



Illinois Higher Education: A Comparative Analysis

In this report, we examine access to Illinois higher education compared to other states. Given that higher education is not compulsory like elementary and secondary education, it is important to consider the state's effort to provide higher education in two ways.

- First, we look at the opportunity Illinois has provided within its higher education system to serve its residents.
- Second, we examine sources of funding.

We conclude that Illinois provides less state funding to higher education than would be expected given its status as the 8th wealthiest state in the nation. This scarcity of funding manifests itself not as low appropriations per Full-Time-Equivalent Student (FTES), nor in high tuition and fees, but in reduced enrollment in public four-year institutions, and a high dependence on local funding for the community colleges.

Specifically:

- More of Illinois' continuing high school

graduates leave the state to attend college than is typical nationally.

- And of those who remain in state, larger proportions enroll either in a private in state institution or a two-year public college than is typical nationally.
- Only two states rank below Illinois in the proportion of their higher education students attending in-state four-year public institutions.
- Illinois' two-year public sector is highly dependent on local funding, ranking 44th in the nation in the proportion of funding coming from state sources. In half of the states, no local funding is used to support the two-year public sector.

The pattern of higher education enrollment for Illinois residents is a low cost strategy for the state, although it places a high burden of effort on local communities that provide more support than do state resources to support a large two-year public sector.

Cautionary notes concern the extent to which budget reductions in FY 2003 and

2004 are eroding Illinois' capacity to provide the quality postsecondary education that Illinois' residents deserve and need; and the extent to which the two-year sector can be expected to expand significantly its repertoire of programs given its heavy reliance on local funding.

- Only four states attract a smaller proportion of its freshmen from other states than does Illinois. In addition, Illinois is not increasing its stock of college graduates at the same rate as more than 40 percent of other states.

The link between a strong four-year sector and the state's competitive future deserves additional study.

The full report, **Illinois Higher Education: A Comparative Analysis**, is available at <http://ierc.siue.edu> under Publications. Contact me at jpresle@siue.edu for more information.

Jennifer B. Presley
Director, IERC

September, 2003

HIGHLIGHTS OF FINDINGS

ENROLLMENT PATTERNS COMPARED TO OTHER STATES

Illinois has mixed grades on the college-going patterns of its youth.

- Illinois ranks 14th in the college-going rate of Illinois residents by age 19 (42%),
- 25th in high-school graduation rate (71%), and
- 20th in the continuation rate of high-school graduates (60%).

Illinois' college-going rate of 19-year olds dropped from a high of 49 percent in 1994 (rank 6th).

What Does this mean? Illinois is losing ground in comparison to other states with regard to high school graduation and college continuation rates. But overall, the proportion of 19-year olds enrolled in college still places Illinois in the top third among the states.

Illinois is a large net-exporter of college freshmen.

- Illinois ranks 31st in the percent of continuing high school graduates enrolling in state (76.5%).
- Illinois ranks 47th in the proportion of its freshmen (12.4%) from out of state.

What does this mean? Many Illinois high school graduates leave the state for college. And Illinois' higher education does not attract students from other states. Illinois loses the economic benefits that come with a large influx of

students. But it gains from the savings in state subsidies to those who enroll out of state.

The pattern of enrollment of in-state resident freshmen differs from other states.

- Illinois ranks 13th in the percent of this group enrolling in a public in-state two-year institution (40%),
- 47th in the percent of this group enrolling in a public in-state four-year institution (35%), and
- 5th in the percent of this group enrolling in a private institution within the state (25%).

What Does this mean? Illinois provides more of its freshman access to public higher education through the two-year sector than many other states.

Illinois also relies on its two-year sector more than most other states for total enrollment.

- Illinois ranks 8th in the percent of total in-state enrollments that are in public two-year institutions. Nearly 47 percent of Illinois' higher education students attend such institutions (37 percent of Full-Time-Equivalent Student (FTES) enrollment).

- It ranks 48th in the percent of total in-state enrollments that are in public four-year institutions. About 27 percent of Illinois' higher education students attend these types of institutions (32 percent of FTES).
- It ranks 12th in the percent of in-state enrollments that are in private institutions. About 26 percent of Illinois' higher education students attend these types of institutions (30 percent of FTES).

What Does this mean? Illinois' community college sector plays an even larger role for all in-state enrollments than for freshmen alone. Full-time-equivalent student enrollment is quite evenly distributed across the three sectors. The pattern of higher education enrollment for Illinois residents is a low cost strategy for the state.

Illinois' stock of college graduates is falling behind other states.

- Illinois has a small net out-migration of college graduates (-3% from 1989-2001). In contrast, half of all states had net in-migration – meaning that growth in the number of people with at least a bachelor's degree exceeded the number of baccalaureates produced by institutions in the state.

- Illinois is one of only six states with a net out-migration of both college freshmen and college graduates.
- Illinois ranks 21st in its increase of its baccalaureate stock of residents from 1989-2000 (+5.6%).

