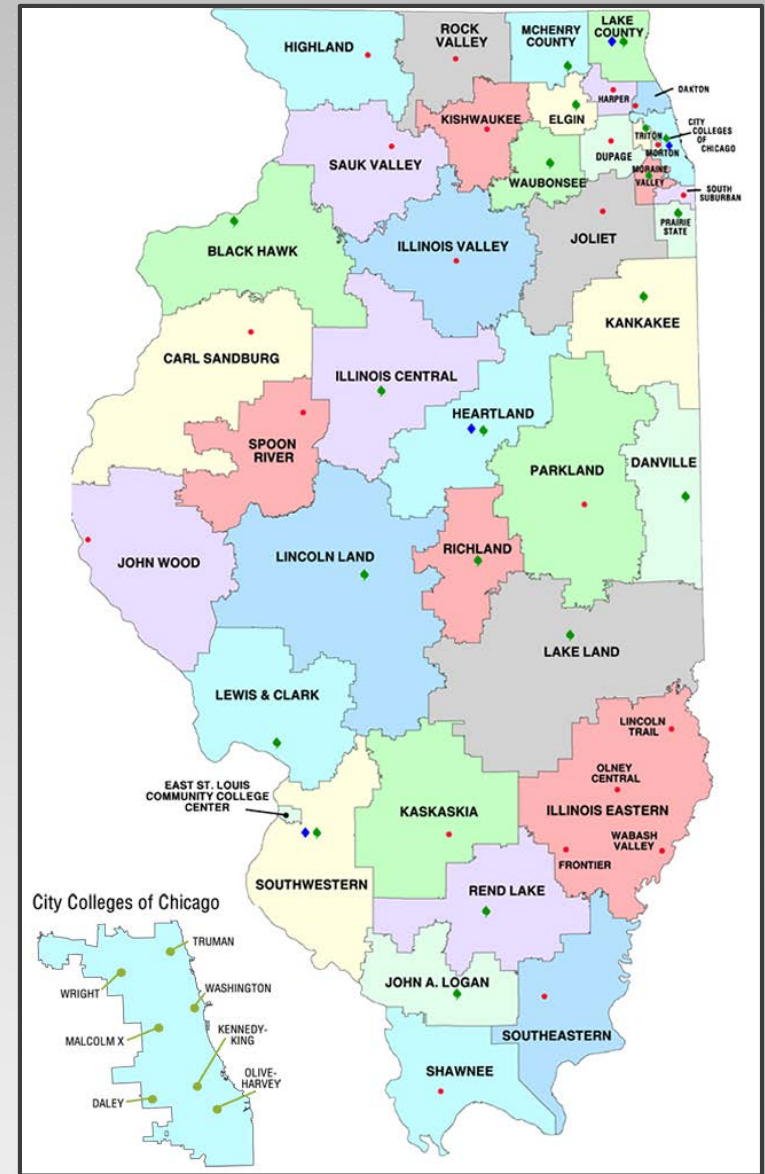
