

## Illinois Community Colleges Priority Issues for 2006

### **SUPPORT the FY 07 State Budget**

Illinois community colleges support the Governor's Fiscal Year 2007 budget for community colleges. The Governor has recommended a FY07 budget that includes a 1.9% (\$5.8 million) increase above the current year in state funding for community colleges. This is the **first increase in state funding for community colleges since FY01.**

The budget includes a 3.9% increase in the Base Operating Grant, which flows to all 39 community college districts, and a 1% increase in the Equalization Grant. Additionally, **\$3 million in Disadvantaged Student Success Grants** have been added to the budget to replace the Special Populations Grant (\$13 million) that was eliminated in FY02.

The recommended budget reverses the downward trend that has resulted in decreased or level-funded state budgets for the past four years. The recent reductions in state funding for community colleges has contributed to tuition increases approaching 40% since 2002, when the average full-time community college student paid about \$50 a credit hour for tuition and fees (or about \$1,500 per year). Tuition is estimated to increase to approximately \$70 a credit hour this year -- a 40% increase -- to about \$2,100 per year. Most tuition increases are intended to offset the four-year decline in state funding for community colleges.

### **OPPOSE the Sale of the Illinois Student Loan Portfolio**

Illinois community colleges oppose the Governor's recommendation to sell the Illinois student loan portfolio to a private for-profit organization. The Illinois Student Assistance Commission (ISAC) administers the program that offers federally-backed low-interest loans to students. ISAC operates the student loan program and many other scholarship and grant programs at no cost to taxpayers. The proceeds from the sale have been estimated at \$350 million and would be used to shore up all parts of the state budget.

If the sale occurs and a for-profit organization operates the program, the current low interest rates that student pay could rise significantly. **This will increase the cost, reduce services, and adversely impact access to higher education for many students.** Additionally, ISAC would need to receive new funds from the state budget in order to maintain the agency and the many student services that it currently provides.

### **SUPPORT an Increase in Illinois Veterans Grants Funding**

The Illinois Veterans Grant Program (IVG) has exhausted funding this year and requires an increase in state funding in order to reimburse colleges and universities for the costs of educating Illinois veterans. The IVG program is an entitlement that provides Illinois veterans with the opportunity to enroll in public higher education at no cost to the veteran. ISAC reimburses the state's public colleges and universities as long as the appropriation for the program lasts. After the appropriation is exhausted, colleges continue to provide the services but are not reimbursed.

A total of **\$13.6 million in additional funding is needed to fully fund the Illinois Veterans Grant program;** community colleges would require approximately half of the funds. With veterans returning from the war in Iraq and other areas, there has been a substantial increase in the number of veterans accessing the program. Coupled with huge tuition increases and level state funding, the program is out of money.