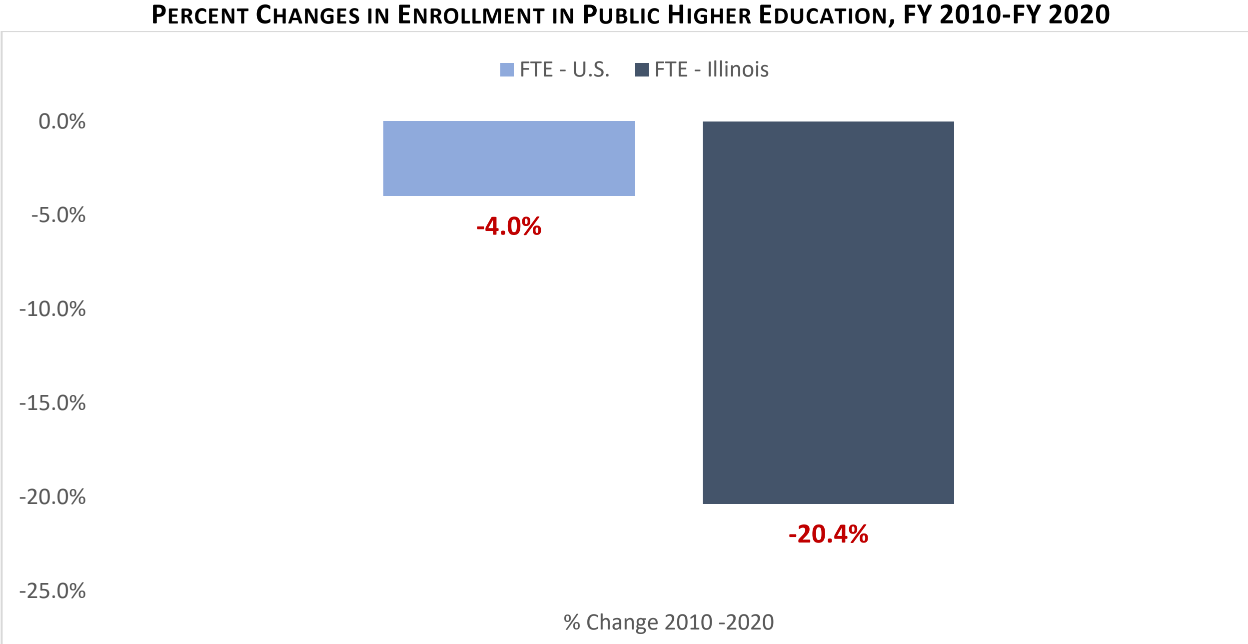
Moreover, a significantly greater proportion of individuals who do not graduate from college or university end up defaulting on their student loans. For instance, 45 percent of the students who began their college careers in 2005-2006 but did not graduate, defaulted on their student loans within 12 years. However, only 22 percent of the students entered college in 2005-2006 and attained an associate's degree defaulted on their loans within 12 years, while just eight percent of those students who attained a bachelor's degree defaulted within 12 years.[114]

8. As Tuition Costs Skyrocket, Enrollment in Illinois' Public Universities and Colleges Has Declined

8.1. The Decline in Enrollment in Illinois Outpaces the National Decline

Between FY 2010 and FY 2021, Full-Time Equivalent ("**FTE**") enrollment in public institutions of Higher Education decreased nationally by four percent. During that same sequence, however, the decline in FTE enrollment for Illinois' public colleges and universities was 20.4 percent, or over five times worse, as shown in **Figure 18**.[115]

FIGURE 18
PERCENT CHANGES IN ENROLLMENT IN PUBLIC HIGHER EDUCATION, FY 2010-FY 2020



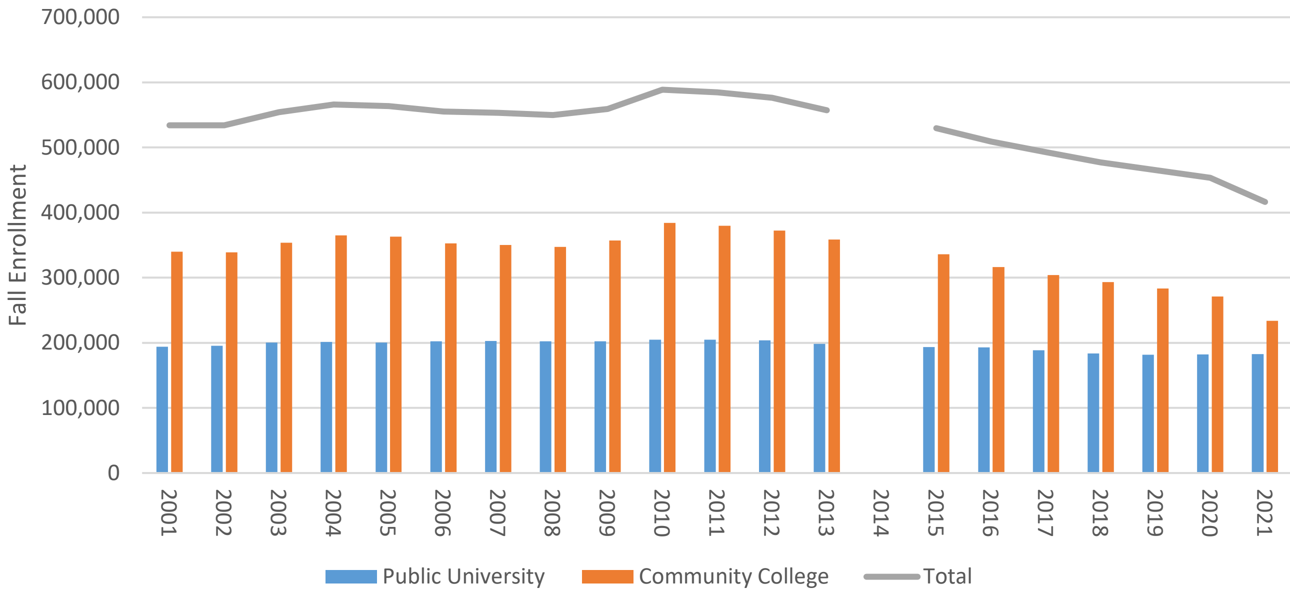
Source: State Higher Education Executive Officers Association, FY 2020 State Higher Education Finance Report

In fact, between FY 2010 and FY 2021, all but seven states saw a decrease in total public FTE enrollment. During that sequence, Illinois had the third greatest percentage decline (20.4 percent) in public FTE enrollment after New Mexico (27.7 percent) and Alaska (25.8 percent).[116]

Of the seven states that realized an increase in public FTE over this sequence, Arizona had the greatest jump of 21.1 percent.[117] That is a nearly 40 percent difference between the state with the greatest decline and state with the greatest increase of student enrollment over the FY 2010-FY 2021 period.

In Illinois, combined total enrollment for public universities and community colleges peaked in FY 2010 and has been declining ever since, as shown in **Figure 19**.[118] Between the peak in FY 2010 and FY 2021, total enrollment in Illinois' public universities declined by 29.3 percent overall, with community colleges realizing an even steeper decline in enrollment of 39.1 percent.

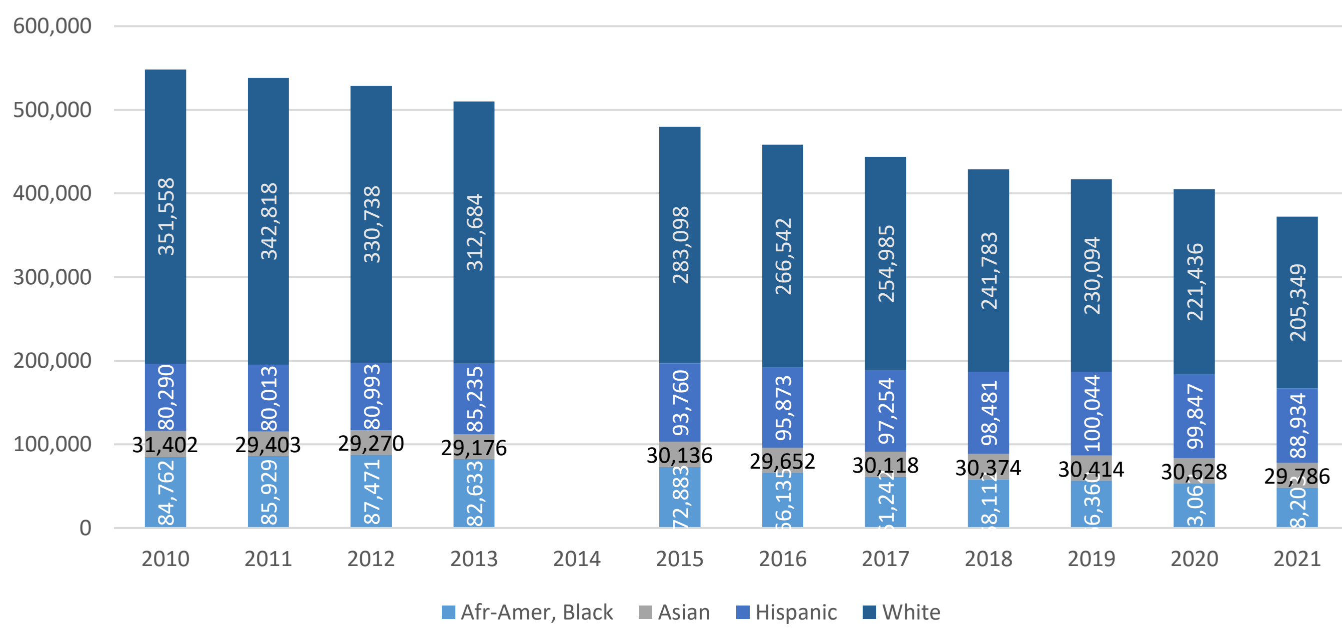
FIGURE 19
PUBLIC UNIVERSITY AND COMMUNITY COLLEGE TOTAL FALL ENROLLMENT IN ILLINOIS, FY 2001-FY 2021



