



Sen. Kimberly A. Lightford

**Filed: 4/16/2025**

10400SB0013sam001

LRB104 07750 LNS 24977 a

1 AMENDMENT TO SENATE BILL 13

2 AMENDMENT NO. \_\_\_\_\_. Amend Senate Bill 13 by replacing  
3 everything after the enacting clause with the following:

4 "Section 1. Short title. This Act may be cited as the  
5 Adequate and Equitable Public University Funding Act.

6 Section 5. Findings. The General Assembly makes all of the  
7 following findings:

8 (1) A thriving postsecondary education system enriches  
9 the State and its residents.

10 (2) Illinois requires an adequate, equitable, and  
11 stable approach to funding public universities.

12 (3) Historic inequities in university funding underlie  
13 current gaps in access, retention, and attainment among  
14 different groups of students in this State.

15 (4) The State must seek to reduce on behalf of  
16 underserved students the significant disparities in public

1 university access, affordability, and measures of  
2 retention, progress, and degree completion, by, among  
3 other things, addressing the influence of disparities in  
4 resources by race, income, age of entry, and location.

5 (5) High-quality, evidence-based student support has  
6 been shown to improve enrollment and outcomes for  
7 students.

8 (6) Illinois' public universities have a variety of  
9 missions and characteristics.

10 (7) Through "A Thriving Illinois: Higher Education  
11 Paths to Equity, Sustainability, and Growth", the State  
12 has set systemwide goals for equity, sustainability, and  
13 growth, and the General Assembly must strategically fund  
14 public universities to achieve these goals.

15 (8) As State funding has decreased, Illinois' public  
16 universities have become increasingly reliant on tuition  
17 and fees, increasing the debt students take on to fund  
18 their education.

19 (9) Public universities should be funded sufficiently  
20 to achieve student, institutional, and State goals.

21 (10) Public higher education should be affordable for  
22 all students.

23 (11) Increasing public funding for public universities  
24 should be paired with increased transparency and  
25 accountability.

1 Section 10. Purpose. It is the purpose of this Act to  
2 establish an adequate and equitable funding formula for public  
3 universities that shall do all of the following:

4 (1) ensure that the State provides adequate,  
5 equitable, and stable funding for public universities that  
6 is particularly directed to serving students from groups  
7 for whom there is evidence of meaningful gaps in  
8 enrollment, retention, and completion compared to their  
9 peers;

10 (2) determine, for each eligible public institution, a  
11 funding level based on the unique needs and of the  
12 eligible public institution's student body and the  
13 eligible public institution's mission and mix of programs;

14 (3) encourage greater access and success for students  
15 who are, based on evidence, less likely to enroll,  
16 persist, progress, and complete their selected programs of  
17 study; and

18 (4) provide a funding increase to each eligible public  
19 institution when new funds are invested;

20 (5) support the diverse missions of each eligible  
21 public institution;

22 (6) foster economic activity and innovation;

23 (7) ensure that each eligible public institution has  
24 the flexibility to invest in ways that best serve the  
25 eligible public institution's students;

26 (8) allow for ongoing monitoring and continuous

1 improvement of the adequate and equitable funding formula  
2 for eligible public institutions;

3 (9) incentivize each eligible public institution to  
4 reduce reliance on student tuition and fees with increased  
5 State investment;

6 (10) distribute new funding through an equitable  
7 allocation that drives resources to eligible public  
8 institution that are furthest from adequate funding; and

9 (11) ensure that each eligible public institution is  
10 held harmless in the transition to a new funding model.

11 Section 15. Definitions. In this Act:

12 "Academic and nonacademic support" means a per-student  
13 funding amount required to cover costs related to providing  
14 high-impact support for student retention and completion.

15 "Academic support" includes, but is not limited to,  
16 support for curriculum design, faculty, and staff training,  
17 academic advising, career services, tutoring, disability  
18 resource services, and research initiatives.

19 "Access adjustment" means an adjustment to access support  
20 for the increased costs of closing enrollment gaps for  
21 underserved students.

22 "Access support" means a per-student funding amount  
23 required to cover costs related to outreach, recruitment, and  
24 enrollment of students, including admissions and financial aid  
25 offices.

1 "Adequacy components" means the components of an adequate  
2 education, including the components necessary to provide  
3 instruction and student services, to advance the eligible  
4 public institution's research and public service mission, and  
5 to cover its operations and maintenance needs.

6 "Adequacy gap" means the dollar or percentage funding gap  
7 between the adequacy target of an eligible public institution  
8 and the resource profile of that eligible public institution.

9 "Adequacy gap formula" means a formula for distributing  
10 funds among eligible public institutions based on an eligible  
11 public institution's adequacy gap, as calculated on a  
12 percentage basis.

13 "Adequacy target" means the amount of funding a particular  
14 eligible public institution needs to cover the expenses of  
15 instruction and student services, the eligible public  
16 institution's research and public service mission, and  
17 operations and maintenance associated with the student  
18 population the eligible public institution serves and the  
19 eligible public institution's institutional characteristics,  
20 as well as to support closing gaps in enrollment, retention,  
21 or completion for underserved students.

22 "Affordability" means the total expense of attendance that  
23 a student can reasonably be expected to pay given the  
24 student's means.

25 "Annual formula funding" means the sum of the following  
26 State appropriations for the fiscal year: the base funding

1 minimum appropriated for each eligible public institution for  
2 the fiscal year, plus all new State formula funding  
3 appropriated for the fiscal year.

4 "Base funding minimum" means the minimum funding amount  
5 each year per eligible public institution to which new State  
6 formula funding is added, as calculated in subsection (b) of  
7 Section 35.

8 "Base net tuition revenue" means the average of net  
9 tuition revenue for an eligible public institution for each of  
10 Fiscal Years 2023, 2024, and 2025.

11 "Base net tuition revenue per student" means the base net  
12 tuition revenue for an eligible public institution divided by  
13 the institution's average head count for Fiscal Years 2023,  
14 2024, and 2025.

15 "Board" means the Board of Higher Education.

16 "Carnegie Classification system" means the most recent  
17 version of the Research Activity Designations system developed  
18 and maintained by the American Council on Education, which  
19 classifies higher education institutions.

20 "Concentration factor adjustment" means an adjustment to  
21 academic and nonacademic support based on the percentage of  
22 all undergraduate students who meet the requirements for a  
23 high and intensive holistic support equity adjustment.

24 "Core instructional program adjustment" means an  
25 adjustment to core instructional program support to cover the  
26 increased costs of high-cost programs, health professional

1 programs, and medical programs.

2 "Core instructional program support" means a per-student  
3 funding amount required to cover costs related to delivering  
4 instructional programs.

5 "Current enrollment" means the unduplicated number of  
6 degree-seeking students enrolled in an eligible public  
7 institution in the fall of the most recent academic year for  
8 which data is available.

9 "Dentistry program adjustment" means an adjustment to core  
10 instructional program support calculated by the Board, to  
11 cover the increased cost of offering dentistry degree  
12 programs.

13 "Distribution formula" means the formula for calculating  
14 funding amounts to be provided to each eligible public  
15 institution, as set forth in Section 35.

16 "Diversity programs adjustment" means an adjustment to  
17 core instructional program support for underrepresented  
18 students enrolled in high-cost programs, health professional  
19 programs, pharmacy programs, physician's assistant programs,  
20 dentistry programs, and medical programs, including  
21 undergraduate, graduate, or professional studies.

