

AN OVERVIEW OF THE ILLINOIS COMMUNITY COLLEGE SYSTEM FUNDING FORMULAS

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Illinois Community College Board

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SYSTEM GRANTS

UNRESTRICTED GRANTS

- Distributed for the general operations of the college.
 - *Base Operating Grants
 - *Equalization Grants
 - *Performance-Based Funding Grants
 - *Small College Grants
 - Veterans Grants (appropriated by district)

- *Allocations based on formulas.

SYSTEM GRANTS

RESTRICTED GRANTS

- Distributed to the system for special activities.
 - *Adult Education-state & federal funds
 - *Career and Technical Education-state & federal funds
 - Special initiatives-state & federal funds
- *Allocations based on formulas.

BASE OPERATING GRANTS

Base operating grants are unrestricted funds disbursed to community colleges on the basis of credit hours generated in six reimbursable instructional categories.

Base Operating Grants formula =

Funded credit hours	X	credit hour rate per category
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BASE OPERATING GRANTS

Data: Two Year Lag.

Calculation: After calculating the cost per credit hour, and weighted cost adjusted for inflation, tuition and fees and local tax revenue reported by the districts are subtracted to equal net reimbursable cost per category.

- The formula uses the current certified unrestricted credit hours, or the average of the last three fiscal years, whichever is greater.
 - *For example, the fiscal year 2021 funding formula is based on the greater of FY 2019 certified unrestricted credit hours, or the average of fiscal years 2017, 2018, and 2019.*

Proration: This cost is further prorated as necessary to equal state appropriations, which is the effective credit hour rate per category.

BASE OPERATING GRANTS

CREDIT HOUR RATES BY COURSE CATEGORY

Illinois Community College Board

Table 1
CREDIT HOUR GRANT RATES BY CATEGORY FOR FISCAL YEAR 2021

	<u>Baccalaureate</u>	<u>Business</u>	<u>Technical</u>	<u>Health</u>	<u>Remedial</u>	<u>ABE/ASE</u>	<u>Totals/ Averages</u>
FY2018 Unit Cost	\$391.00	\$434.20	\$431.06	\$537.11	\$335.59	\$395.96	\$405.48
FY2019 Weighted Cost	\$448.58	\$498.14	\$494.53	\$616.19	\$385.00	\$454.26	\$465.19
Less:							
Tuition & Fees	\$146.32	\$146.32	\$146.32	\$146.32	\$146.32	\$-	\$121.94
Local Tax Revenue	\$164.05	\$164.05	\$164.05	\$164.05	\$164.05	\$164.05	\$164.05
Subtotal	\$310.37	\$310.37	\$310.37	\$310.37	\$310.37	\$164.05	\$285.98
Credit Hour Rate	\$138.21	\$187.77	\$184.17	\$305.83	\$74.64	\$290.22	\$179.21
State Adjustment	\$(107.75)	\$(146.39)	\$(143.58)	\$(238.43)	\$(58.19)	\$(226.26)	\$(139.72)
Effective Credit Hour Rate	\$30.46	\$41.38	\$40.59	\$67.40	\$16.45	\$63.96	\$39.49

