

AGENDA ITEM 5.

STATE LEGISLATIVE UPDATE

Submitted for: Information

Summary: This item highlights noteworthy actions that the Illinois General Assembly took during its Spring 2018 legislative session. Budget highlights for State Fiscal Year 2019 are included, as is summary information about legislation that is noteworthy for ISAC or the students whom the agency serves.

Topics include a change to the application and award process for the Monetary Award Program (MAP), a new program to help public universities provide means-tested merit aid to Illinois students, and changes in ISAC's collections tools for defaulted student loans. Bill status information in this item is current as of this writing.

Lawmakers are scheduled to return to Springfield on November 13th.

Action requested: None.

ILLINOIS STUDENT ASSISTANCE COMMISSION

STATE LEGISLATIVE UPDATE

Ending months of speculation about whether a timely deal could be achieved after a historic budget impasse and a fractious primary season, the General Assembly adjourned its Spring 2018 session on schedule, leaving the State House on May 31 with an approved budget and a plan to reconvene for the Veto Session in November.

On June 4, 2018, the Governor signed his first budget since taking office. Negotiators and leaders from all four caucuses, along with staff from the Governor's Office of Management and Budget, won the support of overwhelming bipartisan majorities for the Fiscal Year 2019 budget (**House Bill 109 – G. Harris/J. Cullerton**) and the budget implementation bill, or "BImp" (**House Bill 3342 – G. Harris/Steans**), which makes statutory changes to put the budget into effect. The Governor and legislators have described the budget as balanced and the product of compromise.

The appropriations bill, HB 109, will authorize spending about \$38.5 billion from state general funds, with a little over \$1.78 billion of that allocated for higher education. The higher education budget increases funding for public universities and community colleges by about 2% above FY18 levels.

Highlights of ISAC's portion of the budget include the following:

- MAP will be kept at the current year (FY18) level of about \$401 million, and ISAC retains the authority to use up to 2% of that total for the agency's operating costs.
- A new appropriations line has been added to support the agency's operational expenses, funded at \$2 million from the General Revenue Fund. Having this new line added to the budget bill was one of the agency's top goals for this legislative session as the agency works to gradually replace declining federal revenues with state support.
- Just under \$1 million is appropriated to fund Outreach, Research, and Training, keeping support at the FY18 level.
- To help accommodate increases in tuition and fees, a modest 3.8% increase is provided for the Grant Program for Dependents of Police, Fire, and Correctional Officers who were killed or severely, permanently disabled in the line of duty.
- The programs of Teacher Loan Forgiveness, Nurse Educator Loan Repayment, Veterans' Home Medical Providers' Loan Repayment, and Minority Teachers of Illinois are all funded at their FY18 levels, with a negligible increase for the Golden Apple Scholars of Illinois program.
- While the budget does not provide funds to reimburse universities for amounts that they waive for the Illinois Veteran Grant or Illinois National Guard Grant, a little over \$4 million is appropriated to the Illinois Community College Board to reimburse community colleges for amounts that they have waived for IVG recipients.
- The public universities will have access to a separate pool of \$25 million through a new grant program that ISAC will administer in partnership with the institutions. Called **AIM HIGH** (Aspirational Institutional Match Helping Illinois Grow Higher Education) and

created through the budget implementation bill (HB 3342), the new program will be authorized until October 2024 and is an initiative of the bipartisan, bicameral Higher Education Legislative Working Group. AIM HIGH is intended to help public universities attract and keep Illinois residents by providing state funds to match the institutions' spending on financial aid for certain Illinois residents. The recipients must be full-time students with family incomes of no more than six times the federal poverty level (about \$150,000 for a family of four); each institution will be able to set its own criteria for recipients (e.g., ACT and GPA levels) to receive the funds. ISAC will determine each institution's allocation of funds (based on Illinois resident enrollment), collect data from the universities, and report on this pilot program annually. Legislators hope that the program will help to address the State's much-discussed "brain drain": a concern that too many students are leaving the state to pursue a higher education and might never return.

The Higher Education Working Group, which consists of three members from each legislative caucus, put forth a number of additional proposals (some of which are described below) and intends to continue meeting through the summer and beyond.

Included below are summaries of other Working Group initiatives and other legislation affecting ISAC or higher education access and affordability. Only measures that have passed both chambers are included. The bills are grouped thematically with bill status designations (*in italics*) accurate at the time of this writing. In most cases, the General Assembly sends bills to the Governor for consideration within 30 days of passage, and the Governor has 60 further days to sign, veto, or allow a bill to become law without signature.

