



Sen. Kimberly A. Lightford

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1 AMENDMENT TO SENATE BILL 13

2 AMENDMENT NO. _____. Amend Senate Bill 13, AS AMENDED, by
3 replacing everything after the enacting clause with the
4 following:

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

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

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

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

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

16 (4) The State must seek to reduce on behalf of

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

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

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

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

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

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

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

24 (11) Increasing public funding for public universities
25 should be paired with increased transparency and
26 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 of the eligible
12 public institution's student body and the eligible public
13 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;

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;

1 (8) allow for ongoing monitoring and continuous
2 improvement of the adequate and equitable funding formula
3 for eligible public institutions;

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

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

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

12 Section 15. Definitions. In this Act:

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

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

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

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

1 offices.

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

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

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

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

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

26 "Annual formula funding" means the sum of the following

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

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

9 "Base net tuition revenue" means the average of net
10 tuition revenue for an eligible public institution for each of
11 Fiscal Years 2024, 2025, and 2026.

12 "Base net tuition revenue per student" means the base net
13 tuition revenue for an eligible public institution divided by
14 the institution's average head count for Fiscal Years 2024,
15 2025, and 2026.

16 "Board" means the Board of Higher Education.

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

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

25 "Core instructional program adjustment" means an
26 adjustment to core instructional program support to cover the

1 increased costs of high-cost programs, health professional
2 programs, and medical programs.

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

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

10 "Dentistry program adjustment" means an adjustment to core
11 instructional program support calculated by the Board to cover
12 the increased cost of offering dentistry degree 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 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 nonimmigrant 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 the 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 child care, 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 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
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 in developing its determination. By
10 January 15 of each year, the Board shall publish on its website
11 and report to the Governor and the General Assembly the
12 students or student groups that the Board has determined meet
13 this term.

14 Section 20. Adequate and equitable funding formula for
15 public universities.

16 (a) In Fiscal Year 2028 and in each fiscal year
17 thereafter, all general operating expenses for public
18 universities shall be distributed in the manner prescribed in
19 subsection (d) of Section 35 and through the funding formula
20 created under this Act for public universities.

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

22 (1) The Board shall use the formula in Section 25 to
23 calculate the adequacy target for each eligible public
24 institution.

25 (2) The Board shall use the formula in Section 30 to

1 calculate the resource profile for each eligible public
2 institution.

3 (3) After calculating the adequacy target and resource
4 profile for each eligible public institution, the Board
5 shall subtract the resource profile from the adequacy
6 target to determine the adequacy gap for each eligible
7 public institution.

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

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

20 Section 25. Adequacy target.

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

1 count.

2 (b) The adequacy target for each eligible public
3 institution is the sum of the eligible public institution's
4 cost of providing an equitable and adequate education based on
5 the specific characteristics of the per student adequacy
6 components and institutional adequacy components, as
7 calculated in this Section.

8 (c) The adequacy components adjustments shall be evaluated
9 and adjusted under subsection (j) of Section 45. In Fiscal
10 Year 2029 and in each fiscal year thereafter, the dollar value
11 of each of the base amounts and any adjustment represented by a
12 dollar value identified in this Section shall be increased
13 annually, on a cumulative basis, by a percentage equal to the
14 percentage change, if any, in the Employment Cost Index
15 (Midwest Economy) published by the Bureau of Labor Statistics
16 of the United States Department of Labor for the 4-quarter
17 period ending on December 31 of the immediately preceding
18 fiscal year. The adequacy target of an eligible public
19 institution in a fiscal year shall be the sum of its adequacy
20 components for the fiscal year, adjusted for inflation as
21 provided in this subsection (c).

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

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

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

3 (A) an additional \$500 for each undergraduate
4 included in the eligible public institution's head
5 count who meets the requirements for a low-access
6 adjustment as defined in subsection (k); and

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

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

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

16 (2) A holistic support equity adjustment to the
17 academic and nonacademic support base, determined as
18 follows:

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

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

1 (C) An additional \$6,000 for each student included
2 in the eligible public institution's head count who
3 meets the requirements for a high holistic support
4 equity adjustment as defined in subsection (1).

5 (D) An additional \$8,000 for each student included
6 in the eligible public institution's head count who
7 meets the requirements for an intensive holistic
8 support equity adjustment as defined in subsection
9 (1).