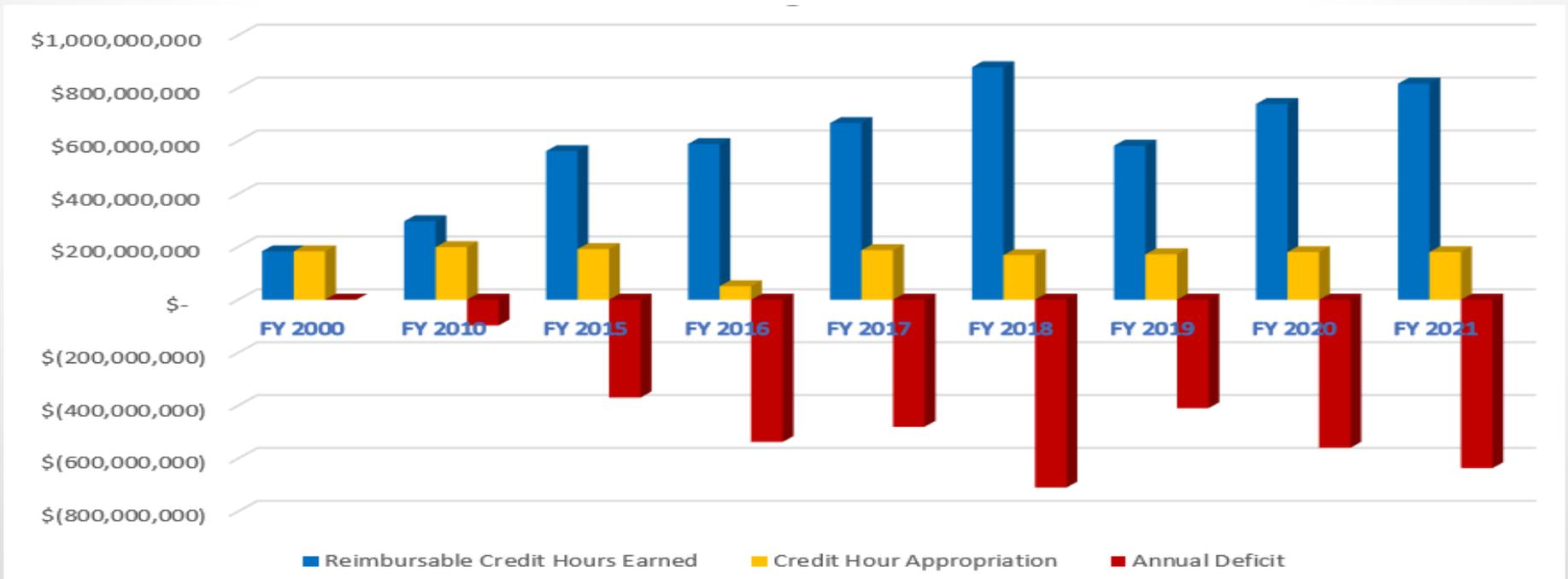
BASE OPERATING GRANTS

CREDIT HOUR GRANT RATES BY CATEGORY FOR FISCAL YEAR 2021

	<u>Baccalaureate</u>	<u>Business</u>	<u>Technical</u>	<u>Health</u>	<u>Remedial</u>	<u>ABE/ASE</u>	<u>Totals/Averages</u>
Credit Hour Rate	\$ 138.21	\$ 187.77	\$ 184.17	\$ 305.83	\$ 74.64	\$ 290.22	\$ 179.21
State Adjustment	\$ (107.75)	\$ (146.39)	\$ (143.58)	\$ (238.43)	\$ (58.19)	\$ (226.26)	\$ (139.72)
Effective Credit Hour Rate	\$ 30.46	\$ 41.38	\$ 40.59	\$ 67.40	\$ 16.45	\$ 63.96	\$ 39.49
Funded Hours	3,199,623.7	284,184.5	547,368.6	387,145.8	347,641.5	261,118.0	5,027,082.1
Fully Funded Grants	\$ 442,218,804	\$ 53,360,931	\$ 100,806,239	\$ 118,399,350	\$ 25,946,300	\$ 75,780,770	\$ 816,512,394
State Appropriation	\$ 97,454,662	\$ 11,759,499	\$ 22,215,333	\$ 26,092,442	\$ 5,717,957	\$ 16,700,306	\$ 179,940,200

BASE OPERATING GRANTS HISTORY

	FY 2000	FY 2010	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Reimbursable Credit Hours Earned	\$ 182,826,600	\$ 296,289,187	\$ 561,367,594	\$ 588,278,913	\$ 667,438,802	\$ 878,525,892	\$ 581,800,644	\$ 739,556,281	\$ 816,512,394
Credit Hour Appropriation	\$ 182,826,600	\$ 198,746,700	\$ 191,271,900	\$ 50,445,000	\$ 186,968,300	\$ 168,271,500	\$ 171,636,900	\$ 179,940,200	\$ 179,940,200
Annual Deficit	\$ -	\$ (97,542,487)	\$ (370,095,694)	\$ (537,833,913)	\$ (480,470,502)	\$ (710,254,392)	\$ (410,163,744)	\$ (559,616,081)	\$ (636,572,194)