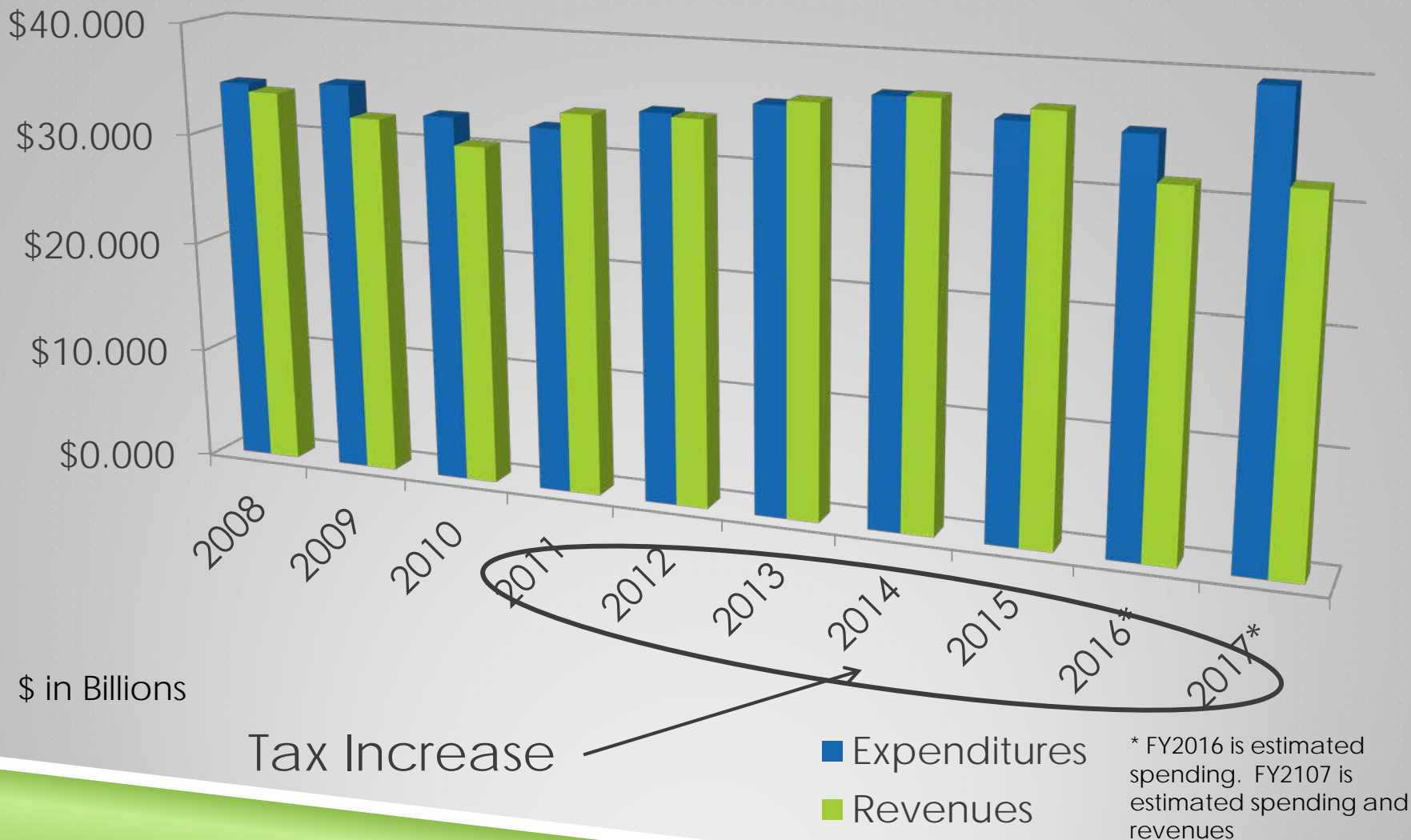