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

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

20 (B) If 60% or more but less than 75% of the
21 undergraduates included in an eligible public
22 institution's head count meet the requirements for a
23 high holistic support equity adjustment or an
24 intensive holistic support equity adjustment, then
25 each of the holistic support equity adjustment amounts
26 described in paragraph (2) of this subsection (e)

1 shall be increased by a concentration factor of 30%.

2 (C) If 50% or more but less than 60% of the
3 undergraduates included in an eligible public
4 institution's head count meet the requirements for a
5 high holistic support equity adjustment or an
6 intensive holistic support equity adjustment, then
7 each of the holistic support equity adjustment amounts
8 described in paragraph (2) of this subsection (e)
9 shall be increased by a concentration factor of 10%.

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

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

15 (2) For Fiscal Year 2028 and Fiscal Year 2029, the
16 high-cost and high-priority programs to be included in the
17 adjustment are as follows:

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

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

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

22 (D) Other health professional programs (CIP codes
23 01.8001, 51.0201, 51.0202, 51.0204, 51.0401, 51.2001,
24 51.2308, and 51.3818).

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

1 (A) The core instructional program support base
2 amount shall be increased by 20% for each student
3 participating in a high-cost program at the eligible
4 public institution and shall be increased by an
5 additional 45% for each underrepresented student
6 participating in a high-cost program.

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

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

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

25 (E) The core instructional program support base
26 amount shall be increased by 610% for each student

1 participating in a dentistry program at the eligible
2 public institution and shall be increased by an
3 additional 61% for each underrepresented student
4 participating in a dentistry program.

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

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

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

16 (2) A research support adjustment, determined as
17 follows:

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

23 (B) an additional \$700 for each student included
24 in the eligible public institution's head count if the
25 eligible public institution is under the category of
26 R2: High Research Spending and Doctorate Production

1 under the Carnegie Classification system; or

2 (C) an additional \$1,200 for each student included
3 in the eligible public institution's head count if the
4 eligible public institution is under the category of
5 R1: Very High Research Spending and Doctorate
6 Production under the Carnegie Classification system.

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

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

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

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

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

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

4 (2) A laboratory space adjustment of \$1.54 per square
5 foot of laboratory space.

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

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

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

18 Students with multiple characteristics shall be placed in
19 the category associated with their highest characteristic.

20 (1) As used in this subsection (1):

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

26 "Intensive holistic support equity adjustment" means a

1 per-student adjustment for a student in any 2 subgroups of
2 students at an eligible public institution eligible for the
3 holistic support adjustment, one of which is high holistic
4 support.

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

10 "Medium holistic support equity adjustment" means a
11 per-student adjustment for a student in any subgroup of
12 students at an eligible public institution having a disparity
13 in retention rates greater than or equal to 6% but less than
14 11% compared to the statewide average of all other students.

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

1 high and medium holistic support equity adjustments.

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

4 (1) expenditures for hospitals, athletics,
5 auxiliaries, housing, health insurance, or deferred
6 maintenance; or

7 (2) institutional financial aid.

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

14 Section 30. Resource profile.

15 (a) As used in this Section:

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

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

1 together:

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

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

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

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

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

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

23 (3) Special operational funding is funding for
24 scholarships and specific appropriations aimed at a
25 specific initiative, project, or center that is aligned
26 with one or more of the adequacy components.

1 (A) For Fiscal Year 2028 and Fiscal Year 2029, the
2 following line-item State appropriations shall be
3 included in the resource profile:

4 (i) at Chicago State University, the Chicago
5 State University Education Improvement Fund and
6 the College of Pharmacy from the General
7 Professions Dedicated Fund;

8 (ii) at Eastern Illinois University, the
9 equity-based student achievement program, Grow
10 Your Own Teachers at Eastern Illinois University
11 scholarships, and scholarship appropriations from
12 the State College and University Trust Fund;

13 (iii) at Illinois State University,
14 scholarship appropriations from the State College
15 and University Trust Fund;

16 (iv) at Northern Illinois University,
17 scholarship appropriations from the State College
18 and University Trust Fund;

19 (v) at Southern Illinois University, the Daily
20 Egyptian, the School of Pharmacy from the State
21 College and University Trust Fund, and scholarship
22 appropriations from the State College and
23 University Trust Fund; and

24 (vi) at the University of Illinois, labor and
25 employment relations, the Hispanic Center of
26 Excellence, the Dixon Springs Agricultural Center,

1 the Institute of Government and Public Affairs,
2 the College of Dentistry, the College of Pharmacy
3 in Rockford from the General Professions Dedicated
4 Fund, and scholarship appropriations from the
5 State College and University Trust Fund.