EQUALIZATION GRANT

- Equalization grants were established by statute to reduce the disparity of local property tax funds available per student between the districts.
- The basis for the grant is a base foundation level of expected tax revenue per student for each college.
- Any college district below the calculated foundation level is eligible for equalization grant funding.
- If state appropriations do not meet the fully funded threshold level, a proration factor is applied to the calculated threshold.
- In 1998, a minimum equalization grant of \$50,000 was established to ensure colleges that qualify for the Equalization grant don't become ineligible if the State is unable to appropriate full funding for equalization in any fiscal year.
- For fiscal year 2021, the equalization threshold was prorated at 78.4% of the calculated threshold due to the underfunding.

EQUALIZATION GRANT

2021 Grant Formula

Based on 2018EAV's (Tax Survey)

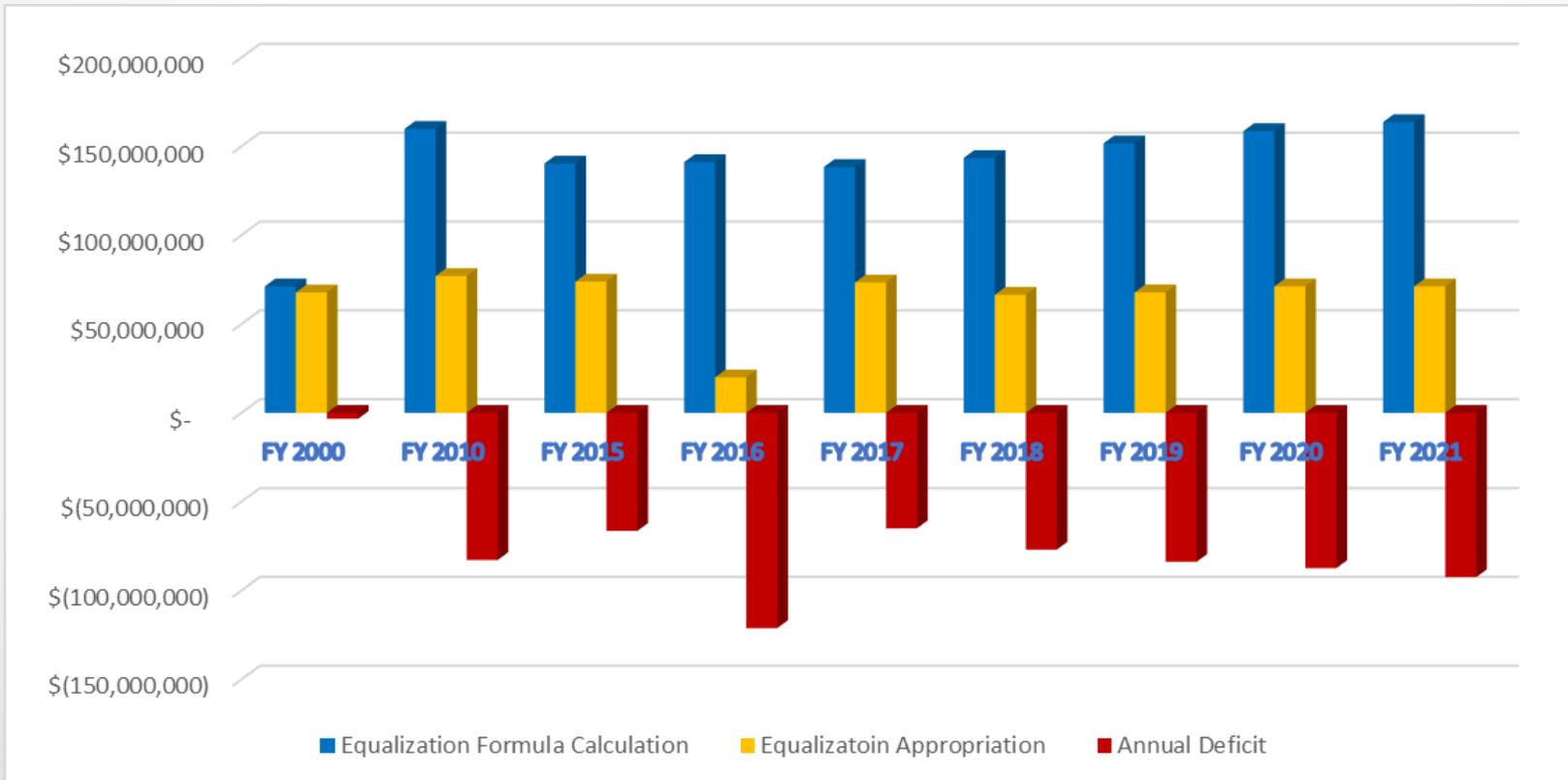
- In-district Hours (SU/SR Certifications/ Audit)
- CPPRT (IL Department of Revenue)
- Weighted Average Tax Rate