22 "Dollar gap formula" means a formula for distributing  
23 funds among eligible public institutions based on an eligible  
24 public institution's adequacy gap in absolute dollars.

25 "Eligible public institution" means each of the following  
26 public institutions of higher education: Chicago State

1 University; Eastern Illinois University; Governors State  
2 University; Illinois State University; Northeastern Illinois  
3 University; Northern Illinois University; Southern Illinois  
4 University at Carbondale, including the Southern Illinois  
5 University School of Medicine; Southern Illinois University at  
6 Edwardsville; the University of Illinois at Chicago, including  
7 the University of Illinois at Chicago School of Medicine; the  
8 University of Illinois at Springfield; the University of  
9 Illinois at Urbana-Champaign, including the University of  
10 Illinois at Urbana-Champaign School of Medicine; Western  
11 Illinois University; or any other public college or university  
12 now or hereafter established or authorized by the General  
13 Assembly and deemed to be eligible for funding through the  
14 adequate and equitable funding formula by the Board, except a  
15 community college.

16 "Eligible public institution adequacy gap percentage"  
17 means the ratio of an eligible public institution's adequacy  
18 gap and its adequacy target.

19 "Funding formula" means the adequate and equitable funding  
20 formula for public universities created under this Act.

21 "Funding Formula Review Panel" means the panel established  
22 under Section 45.

23 "Head count" or "per-student" means the rolling 3-year  
24 average of the unduplicated number of degree-seeking  
25 individuals enrolled in an eligible public institution,  
26 independent of the number of credit hours the individual is

1 taking.

2 "Health professional program adjustment" means an  
3 adjustment to core instructional program support calculated by  
4 the Board to cover the increased costs of offering master's  
5 and doctoral degree programs in the following disciplines:  
6 veterinary medicine, physical therapy, and audiology and  
7 speech pathology.

8 "High-cost program adjustment" means an adjustment to core  
9 instructional program support calculated by the Board to cover  
10 the higher costs of offering certain programs, including, but  
11 not limited to, engineering, fine arts, and registered  
12 nursing. These programs shall be identified based on  
13 consistently higher than average costs relative to other  
14 programs at the same level across multiple institutions, time  
15 periods, and states.

16 "Holistic support equity adjustment" means an adjustment  
17 to academic and nonacademic support for the increased costs of  
18 closing retention gaps for underserved students.

19 "Institutional ratio cut" means the calculation used to  
20 apply the reduction ratio to the amount of the funding  
21 reduction in a given fiscal year.

22 "Institutional support" means a per-student funding amount  
23 required to cover costs related to the basic administration of  
24 an eligible public institution, such as central  
25 administration, business office, and human resource costs.

26 "International student" means a foreign student who has

1 studied at a foreign secondary school or university or  
2 requires a visa to study in the United States.

3 "Laboratory space" has the meaning as specified in United  
4 States Department of Education's "Postsecondary Education  
5 Facilities Inventory and Classification Manual" and reported  
6 by public universities to Board in the annual Resource  
7 Allocation and Management Program (RAMP) document.

8 "Laboratory space adjustment" means an adjustment to  
9 physical plant support based on the cost of maintaining  
10 laboratory space.

11 "Medical program adjustment" means an adjustment to core  
12 instructional program support calculated by the Board to cover  
13 the increased costs of offering medical degree programs.

14 "Net tuition revenue" means the gross tuition and  
15 mandatory fee revenue of an eligible public institution for a  
16 fiscal year, subtracting scholarships and waivers awarded to  
17 students in that fiscal year. Gross tuition and mandatory fees  
18 under this calculation do not include student health insurance  
19 fees. Scholarships and waivers to be subtracted include those  
20 provided from general appropriations and institution revenue.  
21 Scholarships and waivers provided by any source outside of the  
22 institution, including nonprofit organizations, federal  
23 sources, including, but not limited to, Pell grants, and State  
24 sources, including, but not limited to, Monetary Award Program  
25 grants, shall not be subtracted from gross tuition and  
26 mandatory fee revenue in this calculation.

1 "New State formula funding" means, for a given fiscal  
2 year, all State funds appropriated for the adequate and  
3 equitable funding formula for public universities in excess of  
4 the amount provided in the previous fiscal year.

5 "Nonacademic support" includes, but is not limited to,  
6 academic success programs that serve underrepresented,  
7 first-generation, low-income students, mental health and  
8 counseling services, resource centers, cultural or identity  
9 centers, experiential learning, transfer initiatives, housing,  
10 childcare, emergency aid, and other wrap-around services.

11 "Percentage gap" means the size of an eligible public  
12 institution's adequacy gap measured by dividing its adequacy  
13 gap in dollars by its adequacy target.

14 "Pharmacy program adjustment" means an adjustment to core  
15 instructional program support calculated by the Board to cover  
16 the increased cost of offering pharmacy degree programs.

17 "Physical plant support" means a per-student funding  
18 amount required to cover costs related to the operation and  
19 maintenance of a physical campus of an eligible public  
20 institution, including, but not limited to, custodial  
21 services, snow removal, painting, and repairs.

22 "Physician's assistant program adjustment" means an  
23 adjustment to core instructional program support calculated by  
24 the Board to cover the increased cost of offering physician's  
25 assistant degree programs.

26 "Public service and artistry support" means a per-student

1 funding amount required to cover costs related to public  
2 service and artistry.

3 "Public university" means the University of Illinois,  
4 Southern Illinois University, Chicago State University,  
5 Eastern Illinois University, Governors State University,  
6 Illinois State University, Northeastern Illinois University,  
7 Northern Illinois University, Western Illinois University, or  
8 any other public college or university now or hereafter  
9 established or authorized by the General Assembly, except a  
10 community college.

11 "Research support" means a per-student funding amount  
12 required to cover costs related to research.

13 "Resource profile" means the resources available to a  
14 public university to cover the costs of the adequacy target.

15 "School size adjustment" means an adjustment to  
16 institutional support for an eligible public institution with  
17 a head count of less than 20,000 students.

18 "Statewide adequacy gap" means the difference between (i)  
19 the cumulative total of each eligible public institution's  
20 adequacy targets and (ii) the cumulative total of each  
21 eligible public institution's resource profile.

22 "Statewide gap" means the statewide funding gap determined  
23 by dividing the adequacy target of all eligible public  
24 institutions by the resource profile of all eligible public  
25 institutions, measured as a percentage.

26 "Underserved students" means students or student groups

1 that have gaps in enrollment, retention, or completion between  
2 their population and a relevant comparison group based on data  
3 available to the State. The Board shall determine which  
4 students or student groups meet this term through a  
5 data-informed determination of "underserved students" that  
6 shall be updated every 3 years. The Board shall consider data  
7 about postsecondary enrollment patterns, student demographics,  
8 student and family income levels, student outcomes, and  
9 geographic distribution when developing its determination.

10 Section 20. Adequate and equitable funding formula for  
11 public universities.

12 (a) After the effective date of this Act, all general  
13 operating expenses for public universities shall be  
14 distributed in the manner prescribed in subsection (d) of  
15 Section 35 and through the funding formula created under this  
16 Act for public universities.

17 (b) The funding formula shall operate as follows:

18 (1) The Board shall use the formula in Section 25 to  
19 calculate the adequacy target for each eligible public  
20 institution.

