

Executive Summary

Section 1 - The Effect of the COVID-19 Crisis on Illinois Higher Education

The COVID-19 crisis is exposing the racial and socioeconomic inequities that underlie higher education in Illinois

- Financially vulnerable institutions disproportionately enroll students from underrepresented communities, who face many COVID-19 related challenges
- In the near-term there have been concerning declines in college enrollment, particularly among low-income students and students of color
- The federal and state policy response allocated funding based on the population of low-income students that a college enrolls, laying the groundwork for a longer-term response that prioritizes equity
- Illinois will face ongoing budget shortages until the economy has fully recovered from the pandemic. However, the state's ability to maintain an equitable investment in higher education in this crisis could come to define the future of equity and prosperity in Illinois.

Section 2 - Recessions, Crises, and Illinois' Missed Opportunity for Higher Education

Illinois would be more prosperous if it had a better educated, racially representative workforce

- The state has never recovered from cuts to state appropriations and student aid that occurred during the recession of the early 2000s, the Great Recession, and state budget crisis of fiscal years 2016 and 2017

- Appropriations have been cut in half, in terms of buying power, over the last two decades; over the same time period, 1.7 million MAP grants have been denied to eligible low-income students
- This is a missed opportunity: there was an increase of 63,000 Black and Latinx student enrollments in public colleges and universities in the most recent recessions compared to previous years, but Illinois did not make the necessary investments to support them
- In economic downturns, more selective institutions replaced appropriations by enrolling more out-of-state students, while less selective universities serving more financially vulnerable Illinoisans had less access to both tuition revenue and state appropriations

Section 3 - A Framework for Making Equitable Higher Education Funding Decisions

To work toward equity, Illinois should follow the lead of K-12 and differentiate state resources by institution according to student need and institutions' capacity to raise revenue through tuition and fees

In the near-term, when making funding decisions state legislators should:

1. Invest in higher education, even in crises
2. Consider need by sector
3. Prioritize financially vulnerable students and institutions
4. Ensure transparency

To address long-term funding decisions, legislators should convene an independently led, equity-focused task force to devise a funding formula in coordination with state agencies.

