



THE SYSTEM CONNECTION

Greetings:

A week ago today, Governor Rauner introduced his budget proposal for Fiscal Year 2018 which begins on July 1 this year. Many of you have likely followed accounts of the governor's budget address from your own preferred media sources, so I'll not attempt to replicate those same reports here which you can easily find for yourselves -- including a YouTube video of the governor's speech - - if you simply google "Rauner budget address 2018" or some phrase close to that.

Instead, I want to use today's column to focus on what the FY18 proposed budget means for SIU and where we go from here.

Since we haven't had a real budget going on for 20 months now, remember that it's become customary to analyze proposals against our last "normal" year of state appropriations ... FY15.

If you look at the higher education sector overall for FY18, general funds for institutional grants and other initiatives are down 9.9% from 2015, but that figure doesn't include the state's share of pension funding contributed for university and community college employees. (If you count pension funding as part of our state support, the drop looks a little less daunting at 6.7%.)

Each of the public universities would be funded next year at an 85% level from where we were for FY15. For the SIU System, that would mean a loss of roughly \$30 million; the \$199 million received three years previous would drop to \$169.554 million for general operations in 2018. However, each institution would also have the opportunity to earn back a 5% funding performance set-aside, theoretically bringing the appropriation level up to 90% of 2015. The performance funding model would be the same one utilized by the Illinois Board of Higher Education already -- which is only at a .5% level currently. While I'm a firm believer in the concept that governors and legislatures should have the prerogative to drive *some* portion of state support based on performance, I do worry about two things with such plans: 1) "Access" schools -- and this institutional value is part of SIU's DNA -- will start curtailing, if not denying admissions to a swath of students who appear even somewhat at-risk of not being able to meet whatever performance metrics are chosen; and 2) Performance funding turns into a redistribution mechanism where those institutions which already may be advantaged in terms of resources available, student profile, geographic service region, and the like receive even more support ... while struggling schools attempting to serve higher-need students are penalized. In my view, neither of those unintended consequences is good public policy.

But I digress. Back to the budget details: Two designated appropriations important to SIUE -- one for the School of Pharmacy, and the other for debt payment to the City of Edwardsville for the newly constructed fire station on the campus -- would be completely zeroed out. By contrast, a separate directed appropriation which was first added for SIUC in 2015 -- for the *Daily Egyptian* student newspaper -- is maintained for FY18, to supplement a student fee increase by the campus for that same purpose that year. And while there is some funding re-appropriated for previously approved projects, *no* new capital funding for HIED is proposed for yet another year.

As I listened to the governor deliver his budget address in the House Gallery last Wednesday, I did find elements that I was heartened to hear. Illinois' need-based student aid program, the Monetary Award Program, is recommended for a 10% increase in funding which would serve another 12,000 students statewide who are MAP-eligible but have not had access to funds. That's important to SIU. As well, Governor Rauner acknowledged the need to get serious about making progress on deferred maintenance of state facilities across all public sectors; for the SIU System alone, that total is a staggering \$700 million if you count every possible capital renovation, repair, and replacement project currently on our books.

At any rate, that's a quick summary. If you are interested in reviewing the specific SIU pages from the state budget book, those can be found [here](#). For the more adventuresome (actually, other adjectives come to mind describing you true budget wonks out there) who deign to plow through the complete

state book, the Governor's Office of Management and Budget is glad to accommodate your curiosity [here](#).

So what do we make of all this?

As I've said before and shared again in media comments after Governor Rauner's speech, I absolutely believe he understands the role and importance of a strong and vibrant state system of higher education for sparking innovation, creating jobs, and growing the economy. But as always in a budget debate as serious as what we have in front of us in Illinois, there remain questions of who pays ... how much ... and for what.

Right now those important questions are getting immediate attention in the Illinois Senate to see if an evolving "grand bargain" budget -- **for FY17** -- can yet be achieved. Given we've had no predictable revenue or viable long-term funding plan from the state since June 30, 2015, the "urgency here is critical" -- to quote Senate Minority Leader Christine Radogno. Senate leaders are saying that a vote needs to be taken by the end of this month ... or close to it ... if that chamber's bipartisan plan is going to provide a way forward. You see, the Senate's omnibus budget deal would make a state income tax increase retroactive to January 1 to meet its revenue goal; but, waiting much longer to pass a 2017 budget would force too high of "backloading" of state tax withholding in the final months of the fiscal year to make it palatable to most voters (i.e., six months of state tax taken out over four months of pay). So time is of the essence.