Source: IBHE Illinois Higher Education Enrollment & Degrees System, "Fall Enrollment", 2000-2020; IBHE had no available data for FY 2014 enrollment

The decline in FTE enrollment in Illinois' public colleges and universities has included most racial and ethnic groups, but has been most extreme for students who identify as Black or white. For instance, between FY 2010 and FY 2021, total enrollment of Black students in Illinois' public institutions saw the largest decrease of 43 percent, followed closely by white enrollment, which decreased by 42 percent, as shown in **Figure 20**.

FIGURE 20
TOTAL FALL ENROLLMENT IN ALL PUBLIC INSTITUTIONS, BY RACE/ETHNICITY, FY 2010 – FY 2021



Source: IBHE Illinois Higher Education Enrollment & Degrees System, all public institutions by Race, Fall 2009 – Fall 2020; IBHE has no available data for 2013

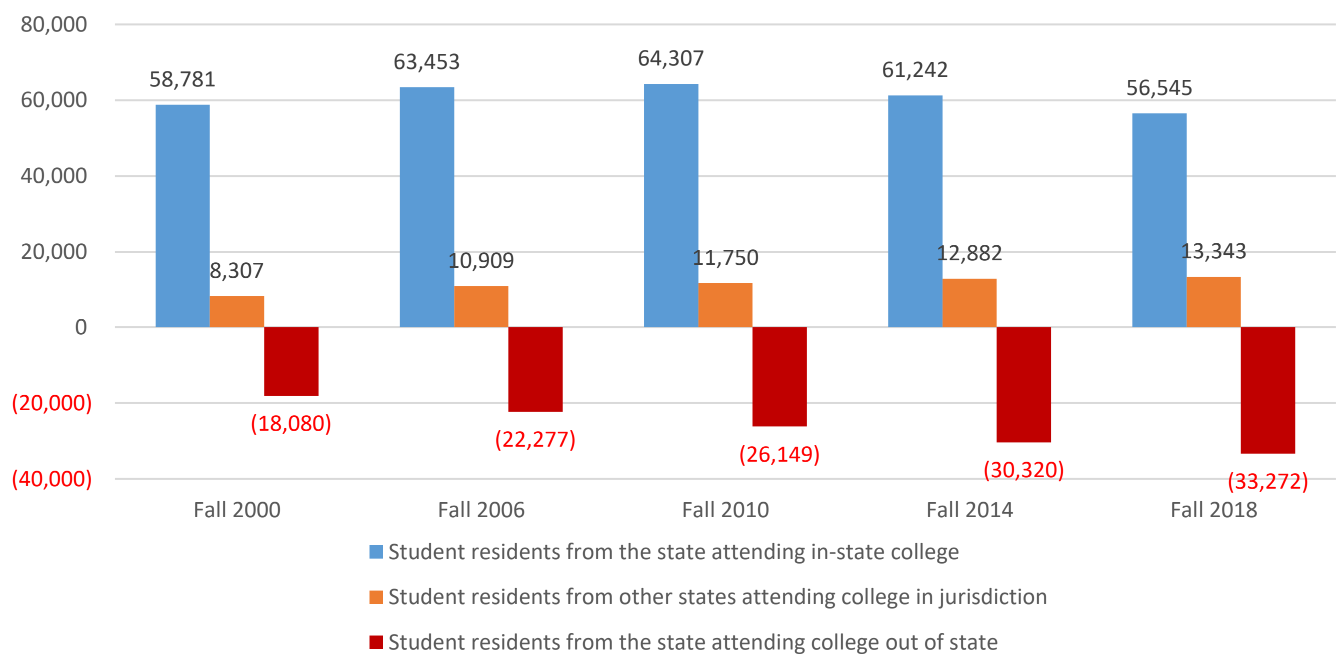
Asian enrollment also declined over this time period, albeit at a slower rate (5 percent). Latinx enrollment on the other hand actually went up, **increasing by 11 percent** since FY 2010.[119] One factor that has contributed to the rise in Latinx college enrollment is in all likelihood the corresponding increase in Illinois' Latinx population. Between FY 2010 and FY 2021, Illinois' Latinx population over the age of 18 increased by 24 percent, while the state's Black population over 18 grew by just 3 percent, and its white population over 18 actually declined by six percent.[120]

8.2. The Decline in Enrollment in Illinois Is Partially Due to Net Outmigration of Students

Some of the decline in college enrollment in Illinois is because, over time, the number of the state's high school graduates who opt to leave Illinois to attend college in other states is exceeding the number of high school graduates from other states who choose to attend college in Illinois. Illinois has experienced net out-migration of first-time undergraduates as far back as FY 2001. Unfortunately for Illinois this trend worsened following the Great Recession, and then was exacerbated even more during the budget impasse of FY 2016-FY 2017.[121]

For instance, from FY 2001 to FY 2019, the number of Illinois high school graduates who attended Illinois' public colleges or universities decreased by over 2,000, or nearly four percent.[122] Meanwhile the number of Illinois high school graduates who attended public colleges or universities in other states increased by 84 percent.[123] That outmigration was somewhat offset by a 61 percent increase in the number of out-of-state students who chose to attend one of Illinois' public universities or colleges over that sequence. However, while the percentage increase in out-of-state students coming to Illinois for college during this period was high, the actual numeric increase in such students only amounted to 5,000 in total, a significantly lesser amount than the 15,000 Illinois high school graduates who left the state to attend college elsewhere.[124] So overall Illinois still realized a net out-migration of college students over this period, as shown in **Figure 21**.

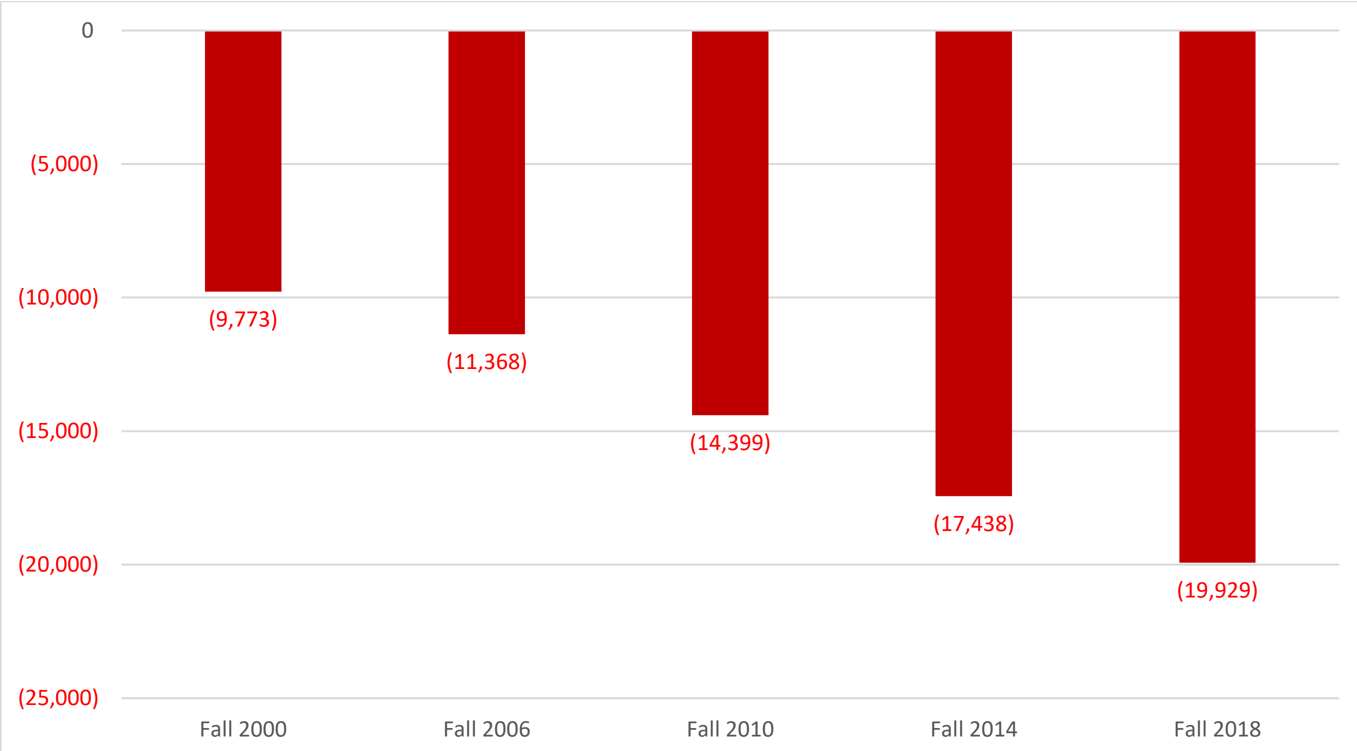
FIGURE 21
MIGRATION OF FRESHMEN STUDENTS INTO AND FROM ILLINOIS, FY 2001-FY 2019