21 (2) The Board shall use the formula in Section 30 to  
22 calculate the resource profile for each eligible public  
23 institution.

24 (3) After calculating the adequacy target and resource  
25 profile for each eligible public institution, the Board

1 shall subtract the resource profile from the adequacy  
2 target to determine the adequacy gap for each eligible  
3 public institution.

4 (4) The Board shall use the distribution formula set  
5 forth in Section 35 to calculate the amount of the new  
6 funding to each eligible public institution. The Board  
7 shall outline what conditions, if any, come with the new  
8 funding as established in Section 40.

9 (d) By January 15 annually, the Board shall publish on its  
10 website and provide to the Governor and General Assembly the  
11 adequacy target, resource profile, and adequacy gap for each  
12 eligible public institution and shall make recommendations for  
13 appropriations for the upcoming fiscal year. Based on its  
14 recommendations, the Board shall also publish the amount of  
15 new funding to allocate to each eligible public institution.

16 Section 25. Adequacy target.

17 (a) As used in this Section, "underrepresented students"  
18 means student groups whose share of the head count of the  
19 relevant core instructional program across all eligible public  
20 institutions is less than the share of that same student group  
21 across every eligible public institution's undergraduate head  
22 count.

23 (b) The adequacy target for each eligible public  
24 institution is the sum of the eligible public institution's  
25 cost of providing an equitable and adequate education based on

1 the specific characteristics of the per student adequacy  
2 components and institutional adequacy components, as  
3 calculated in this Section.

4 (c) The adequacy components adjustments shall be evaluated  
5 and adjusted under subsection (j) of Section 45. In Fiscal  
6 Year 2026 and in each fiscal year thereafter, the dollar value  
7 of each of the base amounts and any adjustment represented by a  
8 dollar value identified in this Section shall be increased  
9 annually, on a cumulative basis, by a percentage equal to the  
10 percentage change, if any, in the Employment Cost Index  
11 (Midwest Economy) published by the Bureau of Labor Statistics  
12 of the United States Department of Labor for the 4-quarter  
13 period ending on December 31 of the immediately preceding  
14 fiscal year. The adequacy target of an eligible public  
15 institution in a fiscal year shall be the sum of its adequacy  
16 components for the fiscal year, adjusted for inflation as  
17 provided in this subsection (c).

18 (d) The Board shall include in each eligible public  
19 institution's adequacy target the amount required to provide  
20 students with access support as follows:

21 (1) Access support in the base amount of \$1,136 per  
22 student.

23 (2) Access adjustments to the access support base  
24 shall be determined as follows:

25 (A) an additional \$500 for each undergraduate  
26 included in the eligible public institution's head

1 count who meets the requirements for a low-access  
2 adjustment as defined in subsection (k); and

3 (B) an additional \$1,000 for each undergraduate  
4 included in the eligible public institution's head  
5 count who meets the requirements for a medium-access  
6 adjustment as defined in subsection (k).

7 (e) The Board shall include in each eligible public  
8 institution's adequacy target the amount required to provide  
9 students with academic and nonacademic support as follows:

10 (1) Academic and nonacademic support in the base  
11 amount of \$2,196 per student.

12 (2) A holistic support equity adjustment to the  
13 academic and nonacademic support base, determined as  
14 follows:

15 (A) An additional \$2,000 for each student included  
16 in the eligible public institution's head count who  
17 meets the requirements for a low holistic support  
18 equity adjustment as defined in subsection (l).

19 (B) An additional \$4,000 for each student included  
20 in the eligible public institution's head count who  
21 meets the requirements for a medium holistic support  
22 equity adjustment as defined in subsection (l).

23 (C) An additional \$6,000 for each student included  
24 in the eligible public institution's head count who  
25 meets the requirements for a high holistic support  
26 equity adjustment as defined in subsection (l).

1           (D) An additional \$8,000 for each student included  
2           in the eligible public institution's head count who  
3           meets the requirements for an intensive holistic  
4           support equity adjustment as defined in subsection  
5           (1).

6           (3) A concentration factor adjustment to the academic  
7           and nonacademic support base, determined as follows:

8           (A) If 75% or more of the undergraduates included  
9           in an eligible public institution's head count meet  
10          the requirements for a high holistic support equity  
11          adjustment or an intensive holistic support equity  
12          adjustment, then each of the holistic support equity  
13          adjustment amounts described in paragraph (2) of this  
14          subsection (e) shall be increased by a concentration  
15          factor of 50%.

16          (B) If 60% or more but less than 75% of the  
17          undergraduates included in an eligible public  
18          institution's head count meet the requirements for a  
19          high holistic support equity adjustment or an  
20          intensive holistic support equity adjustment, then  
21          each of the holistic support equity adjustment amounts  
22          described in paragraph (2) of this subsection (e)  
23          shall be increased by a concentration factor of 30%.

24          (C) If 50% or more but less than 60% of the  
25          undergraduates included in an eligible public  
26          institution's head count meet the requirements for a

1 high holistic support equity adjustment or an  
2 intensive holistic support equity adjustment, then  
3 each of the holistic support equity adjustment amounts  
4 described in paragraph (2) of this subsection (e)  
5 shall be increased by a concentration factor of 10%.

6 (f) The Board shall include in each eligible public  
7 institution's adequacy target the amount required to provide  
8 students with core instructional program support as follows:

9 (1) Core instructional program support in the base  
10 amount of \$9,797 per student.

11 (2) For Fiscal Year 2026 and Fiscal Year 2027, the  
12 high-cost and high-priority programs to be included in the  
13 adjustment are as follows:

14 (A) Engineering (all Classification of  
15 Instructional Programs (CIP) codes 14.XXXX).

16 (B) Fine arts (all CIP codes 50.XXXX).

17 (C) Registered nursing (CIP code 51.38XX).

18 (D) Other health professional programs (CIP codes  
19 01.8001, 51.0201, 51.0202, 51.0204, 51.0401, 51.2001,  
20 51.2308, and 51.3818).

21 (3) A high-cost program adjustment to core  
22 instructional program support base, determined as follows:

23 (A) The core instructional program support base  
24 amount shall be increased by 20% for each student  
25 participating in a high-cost program at the eligible  
26 public institution and shall be increased by an

1 additional 45% for each underrepresented student  
2 participating in a high-cost program.

3 (B) The core instructional program support base  
4 amount shall be increased by 100% for each student  
5 participating in a health professional program at the  
6 eligible public institution and shall be increased by  
7 an additional 87% for each underrepresented student  
8 participating in a health professional program.

9 (C) The core instructional program support base  
10 amount shall be increased by 330% for each student  
11 participating in a pharmacy program at the eligible  
12 public institution and shall be increased by an  
13 additional 44% for each underrepresented student  
14 participating in a pharmacy program.

15 (D) The core instructional program support base  
16 amount shall be increased by 330% for each student  
17 participating in a physician's assistant program at  
18 the eligible public institution and shall be increased  
19 by an additional 18% for each underrepresented student  
20 participating in a physician's assistant program.

21 (E) The core instructional program support base  
22 amount shall be increased by 610% for each student  
23 participating in a dentistry program at the eligible  
24 public institution and shall be increased by an  
25 additional 61% for each underrepresented student  
26 participating in a dentistry program.

1           (F) The core instructional program support base  
2 amount shall be increased by 1,400% for each student  
3 participating in a medical program at the eligible  
4 public institution and shall be increased by an  
5 additional 18% for each underrepresented student  
6 participating in a medical program.