What does this mean? Illinois is falling behind other states in its proportion of residents who are college graduates.

FUNDING PATTERNS COMPARED TO OTHER STATES

Illinois' effort in funding higher education falls behind other states.

- Illinois ranks among the top ten states in per capita personal income. But it ranks only 26th in the state dollars it spends per capita on higher education, and 32nd in state dollars per \$1,000 of income.

What does this mean? Illinois spends less on higher education (from state taxes) than almost half the states given its population size, and two thirds of the states given its per capita personal income. Instead, the state relies on its college freshmen enrolling out of state, enrolling in the private in-state sector, and in two-year public institutions. Nor does the state attract out-of-state freshmen to its public institutions at the same rates as other states.

Illinois' public sector relies more heavily on tax sources for funding than most other states.

- Illinois public institutions get about three quarters of their operating income (state + local + tuition and fees) from state and local taxes, ranking in the top quartile among the states.

- Students contribute the other one quarter of this income, placing Illinois in the bottom quartile among the states on this measure.
- Illinois' public sector ranks in the second quartile in total \$/FTES (state + local + tuition and fees) among states.
- State funding to Illinois higher education has fallen for three consecutive years, especially for the four-year sector.
- Illinois ranks close to the top of states with regard to funding for student financial aid.

What does this mean? Students in Illinois public institutions contribute less to their education than do students in many states. And Illinois residents are well-served by state financial aid. Funding decreases may be eroding Illinois' comparative position, especially in the four-year sector.

Illinois' two-year sector relies more heavily on local funding than in most states.

For Illinois' two-year sector, 54 percent of state and local funds come from local sources, ranking 6th in the nation.

What does this mean? The community colleges' reliance on local aid will cushion the effects of state budget cuts since property tax bases are more resilient to economic downturn than other types of taxes. Since the proportion of funding by source varies among the community colleges, the impact of cuts will vary.

A cautionary note concerns the extent to which the two-year sector can be expected to expand significantly its repertoire of programs given its heavy reliance on local funding.

State support to the private sector is strong.

- \$/FTES from state taxes (including financial aid) to private institutions places Illinois in the top quartile among the states.

What does this mean? The state provides greater subsidies to its residents who enroll in the private sector than do many other states.

SUMMARY

Illinois currently has average performance with regard to high school graduation, college continuation rates and percent of resident freshmen enrolling in its in-state (public and private) colleges and universities. More of Illinois' continuing high school graduates leave the state for college than is typical nationally, and of those who stay, many more enroll either in a private institution or a two-year public college than is typical nationally.

This pattern of enrollment in Illinois higher education

relieves the state of the financial burden of providing additional seats in the public four-year sector, where funding per student is typically higher and not shared with local funding. Its effort per \$1,000 of income places the state in the third quartile among the states.

Illinois' public sector gets a larger proportion of its operating funds from state and local sources than many other states, falling in the top quartile. In contrast, Illinois' public institutions receive a much smaller proportion of revenue from tuition/fees than other states, falling into the

bottom quartile on this measure. Taken together, the resources available to public institutions place Illinois in the second quartile among the states.

Unlike two-year public institutions in half of the other states, Illinois' two-year public institutions rely on local funding, as well as state funding, to operate their programs. Local residents and businesses in Illinois bear a greater share of the burden of providing for two-year public institutions than local residents and businesses in 43 other states in this country.

CAN ILLINOIS' HIGHER EDUCATION ENTERPRISE MEET GROWING DEMAND FOR EDUCATION AND TRAINING?

Illinois, like other states, faces an economy that requires higher levels of education among its citizens. More jobs than ever require education through at least the first two years of college, and economic mobility is most clearly determined by having a bachelor's degree.

Through the combined efforts of all of the education sectors, Illinois is striving to increase its high school graduation rate and college continuation rate. Improvement will likely come through changes among young adults from the state's less affluent families – those for whom access to the public sector will be most critical.

Enrollments are balanced to take advantage of historical migration patterns of resident

students to other states, enrollment in the private sector within state, and high enrollment in the two-year public sector. This is a low cost strategy for the state, although it places a high burden on local communities who provide more than half of the \$/FTES at the two-year level. A cautionary note concerns the extent to which the two-year sector can be expected to expand significantly its repertoire of programs given its heavy reliance on local funding.

With the changing demographic characteristics of Illinois' college-going population, more may want to seek a baccalaureate education closer to home and at affordable institutions. Illinois needs to ensure that its newest

generation of college-going students has the opportunity to complete undergraduate study through paths that are affordable and geographically accessible. This may mean expanding upper-division enrollments in public senior institutions, either on campus or through baccalaureate completion programs co-located at community colleges, as well as continuing to provide sufficient student financial aid for others to enroll in the more expensive private institutions.

We believe that it would be useful to undertake additional analysis to understand the underlying dynamics that result in Illinois being a net loser of college graduates, and the potential implications for Illinois' competitive future.