6 (B) For Fiscal Year 2030 and each fiscal year
7 thereafter, the Board shall determine, based on the
8 recommendations of the Funding Formula Review Panel,
9 the special operational funding to be included in the
10 resource profile.

11 (c) In Fiscal Year 2029 and in each fiscal year
12 thereafter, the dollar value of the base net tuition revenue
13 per student shall be increased annually, on a cumulative
14 basis, by a percentage equal to the percentage increase, if
15 any, in the Employment Cost Index (Midwest Economy) published
16 by the Bureau of Labor Statistics of the United States
17 Department of Labor for the 4-quarter period ending on
18 December 31 of the immediately preceding fiscal year. The
19 resource profile of each eligible public institution shall
20 include adjustments for inflation for the fiscal year as
21 provided in this subsection (c).

22 (d) The resource profile may not include any of the
23 following:

- 24 (1) tuition and fee revenue;
25 (2) revenue from State or federal financial aid; or
26 (3) for Fiscal Year 2028 and Fiscal Year 2029, the

1 following line-item State appropriations:

2 (A) at Southern Illinois University, the National
3 Corn-to-Ethanol Research Center, programming at
4 Belleville, the Office of Community Engagement, the
5 Center for Rural Health and Social Service
6 Development, and the Simmons Cancer Institute; and

7 (B) at the University of Illinois, the Prairie
8 Research Institute, the University of Illinois
9 Hospital, Illinois Heart Rescue, the Illinois
10 Innocence Project, the Climate Jobs Institute, the
11 Illinois Fire Service Institute, emergency mosquito
12 abatement, pet population control, carbon dioxide
13 capture technology, carbon capture utilization and
14 storage, and water reports under the federal Advanced
15 Research Projects Agency.

16 Section 35. Distribution of State appropriations for
17 eligible public institutions.

18 (a) As used in this Section:

19 "New State formula funding" means, in a fiscal year, the
20 dollar amount of State appropriations that exceeds the dollar
21 amount of the annual formula funding appropriated for public
22 universities in the immediately preceding fiscal year.

23 "Pro rata share" means an amount that is equal to the sum
24 of the eligible public institution's adequacy gap formula
25 distribution and dollar gap formula distribution for the

1 fiscal year, as determined in paragraph (1) of subsection (f).

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

4 (1) For Fiscal Year 2028, the initial funding amount
5 of an eligible public institution shall be the sum of all
6 State appropriations made from the Education Assistance
7 Fund or the General Revenue Fund to the eligible public
8 institution to use as operating funds in the previous
9 fiscal year.

10 (2) For Fiscal Year 2029, and each fiscal year
11 thereafter, the base funding minimum of an eligible public
12 institution shall be the initial funding amount increased
13 by any new State formula funding the eligible public
14 institution received in the immediately preceding fiscal
15 year as outlined in subsection (e).

16 (c) To enhance the stability of long-term funding for
17 public universities, to create predictability in funding, to
18 enhance the capacity of public universities to prepare
19 budgets, and to create a feasible pathway to fully fund the
20 adequacy target of each public university within a reasonable
21 period of time, in Fiscal Year 2028 and in each fiscal year
22 thereafter, the State shall endeavor to increase the aggregate
23 amount of annual formula funding by an amount that is at least
24 \$135,000,000 more than the aggregate annual formula funding
25 appropriation made in the immediately preceding fiscal year,
26 and that amount shall be designated as the minimum target

1 increase. The minimum target increase shall be in addition to
2 and not a replacement for any other appropriations the State
3 makes to support either public universities or the students
4 who attend public universities.

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

24 (d) In Fiscal Year 2028 and in each fiscal year thereafter
25 in which the State appropriates formula funding, each public
26 university shall receive a distribution from the Board to meet

1 its operational expenses equal to its pro rata share of State
2 formula funding for the fiscal year, minus the sum of its base
3 funding minimum, as calculated for Fiscal Year 2028 by the
4 Board per subsection (b). By the 15th of each month of the
5 fiscal year, the Board shall voucher to the Comptroller
6 one-twelfth of each public university's total distribution. A
7 public university shall receive the distribution on behalf of
8 each eligible public institution that is part of that public
9 university and then distribute funding to each eligible public
10 institution.