Source: NCES Digest of Education Statistics, Chapter 3: Postsecondary Education, Residence and migration of all freshmen students in degree-granting institutions graduating from high school in the past 12 months, by state, Fall 2000, Fall 2006, Fall 2010, Fall 2014, Fall 2018

The growth in outmigration of Illinois students to other states has been significant over time. In FY 2001, the net loss of all Illinois high school graduates to colleges in other states was 9,773.[125] By FY 2019, the net loss of all Illinois high school graduates to colleges in other states grew by 104 percent to nearly 20,000, shown in **Figure 22.**

FIGURE 22
NET MIGRATION OF FRESHMEN STUDENTS, FALL 2000 (FY 2001)-FALL 2018 (FY 2019)



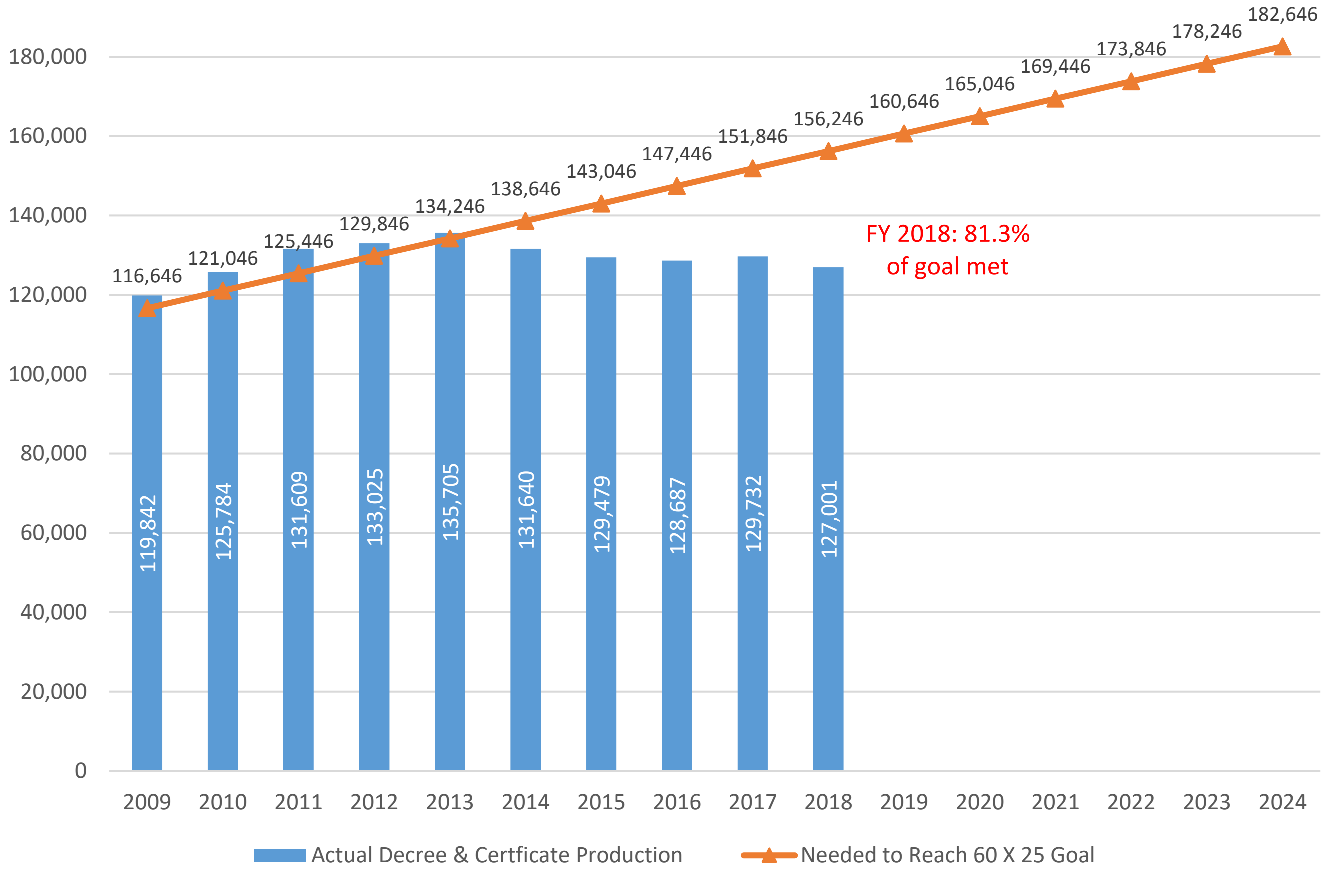
Source: NCES Digest of Education Statistics, Chapter 3: Postsecondary Education, Residence and migration of all freshmen students in degree-granting institutions graduating from high school in the past 12 months, by state, Fall 2000, Fall 2006, Fall 2010, Fall 2014, Fall 2018

9. What Would Adequate Investment in Higher Education Look Like in Illinois?

To "foster its economic vitality," in 2008 Illinois committed to the goal of having 60 percent of adults in the state earn a college degree or post-secondary credential by the year 2025 (the "**60% By 2025 Goal**").[126] After reviewing the state's extant population with such degrees, as well as the rate at which such degrees were being earned annually, the Illinois P-20 Council determined that to satisfy the 60% By 2025 Goal, beginning in 2009 and continuing thereafter, the state's residents had to attain 4,400 more degrees and certificates each year than in the prior year.[127]

From the time the 60% By 2025 Goal was formally established in 2009 through 2013, state residents actually exceeded the target of attaining 4,400 more degrees annually, hitting 101.1 percent of that target amount.[128] After FY 2013, however, degree attainment began to decline. Between FY 2014 and FY 2018, Illinois produced just 88 percent of the degrees needed to stay on track toward meeting the 60% by 2025 Goal, as shown in **Figure 23**.[129]

FIGURE 23
ILLINOIS 60 PERCENT BY 2025 GOAL PROGRESS



Source: Illinois State Board of Higher Education FY 2021 Higher Education Budget Recommendations, pg. 20

It's no wonder that the number of degrees conferred in Illinois each year has not kept pace with what's needed to meet the state's 60% by 2025 Goal, given: (i) Illinois' disinvestment in General Fund support for Higher Education over the last two decades; (ii) the concomitant increases in tuition costs over that period; and (iii) the associated decline in FTE enrollment in the state's public colleges and universities.

A 2018 study by researchers from Harvard University and UC Berkeley (the "**2018 Funding Study**"), examined whether, among other things, the level of state General Fund support for Higher Education correlated to college attendance and completion. Those researchers found that state General Fund budget cuts often result in reduced spending at the university and/or college level on academic supports—like tutoring and advising.[130] That is problematic because other research shows that these types of academic support programs have a significant impact on student persistence and degree completion.[131] Not surprisingly then, the 2018 Funding Study found that General Fund budget cuts do in fact correlate with higher dropout rates and a slowdown in postsecondary attainment.[132]

The good news is the 2018 Funding Study also suggests that boosting General Fund appropriations for Higher Education can help reverse the slowdown in postsecondary attainment in a state.[133] The study analyzed institution enrollment and financial data, total state General Fund appropriations, and state employment data. The study specifically found that if a state increased the amount of its General Fund appropriations for Higher Education in a given year from the 25th percentile nationally to the 75th percentile, that increase in funding would generate an increase in enrollment of up to three percent.[134]

The 2018 Funding Study also found that an additional benefit of making such as increase in General Fund appropriations for Higher Education was a positive and statistically significant increase in degree completion of approximately five percent in the year following said increase.[135]

Hence if Illinois increased General Fund appropriations for Higher Education so that Illinois ranked in the top 75th percentile of state support for Higher Education nationally, Illinois decision makers could expect enrollment in the state's public universities and colleges to increase, and could also expect fewer dropouts and more degrees completed. That in turn will both move Illinois closer to satisfying the 60% By 2025 Goal, and enhance the state's private sector economy.