# FISCAL YEAR 2016 AND FISCAL YEAR 2017 BUDGET

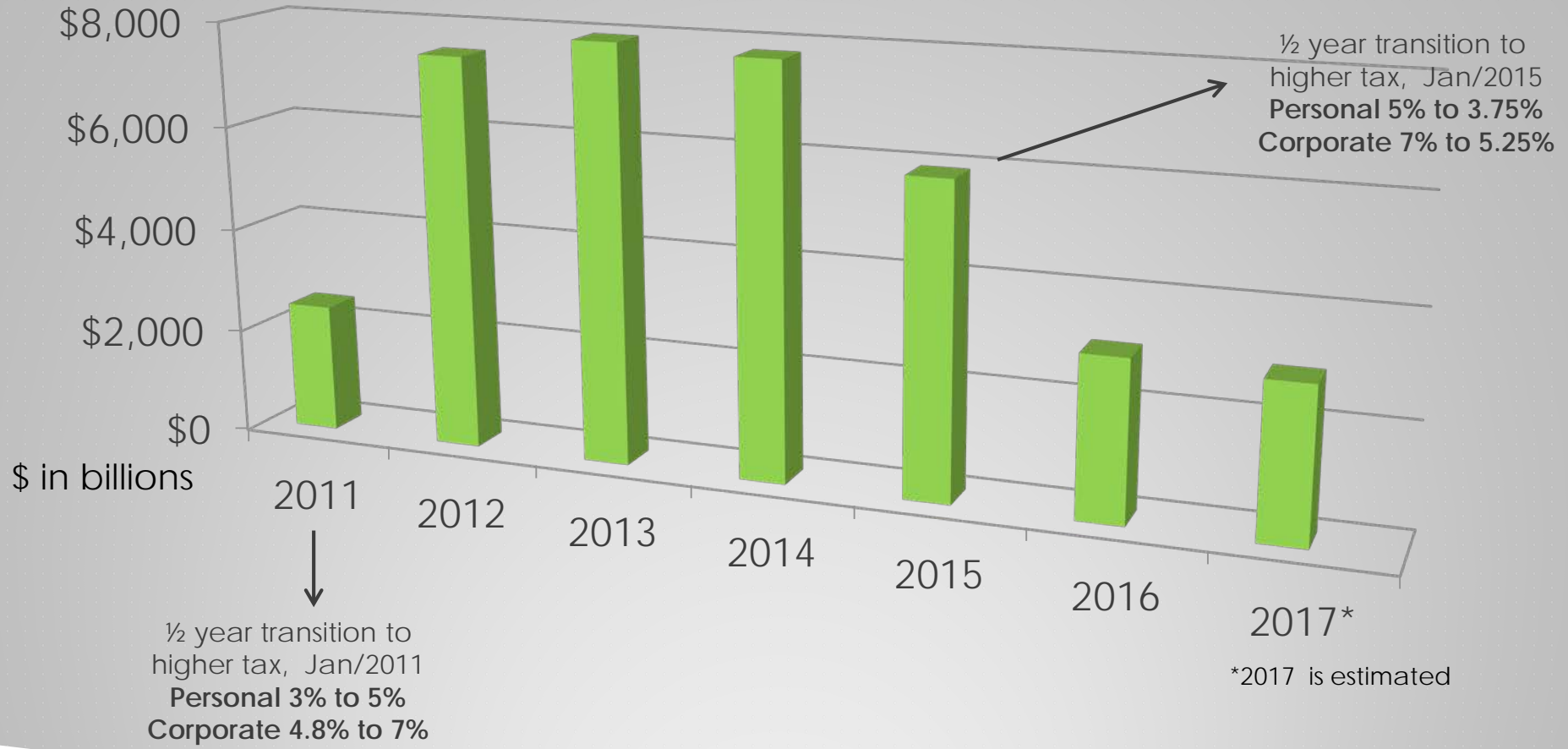
## STATE OF ILLINOIS AND THE ILLINOIS COMMUNITY COLLEGE SYSTEM



# REVENUES VS. EXPENDITURES



# REVENUES GENERATED FROM HIGHER INCOME TAX RATES



Source: Commission on Government Forecasting and Accountability (CGFA)

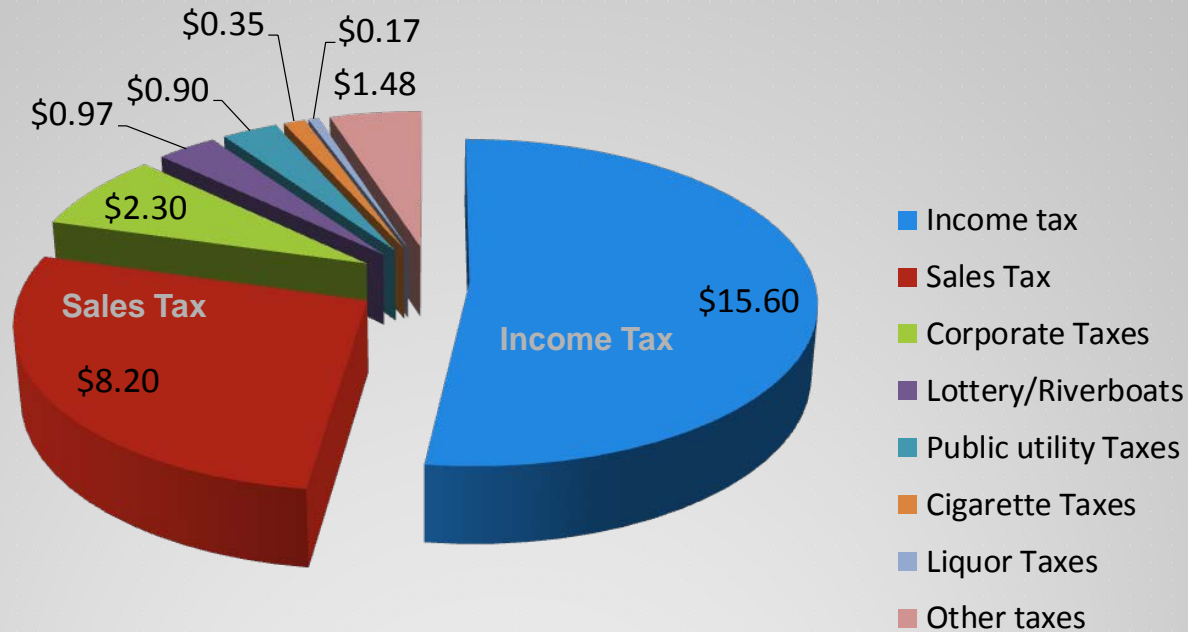
# BACKLOG OF UNPAID BILLS

As of October 11, 2016:

**\$8,770,834,703.16**

100,234 BACKLOGGED BILLS

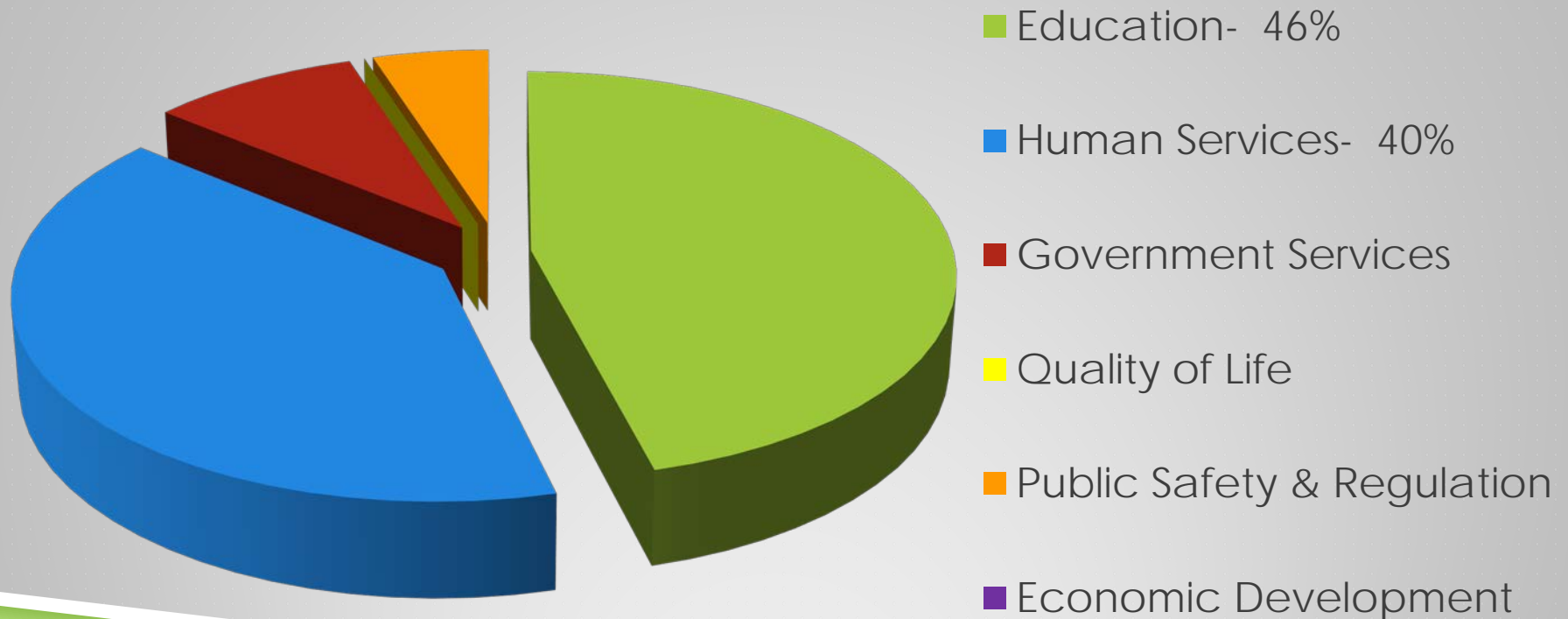
# ESTIMATED FY 2017 GENERAL FUNDS (GRF) BY SOURCE



**Estimated Total General Funds Revenues: \$29.7 Billion**  
**Sweeps refunds and other miscellaneous revenue = \$31.8 Billion**