11 The sum of the initial funding amount, as calculated for
12 Fiscal Year 2028 by the Board per subsection (b), shall be
13 appropriated in Fiscal Year 2028 and in each fiscal year
14 thereafter from the State to the board of trustees of each
15 public university to meet its operational expenses.

16 (e) In each fiscal year in which there is new State formula
17 funding, 50% of the new State formula funding shall be
18 distributed using the dollar gap formula and the remaining 50%
19 shall be distributed using the adequacy gap formula through
20 the following calculations:

21 (1) The dollar gap formula distribution shall be
22 calculated for each eligible public institution as
23 follows:

24 (A) First, add the total dollar value of the
25 adequacy gap of all eligible public institutions for
26 the fiscal year, which shall be the total adequacy

1 gap.

2 (B) Second, divide the dollar value of the
3 adequacy gap of the eligible public institution by the
4 dollar value of the total adequacy gap, which shall be
5 the gap percentage A.

6 (C) Third, multiply the eligible public
7 institution's gap percentage A times the amount
8 available for the dollar gap formula for the fiscal
9 year.

10 (D) The dollar value of the product obtained after
11 calculating subparagraph (C) of this paragraph (1)
12 shall be the dollar gap formula distribution for the
13 eligible public institution.

14 (2) The adequacy gap formula distribution shall be
15 calculated for each eligible public institution as
16 follows:

17 (A) First, add the percentage gaps of all eligible
18 public institutions for the fiscal year, which shall
19 be the total percentage gap.

20 (B) Second, divide the percentage gap of the
21 eligible public institution by the total percentage
22 gap, which shall be the gap percentage B.

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

26 (D) The dollar value of the product obtained after

1 calculating subparagraph (C) of this paragraph (2)
2 shall be the adequacy gap formula distribution for the
3 eligible public institution.

4 (f) The reduction formula shall be used in a fiscal year in
5 which the State reduces its annual formula funding
6 appropriations relative to the previous fiscal year such that
7 funds are insufficient to provide each public university with
8 its base funding minimum. The reduction formula shall be
9 determined as follows:

10 (1) By dividing the statewide adequacy gap by each
11 eligible public institution's adequacy gap and multiplying
12 the result by the percentage decrease in the current
13 fiscal year's appropriation compared to the prior fiscal
14 year's appropriation. The resulting percentage for each
15 eligible public institution is then multiplied by its base
16 funding minimum.

17 (2) Scale this by calculating the ratio of each
18 institutional ratio cut to the statewide sum of
19 institutional ratio cuts and then multiplying this result
20 for each eligible public institution by the amount of
21 reduction in funds.

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

25 Section 40. Accountability and transparency framework;

1 reporting; committee.

2 (a) The Board shall oversee an accountability and
3 transparency framework for assessing the distribution, use,
4 and student outcomes of funds provided through this Act. The
5 framework shall be aligned with and complement the reporting
6 set forth in the Board of Higher Education Act and any publicly
7 reported metrics.

8 (b) The Board, in consultation with the Accountability and
9 Transparency Committee established under subsection (e), shall
10 report annually to the Governor, the General Assembly, and the
11 board of trustees of each public university on the
12 implementation of the funding formula as follows:

13 (1) The report shall be posted publicly on the Board's
14 website by January 15, 2026 and by January 15 each year
15 thereafter and shall, at a minimum, include all of the
16 following:

17 (A) the percentage of each eligible public
18 institution's adequacy target funded as of June 30 of
19 the prior fiscal year;

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

25 (C) metrics, including, but not limited to,
26 measuring student retention data and data trends

1 disaggregated by the student groups who carry with
2 them equity adjustments, as set forth in Section 25;

3 (D) metrics, including, but not limited to,
4 measuring each eligible public institution's current
5 and year-over-year changes in students' tuition and
6 fees, net price, and expected share of expenses;
7 student affordability data and data trends shall be
8 disaggregated by undergraduate and graduate students,
9 as set forth in Section 25;