In addition to helping increase enrollment and degree completion, enhanced General Fund support for Higher Education in Illinois will also help reduce—or at least slow down the rate of increases in—the cost of attending public colleges and universities in the state. This is not only a good outcome for virtually every Illinois family that sends a student to college, but will be particularly helpful for increasing both the enrollment in and completion of college by low-income students generally, and students of color specifically. In fact, research shows that increases in net tuition prices reduce the diversity of students that enroll in college.[136] That research also found states with the largest tuition hikes between 1980 and the early 1990's saw wider gaps in enrollment between high- and low-income young people than those states that did a better job of holding the line on tuition costs.[137]

A much needed increase in state General Fund support for Higher Education will also help in-state colleges and universities adequately fund the staff, programs, and infrastructure improvements that will make them competitive with out-of-state universities. That in turn will help encourage more students from other states to attend public colleges and universities in Illinois, and move Illinois closer to realizing 60% By 2025 Goal.

10. Higher Education and the COVID-19 Pandemic

The General Fund appropriation Illinois made for Higher Education in FY 2021—which began five months into the global pandemic on July 1, 2020—remained level in nominal dollars with FY 2020.[138] This means after accounting for inflation and, without regard for any unanticipated new pandemic-related expenses, Higher Education appropriations actually decreased in real terms, as shown in **Figure 24.**

Although the state has appropriated funds through the 2021-2022 school year (FY 2022), enrollment data for the current fiscal year is not yet finalized, and therefore, this analysis focuses on the initial impact of the pandemic through the 2020-2021 school year (FY 2021).

FIGURE 24

ILLINOIS HIGHER EDUCATION APPROPRIATIONS FY 2020 – FY 2021 GENERAL FUND IN $ MILLIONS

Category	Nominal $ Appropriation	Appropriation in 2020 $
FY 2020	$2,030,407.50	$2,044,283.10
FY 2021	$2,030,407.50	$2,030,407.50
Change FY 20 & 21	$0	($13,875.60)

Source: FY 2020 and FY 2021 Illinois State General Fund Higher Education Appropriations, IBHE

Both nationally and in Illinois, as Higher Education shifted to remote learning, decisions of whether to enroll in postsecondary education became a pressing question for many. As of the start of the 2020-2021 school year, six months after COVID-19 was declared a global pandemic and a National Emergency was declared in the United States, enrollment in all Illinois public universities decreased by one percent compared to the prior year, while Illinois public community colleges saw a much more significant decrease of 12.4 percent.[139] In Illinois, first time, full-time enrollment of undergraduates at public universities decreased by 1,258 students, or 5.4 percent, from 2019-2020 school year levels.[140]

Of the twelve public university systems in Illinois, Chicago State University realized the largest decrease in student enrollment from the 2019-2020 school year to the 2020-2021 school year, when undergraduate enrollment decreased by more than 20 percent.[141]

The decline in enrollment at Chicago State University raises significant equity issues, given that Black students account for fully **69 percent** of Chicago State University's total enrollment.[142] No other public university in Illinois enrolls such a high percentage of Black students.[143] The closest would be Governors State University, which saw a five percent decline in enrollment between the 2019-2020 and 2020-2021 school years, and where Black students make up 37 percent of total student enrollment.

Overall, three out of the four Illinois public universities with the highest decrease in enrollments are institutions with 50 percent or more Black and Latinx student enrollment: Chicago State University (20.4 percent decrease, 79 percent Black and Latinx), Governors State University (4.9 percent decrease, 52 percent Black and Latinx), Northeastern Illinois University (7.8 percent decrease, 50 percent Black and Latinx).[144]

The racially disparate impact on enrollment in Illinois aligns with COVID-19 unemployment data. For instance, in the first quarter of 2021 (January through March), the respective unemployment rates for Black and Latinx workers were far greater than white workers, both nationally—1.9 and 1.7 times greater, respectively—and in Illinois—2.2 and 1.5 times greater, respectively.[145]

In fact, when it comes to Higher Education attendance and completion, the pandemic has had a disproportionately negative impact on low-income populations generally, and minority populations specifically. According to the Census Bureau's Household Pulse Survey (the "**Pulse Survey**"), prospective or current students who are low-income, Black, Latinx, unemployed, or single parents, have been more likely to cancel college plans than have students who come from higher income families or are white.[146]

On the positive side of the ledger, federal pandemic relief has helped. For instance, through federal aid packages and various Presidential Executive Orders, federal student loans were deferred for most borrowers through January 31, 2022. This was initially made possible through the Coronavirus Aid, Relief and Economic Security Act of 2020 ("**CARES Act**"), which paused student loan payments and indirect collections of student loan repayments during the pandemic.[147]

The deferment program applied to approximately 90 percent of student loans.[148] This will significantly benefit low-income students, who are more likely to borrow to cover the cost of Higher Education than are their high-income peers.[149] It will also benefit students of color, specifically Black students, who are more likely to borrow to pay for college than are their white peers. Indeed, 85 percent of Black students who graduated from any institution of higher learning had student loans, compared to 69 percent of their white peers.[150]

11. Conclusion

Given the body of research showing how postsecondary educational attainment benefits both individuals and society as a whole, Illinois' decades long decision to cut Higher Education appropriations as a means of dealing with its General Fund deficit cannot be justified.

Underfunding Higher Education makes it harder for many Illinois students to attend college at a time when a college degree is more important than ever for success in the labor market. But underfunding Higher Education is still Illinois state policy. Indeed, despite the minor, as in one percent greater, year-to-year increase in FY 2022 General Fund appropriations for Higher Education, the state's General Fund appropriation for Higher Education in FY 2022 is still 48 percent less in real terms than it was two decades ago in FY 2000.[151]

Based on the research, it is clear that enhancing state support for public institutions of Higher Education and the MAP program can be expected to generate numerous positive outcomes. For instance, public universities and community colleges could rebuild staff and program capacity while reducing overreliance on tuition and fee revenue. Reducing reliance on tuition and fee revenues, combined with an enhanced investment in the MAP program, would make attending college more affordable for low- and middle-income students.

Indeed, making high-quality public Higher Education more affordable through increased General Fund support would encourage more students to attend Illinois universities and colleges. This in turn would help counter the long-term trend of declining enrollment in Illinois, while resulting in more degrees being conferred. And that would ultimately aid in Illinois realizing its 60% By 2025 Goal (if not necessarily by 2025). Simply put, making an adequate General Fund investment in Higher Education is not only the right thing to do from a public policy standpoint, but also from an economic one.

Endnotes

1 CTBA analysis of (i) U.S. Bureau of Labor Statistics, Current Population Survey, 2020; and (ii) Labor Force Statistics from the Current Population Survey; adjusted for inflation using historical CPI-U data

2 Center for Tax and Budget Accountability, "Analysis of Illinois' FY 2022 Enacted General Fund Budget," July 2021, ctbaonline.org/reports/analysis-illinois-fy-2022-enacted-general-fund-budget

3 State of Illinois, "Recovery Plan," August 31, 2021, https://www2.illinois.gov/sites/budget/Documents/ARPA/FY22-ARPA-Annual-Recovery-Plan.pdf

4 CTBA analysis of U.S. Department of Education, National Center for Education Statistics, Digest of Education Statistics Table 330.20, "Average undergraduate tuition, fees, room, and board charges for full-time students in degree-granting postsecondary institutions, by control and level of institution and state or jurisdiction: 2018-19 and 2019-20,"

5 CTBA analysis of change from 2000 to 2020 of U.S. Census Bureau, Real Median Household Income in Illinois [MEHOINUSILA672N], retrieved from FRED, Federal Reserve Bank of St. Louis; https://fred.stlouisfed.org/series/MEHOINUSILA672N

6 Illinois Student Assistance Commission, "Why MAP Matters," https://www.isac.org/home/map-matters/why-map-matters.html

7 CTBA analysis of (i) Illinois Student Assistance Commission, "FY 2019 Databook," page 35, https://www.isac.org/e-library/research-policy-analysis/data-book/documents/2019-Data-Book/2019_Data_Book.pdf; and (ii) Illinois Student Assistance Commission, "FY 2020 Databook," pages 30 & 35, https://www.isac.org/e-library/research-policy-analysis/data-book/documents/2020-Data-Book/2020-Data-Book.pdf

8 CTBA analysis of (i) State Higher Education Executive Officers Association, "State Higher Education Finance: FY 2020," page 35, https://shef.sheeo.org/wp-content/uploads/2021/05/SHEEO_SHEF_FY20_Report.pdf; and (ii) State Higher Education Executive Officers Association, "State Higher Education Finance: FY 2019," page 22, https://shef.sheeo.org/wp-content/uploads/2020/04/SHEEO_SHEF_FY19_Report.pdf

9 Illinois Board of Higher Education, "FY 2021 Budget Recommendation," 2020, https://www.ibhe.org/assets/files/Item_E-1_FY21_Higher_Education_Budget_Recommendation.pdf

10 Illinois Board of Higher Education, "FY 2021 Budget Recommendation," 2020, https://www.ibhe.org/assets/files/Item_E-1_FY21_Higher_Education_Budget_Recommendation.pdf

11 Deming, David J., and Christopher R. Walters, "The Impact of State Budget Cuts on US Postsecondary Attainment," *Harvard University,* February 2018, https://scholar.harvard.edu/files/ddeming/files/dw_feb2018.pdf

