

# Colleges starved of funds as Illinois Democrats and Republicans orchestrate budget impasse

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Four months after the fiscal year began on July 1, the state of Illinois remains without a budget. In the absence of renewed spending authority, a variety of court orders and agreements have kept the state paying most of its bills to service providers and state workers, as well as to primary and secondary schools—at the same levels as the previous year.

However, the same arrangements have not applied to the state's public colleges and universities, which have received no funds and no assurances that they will receive them, even when the state eventually passes a budget. Even before the impasse, budget proposals from both the Democrats and Republicans included devastating cuts to state universities.

With nearly a third of the school year already completed, many colleges and universities have already implemented cuts in programs and staff. Among the hardest hit are some of the mid-sized public universities and community colleges. They generally rely on state funding for a higher proportion of their revenues and do not have large endowments, sources of revenue such as medical centers and large research grants, or (in the case of community colleges) wealthy property tax bases from which to draw upon.

Eastern Illinois University (EIU), which relies upon state funding for nearly 18 percent of its budget, has cut 159 positions since the summer. At a State Senate Higher Education Committee hearing in early October, EIU president David Glassman warned that without state funding the school was in danger of shutting down. Glassman said: "I don't know a date or month. But I can say that we would be somewhere in the spring semester." He added, "If we have no budget and no assurance from the state that we're going to get a

budget, it puts us in one of the most precarious positions that Eastern Illinois or any university in any state has been in."

Illinois State University (ISU) passed a fiscal year 2016 budget on October 23 that cut \$7.4 million, based on an eventual 10 percent reduction in their state appropriation. ISU has also implemented a hiring freeze and eliminated 76 positions.

The University of Illinois (U of I) has redirected \$24 million from planned infrastructure upgrades to operations. It has also put in place a hiring freeze on administrative positions. More cuts will almost certainly be forthcoming, as Republican governor Bruce Rauner's budget proposed reducing U of I's funding by \$209 million, while a competing plan by the Democrats in the state legislature proposed eliminating \$57 million.

Many community colleges are contemplating cuts or tuition increases to offset the loss of state funds. Adult education programs, which provide GED certificates as well as training for high school graduates, have been a particular target, since they rely heavily on federal and state grant funding. None of the federal money has been received, due to the lack of required matching state funding.

The board of trustees at Lake Land College voted on October 12 to suspend all adult education after December 31 if state funding does not become available. A subsequent fundraising effort by the college's foundation restored enough funding to serve around 180 students out of the 450 who were expected to take adult education classes.

Another drain on college and university finances is the lack of payments to cover Monetary Award

Program (MAP) Grants that pay tuition costs for students with financial need attending public and private colleges throughout the state. Accounting for a total of about \$373 million, these grants are used by some 130,000 students annually, with an average award of \$2,700.

Many schools covered the grants for the fall term under the assumption they would eventually receive the money. However, many do not have the resources to cover their students for the spring term and are sending letters out to students letting them know that they will be responsible for any unpaid tuition or fees.

The lack of MAP funds is causing large problems at institutions that have high proportions of working class students, often the first from their families to go to college. For example, more than 33 percent of Southern Illinois University and 25 percent of Northern Illinois University students receive MAP grants. Among private colleges, more than 25 percent of Elmhurst College students receive MAP grants, as do 10 percent of DePaul students. Saint Xavier University—with 51 percent of students receiving MAP grants—has instituted pay cuts ranging from 4.9 percent to 22.9 percent for faculty, staff and administrators.

In response to the budget problems, Moody's Investor Service reduced the credit ratings for six public universities on October 28. Western Illinois University, Eastern Illinois University, Governors State University, Northern Illinois University, Northeastern Illinois University and Southern Illinois University were all hit, due to their proportionally higher reliance on state appropriations for their budgets. This will make any borrowing they undertake to cushion the blow more expensive.

There is a very real worry among some colleges that they might not receive any of their state money, or only a fraction, or that it might not be retroactive. The president of Lincoln Land College, Charlotte Warren, said, "The safest bet is to not count on any money this year," and further, that "We have no way to know when money will be received, or at what level it will be funded."

The financial starvation of these institutions is part and parcel of a wholesale attack on public education by the entire ruling class, led by both the Democrats and the Republicans.

This budget impasse has been widely characterized as

the result of a political stalemate between billionaire investment banker and governor Rauner and Democratic Illinois House of Representatives speaker Michael Madigan, with Rauner demanding limitations on collective bargaining, workers compensation claims and other concessions in exchange for his agreement not to veto an income tax increase that would be needed to balance the budget.

In fact, the entire affair is being carefully choreographed, primarily with the goal of allowing the Democratic Party, including Madigan and Chicago mayor Rahm Emanuel, to adopt a completely fraudulent "left" stance in relation to Rauner, even as they work closely with him to work out the next attack on workers. Madigan, the powerful Illinois House speaker, has not even seriously attempted to push through a budget over Rauner's veto, despite commanding a super-majority in that chamber, and with the Democrats holding an even more comfortable super-majority in the state Senate.

The reason is that both parties are in complete agreement that cuts must be made to higher education and social spending. Rauner's budget proposal included a 31 percent cut to state university appropriations, while the budget passed by Madigan and sent to the governor cut university funding by 8.5 percent. By refusing to provide funding for this long, they hope to present the colleges and universities with an accomplished fact.



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