

# Illinois Public Universities & the Budget Impasse

**FY 15**

The last “normal” state budget provided \$1.2 Billion for public university operations.

**FY 16**

The total appropriation for universities in FY 16 was \$350 Million – a 71% reduction.

**FY 17**

\$663 Million (45% reduction from base level) has been enacted so far in FY 17 with only days remaining in the fiscal year.

**Public University Funding – ‘Normal’ versus Enacted**

	FY 16	FY 17	FY 18	3yr Total	3yr Shortfall	3yr % Loss
Normal (FY 15)	\$1.2 Billion	\$1.2 Billion	\$1.2 Billion	\$3.6 Billion	\$0	-
Actually Enacted	\$350 Million	\$663 Million	\$0	\$1 Billion	(\$2.6 Billion)	(72%)

The budget plans offered would provide welcome appropriations for public universities, but to be clear – to date, the State still has *underfunded* public universities **OVER \$1.39 BILLION** causing serious operational damage. Locally held, designated funds used to cover missing State appropriations must be repaid. Neighboring states are cashing in on the impasse, welcoming our best & brightest students with open arms. Regional small businesses are struggling & real estate markets are plummeting as over 1,500 university employees have been laid off and hundreds continue to be furloughed.

It is important to note that on top of cuts to public university operating funds, increased costs of pension reforms as well as healthcare costs shifted to universities would additionally reduce net operating support by over 10% (and could likely grow from there). These changes will incur permanent & significant increased costs for universities.

A full budget would be a first step in moving beyond this disaster, but the cavernous operational hole left by skipping the equivalent of an entire year’s funding cannot simply be overcome with a return to regular funding. A fiscal crisis that began as a lack of State revenue is now depressing our tuition revenues as well (through enrollment). Illinois public universities need adequate, consistent, and dependable operating appropriations and capital renewal in order to compete against our private and out-of-state peers for Illinois students. Preventative maintenance is always cheaper than emergency care – but Illinois has chosen the latter.