12 CTBA analysis of U.S. Bureau of Labor Statistics, Current Population Survey, "Earnings and unemployment rates by educational attainment, 2020," https://www.bls.gov/careeroutlook/2021/data-on-display/education-pays.htm; Note: Data are for persons age 25 and over. Earnings are for full-time wage and salary workers

13 CTBA analysis of U.S. Bureau of Labor Statistics, Current Population Survey, "Earnings and unemployment rates by educational attainment, 2020," https://www.bls.gov/careeroutlook/2021/data-on-display/education-pays.htm; Note: Data are for persons age 25 and over. Earnings are for full-time wage and salary workers

14 CTBA analysis of U.S. Bureau of Labor Statistics, Current Population Survey, "Earnings and unemployment rates by educational attainment, 2020," https://www.bls.gov/careeroutlook/2021/data-on-display/education-pays.htm; Note: Data are for persons age 25 and over. Earnings are for full-time wage and salary workers

15 Mendez-Carbajo, Diego, "Economic Impact Study of Higher Education in McLean County, IL," July 2016, https://blogs.iwu.edu/dmendez/files/2016/12/IMPLAN_Higher_Education_Report_DMC.pdf

16 CTBA calculation using (i) Mendez-Carbajo, Diego, "Economic Impact Study of Higher Education in McLean County, IL," July 2016, https://blogs.iwu.edu/dmendez/files/2016/12/IMPLAN_Higher_Education_Report_DMC.pdf; and (ii) Center for Tax and Budget Accountability, "Analysis of Illinois' FY 2022 Enacted General Fund Budget," July 2021, ctbaonline.org/reports/analysis-illinois-fy-2022-enacted-general-fund-budget

17 Center on Budget and Policy Priority, "Funding Down, Tuition Up: State Cuts to Higher Education Threaten Quality and Affordability at Public Colleges" (Washington, DC, August 15, 2016)

18 Reber, Sarah and Chenoah Sinclair, "Opportunity Engines: Middle-Class Mobility in Higher Education," *Brookings Institute*, May 2020, https://www.brookings.edu/wp-content/uploads/2020/05/Opportunity-Engines_Final.pdf

19 Center for Tax and Budget Accountability, "Analysis of Illinois' FY 2022 Enacted General Fund Budget," July 2021, ctbaonline.org/reports/analysis-illinois-fy-2022-enacted-general-fund-budget

20 Center for Tax and Budget Accountability, "Analysis of Illinois' FY 2022 Enacted General Fund Budget," July 2021, ctbaonline.org/reports/analysis-illinois-fy-2022-enacted-general-fund-budget

21 Illinois Board of Higher Education, "Fiscal Year 2022 Higher Education Budget Recommendations," January 2021, page 23, https://www.ibhe.org/board/2021/January/Item_E-1-Budget_Book.pdf

22 Illinois Board of Higher Education, "Fiscal Year 2022 Higher Education Budget Recommendations," January 2021, page 23, https://www.ibhe.org/board/2021/January/Item_E-1-Budget_Book.pdf

23 CTBA analysis of (i) IBHE, "Annual Report on Public University Revenues and Expenditures: FY 2020", https://www.ibhe.org/pdf/annual-reports/2021/FY20%20Revenues_and_Expenditures_Report-Final.pdf; and (II) State Higher Education Executive Officers Association, "State Higher Education Finance: FY 2020," page 22, https://shef.sheeo.org/wp-content/uploads/2021/05/SHEEO_SHEF_FY20_Report.pdf

24 CTBA analysis of (i) IBHE, "Annual Report on Public University Revenues and Expenditures: FY 2020", https://www.ibhe.org/pdf/annual-reports/2021/FY20%20Revenues_and_Expenditures_Report-Final.pdf; and (II) State Higher Education Executive Officers Association, "State Higher Education Finance: FY 2020," page 22, https://shef.sheeo.org/wp-content/uploads/2021/05/SHEEO_SHEF_FY20_Report.pdf

25 CTBA analysis of NCES, Digest of Education Statistics Table 330.20, "Average undergraduate tuition, fees, room, and board charges for full-time students in degree-granting postsecondary institutions, by control and level of institution and state or jurisdiction: 2018-19 and 2019-20," https://nces.ed.gov/programs/digest/d19/tables/dt19_330.20.asp

26 CTBA analysis of NCES, Digest of Education Statistics Table 330.20, "Average undergraduate tuition, fees, room, and board charges for full-time students in degree-granting postsecondary institutions, by control and level of institution and state or jurisdiction: 2018-19 and 2019-20," https://nces.ed.gov/programs/digest/d19/tables/dt19_330.20.asp

27 CTBA analysis of NCES, Digest of Education Statistics Table 330.20, "Average undergraduate tuition, fees, room, and board charges for full-time students in degree-granting postsecondary institutions, by control and level of institution and state or jurisdiction: 2018-19 and 2019-20," https://nces.ed.gov/programs/digest/d19/tables/dt19_330.20.asp

28 Fiscal Year 2020 Higher Education Budget Recommendations

29 CTBA analysis of FY 2003 and FY 2019 Illinois Community College Board Operating Revenues by source.

30 CTBA analysis of FY 2003 and FY 2019 Illinois Community College Board Operating Revenues by source

31 CTBA analysis of U.S. Census Bureau, Real Median Household Income in the United States [MEHOINUSA672N], retrieved from FRED, Federal Reserve Bank of St. Louis; https://fred.stlouisfed.org/series/MEHOINUSA672N, October 5, 2021

32 Midwestern Higher Education Compact, "Higher Education in Focus 2017: Selected Performance Indicators," (2017)

33 CTBA analysis of (i) NCES, Digest of Education Statistics Table 330.20, "Average undergraduate tuition, fees, room, and board charges for full-time students in degree-granting postsecondary institutions, by control and level of institution and state or jurisdiction: 2018-19 and 2019-20," https://nces.ed.gov/programs/digest/d19/tables/dt19_330.20.asp; and (ii) U.S. Census Bureau, 2015-2019 American Community Survey 5-Year Estimates 2019 Median Household Income by State by Race of Householder

34 NCES, Repayment of Student Loans as of 2015 among 1995-96 and 2003-04 First-Time Beginning Students, (Washington, D.C: October 2017).

35 CTBA analysis of (i) Illinois Student Assistance Commission, "FY 2019 Databook," page 35, https://www.isac.org/e-library/research-policy-analysis/data-book/documents/2019-Data-Book/2019_Data_Book.pdf; and (ii) Illinois Student Assistance Commission, "FY 2020 Databook," pages 30 & 35, https://www.isac.org/e-library/research-policy-analysis/data-book/documents/2020-Data-Book/2020-Data-Book.pdf

36 CTBA analysis of (i) Illinois Student Assistance Commission, "FY 2019 Databook," page 35, https://www.isac.org/e-library/research-policy-analysis/data-book/documents/2019-Data-Book/2019_Data_Book.pdf; and (ii) Illinois Student Assistance Commission, "FY 2020 Databook," pages 30 & 35, https://www.isac.org/e-library/research-policy-analysis/data-book/documents/2020-Data-Book/2020-Data-Book.pdf

37 CTBA analysis of (i) Illinois Student Assistance Commission, "FY 2019 Databook," page 35, https://www.isac.org/e-library/research-policy-analysis/data-book/documents/2019-Data-Book/2019_Data_Book.pdf; and (ii) Illinois Student Assistance Commission, "FY 2020 Databook," pages 30 & 35, https://www.isac.org/e-library/research-policy-analysis/data-book/documents/2020-Data-Book/2020-Data-Book.pdf

38 Illinois Student Assistance Commission , "Monetary Award Program (MAP) Evaluation," February 20201, https://www.isac.org/e-library/research-policy-analysis/research-reports/

39 CTBA analysis of data from State Higher Education Executive Officers Association, "State Higher Education Finance: FY 2020," page 35, https://shef.sheeo.org/wp-content/uploads/2021/05/SHEEO_SHEF_FY20_Report.pdf

40 Center for Tax and Budget Accountability, "Analysis of Illinois' FY 2022 Enacted General Fund Budget," July 2021, ctbaonline.org/reports/analysis-illinois-fy-2022-enacted-general-fund-budget

41 CTBA analysis of data from NCES, Digest of Education Statistics, "Chapter 3: Postsecondary Education - Residence and migration of all freshmen students in degree-granting institutions graduating from high school in the past 12 months, by state," https://nces.ed.gov/programs/digest/

42 CTBA analysis of data from NCES, Digest of Education Statistics, "Chapter 3: Postsecondary Education - Residence and migration of all freshmen students in degree-granting institutions graduating from high school in the past 12 months, by state," https://nces.ed.gov/programs/digest/

43 CTBA analysis of U.S. Bureau of Labor Statistics, Current Population Survey, 2020; The national data separates these categories, while state and regional data sets combine them. For those with an associate's degree, the national unemployment rate was 7.1 percent, while for those with some college it was 8.3 percent

44 CTBA analysis of Labor Force Statistics from the Current Population Survey "Weekly Earnings by Educational Attainment"; adjusted for inflation using historical CPI-U data