7           (g) The Board shall include in each eligible public  
8 institution's adequacy target the amount required to conduct  
9 research as follows:

10           (1) Research support in the base amount of \$600 per  
11 student.

12           (2) A research support adjustment, determined as  
13 follows:

14           (A) an additional \$500 for each student included  
15 in the eligible public institution's head count if the  
16 eligible public institution is designated as a  
17 Research College and University under the Carnegie  
18 Classification system;

19           (B) an additional \$700 for each student included  
20 in the eligible public institution's head count if the  
21 eligible public institution is under the category of  
22 R2: High Research Spending and Doctorate Production  
23 under the Carnegie Classification system; or

24           (C) an additional \$1,200 for each student included  
25 in the eligible public institution's head count if the  
26 eligible public institution is under the category of

1 R1: Very High Research Spending and Doctorate  
2 Production under the Carnegie Classification system.

3 (h) The Board shall include in each eligible public  
4 institution's adequacy target the base amount of \$200 per head  
5 count to promote public service and artistry.

6 (i) The Board shall include in each eligible public  
7 institution's adequacy target the amount required to provide  
8 institutional support as follows:

9 (1) Institutional support in the base amount of \$1,941  
10 per student.

11 (2) A school size adjustment applied to any eligible  
12 public institution with a head count of less than 20,000  
13 students. The school size adjustment shall be calculated  
14 by subtracting the eligible public institution's head  
15 count from 20,000, dividing the result by 20,000, then  
16 multiplying that quotient by 45%. The resulting percentage  
17 shall be multiplied by the institutional support base  
18 amount to generate a per-student adjustment. That  
19 adjustment shall then be multiplied by the head count.

20 (j) The Board shall include in each eligible public  
21 institution's adequacy target the amount required to maintain  
22 the physical plant as follows:

23 (1) Physical plant support in the base amount of \$7.78  
24 per square foot as reported in the Board's Capital RAMP  
25 documents.

26 (2) A laboratory space adjustment of \$1.54 per square

1 foot of laboratory space.

2 (k) As used in subsection (d):

3 "Low-access adjustment" means a per-student adjustment for  
4 a student in any subgroup of students at an eligible public  
5 institution having a disparity that is greater than or equal  
6 to 1% but less than 10% in statewide public university  
7 enrollment rates compared to the statewide average of all  
8 other students.

9 "Medium-access adjustment" means a per-student adjustment  
10 for a student in any subgroup of students at an eligible public  
11 institution having a 10% or greater disparity in statewide  
12 public university enrollment rates compared to the statewide  
13 average of all other students.

14 Students with multiple characteristics shall be placed in  
15 the category associated with their highest characteristic.

16 (l) As used in this subsection (l):

17 "High holistic support equity adjustment" means a  
18 per-student adjustment for a student in any subgroup of  
19 students at an eligible public institution having greater than  
20 or equal to 11% disparity in retention rates compared to the  
21 statewide average of all other students.

22 "Intensive holistic support equity adjustment" means a  
23 per-student adjustment for a student in any 2 subgroups of  
24 students at an eligible public institution eligible for the  
25 holistic support adjustment, one of which is high holistic  
26 support.

1 "Low holistic support equity adjustment" means a  
2 per-student adjustment for a student in any subgroup of  
3 students at an eligible public institution having a disparity  
4 in retention rates greater than or equal to 1% but less than 6%  
5 compared to the statewide average of all other students.

6 "Medium holistic support equity adjustment" means a  
7 per-student adjustment for a student in any subgroup of  
8 students at an eligible public institution having a disparity  
9 in retention rates greater than or equal to 6% but less than  
10 11% compared to the statewide average of all other students.

11 The academic and nonacademic support adjustments shall be  
12 determined using the statewide gaps in the percentage of  
13 year-over-year retention for any subgroup of students compared  
14 to the statewide average of all other students, as determined  
15 by the Board. The holistic support equity adjustments shall be  
16 categorized, in descending order, as intensive holistic  
17 support equity, high holistic support equity, medium holistic  
18 support equity, or low holistic support equity, with students  
19 with multiple characteristics being placed one category above  
20 the category associated with their highest characteristic.  
21 Undergraduate students are eligible for all holistic support  
22 equity adjustments. Graduate students are eligible for the  
23 high and medium holistic support equity adjustments.

24 (m) The adequacy target does not include, among other  
25 expenditures, any of the following:

26 (1) expenditures for hospitals, athletics,

1 auxiliaries, housing, health insurance, or deferred  
2 maintenance; or

3 (2) institutional financial aid.

4 (n) The Board, in consultation with the Funding Formula  
5 Review Panel, may, by rule, define additional academic and  
6 nonacademic support and additional high-cost programs. The  
7 Board, in consultation with the Funding Formula Review Panel,  
8 may also define by rule the maximum adjustment and number of  
9 students who are eligible for the school size adjustment.

10 Section 30. Resource profile.

11 (a) As used in this Section:

12 "Adjusted net tuition revenue" means the dollar amount  
13 that is equal to the eligible public institution's base net  
14 tuition revenue per student multiplied by the current  
15 enrollment and multiplied by its net tuition revenue index for  
16 that academic year.

17 "Net tuition revenue index" means the weighted average of  
18 the following per-student adjustments; the apportionments set  
19 forth within each paragraph are cumulative so that if a  
20 student is associated with more than one apportionment  
21 criterion, the multiple apportionments shall be added  
22 together:

23 (1) a 10% reduction weight for each in-State  
24 undergraduate student included in the eligible public  
25 institution's current enrollment; plus

1           (2) a 35% reduction weight for each in-State  
2 undergraduate or graduate student included in the eligible  
3 public institution's current enrollment who meets the  
4 requirements for an intensive holistic support or high  
5 holistic support equity adjustment as defined in  
6 subsection (1) of Section 25; plus

7           (3) a 0% reduction weight for all other students.

8           (b) The Board shall, by January 15 annually, calculate  
9 each eligible public institution's resource profile. The  
10 resource profile shall be the sum of each eligible public  
11 institution's adjusted net tuition revenue, base funding  
12 minimum, and special operational funding as determined under  
13 this Act.

14           (1) In each academic year, the adjusted net tuition  
15 revenue of an eligible public institution shall be  
16 calculated under this Section.

17           (2) The base funding minimum shall be calculated under  
18 subsection (b) of Section 35.

19           (3) Special operational funding is funding for  
20 scholarships and specific appropriations aimed at a  
21 specific initiative, project, or center that is aligned  
22 with one or more of the adequacy components.

23           (A) For Fiscal Year 2026 and Fiscal Year 2027, the  
24 following line-item State appropriations shall be  
25 included in the resource profile:

26           (i) at Chicago State University, the Chicago

1 State University Education Improvement Fund and  
2 the College of Pharmacy from the General  
3 Professions Dedicated Fund.

4 (ii) at Eastern Illinois University, the  
5 equity-based student achievement program, Grow  
6 Your Own Teachers at Eastern Illinois University  
7 scholarships, and scholarship appropriations from  
8 the State College and University Trust Fund.

9 (iii) at Illinois State University,  
10 scholarship appropriations from the State College  
11 and University Trust Fund.

12 (iv) at Northern Illinois University,  
13 scholarship appropriations from the State College  
14 and University Trust Fund.