EQUALIZATION GRANT

1. A local revenue per in-district FTE is calculated for each district.
2. A statewide average of revenue per FTE is also calculated.
3. Total needed for Equalization Grant Appropriation is calculated and a proration factor is applied to the threshold if necessary due to underfunding.
4. All colleges below the calculated threshold or prorated threshold receive funding.

EQUALIZATION GRANT HISTORY

	FY 2000	FY 2010	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Equalization Formula Calculation	\$ 71,166,169	\$ 159,820,327	\$ 140,291,416	\$ 141,127,882	\$ 138,357,830	\$ 143,455,289	\$ 151,638,719	\$ 158,580,522	\$ 163,641,021
Equalizatoin Appropriation	\$ 67,796,100	\$ 76,997,300	\$ 73,871,500	\$ 19,980,000	\$ 73,394,090	\$ 66,483,500	\$ 67,813,200	\$ 71,203,898	\$ 71,203,900
Annual Deficit	\$ (3,370,069)	\$ (82,823,027)	\$ (66,419,916)	\$ (121,147,882)	\$ (64,963,740)	\$ (76,971,789)	\$ (83,825,519)	\$ (87,376,624)	\$ (92,437,121)



OTHER

UNRESTRICTED GRANTS

Performance-Based Funding:

- Beginning in fiscal year 2013, the Illinois public higher education budget is statutorily required to include a performance based component in the annual funding allocations.
- Community college performance funding measures were developed by a group of representatives from the system.
- As outlined in Public Act 97-320, the measures award community college performance for advancing success of students who are academically or financially at risk and focus on increasing college course, certificate, and degree completion.

OTHER

UNRESTRICTED GRANTS

Measures for Performance-Based Funding:

1. Degree & Certificate Completion
2. Degree & Certificate Completion of At Risk Students
3. Transfer to a 4-year Institution
4. Developmental Advancement
5. Momentum Points
6. Transfer to a Community College

OTHER

UNRESTRICTED GRANTS

Small College Grants:

A flat grant of \$50,000 is distributed to districts with 2,500 or less full-time equivalent(FTE).

Beginning in fiscal year 2005, districts below 2,000 FTE, below \$850 million equalized assessed valuation(EAV), and qualify for an equalization grant, receive an additional \$50,000 grant.

These districts have fewer discretionary dollars and a greater percentage of their budget allocated to fixed costs than do larger districts.

OTHER

UNRESTRICTED GRANTS

Veterans Grants

- Appropriated by the general assembly per district.
- Prior to FY20, several colleges were not able to fully claim their appropriation for Veterans Grants because the appropriation was higher than their claims for tuition waivers for veterans and the language did not allow claims for tuition waivers for Illinois National Guard veterans.
- In FY20, Public Act 100-0007 was amended to include reimbursement for grants associated with Illinois National Guard in addition to Veterans grants.

RESTRICTED GRANTS

- Adult Education Grants
 - MOE
 - Allocations based on formula
 - Grant Agreements
 - Restricted Accounts
- Career and Technical Education
 - MOE
 - Allocations based on formula
 - Grant Agreements
 - Restricted Accounts



Questions?

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