45 CTBA analysis of U.S. Bureau of Labor Statistics, Current Population Survey, "Earnings and unemployment rates by educational attainment, 2020," https://www.bls.gov/careeroutlook/2021/data-on-display/education-pays.htm; Note: Data are for persons age 25 and over. Earnings are for full-time wage and salary workers

46 CTBA analysis of U.S. Bureau of Labor Statistics, Current Population Survey, "Earnings and unemployment rates by educational attainment, 2020," https://www.bls.gov/careeroutlook/2021/data-on-display/education-pays.htm; Note: Data are for persons age 25 and over. Earnings are for full-time wage and salary workers

47 (i) United States Census Bureau, "About 13.1 Percent Have a Master's, Professional Degree, or Doctorate," February 21, 2019, https://www.census.gov/library/stories/2019/02/number-of-people-with-masters-and-phd-degrees-double-since-2000.html; (ii) CTBA analysis of U.S. Bureau of Labor Statistics, Current Population Survey, "Earnings and unemployment rates by educational attainment, 2020," https://www.bls.gov/careeroutlook/2021/data-on-display/education-pays.htm; Note: Data are for persons age 25 and over. Earnings are for full-time wage and salary workers

48 Reber, Sarah and Chenoah Sinclair, "Opportunity Engines: Middle-Class Mobility in Higher Education," *Brookings Institute*, May 2020, https://www.brookings.edu/wp-content/uploads/2020/05/Opportunity-Engines_Final.pdf

49 Noah Berger and Peter Fisher, "A Well-Educated Workforce is Key to State Prosperity," *Economic Policy Institute,* August 22, 2013, https://www.epi.org/files/2013/A%20well-educated%20workforce%20is%20key%20to%20state%20prosperity.pdf

50 Noah Berger and Peter Fisher, "A Well-Educated Workforce is Key to State Prosperity," *Economic Policy Institute,* August 22, 2013, https://www.epi.org/files/2013/A%20well-educated%20workforce%20is%20key%20to%20state%20prosperity.pdf

51 Hanushek, Eric A., Jens Ruhose, and Ludger Woessmann, "It Pays to Improve School Quality," *Education Next*, Summer 2016 / VOL. 16, NO. 3. http://educationnext.org/pays-improve-school-quality-student-achievement-economic-gain (2016)

52 Mendez-Carbajo, Diego, "Economic Impact Study of Higher Education in McLean County, IL," July 2016, https://blogs.iwu.edu/dmendez/files/2016/12/IMPLAN_Higher_Education_Report_DMC.pdf

53 Mendez-Carbajo, Diego, "Economic Impact Study of Higher Education in McLean County, IL," July 2016, https://blogs.iwu.edu/dmendez/files/2016/12/IMPLAN_Higher_Education_Report_DMC.pdf

54 Mendez-Carbajo, Diego, "Economic Impact Study of Higher Education in McLean County, IL," July 2016, https://blogs.iwu.edu/dmendez/files/2016/12/IMPLAN_Higher_Education_Report_DMC.pdf

55 Mendez-Carbajo, Diego, "Economic Impact Study of Higher Education in McLean County, IL," July 2016, https://blogs.iwu.edu/dmendez/files/2016/12/IMPLAN_Higher_Education_Report_DMC.pdf

56 Mendez-Carbajo, Diego, "Economic Impact Study of Higher Education in McLean County, IL," July 2016, https://blogs.iwu.edu/dmendez/files/2016/12/IMPLAN_Higher_Education_Report_DMC.pdf

57 CTBA calculation using (i) Mendez-Carbajo, Diego, "Economic Impact Study of Higher Education in McLean County, IL," July 2016, https://blogs.iwu.edu/dmendez/files/2016/12/IMPLAN_Higher_Education_Report_DMC.pdf; and (ii) Center for Tax and Budget Accountability, "Analysis of Illinois' FY 2022 Enacted General Fund Budget," July 2021, ctbaonline.org/reports/analysis-illinois-fy-2022-enacted-general-fund-budget

58 Mendez-Carbajo, Diego, "Economic Impact Study of Higher Education in McLean County, IL," July 2016, https://blogs.iwu.edu/dmendez/files/2016/12/IMPLAN_Higher_Education_Report_DMC.pdf

59 Rothwell, Jonathan, "What colleges do for local economies: A direct measure based on consumption," *Brookings Institute*, November 2015, https://www.brookings.edu/research/what-colleges-do-for-local-economies-a-direct-measure-based-on-consumption/

60 CTBA calculation using (i) Rothwell, Jonathan, "What colleges do for local economies: A direct measure based on consumption," *Brookings Institute*, November 2015, https://www.brookings.edu/research/what-colleges-do-for-local-economies-a-direct-measure-based-on-consumption/; and (ii) Illinois Board of Higher Education, "FY 2021 Budget Recommendation," 2020, https://www.ibhe.org/assets/files/Item_E-1_FY21_Higher_Education_Budget_Recommendation.pdf

61 Blagg, Kristin and Erica Blom, "Evaluating the Return on Investment in Higher Education: An Assessment of Individual- and State-Level Returns," *Urban Institute,* September 2018, https://www.urban.org/sites/default/files/publication/99078/evaluating_the_return_on_investment_in_higher_education.pdf

62 Blagg, Kristin and Erica Blom, "Evaluating the Return on Investment in Higher Education: An Assessment of Individual- and State-Level Returns," *Urban Institute,* September 2018, https://www.urban.org/sites/default/files/publication/99078/evaluating_the_return_on_investment_in_higher_education.pdf

63 Center for Tax and Budget Accountability, "Analysis of Illinois' FY 2022 Enacted General Fund Budget," July 2021, ctbaonline.org/reports/analysis-illinois-fy-2022-enacted-general-fund-budget

64 Center for Tax and Budget Accountability, "Analysis of Illinois' FY 2022 Enacted General Fund Budget," July 2021, ctbaonline.org/reports/analysis-illinois-fy-2022-enacted-general-fund-budget

65 Center for Tax and Budget Accountability, "Analysis of Illinois' FY 2022 Enacted General Fund Budget," July 2021, ctbaonline.org/reports/analysis-illinois-fy-2022-enacted-general-fund-budget

66 Center for Tax and Budget Accountability, "Analysis of Illinois' FY 2022 Enacted General Fund Budget," July 2021, ctbaonline.org/reports/analysis-illinois-fy-2022-enacted-general-fund-budget

67 Illinois Board of Higher Education, Fiscal Year 2019 Higher Education Budget Recommendations (IBHE, February 2018): Appendix B

68 Illinois Board of Higher Education, Fiscal Year 2019 Higher Education Budget Recommendations (IBHE, February 2018): Appendix B

69 Illinois Board of Higher Education, Fiscal Year 2019 Higher Education Budget Recommendations (IBHE, February 2018): Appendix B

70 Illinois Board of Higher Education, "Fiscal Year 2022 Higher Education Budget Recommendations," January 2021, page 25, https://www.ibhe.org/board/2021/January/Item_E-1-Budget_Book.pdf

71 Illinois Board of Higher Education, "Fiscal Year 2022 Higher Education Budget Recommendations," January 2021, page 25, https://www.ibhe.org/board/2021/January/Item_E-1-Budget_Book.pdf

72 Illinois Board of Higher Education, "Fiscal Year 2022 Higher Education Budget Recommendations," January 2021, page 25, https://www.ibhe.org/board/2021/January/Item_E-1-Budget_Book.pdf

73 Illinois Board of Higher Education, "Fiscal Year 2022 Higher Education Budget Recommendations," January 2021, page 26, https://www.ibhe.org/board/2021/January/Item_E-1-Budget_Book.pdf

74 Center for Tax and Budget Accountability, "Analysis of Illinois' FY 2022 Enacted General Fund Budget," July 2021, ctbaonline.org/reports/analysis-illinois-fy-2022-enacted-general-fund-budget

75 Center for Tax and Budget Accountability, "Analysis of Illinois' FY 2022 Enacted General Fund Budget," July 2021, ctbaonline.org/reports/analysis-illinois-fy-2022-enacted-general-fund-budget

76 Center for Tax and Budget Accountability, "Analysis of Illinois' FY 2022 Enacted General Fund Budget," July 2021, ctbaonline.org/reports/analysis-illinois-fy-2022-enacted-general-fund-budget

77 CTBA calculation using (i) Mendez-Carbajo, Diego, "Economic Impact Study of Higher Education in McLean County, IL," July 2016, https://blogs.iwu.edu/dmendez/files/2016/12/IMPLAN_Higher_Education_Report_DMC.pdf; and (ii) Center for Tax and Budget Accountability, "Analysis of Illinois' FY 2022 Enacted General Fund Budget," July 2021, ctbaonline.org/reports/analysis-illinois-fy-2022-enacted-general-fund-budget

78 Illinois Board of Higher Education, "Fiscal Year 2022 Higher Education Budget Recommendations," January 2021, page 33, https://www.ibhe.org/board/2021/January/Item_E-1-Budget_Book.pdf