15 (iv) at Southern Illinois University, the  
16 Daily Egyptian, the School of Pharmacy from the  
17 State College and University Trust Fund, and  
18 scholarship appropriations from the State College  
19 and University Trust Fund.

20 (vi) at the University of Illinois, labor and  
21 employment relations, the Hispanic Center of  
22 Excellence, the Dixon Springs Agricultural Center,  
23 the Institute of Government and Public Affairs,  
24 the College of Dentistry, the College of Pharmacy  
25 in Rockford from the General Professions Dedicated  
26 Fund, and scholarship appropriations from the

1 State College and University Trust Fund.

2 (B) For Fiscal Year 2028 and each fiscal year  
3 thereafter, the Board shall determine, based on the  
4 recommendations of the Funding Formula Review Panel,  
5 the special operational funding to be included in the  
6 resource profile.

7 (c) The resource profile may not include any of the  
8 following:

9 (1) tuition and fee revenue;

10 (2) revenue from State or federal financial aid; or

11 (3) for Fiscal Year 2026 and Fiscal Year 2027, the  
12 following line-item State appropriations:

13 (A) at Southern Illinois University, the National  
14 Corn-to-Ethanol Research Center, programming at  
15 Belleville, the Office of Community Engagement, the  
16 Center for Rural Health and Social Service  
17 Development, and the Simmons Cancer Institute; and

18 (B) at the University of Illinois, the Prairie  
19 Research Institute, the University of Illinois  
20 Hospital, Illinois Heart Rescue, the Illinois  
21 Innocence Project, the Climate Jobs Institute, the  
22 Illinois Fire Service Institute, emergency mosquito  
23 abatement, pet population control, carbon dioxide  
24 capture technology, carbon capture utilization and  
25 storage, and water reports under the federal Advanced  
26 Research Projects Agency.

1           Section 35. Distribution of State appropriations for  
2 eligible public institutions.

3           (a) As used in this Section:

4           "New State formula funding" means, in a fiscal year, the  
5 dollar amount of State appropriations that exceeds the dollar  
6 amount of the annual formula funding appropriated for public  
7 universities in the immediately preceding fiscal year.

8           "Pro rata share" means an amount that is equal to the sum  
9 of the eligible public institution's adequacy gap formula  
10 distribution and dollar gap formula distribution for the  
11 fiscal year, as determined in paragraph (1) of subsection (f).

12           (b) The base funding minimum for each eligible public  
13 institution shall be determined as follows:

14           (1) For Fiscal Year 2026, the initial funding amount  
15 of an eligible public institution shall be the sum of all  
16 State appropriations made from the Education Assistance  
17 Fund or the General Revenue Fund to the eligible public  
18 institution to use as operating funds in the previous  
19 fiscal year.

20           (2) For Fiscal Year 2027, and each fiscal year  
21 thereafter, the base funding minimum of an eligible public  
22 institution shall be the initial funding amount increased  
23 by any new State formula funding the eligible public  
24 institution received in the immediately preceding fiscal  
25 year as outlined in subsection (e).

1           (c) To enhance the stability of long-term funding for  
2 public universities, to create predictability in funding, to  
3 enhance the capacity of public universities to prepare  
4 budgets, and to create a feasible pathway to fully fund the  
5 adequacy target of each public university within a reasonable  
6 period of time, in Fiscal Year 2026 and in each fiscal year  
7 thereafter, the State shall endeavor to increase the aggregate  
8 amount of annual formula funding by an amount that is at least  
9 \$135,000,000 more than the aggregate annual formula funding  
10 appropriation made in the immediately preceding fiscal year,  
11 and that amount shall be designated as the minimum target  
12 increase. The minimum target increase shall be in addition to  
13 and not a replacement for any other appropriations the State  
14 makes to support either public universities or the students  
15 who attend public universities.

16           The first fiscal year occurring after the adequacy target  
17 of every eligible public institution is fully funded, after  
18 accounting for inflation and enrollment changes, shall be the  
19 full funding date, and the minimum target increase shall be an  
20 amount equal to the annual formula funding amount for the  
21 fiscal year of the full funding date, increased on a  
22 cumulative basis by a percentage equal to the percentage  
23 increase, if any, in the Employment Cost Index (Midwest  
24 Economy) published by the Bureau of Labor Statistics of the  
25 United States Department of Labor for the 4-quarter period  
26 ending on December 31 of the fiscal year in which the full

1 funding date occurs. Thereafter, the minimum target increase  
2 in a fiscal year shall be the annual formula funding amount for  
3 the immediately preceding fiscal year, increased by a  
4 percentage equal to the percentage increase, if any, in the  
5 Employment Cost Index (Midwest Economy) published by the  
6 Bureau of Labor Statistics of the United States Department of  
7 Labor for the 4-quarter period ending on December 31 of the  
8 immediately preceding fiscal year.

9 (d) In Fiscal Year 2026 and in each fiscal year thereafter  
10 in which the State appropriates formula funding, each public  
11 university shall receive a distribution from the Board to meet  
12 its operational expenses equal to its pro rata share of State  
13 formula funding for the fiscal year, minus the sum of its base  
14 funding minimum, as calculated for Fiscal Year 2026 by the  
15 Board per subsection (b). By the 15th of each month of the  
16 fiscal year, the Board shall voucher to the Comptroller  
17 one-twelfth of each public university's total distribution. A  
18 public university shall receive the distribution on behalf of  
19 each eligible public institution that is part of that public  
20 university and then distribute funding to each eligible public  
21 institution.

22 The sum of the initial funding amount, as calculated for  
23 Fiscal Year 2026 by the Board per subsection (b), shall be  
24 appropriated in Fiscal Year 2026 and in each fiscal year  
25 thereafter from the State to the board of trustees of each  
26 public university to meet its operational expenses.

1 (e) In each fiscal year in which there is new State formula  
2 funding, 50% of the new State formula funding shall be  
3 distributed using the dollar gap formula and the remaining 50%  
4 shall be distributed using the adequacy gap formula through  
5 the following calculations:

6 (1) The dollar gap formula distribution shall be  
7 calculated for each eligible public institution as  
8 follows:

9 (A) First, add the total dollar value of the  
10 adequacy gap of all eligible public institutions for  
11 the fiscal year, which shall be the total adequacy  
12 gap.

13 (B) Second, divide the dollar value of the  
14 adequacy gap of the eligible public institution by the  
15 dollar value of the total adequacy gap, which shall be  
16 the gap percentage A.

17 (C) Third, multiply the eligible public  
18 institution's gap percentage A times the amount  
19 available for the dollar gap formula for the fiscal  
20 year.

21 (D) The dollar value of the product obtained after  
22 calculating subparagraph (C) of this paragraph (1)  
23 shall be the dollar gap formula distribution for the  
24 eligible public institution.

25 (2) The adequacy gap formula distribution shall be  
26 calculated for each eligible public institution as

1 follows:

2 (A) First, add the percentage gaps of all eligible  
3 public institutions for the fiscal year, which shall  
4 be the total percentage gap.

5 (B) Second, divide the percentage gap of the  
6 eligible public institution by the total percentage  
7 gap, which shall be the gap percentage B.

8 (C) Third, multiply the eligible public  
9 institution's gap percentage B by the amount available  
10 for the adequacy gap formula for the fiscal year.