10 (E) metrics, including, but not limited to,
11 measuring the institutional status and year-over-year
12 changes in student enrollment; enrollment data and
13 data trends shall be disaggregated by undergraduate
14 and graduate students with further disaggregation by
15 the student groups who carry with them equity
16 adjustments, as set forth in Section 25;

17 (F) metrics, including, but not limited to,
18 measuring undergraduate student graduation rates
19 within 4, 5, and 6 years and year-over-year changes in
20 undergraduate graduation rates and for graduate
21 students reporting graduation rates in alignment with
22 degree level, program type, and credit-hour
23 requirement; undergraduate and graduate student
24 graduation rates shall be disaggregated by the student
25 groups who carry with them equity adjustments, as set
26 forth in Section 25;

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

3 (H) plans from each eligible public institution on
4 projected use of appropriations allocated through the
5 funding formula for the forthcoming fiscal year; these
6 expenditure plans shall be categorized according to
7 accounting spending classifications established by the
8 Board.

9 (2) No later than January 1, 2026, the Board shall, in
10 consultation with public universities, submit a plan to
11 the Governor and the General Assembly that outlines
12 financial reporting expectations with respect to
13 prospective spending proposals and retrospective spending
14 summaries under this Section and any conforming changes to
15 current accounting structures and financial reporting
16 expectations. This plan shall include all opportunities to
17 streamline current reporting with new expectations such
18 that universities do not have to submit information that
19 is duplicative or unnecessary in administering the
20 formula.

21 (c) The Board shall specify at what point an eligible
22 public institution's adequacy gap is sufficiently small that
23 it should be consistently advancing toward achieving State
24 objectives, including, but not limited to, institutional
25 student affordability, enrollment, persistence, completion,
26 and outcomes. If an eligible public institution's adequacy gap

1 exceeds the level specified, the eligible public institution
2 is exempt from the actions described in subsection (d).

3 (d) If the Board determines that an eligible public
4 institution is failing to meet progress metrics despite being
5 adequately funded according to subsection (c), the Board may
6 implement the following actions, including, but not limited
7 to, requiring that an eligible public institution:

8 (1) develop a new plan for ensuring adequate progress
9 based on the resources provided or updating its equity
10 plan to improve progress;

11 (2) provide additional reporting on institutional
12 spending in alignment with the components of the adequacy
13 target;

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

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

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

25 The Board shall adopt rules as necessary to implement this
26 subsection (d).

1 (e) To aid the Board in maintaining the accountability and
2 transparency framework and in reporting its findings, the
3 Executive Director of the Board shall establish an
4 Accountability and Transparency Committee. The Accountability
5 and Transparency Committee shall offer relevant and necessary
6 technical expertise, guidance, review, and recommendations to
7 the Executive Director by December 15 each year in designing
8 and assessing metrics and preparing the report under
9 subsection (b). The Accountability and Transparency Committee
10 shall also make recommendations for the Board to fulfill its
11 responsibilities under subsections (c) and (d).

12 (1) The Accountability and Transparency Committee
13 shall be composed of no more than 11 individuals and shall
14 consist of Board members, policymakers, and State and
15 national technical experts on higher education
16 accountability systems.

17 Except as otherwise provided, members of the
18 Accountability and Transparency Committee shall be
19 appointed by the Executive Director of the Board. The
20 Accountability and Transparency Committee shall include:

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

23 (B) one member with experience working in higher
24 education and with expertise in closing educational
25 disparities and identifying and implementing solutions
26 that address historic inequities in higher education;

1 (C) one member with experience working in higher
2 education and with expertise in providing
3 research-based academic and student support that
4 prepares all students to achieve success in college
5 and a career;

6 (D) 2 members with experience working in higher
7 education and with expertise in public university
8 budgeting and finance;

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

11 (F) one member with experience working in higher
12 education and with expertise in performance management
13 and evaluation; and

14 (G) one member with experience working in higher
15 education and with expertise as determined by the
16 Executive Director of the Board.

17 The Executive Director of the Board shall ensure that
18 the membership of the Accountability and Transparency
19 Committee includes representatives reflecting the
20 geographic, socioeconomic, racial, and ethnic diversity of
21 this State. Members shall be appointed to 4-year terms,
22 except that for the initial appointments, half of the
23 members shall be appointed to initial 2-year terms.
24 Members may be reappointed to the Accountability and
25 Transparency Committee, and all reappointments shall be
26 for 4-year terms.