I am supportive of the Senate plan as it presently exists, even though there are parts of it I don't like -- and figuring out the pension reform piece will be tough. While it pains me greatly to say it, we need to acknowledge that FY16 is now lost -- essentially a year when Illinois higher education absorbed a *73% state cut*. But we all survived it, even if badly wounded ... and reality says that time and politics have moved on. However, the spending plan for SIU now contained in Senate Bill 6, at \$93.4 million - taken in conjunction with the stopgap money appropriated last June 30 -- would bring us back to a normal year of funding (a/k/a FY15) once again. Besides that, the budget deal would have the symbolic impact (maybe psychological, even) of getting the stalemate broken while offering a working template for moving into FY18. Plus we would be assured of reimbursement for the millions of dollars we've already advanced to the State of Illinois this year to cover MAP grants and a multitude of other contracts and services.

The political instincts of more than a few experienced Springfield hands suggest that if we leave this opportunity empty-handed, the last glimmer of hope for a reliable, predictable, viable state budget anytime in the next couple of years leaves with it. Such an outcome would do nothing to help our steadily shrinking state of higher education in Illinois. So it is time for a deal to get done, and if it does, we'll be the first to champion the cause.

By the time of my next *Connection* missive on March 8, I trust we'll know how it all turns out. At that point, I'll then use this space to outline some next steps for the campuses depending upon what happens.

Randy Dunn

Faces of SIU



If you park illegally at SIUE, you probably won't be happy when Parking Services Agent Randy Jones leaves a citation on your windshield. As the old saying goes, he is just doing his job. But, I also can assure you that he's so much more than "the bad guy." I know from my interactions with him when he helps with special event parking that he is a wonderful ambassador for SIUE.

Randy is a Chicago native and four-year Navy veteran (aboard ballistic submarines); a former entrepreneur, research engineer, short-order cook, and telecommunications manager for a bank with 75 branch locations (to name a few of his positions); a proud dad to three adult children; a grandfather to four; and an SIUE student on a full- or part-time basis since moving to Edwardsville in 2008. I am looking forward to congratulating him in May when he earns his bachelor's degree in geography, which he hopes to parlay into a position in the geographic information systems field.

"I have been blessed with many opportunities, but none of these compares to the joy I have of being a dad and a grandfather," Randy said.

Our parking folks do so much more than write tickets. Through the Motorist Assistance Program, they provide jump-starts, assist with unlocking vehicles, and help with flat tires. Randy and his colleagues

help monitor the physical condition of our parking facilities, and their eyes and ears are critical to campus safety.

“Being present for the students to assist them with any of their parking or automotive needs gives me the joy of helping others,” Randy said. “It also gives me great satisfaction to assist with parking during events such as basketball games, campus preview days and especially move-in days in the fall. I also enjoy my interactions with visitors to the campus. Most times, a Parking Services Agent is the first person a visitor will see. This gives me an opportunity to put SIUE’s best foot forward. Helping people is what this position really is, and not everyone can do this job.”

As a student, Randy acknowledges there have been times “that I contemplated quitting and hanging up my book bag.” His goal initially was to become a science teacher -- “I really loved the idea of shaping young minds in a positive way,” he said -- but when a heart attack in 2009 forced him to miss quite a bit of school, he re-evaluated his career goals and shifted to the geography major.

Despite that health scare and several other challenges in recent years, Randy remains undeterred.

“I’m more on fire now than ever,” he said.

Randy, who joined Parking Services in 2012, “gets” customer service. And we’re fortunate to have such an unabashed cheerleader as a member of the SIUE family.

“I really enjoy working for this university,” he said. “I have met many wonderful people here. The talent I have seen is incredible, from those who work behind the scenes to those on the front lines.”

Other Voices in HIED

State Journal-Register: [Our View: Illinois needs to make higher education a priority](#)

The New York Times: [Op Ed: By Investing in Science, Trump Can Strengthen the Economy](#)

The Hill: [Op Ed: State funding cuts routinely hurt certain colleges more than others](#)

Bloomberg: [Op Ed: Who Gains If U.S. Universities Lose Out](#)
