

Senate Report-October 2010

The IBHEFAC met in Chicago at IIT in September. We had two guests, Don Sevenser, the new interim executive director of the IBHE and Walter McMahon, an emeritus professor of Economics at U of I who studies the social non-market benefits from higher education.

Sevenser asked for more coordinated effort from the higher education community. He announced there will be a PR campaign beginning in December that will stress the importance of better funding for higher education—using the public agenda as the starting point. He also talked about the need for us—the colleges and universities to approach our remedial offerings in a way that gets students in and out—into credit offering courses in a quicker manner.

He also reported on the higher Education Finance Commission, which the FAC finally got a rep on. It appears they will make a recommendation to the legislature that the funding for higher education be changed to a more performance based model. Like graduation rates and retention etc. He insisted that any change would be gradual so we would not have a funding cliff we might fall off.

McMahon presented his research showing that non market based benefits of higher education (like being healthier, using less welfare benefits and going to prison less often) need to be included in the rates of return for a higher education. Doing so in the UK raises the rate of return from 11% per year to over 30% per year.

This summer I also was appointed to a Blue Ribbon Committee on higher Education Mandates. We examined the mandates we all have to live under and will recommend to the legislature that several of them be removed or modified, including the Illinois Veterans Grant (to the extent that federal benefits apply), the 6% SURS rule, that inventory only be required of items having an original cost of \$5,000 rather than the current \$500 level, and that the Capitol Development Board not be involved in most campus construction projects. The CDB charges 3% of the project cost, even if all or most of the money involved is not state money.