1 (2) Recommendations of the Accountability and
2 Transparency Committee shall be made based on a simple
3 majority vote of those Committee members present and
4 voting. A minority opinion may also accompany any
5 recommendation of the Accountability and Transparency
6 Committee.

7 Section 45. Funding Formula Review Panel.

8 (a) The Board shall establish a Funding Formula Review
9 Panel tasked with studying and reviewing topics pertaining to
10 the implementation and impact of the funding formula. The
11 Panel shall provide recommendations and service to the
12 Governor, the General Assembly, and the Board.

13 (b) The Executive Director of the Board or the Executive
14 Director's designee shall serve as a voting member and
15 chairperson of the Funding Formula Review Panel.

16 (c) Members of the Funding Formula Review Panel shall be
17 appointed by the Executive Director of the Board, except as
18 otherwise provided in this Section. The Funding Formula Review
19 Panel shall include representatives of public universities,
20 faculty, students, families, advocacy organizations, and State
21 government agencies, along with technical experts, and shall
22 include:

23 (1) the Executive Director of the Board;

24 (2) one member of the House of Representatives,
25 appointed by the Speaker of the House of Representatives;

1 (3) one member of the Senate, appointed by the
2 President of the Senate;

3 (4) one member of the House of Representatives,
4 appointed by the Minority Leader of the House of
5 Representatives;

6 (5) one member of the Senate, appointed by the
7 Minority Leader of the Senate;

8 (6) one member appointed by the Governor;

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

10 (8) the Executive Director of the Illinois Student
11 Assistance Commission or the Executive Director's
12 designee;

13 (9) one member that represents a public university
14 faculty, recommended by a statewide organization that
15 represents public university faculty;

16 (10) one member that represents a public university
17 faculty, recommended by another statewide organization
18 that represents public university faculty;

19 (11) one member representing a statewide organization
20 that has specific expertise in research-based education
21 policy to support a healthy public education system that
22 prepares all students to achieve success in college, a
23 career, and civic life;

24 (12) one member representing a higher education
25 advocacy organization focused on eliminating disparities
26 in college completion in this State for low-income and

1 first-generation college students and students of color;

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

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

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

11 (16) 2 members with specific expertise in education
12 finance;

13 (17) 2 members representing an organization that has
14 specific expertise in amplifying young adult voices; and

15 (18) one member representing faculty from a public
16 university.

17 The Executive Director shall ensure that the membership of
18 the Funding Formula Review Panel includes representatives
19 reflecting the geographic, socioeconomic, racial, and ethnic
20 diversity of this State.

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

23 (d) Members shall be appointed for 4-year terms, except
24 that for the initial appointments, half of the members shall
25 be appointed to 2-year terms. Members may be reappointed to
26 the Funding Formula Review Panel, and all reappointments shall

1 be for 4-year terms.

2 (e) Recommendations of the Funding Formula Review Panel
3 shall be made based on a simple majority vote of those Panel
4 members present and voting. A minority opinion may also
5 accompany any recommendation of the Funding Formula Review
6 Panel.

7 The Funding Formula Review Panel shall study topics at the
8 direction of the General Assembly, the Board of Higher
9 Education, or the chairperson and shall recommend any funding
10 formula recalibrations or changes to the Board, including, but
11 not limited to, all of the following:

12 (1) special operational funding for inclusion in the
13 resource profile;

14 (2) net tuition revenue, though no recalibrations or
15 changes may be made for a period of 5 years after the
16 effective date of this Act;

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

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

21 (5) additional underserved students to be included in
22 the holistic support adjustments, including, but not
23 limited to, student parents, undocumented students,
24 English learners, students with disabilities, and
25 first-generation students.

26 (f) No sooner than 3 years but no later than 7 years after

1 the effective date of this Act, the Funding Formula Review
2 Panel shall provide to the Board, the General Assembly, and
3 the Governor a report containing a review of and
4 recommendations concerning the health professional program
5 adjustment, pharmacy program adjustment, dentistry program
6 adjustment, and medical program adjustment set forth in
7 Section 25. The report shall include, but not be limited to, a
8 review of the revenue and expenditures for each health
9 professional program within the State, a comparison to
10 nationwide revenue and expenditure data for such programs, and
11 recommended changes to the high-cost program adjustment to the
12 core instructional program support base for the specified
13 programs, and the projected impact any such recommended
14 adjustments would have on adequacy targets, adequacy gaps, and
15 distribution.

