Faculty Perspectives on the State Budget Standoff

USC Committee on Finance, Budget, and Benefits

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Concern 1: Diversity and Equality of Opportunity

Students voicing support for MAP
Concern 1: Diversity and Equality of Opportunity

State Funding

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Illinois Student Assistance Commission

University of Illinois
Urbana-Champaign, Chicago, Springfield

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### Concern 1: Diversity and Equality of Opportunity

Percentage of students supported by MAP grants, overall and in selected demographics

<table>
<thead>
<tr>
<th></th>
<th>Urbana</th>
<th>Chicago</th>
<th>Springfield</th>
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</thead>
<tbody>
<tr>
<td>All undergraduates</td>
<td>20%</td>
<td>48%</td>
<td>28%</td>
</tr>
<tr>
<td>Black</td>
<td>40%</td>
<td>50%</td>
<td>50%</td>
</tr>
<tr>
<td>Hispanic</td>
<td>48%</td>
<td>63%</td>
<td>44%</td>
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Concern 1:
Diversity and Equality of Opportunity

Consequences of Budget Standoff:

- **Financial loss** ($30M already spent for MAP awardees enrolling in UI for Fall 2015)
- **Disappearance of students** from higher ed pipeline
- **Diversity diminished on campuses**
Concern 2: Health Care Services
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- University Hospital Fund payments ($45M, State)
- GRF Direct Transfer ($45M, State)
- Federal Match (est. at $120M for FY 2016)

University of Illinois Hospital Services Fund

Payments to UI Hospital
Concern 2: Health Care Services

Consequences of Budget Standoff:

1. Many UI Hospital (UIH) Medicaid claims (excluding those paid by managed care plans) are paid out of the hospital trust fund.
2. No state dollars have been put into the fund for FY16 (which also means no new federal matching dollars).
3. Hospital trust fund about to run out of $$. When this occurs, UIH cannot be paid for services rendered.
Concern 3: High-Impact Research Programs and Centers
The Illinois Center for Transportation has:

- **$30 Million** over 5 years in combined state and federal funding
- **50 ongoing projects** of direct relevance for statewide transportation safety and efficiency
- **100 researchers** and **students involved**, representing all three UI campuses
ICT produces **directly actionable research** on:

- Optimized pavement materials that **save money** and **reduce carbon emissions**
- Environmentally-friendly rest areas
- Cost-saving improvements to public transit systems
- Highway and bridge safety

State investment of $7.2M produced $147M in value!
Overall Conclusions
The Budget Standoff

• has both direct **negative impact**
  – No tuition payments for thousands of students
  – No appropriation to Hospital Services Fund
  – No way to secure funds for high impact State-funded research

• and **negative multipliers**
  – No federal match on Medicaid
  – No federal funds dispersed through states
These impacts extend into the future

- **Permanent losses** for the higher ed student pipeline
- **Reduced diversity** among students for 4 years from restoration of funds
- **Reduced competitiveness** for research
- and many other similar harms
Thank you for your advocacy on behalf of the University of Illinois