Several notable measures did not proceed, including proposals to consolidate higher education agencies (**SB 2597** – Rose), create a uniform standard for university admission (**SB 3565** – Rose), establish a universal application for admission (**SB 3566** – Rose), and allow publicly funded aid for undocumented Illinois students (**HB 4503** – Hernandez). Likewise, members did not approve a bill to prohibit bonuses for state employees (**HB 5309** – Lilly/Harmon) or a proposal to stop nearly all spending on travel or on materials promoting state programs, regardless of the source of funds (**HB 4261** – Halbros).

Changes for Existing Programs

- **HB 4467 (Hurley/Raoul)** – Dependents of police, fire, and correctional officers killed or severely, permanently disabled in the line of duty qualify for a grant exempting them from payment of tuition and fees at an Illinois public or private institution. This bill would extend the grant to an officer's children regardless of whether they were born, adopted, or in the legal custody of the officer at the time when the qualifying disability occurred. *Status: Passed Both Houses*
- **HB 5020 (D. Brady/Bennett)** – This initiative of the Higher Education Working Group requires ISAC to publish a priority deadline date annually for renewing MAP applicants, beginning with the processing of applications for the 2020-2021 academic year. Subject to appropriation, a renewing applicant who files by the published priority deadline date shall receive a grant if he or she continues to meet the program's eligibility requirements.

Failure to apply by the priority deadline date would *not* disqualify an applicant from receiving a grant if sufficient funding is available to provide awards after that date; however, if funding came up short, the students who filed by the new priority deadline would get priority for funding. This measure replaced **SB 3567** (Rose), which if passed would have exempted renewing students from filing the FAFSA and called the grant “guaranteed,” although there would be no continuing appropriation for the program to actually guarantee it. An earlier version of HB 5020 would also have phased out MAP eligibility at for-profit institutions in the program. Instead, the members of the Higher Education Working Group agreed to discuss a compromise with stakeholders: DeVry has suggested adding criteria, such as standards for default rate and program completion, for proprietary institutions to maintain eligibility. Specific measures will likely be considered during the coming months.

Status: Passed Both Houses

- **SB 2439 (S. Bennett/Ammons)** – This bill, dubbed the Career Preservation and Student Loan Repayment Act, provides that no State agency or board may impose or refer a matter to any other agency to impose a denial, refusal to renew, suspension, revocation, or other disciplinary action against a professional or occupational licensee for his or her delinquency, default, or other failure to perform on an educational loan or scholarship provided by or guaranteed by ISAC. Along with SB 2529 (Stadelman) and SB 2653 (Connelly), this was one of three bills introduced this year to end this practice. All had the support of the Department of Financial and Professional Regulation (IDFPR).

Status: Passed Both Houses

- **SB 3138 (S. Bennett/Welch)** – To protect the private financial information of Illinois students and families, this ISAC initiative would clarify that the personal identity and address of an applicant or recipient under a non-discretionary program administered by ISAC, where eligibility data is obtained from the Free Application for Federal Student Aid or is protected from disclosure under federal or State law or under rules and regulations implementing federal or State law, is information that is intended to remain private and shall be exempt from inspection and copying under the Freedom of Information Act. The agency originally sought to protect the information of applicants and recipients for all ISAC-administered programs, but this narrower language was negotiated with the Office of the Attorney General.

Status: Passed Both Houses

New Programs

- **HB 5109 (Lang/Steans)** – Under a new Community Behavioral Health Care Professional Loan Repayment Program Act, subject to appropriation, ISAC would run a new program of grants to assist with student loan repayment on behalf of mental health and substance use professionals practicing in a community mental health center in an underserved or rural federally designated Mental Health Professional Shortage Area.

Status: Passed Both Houses

- **SB 2559 (Stadelman/Wallace)** – Under this bill, beginning with the 2019-2020 academic year, ISAC would develop a three-year education loan information pilot program for use by each public institution of higher education that enrolls students who are eligible to receive financial aid. Modeled after a recent Indiana mandate, the program would require that each public institution of higher education provide each enrolled student (or the parent or guardian of the student) certain information relating to the student's cumulative loan debt, expected payments after graduation, and other information. The bill does not provide detail regarding ISAC's role in administering this pilot; most of the new responsibilities are actually assigned to the institutions.
Status: Passed Both Houses

