



AN EMAIL MESSAGE  
from SIU President Randy Dunn

### Legislative End-of-Session and State Budget Update

SIU Colleagues:

With the conclusion of this spring's regular legislative session on May 31 — and no state budget for either FY16 OR 17 to show for it — I wanted to provide an update to the SIU community about what has happened and how things may unfold from here.

Regular readers of my biweekly column during the academic year know that I have the slightest tendency to gild the lily ... and this email will not disappoint in that regard.

As such, rather than just doing a quick update, I decided it was worth taking a little more time here to provide some brief history, context, and background for those who maybe haven't been following along as closely, or otherwise may remain somewhat unclear on the political process generally. So for those of you who *have* been paying attention to happenings in Springfield, you will not hurt my feelings whatsoever if you choose to now jump down to the paragraph that begins: "Which brings us to the last week of session."

First, let's review the legislative history. The SIU System's FY15 (i.e., July 1, 2014 to June 30, 2015) adjusted appropriation was \$199.5 million. In February 2015, our new governor introduced his maiden budget for the next fiscal year (FY16 ... the one we're finishing this month) with a funding level of \$139.8 million for SIU, demanding the same 31.5% cut for us that he proposed for all the public universities. The General Assembly kindly countered with — and passed — a budget for SIU that instead totaled \$186.5 million as last year's spring session came to a close. But that legislative budget — except for K-12 education — was vetoed in its entirety by Governor Rauner shortly thereafter, citing the fact that it was out-of-balance and that he would not advance new revenue until achieving a set of business reforms that he referred to as the "Turnaround Agenda."

And it was not until only six weeks ago that very limited FY16 dollars for SIU and the rest of the Illinois publics were appropriated in what was generally termed a "stopgap" spending measure, for throwing a lifeline to Chicago State and a couple of the other state institutions of higher education in severe fiscal distress.

But back to our story: In February 2016 — with still no overall spending plan for FY16 having been approved, and authority for certain expenditures coming mainly from consent decrees and court orders — the governor was nonetheless constitutionally obliged to introduce a budget for FY17. His proposal for the upcoming year starting July 1 would fund SIU at a level of \$159.6 million, which represents a reduction of approximately 20% from that FY15 "base" mentioned above.

As they say ... it's complicated. Most everyone knows that any bill that passes one chamber of the General Assembly can be sent to the other chamber and get just slightly modified, or totally gutted and changed. As our staff has carefully tracked budget bills at the end of this spring's session, we've had to remember that things can change quickly. So bills, while always referred to by number, are also given names to keep each one straight while it's in the mix with so many others.

Below, then, is a quick rundown or summary of what has been out there through this spring and led us up to this past week:

**SB 2046 (FY16 "Full Funding" Plan)** – Pushed through by the General Assembly this April, this bill funded state government operations and universities, including MAP Grants. SIU would have received \$186.5 million. It sits on Governor Rauner's desk and must get signed, vetoed, or passed without signature as of June 13.

**SB 2059 (Stopgap #1)** – Mentioned a few paragraphs above. Was passed and signed by the governor in the last week of April. It gave universities roughly 31% of annual base funding, plus reimbursed us for the FA15 semester of MAP grant funds we fronted. SIU received \$57.4 million.

**SB 2048 (Stopgap #2/FY16 Spending Plan)** – Stopgap #2 passed only in the Senate during the first week of May. It contained an additional 29% (\$53.7 million) to drive FY16 funding for universities up to approximately the 60% level, plus it contained some funding for MAP. You'll read more about 2048's role later in our tale.

**HB 4167 (MAP Remainder)** – This was the House of Representatives' initial response to SB 2048. It contained \$227.2 million for MAP grants for all schools. It was later passed by the Senate and sent on to the governor about the third week of May, where it still sits on his desk awaiting action with a "Use By" date of July 22.