79 State of Illinois, Illinois Pension Code 40 ILCS 5/ (Springfield, IL: State of Illinois, 2018)

80 Illinois Board of Higher Education, "Fiscal Year 2022 Higher Education Budget Recommendations," January 2021, page 23, https://www.ibhe.org/board/2021/January/Item_E-1-Budget_Book.pdf

81 Illinois Board of Higher Education, "Fiscal Year 2022 Higher Education Budget Recommendations," January 2021, page 22, https://www.ibhe.org/board/2021/January/Item_E-1-Budget_Book.pdf

82 CTBA analysis of Illinois Board of Higher Education, "Fiscal Year 2022 Higher Education Budget Recommendations," January 2021, page 63, https://www.ibhe.org/board/2021/January/Item_E-1-Budget_Book.pdf; adjusted for inflation using CPI

83 Center for Tax and Budget Accountability, "Analysis of Illinois' FY 2022 Enacted General Fund Budget," July 2021, ctbaonline.org/reports/analysis-illinois-fy-2022-enacted-general-fund-budget

84 CTBA analysis of (i) IBHE, "Annual Report on Public University Revenues and Expenditures: FY 2020", https://www.ibhe.org/pdf/annual-reports/2021/FY20%20Revenues_and_Expenditures_Report-Final.pdf; and (II) State Higher Education Executive Officers Association, "State Higher Education Finance: FY 2020," page 22, https://shef.sheeo.org/wp-content/uploads/2021/05/SHEEO_SHEF_FY20_Report.pdf

85 CTBA analysis of (i) IBHE, "Annual Report on Public University Revenues and Expenditures: FY 2020", https://www.ibhe.org/pdf/annual-reports/2021/FY20%20Revenues_and_Expenditures_Report-Final.pdf; and (II) State Higher Education Executive Officers Association, "State Higher Education Finance: FY 2020," page 22, https://shef.sheeo.org/wp-content/uploads/2021/05/SHEEO_SHEF_FY20_Report.pdf

86 CTBA analysis of (i) IBHE, "Annual Report on Public University Revenues and Expenditures: FY 2020", https://www.ibhe.org/pdf/annual-reports/2021/FY20%20Revenues_and_Expenditures_Report-Final.pdf; and (II) State Higher Education Executive Officers Association, "State Higher Education Finance: FY 2020," page 22, https://shef.sheeo.org/wp-content/uploads/2021/05/SHEEO_SHEF_FY20_Report.pdf

87 State Higher Education Executive Officers Association, "State Higher Education Finance: FY 2020," page 22, https://shef.sheeo.org/wp-content/uploads/2021/05/SHEEO_SHEF_FY20_Report.pdf

88 State Higher Education Executive Officers Association, "State Higher Education Finance: FY 2020," page 22, https://shef.sheeo.org/wp-content/uploads/2021/05/SHEEO_SHEF_FY20_Report.pdf

89 CTBA analysis of FY 2003 and FY 2019 Illinois Community College Board Operating Revenues by source.

90 CTBA analysis of FY 2003 and FY 2019 Illinois Community College Board Operating Revenues by source

91 Setting a Context for Fiscal Year 2020 Budget Development

92 CTBA analysis of NCES, Digest of Education Statistics Table 330.20, "Average undergraduate tuition, fees, room, and board charges for full-time students in degree-granting postsecondary institutions, by control and level of institution and state or jurisdiction: 2018-19 and 2019-20," https://nces.ed.gov/programs/digest/d19/tables/dt19_330.20.asp

93 CTBA analysis of NCES, Digest of Education Statistics Table 330.20, "Average undergraduate tuition, fees, room, and board charges for full-time students in degree-granting postsecondary institutions, by control and level of institution and state or jurisdiction: 2018-19 and 2019-20," https://nces.ed.gov/programs/digest/d19/tables/dt19_330.20.asp

94 CTBA analysis of NCES, Digest of Education Statistics Table 330.20, "Average undergraduate tuition, fees, room, and board charges for full-time students in degree-granting postsecondary institutions, by control and level of institution and state or jurisdiction: 2018-19 and 2019-20," https://nces.ed.gov/programs/digest/d19/tables/dt19_330.20.asp

95 CTBA analysis of U.S. Census Bureau, Real Median Household Income in the United States [MEHOINUSA672N], retrieved from FRED, Federal Reserve Bank of St. Louis; https://fred.stlouisfed.org/series/MEHOINUSA672N, October 5, 2021

96 CTBA analysis of NCES, Digest of Education Statistics Table 330.20, "Average undergraduate tuition, fees, room, and board charges for full-time students in degree-granting postsecondary institutions, by control and level of institution and state or jurisdiction: 2018-19 and 2019-20," https://nces.ed.gov/programs/digest/d19/tables/dt19_330.20.asp

97 Illinois Student Assistance Commission, "Why MAP Matters," https://www.isac.org/home/map-matters/why-map-matters.html

98 CTBA analysis of (i) Illinois Student Assistance Commission, "FY 2019 Databook," page 35, https://www.isac.org/e-library/research-policy-analysis/data-book/documents/2019-Data-Book/2019_Data_Book.pdf; and (ii) Illinois Student Assistance Commission, "FY 2020 Databook," pages 30 & 35, https://www.isac.org/e-library/research-policy-analysis/data-book/documents/2020-Data-Book/2020-Data-Book.pdf

99 CTBA analysis of (i) Illinois Student Assistance Commission, "FY 2019 Databook," page 35, https://www.isac.org/e-library/research-policy-analysis/data-book/documents/2019-Data-Book/2019_Data_Book.pdf; and (ii) Illinois Student Assistance Commission, "FY 2020 Databook," pages 30 & 35, https://www.isac.org/e-library/research-policy-analysis/data-book/documents/2020-Data-Book/2020-Data-Book.pdf

100 CTBA analysis of (i) Illinois Student Assistance Commission, "FY 2019 Databook," page 35, https://www.isac.org/e-library/research-policy-analysis/data-book/documents/2019-Data-Book/2019_Data_Book.pdf; and (ii) Illinois Student Assistance Commission, "FY 2020 Databook," pages 30 & 35, https://www.isac.org/e-library/research-policy-analysis/data-book/documents/2020-Data-Book/2020-Data-Book.pdf

101 CTBA analysis of (i) Illinois Student Assistance Commission, “FY 2019 Databook,” page 35, https://www.isac.org/e-library/research-policy-analysis/data-book/documents/2019-Data-Book/2019_Data_Book.pdf; and (ii) Illinois Student Assistance Commission, “FY 2020 Databook,” pages 30 & 35, https://www.isac.org/e-library/research-policy-analysis/data-book/documents/2020-Data-Book/2020-Data-Book.pdf

102 Illinois Student Assistance Commission, Table 2.0a of the ““FY 2020 Databook,” https://www.isac.org/e-library/research-policy-analysis/data-book/documents/2020-Data-Book/2020-Data-Book.pdf

103 Illinois Student Assistance Commission, “FY 2020 Databook,” pages 35, https://www.isac.org/e-library/research-policy-analysis/data-book/documents/2020-Data-Book/2020-Data-Book.pdf

104 Illinois Student Assistance Commission , “Monetary Award Program (MAP) Evaluation,” February 20201, https://www.isac.org/e-library/research-policy-analysis/research-reports/

105 Illinois Student Assistance Commission , “Monetary Award Program (MAP) Evaluation,” February 20201, https://www.isac.org/e-library/research-policy-analysis/research-reports/

106 Illinois Student Assistance Commission , “Monetary Award Program (MAP) Evaluation,” February 20201, https://www.isac.org/e-library/research-policy-analysis/research-reports/

107 Midwestern Higher Education Compact, “Higher Education in Focus 2017: Selected Performance Indicators,” (2017).

108 CTBA analysis of (i) NCES, Digest of Education Statistics Table 330.20, “Average undergraduate tuition, fees, room, and board charges for full-time students in degree-granting postsecondary institutions, by control and level of institution and state or jurisdiction: 2018-19 and 2019-20,” https://nces.ed.gov/programs/digest/d19/tables/dt19_330.20.asp; and (ii) U.S. Census Bureau, 2015-2019 American Community Survey 5-Year Estimates 2019 Median Household Income by State by Race of Householder

109 CTBA analysis of (i) NCES, Digest of Education Statistics Table 330.20, “Average undergraduate tuition, fees, room, and board charges for full-time students in degree-granting postsecondary institutions, by control and level of institution and state or jurisdiction: 2018-19 and 2019-20,” https://nces.ed.gov/programs/digest/d19/tables/dt19_330.20.asp; and (ii) U.S. Census Bureau, 2015-2019 American Community Survey 5-Year Estimates 2019 Median Household Income by State by Race of Householder

110 NCES, Repayment of Student Loans as of 2015 among 1995-96 and 2003-04 First-Time Beginning Students, (Washington, D.C: October 2017)

111 NCES, Repayment of Student Loans as of 2015 among 1995-96 and 2003-04 First-Time Beginning Students, (Washington, D.C: October 2017)