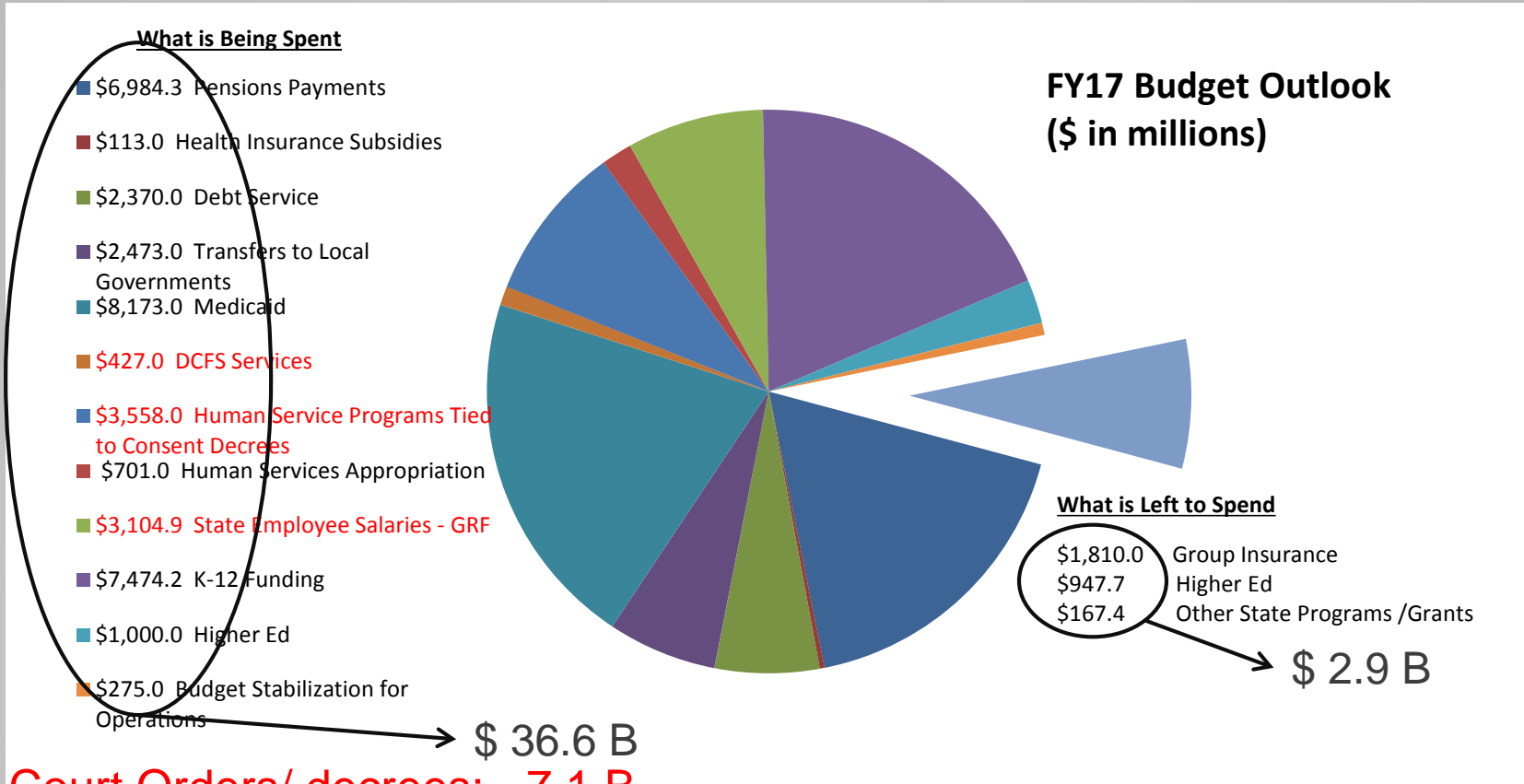
# FY 2017 STATE GENERAL FUNDS BY MAJOR PURPOSE

Total GRF = \$29.766 B



Source: : Commission on Government Forecasting and Accountability (CGFA)