11 (D) The dollar value of the product obtained after  
12 calculating subparagraph (C) of this paragraph (2)  
13 shall be the adequacy gap formula distribution for the  
14 eligible public institution.

15 (f) The reduction formula shall be used in a fiscal year in  
16 which the State reduces its annual formula funding  
17 appropriations relative to the previous fiscal year such that  
18 funds are insufficient to provide each public university with  
19 its base funding minimum. The reduction formula shall be  
20 determined as follows:

21 (1) By dividing the statewide adequacy gap by each  
22 eligible public institution's adequacy gap and multiplying  
23 the result by the percentage decrease in the current  
24 fiscal year's appropriation compared to the prior fiscal  
25 year's appropriation. The resulting percentage for each  
26 eligible public institution is then multiplied by its base

1 funding minimum.

2 (2) Scale this by calculating the ratio of each  
3 institutional ratio cut to the statewide sum of  
4 institutional ratio cuts and then multiplying this result  
5 for each eligible public institution by the amount of  
6 reduction in funds.

7 (3) The total cut to each public university shall be  
8 the aggregate sum of the cuts to all eligible public  
9 institutions that are a part of that public university.

10 Section 40. Accountability and transparency framework;  
11 reporting; committee.

12 (a) The Board shall oversee an accountability and  
13 transparency framework for assessing the distribution, use,  
14 and student outcomes of funds provided through this Act. The  
15 framework shall be aligned with and complement the reporting  
16 set forth in the Board of Higher Education Act and any publicly  
17 reported metrics.

18 (b) The Board, in consultation with the Accountability and  
19 Transparency Committee established under subsection (e), shall  
20 report annually to the Governor, the General Assembly, and the  
21 board of trustees of each public university on the  
22 implementation of the funding formula as follows:

23 (1) The report shall be posted publicly on the Board's  
24 website by January 15, 2026 and by January 15 each year  
25 thereafter and shall, at a minimum, include all of the

1 following:

2 (A) the percentage of each eligible public  
3 institution's adequacy target funded as of June 30 of  
4 the prior fiscal year;

5 (B) the use of new appropriations received by each  
6 eligible public institution for the prior fiscal year,  
7 which shall supplement reporting under subsection (b)  
8 of Section 13.5 of the State Finance Act and be based  
9 on accounting categories established by the Board;

10 (C) metrics, including, but not limited to,  
11 measuring student retention data and data trends  
12 disaggregated by the student groups who carry with  
13 them equity adjustments, as set forth in Section 25;

14 (D) metrics, including, but not limited to,  
15 measuring each eligible public institution's current  
16 and year-over-year changes in students' tuition and  
17 fees, net price, and expected share of expenses;  
18 student affordability data and data trends shall be  
19 disaggregated by undergraduate and graduate students,  
20 as set forth in Section 25;

21 (E) metrics, including, but not limited to,  
22 measuring the institutional status and year-over-year  
23 changes in student enrollment; enrollment data and  
24 data trends shall be disaggregated by undergraduate  
25 and graduate students with further disaggregation by  
26 the student groups who carry with them equity

1 adjustments, as set forth in Section 25;

2 (F) metrics, including, but not limited to,  
3 measuring undergraduate student graduation rates  
4 within 4, 5, and 6 years and year-over-year changes in  
5 undergraduate graduation rates and for graduate  
6 students reporting graduation rates in alignment with  
7 degree level, program type, and credit-hour  
8 requirement; undergraduate and graduate student  
9 graduation rates shall be disaggregated by the student  
10 groups who carry with them equity adjustments, as set  
11 forth in Section 25;

12 (G) any actions taken by the Board under  
13 subsection (d), including justification; and

14 (H) plans from each eligible public institution on  
15 projected use of appropriations allocated through the  
16 funding formula for the forthcoming fiscal year; these  
17 expenditure plans shall be categorized according to  
18 accounting spending classifications established by the  
19 Board.

20 (2) No later than January 1, 2026, the Board shall, in  
21 consultation with public universities, submit a plan to  
22 the Governor and the General Assembly that outlines  
23 financial reporting expectations with respect to  
24 prospective spending proposals and retrospective spending  
25 summaries under this Section and any conforming changes to  
26 current accounting structures and financial reporting

1 expectations. This plan shall include all opportunities to  
2 streamline current reporting with new expectations such  
3 that universities do not have to submit information that  
4 is duplicative or unnecessary in administering the  
5 formula.

6 (c) The Board shall specify at what point an eligible  
7 public institution's adequacy gap is sufficiently small that  
8 it should be consistently advancing toward achieving State  
9 objectives, including, but not limited to, institutional  
10 student affordability, enrollment, persistence, completion,  
11 and outcomes. If an eligible public institution's adequacy gap  
12 exceeds the level specified, the eligible public institution  
13 is exempt from the actions described in subsection (d).

14 (d) If the Board determines that an eligible public  
15 institution is failing to meet progress metrics despite being  
16 adequately funded according to subsection (c), the Board may  
17 implement the following actions, including, but not limited  
18 to, requiring that an eligible public institution:

19 (1) develop a new plan for ensuring adequate progress  
20 based on the resources provided or updating its equity  
21 plan to improve progress;

22 (2) provide additional reporting on institutional  
23 spending in alignment with the components of the adequacy  
24 target;

25 (3) provide additional reporting on the institutional  
26 metrics set forth in this Section;

1           (4) direct the public university to create or modify  
2           its spending plan for new formula funds to address equity  
3           gaps and achieve the metrics outlined in this Act; and

4           (5) if other actions under this subsection (d) prove  
5           to be unsuccessful within a reasonable period of time of  
6           not less than 3 years, recommend to the General Assembly  
7           as part of its annual budget recommendations that the  
8           eligible public institution's access to additional funds  
9           be restricted or paused until progress has been made.

10          The Board shall adopt rules as necessary to implement this  
11          subsection (d).

12          (e) To aid the Board in maintaining the accountability and  
13          transparency framework and in reporting its findings, the  
14          Executive Director of the Board shall establish an  
15          Accountability and Transparency Committee. The Accountability  
16          and Transparency Committee shall offer relevant and necessary  
17          technical expertise, guidance, review, and recommendations to  
18          the Executive Director by December 15 each year in designing  
19          and assessing metrics and preparing the report under  
20          subsection (b). The Accountability and Transparency Committee  
21          shall also make recommendations for the Board to fulfill its  
22          responsibilities under subsections (c) and (d).

23          (1) The Accountability and Transparency Committee  
24          shall be composed of no more than 11 individuals and shall  
25          consist of Board members, policymakers, and State and  
26          national technical experts on higher education

1 accountability systems.

2 Except as otherwise provided, members of the  
3 Accountability and Transparency Committee shall be  
4 appointed by the Executive Director of the Board. The  
5 Accountability and Transparency Committee shall include:

6 (A) 4 members of the Board or their designees,  
7 appointed by the Chairperson of the Board;

8 (B) one member with experience working in higher  
9 education and with expertise in closing educational  
10 disparities and identifying and implementing solutions  
11 that address historic inequities in higher education;

12 (C) one member with experience working in higher  
13 education and with expertise in providing  
14 research-based academic and student support that  
15 prepares all students to achieve success in college  
16 and a career;

17 (D) 2 members with experience working in higher  
18 education and with expertise in public university  
19 budgeting and finance;

20 (E) one member with experience working in higher  
21 education and with expertise in university management;

22 (F) one member with experience working in higher  
23 education and with expertise in performance management  
24 and evaluation; and

25 (G) one member with experience working in higher  
26 education and with expertise as determined by the

1 Executive Director of the Board.

2 The Executive Director of the Board shall ensure that  
3 the membership of the Accountability and Transparency  
4 Committee includes representatives reflecting the  
5 geographic, socioeconomic, racial, and ethnic diversity of  
6 this State. Members shall be appointed to 4-year terms,  
7 except that for the initial appointments, half of the  
8 members shall be appointed to initial 2-year terms.  
9 Members may be reappointed to the Accountability and  
10 Transparency Committee, and all reappointments shall be  
11 for 4-year terms.