Other Measures Related to Affordability and Access

- **HB 4781 (K. Burke/McGuire)** – ISAC would have a seat on a new College and Career Interest Task Force that would be created under this bill and staffed by the IBHE. The role of the Task Force would be to study methods by which the college or career interest data of Illinois high school students could be collected and shared with public institutions of higher education. The Task Force would be required to submit the findings of the study to the General Assembly on or before January 30, 2019, at which time the Task Force would be dissolved. This initiative was supported by the Higher Education Working Group.
Status: Passed Both Houses
- **HB 5122 (Welch/Castro)** – This initiative would require community colleges and public universities to waive tuition and fees for youth for whom DCFS has court-ordered legal responsibility, youth who aged out of care at age 18 or older, and youth formerly under care who have been adopted and were the subject of an adoption assistance agreement or who have been placed in private guardianship and were the subject of a subsidized guardianship agreement. Applicants must have earned a high school diploma or its equivalent and must file a FAFSA. The waivers would be available for at least the first five years the student is enrolled in a community college or public university, and would be applied after MAP and Pell grants. DCFS would also be permitted to provide the student with a stipend to cover other expenses, and the Department would be required to develop outreach programs to ensure that young people who qualify are aware of the availability of the tuition and fee waivers. An alternative proposal, SB 2846 (Castro) would have established an ISAC-administered grant for the same purpose, subject to appropriation, but that Senate version of the bill did not pass both chambers.
Status: Passed Both Houses
- **HB 5202 (Ford/Lightford)** – Subject to appropriation, this bill would require the Governor to establish a Youth Budget Commission to analyze enacted State budget items that directly impact adolescents. The Commission would also monitor and provide recommendations on policies and research affecting young people.
Status: Passed Both Houses

- **HB 5696 (Welch/Lightford)** – This bill would create a Bridge Program for Underrepresented Students Act. The Act would allow each public university in this State to establish a bridge program meeting specific requirements for underrepresented students. (Many institutions have such programs already under current law.) Under the Act, a public university that establishes a bridge program would be required before September 1 each year (beginning 2019) to publish a report about the Program on its website.
Status: Passed Both Houses
- **SB 2354 (McGuire/Stuart)** - This bill combines three initiatives of the Higher Education Working Group. First, it makes minor changes to increase the use of “reverse transfer,” including a requirement that a community college must make a determination within 30 days of receiving a student’s request to accept “reverse transfer” credits and confer an associate’s degree. Second, beginning with the 2019-2020 academic year, each public institution must require any student completing 30 academic credit hours to indicate all of his or her degree programs of interest. In turn, the public institution must make a reasonable attempt to conduct a meeting with the student and an academic advisor of the public institution, who shall inform the student of the prerequisite requirements for the student’s degree programs of interest. Finally, the bill removes the IBHE’s authority to limit the amount of tuition revenue that a public university may waive.
Status: Passed Both Houses
- **SB 2527 (Weaver/Swanson)** – Under this bill, a qualified high school student would be allowed to enroll in an unlimited amount of dual credit courses and earn an unlimited amount of academic credits from dual credit courses if the courses are taught by an Illinois instructor, as provided under the Dual Credit Quality Act. Currently, some school districts limit the number of dual credit courses that a student may take.
Status: Passed Both Houses
- **SB 2838 (Bertino-Tarrant/Manley)** – To attempt to expand access to dual credit, this bill requires community college districts to offer dual credit coursework upon the request of school districts within their jurisdiction. A school district would also be barred from entering into a new contract with an out-of-state institution to provide a dual credit course without first offering the opportunity to the community college district where the school district is located.
Status: Passed Both Houses
- **SR 1647 (Lightford)** – This resolution recognizes significant disparities in college degree completion rates for low-income and first generation college students and students of color at institutions across the State, and it urges the State's P-20 Council to update the State's 60 by 25 goal to include equity-focused targets aimed at closing institutional racial and socioeconomic achievement gaps.
Status: Resolution Adopted

Administrative Change

- **HB 5611 (Andrade/Martinez)** – The main focus of this bill is to codify the executive order that consolidated many agencies' information technology departments and established the Department of Innovation and Technology (DoIT). While ISAC was listed among the transferring agencies in the order, the agency's IT department remains independent of DoIT. Before the passage of HB 5611, DoIT staff and the bill sponsors committed to ISAC and to the Office of the Executive Inspector General that the language would be amended to remove both entities from the bill. However, a trailer bill to make that change (**HB 5093**) was not heard by the full House before May 31st. ISAC will work for that bill to be pursued in Veto Session if the changes are not enacted through an amendatory veto.

Status: Passed Both Houses, but a trailer bill is expected