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

21 (h) In consultation with public universities, the Board
22 shall collect data on all of the named subgroups by January 1,
23 2026.

24 (i) On an annual basis, the Funding Formula Review Panel
25 shall validate the following per-student elements of the
26 adequacy target on a cumulative basis by inflation computed

1 using the Employment Cost Index (Midwest Economy) published by
2 the Bureau of Labor Statistics of the United States Department
3 of Labor for the 4-quarter period ending on December 31 of the
4 fiscal year in which the full funding date occurs:

5 (1) access support;

6 (2) academic and nonacademic support;

7 (3) core instructional program support;

8 (4) research support;

9 (5) public service and artistry support;

10 (6) institutional support; and

11 (7) physical plant support.

12 (j) Once every 3 years, the Funding Formula Review Panel
13 shall consider and make recommendations to the Board and
14 General Assembly for recalibrating each of the following
15 adjustments of the adequacy target, except for inflation
16 adjustments under subsection (c) of Section 25, based on
17 evidence-based practices, research, a study of average
18 expenses, and the U.S. National Science Foundation's Higher
19 Education Research and Development database and as reported in
20 the Board's most recent revenue and expenditure reports:

21 (1) the access adjustment;

22 (2) the holistic support equity adjustment;

23 (3) the concentration factor adjustment;

24 (4) the core instructional program adjustment;

25 (5) the diversity programs adjustment;

26 (6) the research support adjustment;

1 (7) the school size adjustment; and

2 (8) the laboratory space adjustment.

3 (k) Within 5 years after the implementation of this
4 Section and every 5 years thereafter, the Funding Formula
5 Review Panel shall conduct a comprehensive review on the
6 functioning of the funding formula that is aligned as much as
7 possible to the Board's strategic plan development timeline.
8 The Funding Formula Review Panel shall report to the Board of
9 Higher Education, the General Assembly, and the Governor on
10 the findings of the review.

11 Section 50. Board of Higher Education capacity. The
12 Board's annual budget request shall include any additional
13 resources needed to support the implementation of the funding
14 formula, the Funding Formula Review Panel, and the
15 Accountability and Transparency Committee. The budget request
16 shall include any relevant descriptions regarding how the
17 Board is supporting the initial implementation of the funding
18 formula, including establishing the necessary definitions,
19 reviewing submitted eligible public institution data for
20 accuracy and completeness, working with each eligible public
21 institution to ensure the accuracy of reported data,
22 determining whether each eligible public institution is
23 complying with the requirements of this Act, and supporting
24 each eligible public institution to improve the eligible
25 public institution's performance.

1 Section 55. Data infrastructure.

2 (a) The Board's annual budget request shall include the
3 resources needed to support the Board's collection of data
4 needed to implement and recommend recalibrations of the
5 funding formula. If the Accountability and Transparency
6 Committee or Funding Formula Review Panel recommends
7 additional data capacity, the Board shall consider those
8 recommendations in developing its annual budget request.

9 (b) The Board shall develop guidelines for each eligible
10 public institution receiving funds under the funding formula
11 to submit any additional data required for inclusion in the
12 funding formula.

13 (c) The State Board of Education shall enter into an
14 intergovernmental agreement with the Board of Higher Education
15 within 60 days after the effective date of this Act to provide
16 appropriate student level data for purposes of establishing
17 the adequacy target for each eligible public institution and
18 the formula funding level. The intergovernmental agreement
19 shall include, but not be limited to, the date by which the
20 data must be annually transmitted to the Board of Higher
21 Education, the parameters necessary for the Board of Higher
22 Education to calculate the components of the formula as
23 required under this Act, and security provisions to guarantee
24 the protection of student data.