112 Illinois State Board of Higher Education, “Assessing Equity in Illinois Higher Education: Part 2,” September 15, 2020, https://www.ibhe.org/pdf/IBHE_Equity_Update_ppt.pdf

113 Illinois State Board of Higher Education, “A Thriving Illinois: Higher Education Paths to Equity, Sustainability, and Growth,” June 15, 2021, https://ibhestrategicplan.ibhe.org/pdf/A_Thriving_Illinois_06-15-21.pdf

114 NCES, Repayment of Student Loans as of 2015 among 1995-96 and 2003-04 First-Time Beginning Students, (Washington, D.C: October 2017)

115 CTBA analysis of data from State Higher Education Executive Officers Association, “State Higher Education Finance: FY 2020,” page 35, https://shef.sheeo.org/wp-content/uploads/2021/05/SHEEO_SHEF_FY20_Report.pdf

116 CTBA analysis of data from State Higher Education Executive Officers Association, “State Higher Education Finance: FY 2020,” page 35, https://shef.sheeo.org/wp-content/uploads/2021/05/SHEEO_SHEF_FY20_Report.pdf

117 CTBA analysis of data from State Higher Education Executive Officers Association, “State Higher Education Finance: FY 2020,” page 35, https://shef.sheeo.org/wp-content/uploads/2021/05/SHEEO_SHEF_FY20_Report.pdf

118 CTBA analysis of data from IBHE Illinois Higher Education Enrollment & Degrees System, all public institutions by Race, Fall 2009 – Fall 2021; IBHE has no available data for 2013. IBHE Education Enrollment & Degrees System

119 CTBA analysis of data from IBHE Illinois Higher Education Enrollment & Degrees System, all public institutions by Race, Fall 2009 – Fall 2021; IBHE has no available data for 2013. IBHE Education Enrollment & Degrees System

120 U.S. Census Data, Table 4: Hispanic Or Latino, and Not Hispanic or Latino By Race For The Population 18 Years And Over

121 Center for Tax and Budget Accountability, “Analysis of Illinois’ FY 2022 Enacted General Fund Budget,” July 2021, ctbaonline.org/reports/analysis-illinois-fy-2022-enacted-general-fund-budget

122 CTBA analysis of data from NCES, Digest of Education Statistics, “Chapter 3: Postsecondary Education - Residence and migration of all freshmen students in degree-granting institutions graduating from high school in the past 12 months, by state,” https://nces.ed.gov/programs/digest/

123 CTBA analysis of data from NCES, Digest of Education Statistics, “Chapter 3: Postsecondary Education - Residence and migration of all freshmen students in degree-granting institutions graduating from high school in the past 12 months, by state,” https://nces.ed.gov/programs/digest/

124 CTBA analysis of data from NCES, Digest of Education Statistics, “Chapter 3: Postsecondary Education - Residence and migration of all freshmen students in degree-granting institutions graduating from high school in the past 12 months, by state,” https://nces.ed.gov/programs/digest/

125 CTBA analysis of data from NCES, Digest of Education Statistics, “Chapter 3: Postsecondary Education - Residence and migration of all freshmen students in degree-granting institutions graduating from high school in the past 12 months, by state,” https://nces.ed.gov/programs/digest/

126 Illinois Board of Higher Education, “FY 2021 Budget Recommendation,” 2020, https://www.ibhe.org/assets/files/Item_E-1_FY21_Higher_Education_Budget_Recommendation.pdf

127 Illinois Board of Higher Education, “FY 2021 Budget Recommendation,” 2020, https://www.ibhe.org/assets/files/Item_E-1_FY21_Higher_Education_Budget_Recommendation.pdf

128 Illinois State Board of Higher Education, “FY 2021 Higher Education Budget Recommendations”, pg. 20, https://www.ibhe.org/assets/files/Item_E-1_FY21_Higher_Education_Budget_Recommendation.pdf

129 CTBA analysis of data from Illinois State Board of Higher Education, “FY 2021 Higher Education Budget Recommendations”, pg. 20, https://www.ibhe.org/assets/files/Item_E-1_FY21_Higher_Education_Budget_Recommendation.pdf; Total Actual decree & Certificate Production divided by Total Need to reach 60 X 25 between 2014-2018.

130 Deming, David J., and Christopher R. Walters, "The Impact of State Budget Cuts on US Postsecondary Attainment," *Harvard University,* February 2018, https://scholar.harvard.edu/files/ddeming/files/dw_feb2018.pdf

131 Deming, David J., and Christopher R. Walters, "The Impact of State Budget Cuts on US Postsecondary Attainment," *Harvard University,* February 2018, https://scholar.harvard.edu/files/ddeming/files/dw_feb2018.pdf

132 Deming, David J., and Christopher R. Walters, "The Impact of State Budget Cuts on US Postsecondary Attainment," *Harvard University,* February 2018, https://scholar.harvard.edu/files/ddeming/files/dw_feb2018.pdf

133 Deming, David J., and Christopher R. Walters, "The Impact of State Budget Cuts on US Postsecondary Attainment," *Harvard University,* February 2018, https://scholar.harvard.edu/files/ddeming/files/dw_feb2018.pdf

134

135 Deming, David J., and Christopher R. Walters, "The Impact of State Budget Cuts on US Postsecondary Attainment," *Harvard University,* February 2018, https://scholar.harvard.edu/files/ddeming/files/dw_feb2018.pdf

136 Mitchell, Michael, Leachman, Michael, and Matt Saenz, "State Higher Education Funding Cuts Have Pushed Costs to Students, Worsened Inequality," Center on Budget and Policy Priorities, October 24,2019, https://www.cbpp.org/research/state-budget-and-tax/state-higher-education-funding-cuts-have-pushed-costs-to-students

137 National Bureau of Economic Research, "Rising Public College Tuition and College Entry: How Well Do Public Subsidies Promote Access to College?" https://www.nber.org/papers/w5164.pdf?new_window=1, (Cambridge, MA: NBER, July 1995)

138 Center for Tax and Budget Accountability, "Analysis of Illinois' FY 2021 Enacted General Fund Budget," August 2020, https://www.ctbaonline.org/reports/illinois-fy-2021-enacted-general-fund-budget-analysis

139 Illinois Board of Higher Education, "Preliminary Fall 2020 Enrollment," https://www.ibhe.org/assets/files/Preliminary%20Fall%20Enrollment%202020-21%20Final.pdf

140 Illinois Board of Higher Education, "IBHE Data Points: IBHE First Look Fall Enrollment, Illinois Public Universities," https://www.ibhe.org/First-Look-Fall-Enrollment-2020.html

141 Illinois Board of Higher Education, "IBHE Data Points: IBHE First Look Fall Enrollment, Illinois Public Universities," https://www.ibhe.org/First-Look-Fall-Enrollment-2020.html

142 CTBA analysis of (i) IBHE's Enrollments & Degrees System and (ii) Illinois Board of Higher Education, "Preliminary Fall 2020 Enrollment," https://www.ibhe.org/assets/files/Preliminary%20Fall%20Enrollment%202020-21%20Final.pdf

143 CTBA analysis of (i) IBHE's Enrollments & Degrees System and (ii) Illinois Board of Higher Education, "Preliminary Fall 2020 Enrollment," https://www.ibhe.org/assets/files/Preliminary%20Fall%20Enrollment%202020-21%20Final.pdf

144 CTBA analysis of (i) IBHE's Enrollments & Degrees System and (ii) Illinois Board of Higher Education, "IBHE Data Points: IBHE First Look Fall Enrollment, Illinois Public Universities," https://www.ibhe.org/First-Look-Fall-Enrollment-2020.html

145 EPI analysis of Bureau of Labor Statistics Local Area Unemployment Statistics (LAUS) data and Current Population Survey (CPS) data.

146 CTBA analysis of U.S. Census Household Pulse Survey Data, https://www.census.gov/programs-surveys/household-pulse-survey/data.html

147 Center for Tax and Budget Accountability, "Analysis of Illinois' FY 2022 Enacted General Fund Budget," July 2021, ctbaonline.org/reports/analysis-illinois-fy-2022-enacted-general-fund-budget

148 Jackson, Victoria and Matt Saenz, "States Can Choose Better Path for Higher Education Funding in COVID-19 Recession," *Center on Budget and Policy Prioritie*s, February 17, 2021, https://www.cbpp.org/sites/default/files/2-17-21sfp.pdf

149 Jackson, Victoria and Matt Saenz, "States Can Choose Better Path for Higher Education Funding in COVID-19 Recession," *Center on Budget and Policy Prioritie*s, February 17, 2021, https://www.cbpp.org/sites/default/files/2-17-21sfp.pdf

150 Jackson, Victoria and Matt Saenz, "States Can Choose Better Path for Higher Education Funding in COVID-19 Recession," *Center on Budget and Policy Prioritie*s, February 17, 2021, https://www.cbpp.org/sites/default/files/2-17-21sfp.pdf

151 Center for Tax and Budget Accountability, "Analysis of Illinois' FY 2022 Enacted General Fund Budget," July 2021, ctbaonline.org/reports/analysis-illinois-fy-2022-enacted-general-fund-budget