# HOW WE'VE STARTED FY2017



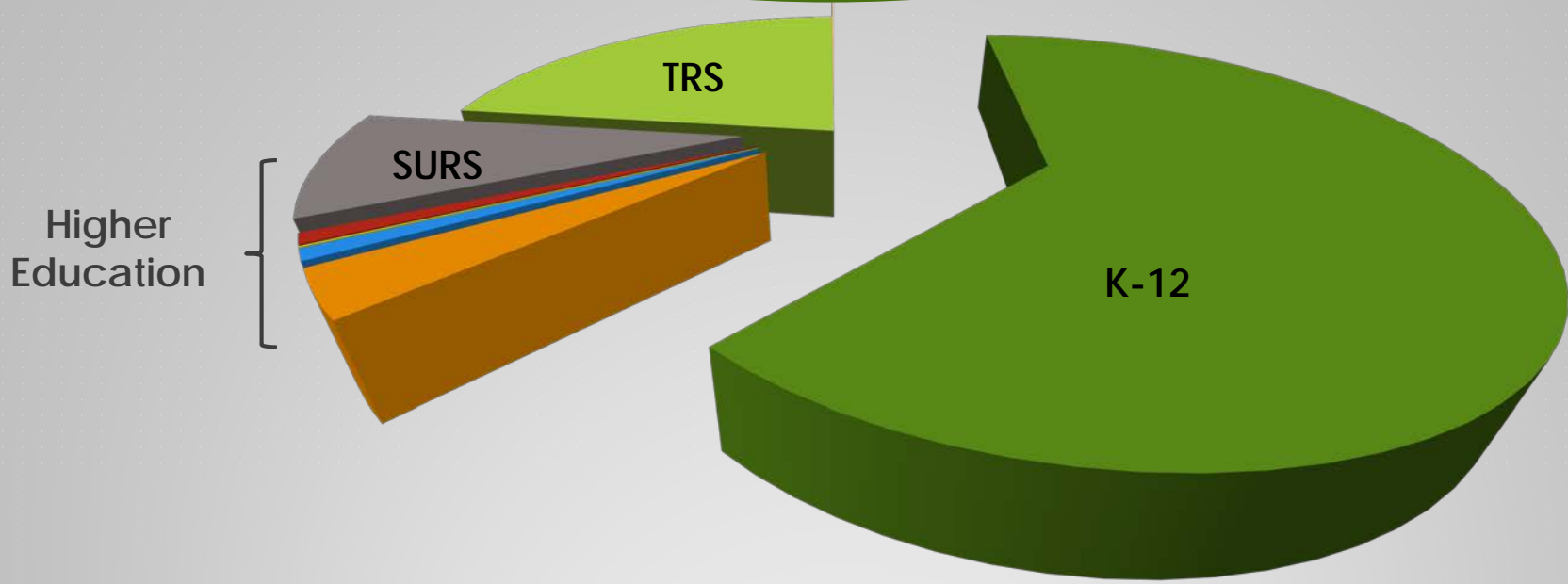
**Court Orders/ decrees: -7.1 B**

Balanced Budget: \$29.5 B

**FY2017 COGFA Revenue Estimate: \$31.8 B**

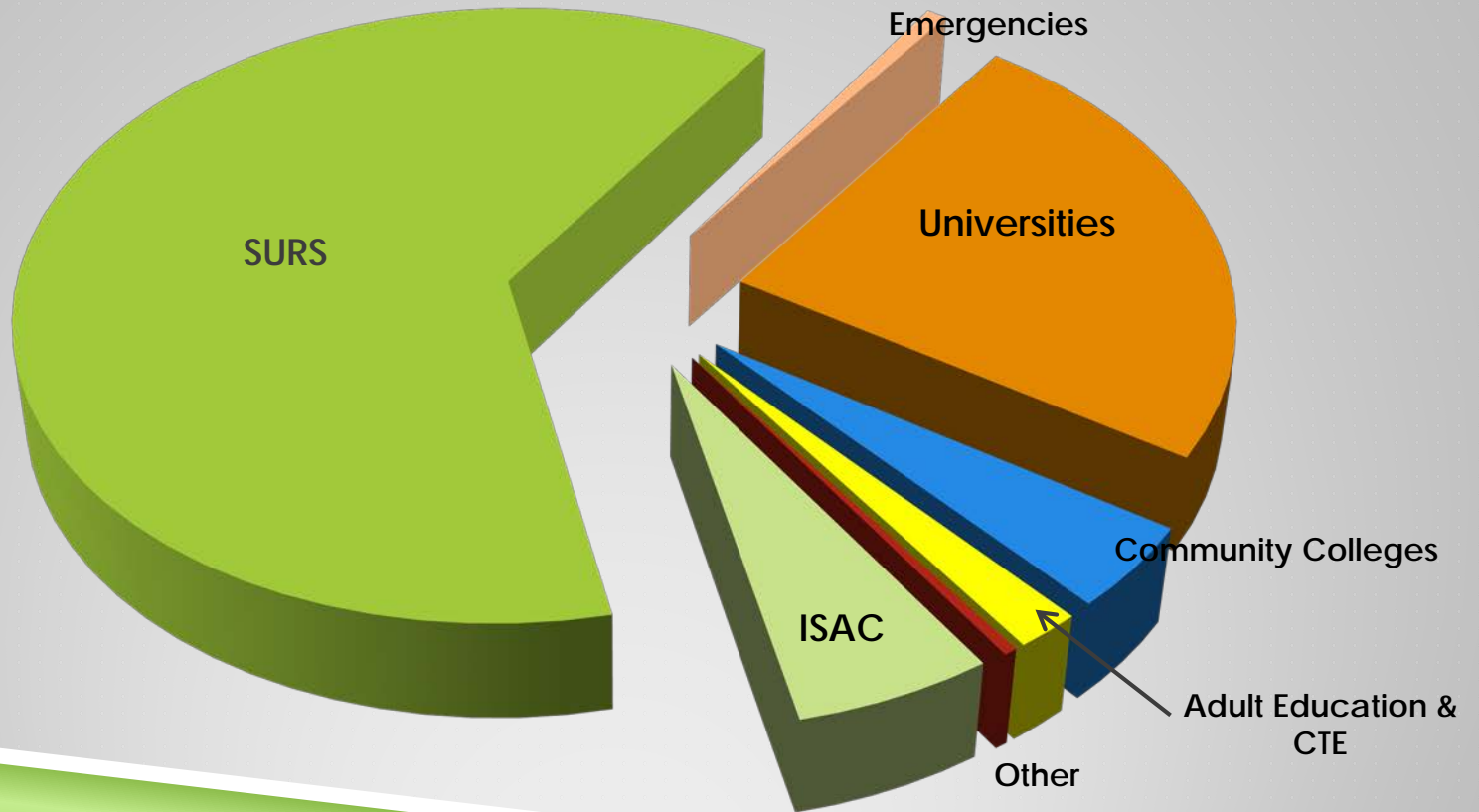