**Which brings us to the last week of session.** That always-intense period was even more pronounced this year, with a veritable flurry of bills (some new, some retooled) advanced to create new law and also fund state government operations and education:

**SB 2048 (Stopgap #2/FY16 Spending Plan)** – The bill made its reappearance. Remember, while originally just a second allocation of dollars to higher education, this thing got stripped in the House of the university funding language from a few weeks earlier and became ... the FY17 spending plan. It proposed to fund general state government operations, K-12 education, and HIED. (Those many other items already covered by court orders and consent decrees were not included in this reformulated 2048, since they would continue to be funded through the budget interregnum anyway.) SIU would have received \$185.4 million, close to that 16 ostensible full-funding level. But importantly, the system also would have received dedicated funding for the SIUE School of Pharmacy (\$1.2 million) and the Simmons Cancer Center at the School of Medicine (\$1.1 million), which had gone unfunded in previous plans. Interestingly, 2048 also now contained provisions restarting capital construction projects across the state (including those in the SIU System) that have been halted during the Rauner administration.

So SB 2048 passed the House of Representatives on May 25. However, numerous members of the Senate over the passing days expressed their keen disapproval over a lack of consultation, as well as what they believed was insufficient funding for K-12 education. In response, the Senate used an available bill vehicle they had sitting over in their chamber — **HB 2990** — voting to fully fund K-12 education, with a hold-harmless guarantee that no school districts were left with less money than the previous year, and ensuring that poorer districts received even more dollars.

As the clock ticked down on the final hours of session on May 31, HB 2990 passed the Senate and was sent straightaway to the House where it was promptly defeated. In turn, the FY17 overall spending plan in the House-remade SB 2048 finally got a vote in that chamber and was passed by the House ... but went down to a crushing defeat in the Senate. The midnight hour was approaching and time was up.

**SB 3435/HB 6585 ("Bridge Funding" Plan)** -- The saga cannot be considered told without mention of this chapter. A few days before the end of session, the Senate President and later the House Speaker had suggested that a temporary spending plan be passed — maybe for a month, maybe as long as six months — which would fund state government, K-12 education and higher education, and other not-yet-appropriated services to keep the state operating through the November election, when many believe it will be most possible to achieve a final compromise or "grand bargain" as some have taken to calling it.

Well, that temporary fix was initially rejected by both the governor and Republican leadership. However, on the last day of session, possibly anticipating no action on a budget bill or any sort of spending authority even, Republicans in the Senate and House reversed course and introduced these spending bills to partly fund FY16 and 17 operations. Under these parallel proposals, SIU would have received \$62.1 million roughly through the end of the calendar year. And though dollars were also included in this long-shot proposal for restarting campus capital construction projects currently on hold, there was nothing for MAP grants. Unfortunately ... as these bills were introduced on the last day of session, so they could not even meet the constitutional requirement that a bill be read on three separate days in each chamber before being voted on. Unable to be passed, they came off the table for now; they could still come back to life if a special legislative session takes place here in June or later.

So as the Spring 2016 session ground to a halt, no new bills were passed to provide funding for the remainder of this fiscal year, nor the next. Leaders in the General Assembly and the governor will be meeting along with bipartisan budget working groups to find a solution, which I'm not going out on

much of a limb here to publicly guess will be a temporary spending plan(s) of some duration, akin to the continuing budget resolutions passed by the U.S. Congress. That kind of short-term fix — if and when it's figured out — can keep all of state government operating for whatever period of time is necessary to get to a full resolution.

**In terms of our SIU operations**, we will continue with the same cash management and aggressive cost-saving strategies employed throughout the past 11 months to keep all campuses open and as close to fully functioning as we can for summer and through the upcoming fall semester. While the School of Medicine and SIUE have identified and are operationalizing the level of reductions necessary to carry them well into FY17, the Carbondale campus is now finalizing recurring reductions — beyond that first round of about \$13.5 million in cuts put in place a year ago to get through FY16 (or so we hoped at the time). Any additional reductions for SIUC heading into the new school year will be announced at the campus level once decisions are reached.

As has become our mantra across the system at this point, the goal of “protecting the core” or “holding the center” of 1) viable academic degree and academic support programs, 2) critical student services, 3) essential clinical and outreach efforts, and 4) campus asset preservation will remain paramount as we go into these uncharted budgetary waters in the months ahead.

No options can ever be taken totally off the table in this kind of environment, of course, and this fiscal chess game we are playing does not appear a lot closer to being over. But SIU will remain at work ... doing what we do ... NOT in existential crisis ... and absolutely still able to make some forward progress on many fronts as we approach our sesquicentennial in just a few short years.

I will do my best to keep you updated as status developments warrant. Thank you for your daily innumerable efforts — and your ongoing patience — on behalf of SIU.

Randy Dunn