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Senate panel clears bill to change how higher ed is funded

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SPRINGFIELD – Lt. Gov Sheila Simon, much of the state's public higher education community and business groups Tuesday lined up behind a plan to begin "performance-based funding" in Illinois.

The Senate Higher Education Committee approved, 11-0, the proposal to move toward funding colleges and universities based on how well they meet goals and objectives that have yet to be determined.

"This is a great plan that I think is consistent with budgeting for results, and I think it will make the colleges and universities more accountable," said Sen. Edward Maloney, D-Chicago, the sponsor of SB 1773. "I really think that this can be a game-changer for higher education, and particularly for the students we serve."

Testifying for the legislation, Simon said Illinois does a good job of providing access to higher education, "but we do not do as well on getting those students who get in the door out the door." She said the legislation would lead "to greater success in terms of college completion."

The "metrics" – the measures for determining how well a particular institution is meeting its goal – will be established by the Illinois Board of Higher Education. Among the performance metrics suggested at Tuesday's hearing, however, were freshman retention rates, graduation rates, affordability and limiting the time to complete a degree.

Twenty-six other states use some form of performance-based funding, and Simon said Illinois can "find what is working in other states and try to replicate that and find out what is not orking and try to avoid that."

George Reed, director of the IBHE, said establishing the measures would be "a consultative process, and it must be tailored to each of the various segments of higher education. None of the institutions is alike."

Different institutions serve different demographics, said Sen. Don Kotowski, D-Park Ridge.

"Some may have more students with low incomes or students with grade point averages that are not as high as others or ACT scores that are not as good," he said. "We looked at college graduation rates that are all over the map and for good reason. It doesn't mean that the university is not doing a good job. It just means that the people they're serving can be quite different."

Maloney said the plan "is not meant to punish anybody but rather it's to reward performance. And those kinds of factors related to demographics will be taken into consideration."

State Rep. Chapin Rose, R-Mahomet, is sponsoring similar legislation (HB 1503) in the House.