# FY 2017 EDUCATION BUDGET

Spending = \$18.1 B



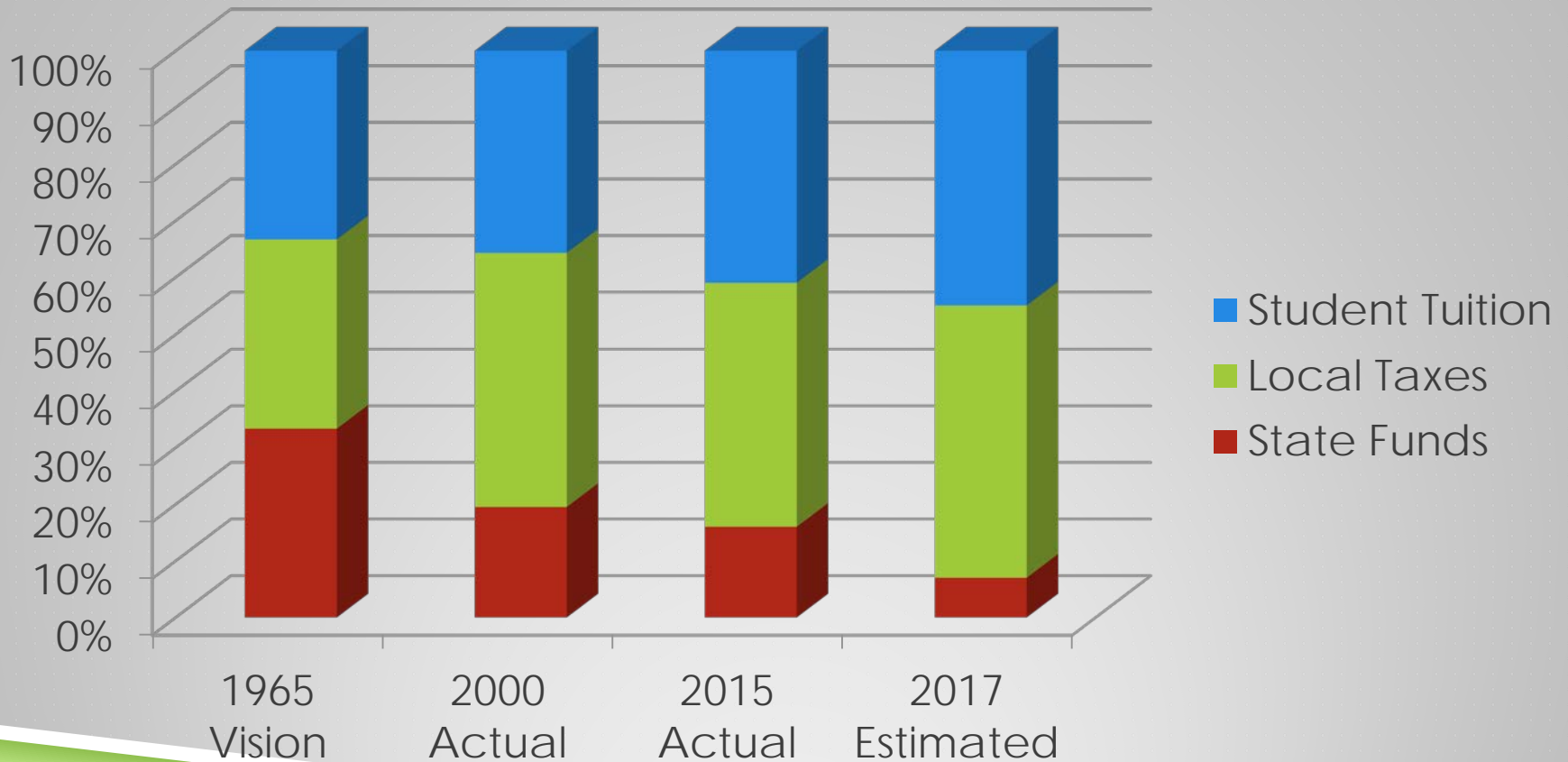


# FY 2017 HIGHER EDUCATION BUDGET



Sources: Commission on Governmental Forecasting  
IL Board of Higher Education  
IL Community College Board