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

3 (110 ILCS 205/8) (from Ch. 144, par. 188)

4 Sec. 8. The Board of Trustees of the University of
5 Illinois, the Board of Trustees of Southern Illinois
6 University, the Board of Trustees of Chicago State University,
7 the Board of Trustees of Eastern Illinois University, the
8 Board of Trustees of Governors State University, the Board of
9 Trustees of Illinois State University, the Board of Trustees
10 of Northeastern Illinois University, the Board of Trustees of
11 Northern Illinois University, and the Board of Trustees of
12 Western Illinois University shall submit to the Board not
13 later than the 15th day of November of each year their budget
14 proposals for the ~~operation~~ and capital needs of the
15 institutions under their governance or supervision for the
16 ensuing fiscal year. The Illinois Community College Board
17 shall submit to the Board by December 15 of each year its
18 budget proposal for the operation and capital needs of the
19 institutions under its governance or supervision for the
20 ensuing fiscal year. Each budget proposal shall conform to the
21 procedures developed by the Board in the design of an
22 information system for State universities and colleges.

23 In order to maintain a cohesive system of higher
24 education, the Board and its staff shall communicate on a
25 regular basis with all public university presidents. They

1 shall meet at least semiannually to achieve economies of scale
2 where possible and provide the most innovative and efficient
3 programs and services.

4 The Board, in the analysis of formulating the annual
5 budget request, shall consider rates of tuition and fees and
6 undergraduate tuition and fee waiver programs at public
7 community ~~the State universities and~~ colleges. The Board shall
8 also consider the current and projected utilization of the
9 total physical plant of each campus of a public university or
10 community college in approving the capital budget for any new
11 building or facility.

12 The Board of Higher Education shall submit to the
13 Governor, to the General Assembly, and to the appropriate
14 budget agencies of the Governor and General Assembly its
15 analysis and recommendations on such budget proposals.

16 The Board is directed to form a broad-based group of
17 individuals representing the Office of the Governor, the
18 General Assembly, public community colleges ~~institutions of~~
19 ~~higher education~~, State agencies, business and industry,
20 statewide organizations representing faculty and staff, and
21 others as the Board shall deem appropriate to devise a system
22 for allocating State resources to public community colleges
23 ~~institutions of higher education~~ based upon performance in
24 achieving State goals related to student success and
25 certificate and degree completion.

26 In each fiscal year ~~Beginning in Fiscal Year 2013~~, the

1 Board of Higher Education budget recommendations to the
2 Governor and the General Assembly shall include allocations to
3 public community colleges ~~institutions of higher education~~
4 based upon performance metrics designed to promote and measure
5 student success in degree and certificate completion. Public
6 ~~university metrics must be adopted by the Board by rule, and~~
7 ~~public~~ community college metrics must be adopted by the
8 Illinois Community College Board by rule. These metrics must
9 be developed and promulgated in accordance with the following
10 principles:

11 (1) The metrics must be developed in consultation with
12 public community colleges ~~institutions of higher~~
13 ~~education~~, as well as other State educational agencies and
14 other higher education organizations, associations,
15 interests, and stakeholders as deemed appropriate by the
16 Board.

17 (2) The metrics shall include provisions for
18 recognizing the demands on and rewarding the performance
19 of community colleges ~~institutions~~ in advancing the
20 success of students who are academically or financially at
21 risk, including first-generation students, low-income
22 students, and students traditionally underrepresented in
23 higher education, as specified in Section 9.16 of this
24 Act.

25 (3) The metrics shall recognize and account for the
26 differentiated missions of community colleges ~~institutions~~

1 and sectors of higher education.

2 (4) The metrics shall focus on the fundamental goal of
3 increasing completion of college courses, certificates,
4 and degrees. Performance metrics shall recognize the
5 unique and broad mission of public community colleges
6 through consideration of additional factors, including,
7 but not limited to, enrollment, progress through key
8 academic milestones, transfer to a baccalaureate
9 institution, and degree completion.

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

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

14 Each State university must submit its plan for capital
15 improvements of non-instructional facilities to the Board for
16 approval before final commitments are made if the total cost
17 of the project as approved by the institution's board of
18 control is in excess of \$2 million. Non-instructional uses
19 shall include, but not be limited to, dormitories, union
20 buildings, field houses, stadium, other recreational
21 facilities, and parking lots. The Board shall determine
22 whether or not any project submitted for approval is
23 consistent with the strategic plan for higher education and
24 with instructional buildings that are provided for therein. If
25 the project is found by a majority of the Board not to be
26 consistent, such capital improvement shall not be constructed.

1 (Source: P.A. 103-940, eff. 8-9-24; 104-417, eff. 8-15-25.)

2 Section 999. Effective date. This Act takes effect upon
3 becoming law.".