12 (2) Recommendations of the Accountability and  
13 Transparency Committee shall be made based on a simple  
14 majority vote of those Committee members present and  
15 voting. A minority opinion may also accompany any  
16 recommendation of the Accountability and Transparency  
17 Committee.

18 Section 45. Funding Formula Review Panel.

19 (a) The Board shall establish a Funding Formula Review  
20 Panel tasked with studying and reviewing topics pertaining to  
21 the implementation and impact of the funding formula. The  
22 Panel shall provide recommendations and service to the  
23 Governor, the General Assembly, and the Board.

24 (b) The Executive Director of the Board or the Executive  
25 Director's designee shall serve as a voting member and

1 chairperson of the Funding Formula Review Panel.

2 (c) Members of the Funding Formula Review Panel shall be  
3 appointed by the Executive Director of the Board, except as  
4 otherwise provided in this Section. The Funding Formula Review  
5 Panel shall include representatives of public universities,  
6 faculty, students, families, advocacy organizations, and State  
7 government agencies, along with technical experts, and shall  
8 include:

9 (1) the Executive Director of the Board;

10 (2) one member of the House of Representatives,  
11 appointed by the Speaker of the House of Representatives;

12 (3) one member of the Senate, appointed by the  
13 President of the Senate;

14 (4) one member of the House of Representatives,  
15 appointed by the Minority Leader of the House of  
16 Representatives;

17 (5) one member of the Senate, appointed by the  
18 Minority Leader of the Senate;

19 (6) one member appointed by the Governor;

20 (7) one member from each of the public universities;

21 (8) the Executive Director of the Illinois Student  
22 Assistance Commission or the Executive Director's  
23 designee;

24 (9) one member that represents a public university  
25 faculty, recommended by a statewide organization that  
26 represents public university faculty;

1           (10) one member that represents a public university  
2 faculty, recommended by another statewide organization  
3 that represents public university faculty;

4           (11) one member representing a statewide organization  
5 that has specific expertise in research-based education  
6 policy to support a healthy public education system that  
7 prepares all students to achieve success in college, a  
8 career, and civic life;

9           (12) one member representing a higher education  
10 advocacy organization focused on eliminating disparities  
11 in college completion in this State for low-income and  
12 first-generation college students and students of color;

13           (13) one member representing a statewide advocacy  
14 organization focused on improving educational and  
15 employment opportunities for women and adults;

16           (14) one member representing a statewide organization  
17 that has specific expertise in equity, justice, and  
18 economic prosperity for the Latino community;

19           (15) one member representing a statewide organization  
20 that has specific expertise in equity, justice, and  
21 economic prosperity for the Black community;

22           (16) 2 members with specific expertise in education  
23 finance;

24           (17) 2 members representing an organization that has  
25 specific expertise in amplifying young adult voices; and

26           (18) one member representing faculty from a public

1 university.

2 The Executive Director shall ensure that the membership of  
3 the Funding Formula Review Panel includes representatives  
4 reflecting the geographic, socioeconomic, racial, and ethnic  
5 diversity of this State.

6 The Executive Director shall appoint a vice chairperson  
7 from the membership of the Funding Formula Review Panel.

8 (d) Members shall be appointed for 4-year terms, except  
9 that for the initial appointments, half of the members shall  
10 be appointed to 2-year terms. Members may be reappointed to  
11 the Funding Formula Review Panel, and all reappointments shall  
12 be for 4-year terms.

13 (e) Recommendations of the Funding Formula Review Panel  
14 shall be made based on a simple majority vote of those Panel  
15 members present and voting. A minority opinion may also  
16 accompany any recommendation of the Funding Formula Review  
17 Panel.

18 The Funding Formula Review Panel shall study topics at the  
19 direction of the General Assembly, the Board of Higher  
20 Education, or the chairperson and shall recommend any funding  
21 formula recalibrations or changes to the Board, including, but  
22 not limited to, all of the following:

23 (1) special operational funding for inclusion in the  
24 resource profile;

25 (2) net tuition revenue, though no recalibrations or  
26 changes may be made for a period of 5 years after the

1 effective date of this Act;

2 (3) the high-cost and high-priority program  
3 adjustments;

4 (4) the inclusion of graduate students throughout the  
5 funding formula; and

6 (5) additional underserved students to be included in  
7 the holistic support adjustments, including, but not  
8 limited to, student parents, undocumented students,  
9 English learners, students with disabilities, and  
10 first-generation students.

11 (f) No sooner than 3 years but no later than 7 years after  
12 the effective date of this Act, the Funding Formula Review  
13 Panel shall provide to the Board, the General Assembly, and  
14 the Governor a report containing a review of and  
15 recommendations concerning the health professional program  
16 adjustment, pharmacy program adjustment, dentistry program  
17 adjustment, and medical program adjustment set forth in  
18 Section 25. The report shall include, but not be limited to, a  
19 review of the revenue and expenditures for each health  
20 professional program within the State, a comparison to  
21 nationwide revenue and expenditure data for such programs, and  
22 recommended changes to the high-cost program adjustment to the  
23 core instructional program support base for the specified  
24 programs, and the projected impact any such recommended  
25 adjustments would have on adequacy targets, adequacy gaps, and  
26 distribution.

1 (g) No sooner than 3 years and no more than 5 years after  
2 the effective date of this Act, the Funding Formula Review  
3 Panel shall provide a review of and recommendation on the  
4 distribution of funds to the Board, the General Assembly, and  
5 the Governor.

6 (h) In consultation with public universities, the Board  
7 shall collect data on all of the named subgroups by January 1,  
8 2026.

9 (i) On an annual basis, the Funding Formula Review Panel  
10 shall validate the following per-student elements of the  
11 adequacy target on a cumulative basis by inflation computed  
12 using the Employment Cost Index (Midwest Economy) published by  
13 the Bureau of Labor Statistics of the United States Department  
14 of Labor for the 4-quarter period ending on December 31 of the  
15 fiscal year in which the full funding date occurs:

- 16 (1) access support;
- 17 (2) academic and nonacademic support;
- 18 (3) core instructional program support;
- 19 (4) research support;
- 20 (5) public service and artistry support;
- 21 (6) institutional support; and
- 22 (7) physical plant support.

23 (j) Once every 3 years, the Funding Formula Review Panel  
24 shall consider and make recommendations to the Board and  
25 General Assembly for recalibrating each of the following  
26 adjustments of the adequacy target, except for inflation

1 adjustments under subsection (c) of Section 25, based on  
2 evidence-based practices, research, a study of average  
3 expenses, and the U.S. National Science Foundation's Higher  
4 Education Research and Development database and as reported in  
5 the Board's most recent revenue and expenditure reports:

- 6 (1) the access adjustment;
- 7 (2) the holistic support equity adjustment;
- 8 (3) the concentration factor adjustment;
- 9 (4) the core instructional program adjustment;
- 10 (5) the diversity programs adjustment;
- 11 (6) the research support adjustment;
- 12 (7) the school size adjustment; and
- 13 (8) the laboratory space adjustment.

14 (k) Within 5 years after the implementation of this  
15 Section and every 5 years thereafter, the Funding Formula  
16 Review Panel shall conduct a comprehensive review on the  
17 functioning of the funding formula that is aligned as much as  
18 possible to the Board's strategic plan development timeline.  
19 The Funding Formula Review Panel shall report to the Board of  
20 Higher Education, the General Assembly, and the Governor on  
21 the findings of the review.

22 Section 50. Board of Higher Education capacity. The  
23 Board's annual budget request shall include any additional  
24 resources needed to support the implementation of the funding  
25 formula, the Funding Formula Review Panel, and the

1 Accountability and Transparency Committee. The budget request  
2 shall include any relevant descriptions regarding how the  
3 Board is supporting the initial implementation of the funding  
4 formula, including establishing the necessary definitions,  
5 reviewing submitted eligible public institution data for  
6 accuracy and completeness, working with each eligible public  
7 institution to ensure the accuracy of reported data,  
8 determining whether each eligible public institution is  
9 complying with the requirements of this Act, and supporting  
10 each eligible public institution to improve the eligible  
11 public institution's performance.

12 Section 55. Data infrastructure.

13 (a) The Board's annual budget request shall include the  
14 resources needed to support the Board's collection of data  
15 needed to implement and recommend recalibrations of the  
16 funding formula. If the Accountability and Transparency  
17 Committee or Funding Formula Review Panel recommends  
18 additional data capacity, the Board shall consider those  
19 recommendations in developing its annual budget request.

20 (b) The Board shall develop guidelines for each eligible  
21 public institution receiving funds under the funding formula  
22 to submit any additional data required for inclusion in the  
23 funding formula.

24 (c) The State Board of Education shall enter into an  
25 intergovernmental agreement with the Board of Higher Education

1 within 60 days after the effective date of this Act to provide  
2 appropriate student level data for purposes of establishing  
3 the adequacy target for each eligible public institution and  
4 the formula funding level. The intergovernmental agreement  
5 shall include, but not be limited to, the date by which the  
6 data must be annually transmitted to the Board of Higher  
7 Education, the parameters necessary for the Board of Higher  
8 Education to calculate the components of the formula as  
9 required under this Act, and security provisions to guarantee  
10 the protection of student data.

11 Section 900. The Board of Higher Education Act is amended  
12 by changing Section 8 as follows:

13 (110 ILCS 205/8) (from Ch. 144, par. 188)

14 Sec. 8. The Board of Trustees of the University of  
15 Illinois, the Board of Trustees of Southern Illinois  
16 University, the Board of Trustees of Chicago State University,  
17 the Board of Trustees of Eastern Illinois University, the  
18 Board of Trustees of Governors State University, the Board of  
19 Trustees of Illinois State University, the Board of Trustees  
20 of Northeastern Illinois University, the Board of Trustees of  
21 Northern Illinois University, and the Board of Trustees of  
22 Western Illinois University shall submit to the Board not  
23 later than the 15th day of November of each year their ~~its~~  
24 budget proposals for the ~~operation and~~ capital needs of the

1 institutions under their ~~its~~ governance or supervision for the  
2 ensuing fiscal year. The Illinois Community College Board  
3 shall submit to the Board by December 15 of each year its  
4 budget proposal for the operation and capital needs of the  
5 institutions under its governance or supervision for the  
6 ensuing fiscal year. Each budget proposal shall conform to the  
7 procedures developed by the Board in the design of an  
8 information system for State universities and colleges.

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

15 The Board, in the analysis of formulating the annual  
16 budget request, shall consider rates of tuition and fees and  
17 undergraduate tuition and fee waiver programs at public  
18 community ~~the State universities and~~ colleges. The Board shall  
19 also consider the current and projected utilization of the  
20 total physical plant of each campus of a public university or  
21 community college in approving the capital budget for any new  
22 building or facility.

23 The Board of Higher Education shall submit to the  
24 Governor, to the General Assembly, and to the appropriate  
25 budget agencies of the Governor and General Assembly its  
26 analysis and recommendations on such budget proposals.

1           The Board is directed to form a broad-based group of  
2 individuals representing the Office of the Governor, the  
3 General Assembly, public community colleges ~~institutions of~~  
4 ~~higher education~~, State agencies, business and industry,  
5 statewide organizations representing faculty and staff, and  
6 others as the Board shall deem appropriate to devise a system  
7 for allocating State resources to public community colleges  
8 ~~institutions of higher education~~ based upon performance in  
9 achieving State goals related to student success and  
10 certificate and degree completion.

11           In each fiscal year ~~Beginning in Fiscal Year 2013~~, the  
12 Board of Higher Education budget recommendations to the  
13 Governor and the General Assembly shall include allocations to  
14 public community colleges ~~institutions of higher education~~  
15 based upon performance metrics designed to promote and measure  
16 student success in degree and certificate completion. Public  
17 ~~university metrics must be adopted by the Board by rule, and~~  
18 ~~public~~ community college metrics must be adopted by the  
19 Illinois Community College Board by rule. These metrics must  
20 be developed and promulgated in accordance with the following  
21 principles:

22           (1) The metrics must be developed in consultation with  
23 public community colleges ~~institutions of higher~~  
24 ~~education~~, as well as other State educational agencies and  
25 other higher education organizations, associations,  
26 interests, and stakeholders as deemed appropriate by the

1 Board.

2 (2) The metrics shall include provisions for  
3 recognizing the demands on and rewarding the performance  
4 of community colleges ~~institutions~~ in advancing the  
5 success of students who are academically or financially at  
6 risk, including first-generation students, low-income  
7 students, and students traditionally underrepresented in  
8 higher education, as specified in Section 9.16 of this  
9 Act.

10 (3) The metrics shall recognize and account for the  
11 differentiated missions of community colleges ~~institutions~~  
12 and sectors of higher education.

13 (4) The metrics shall focus on the fundamental goal of  
14 increasing completion of college courses, certificates,  
15 and degrees. Performance metrics shall recognize the  
16 unique and broad mission of public community colleges  
17 through consideration of additional factors, including,  
18 but not limited to, enrollment, progress through key  
19 academic milestones, transfer to a baccalaureate  
20 institution, and degree completion.

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

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

25 Each State university must submit its plan for capital  
26 improvements of non-instructional facilities to the Board for

1 approval before final commitments are made if the total cost  
2 of the project as approved by the institution's board of  
3 control is in excess of \$2 million. Non-instructional uses  
4 shall include, but not be limited to, dormitories, union  
5 buildings, field houses, stadium, other recreational  
6 facilities, and parking lots. The Board shall determine  
7 whether or not any project submitted for approval is  
8 consistent with the strategic plan for higher education and  
9 with instructional buildings that are provided for therein. If  
10 the project is found by a majority of the Board not to be  
11 consistent, such capital improvement shall not be constructed.  
12 (Source: P.A. 102-1046, eff. 6-7-22; 103-940, eff. 8-9-24;  
13 revised 8-23-24.)

14 Section 999. Effective date. This Act takes effect upon  
15 becoming law."