# SOURCES OF REVENUE



Source: Illinois Community College Board (ICCB)-- college audits

# ILLINOIS COMMUNITY COLLEGE BOARD

## CREDIT HOUR GRANT RATES BY CATEGORY FOR FISCAL YEAR 2016

	<u>Baccalaureate</u>	<u>Business</u>	<u>Technical</u>	<u>Health</u>	<u>Remedial</u>	<u>ABE/ASE</u>	<u>Totals/Averages</u>
FY2014 Unit Cost	\$ 289.42	\$ 320.35	\$ 325.57	\$ 384.55	\$ 244.48	\$ 292.88	\$ 298.71
FY2016 Weighted Cost	\$ 306.55	\$ 339.31	\$ 344.84	\$ 407.31	\$ 258.94	\$ 310.21	\$ 316.39

### Instructional Cost Report

Statewide instructional cost (submitted by each college) are divided by the total unrestricted hours to determine a unit cost per credit hour

	Baccalaureate
FY14 Direct Instructional Costs	\$ 420,210,889
FY14 SU Hours	3,702,910
Proportion of hours	59.4%
Indirect Allocation	\$ 688,242,922.56
Total Costs	\$ 1,108,453,811.56
Funded SU hours	3,829,909
Unit Cost Rate	\$ 289.42

# ILLINOIS COMMUNITY COLLEGE BOARD

## CREDIT HOUR GRANT RATES BY CATEGORY FOR FISCAL YEAR 2016

Tuition & Fees	\$	118.35	\$	118.35	\$	118.35	\$	118.35	\$	118.35	\$	-	\$	98.63
Local Tax Revenues	\$	115.13	\$	115.13	\$	115.13	\$	115.13	\$	115.13	\$	115.13	\$	115.13
	\$	233.48	\$	233.48	\$	233.48	\$	233.48	\$	233.48	\$	115.13	\$	213.76

### Tuition and Fees

- Statewide Average Tuition and Fees (Tuition and Fee Certification)
- All Unrestricted Hours except Adult Education (Credit Hour Certification)
- Tuition Waivers (Tax and Budget Survey)

### Local Tax Revenues

- Ed and O&M Fund Revenues (UFS #3)
- All Unrestricted Hours (Credit Hour Certification)

# ILLINOIS COMMUNITY COLLEGE BOARD

## CREDIT HOUR GRANT RATES BY CATEGORY FOR FISCAL YEAR 2016

	<u>Baccalaureate</u>	<u>Business</u>	<u>Technical</u>	<u>Health</u>	<u>Remedial</u>	<u>ABE/ASE</u>	<u>Totals/Averages</u>
FY2014 Unit Cost	\$ 289.42	\$ 320.35	\$ 325.57	\$ 384.55	\$ 244.48	\$ 292.88	\$ 298.71
FY2016 Weighted Cost	\$ 306.55	\$ 339.31	\$ 344.84	\$ 407.31	\$ 258.94	\$ 310.21	\$ 316.39
Less:							
Tuition & Fees	\$ 118.35	\$ 118.35	\$ 118.35	\$ 118.35	\$ 118.35	\$ -	\$ 98.63
Local Tax Revenue	\$ 115.13	\$ 115.13	\$ 115.13	\$ 115.13	\$ 115.13	\$ 115.13	\$ 115.13
Total Reductions to Cost	\$ 233.48	\$ 233.48	\$ 233.48	\$ 233.48	\$ 233.48	\$ 115.13	\$ 213.76
Credit Hour Rate	\$ 73.06	\$ 105.83	\$ 111.36	\$ 173.82	\$ 25.46	\$ 195.08	\$ 102.63

Full Funding is calculated by taking the credit hour rate and multiplying by the funded hours in each category.

In FY2016 Full Funding = \$588.3M

# ILLINOIS COMMUNITY COLLEGE BOARD

## CREDIT HOUR GRANT RATES BY CATEGORY FOR FISCAL YEAR 2016

	<u>Baccalaureate</u>	<u>Business</u>	<u>Technical</u>	<u>Health</u>	<u>Remedial</u>	<u>ABE/ASE</u>	<u>Totals/Averages</u>
FY2014 Unit Cost	\$ 289.42	\$ 320.35	\$ 325.57	\$ 384.55	\$ 244.48	\$ 292.88	\$ 298.71
FY2016 Weighted Cost	\$ 306.55	\$ 339.31	\$ 344.84	\$ 407.31	\$ 258.94	\$ 310.21	\$ 316.39
<b>Less:</b>							
Tuition & Fees	\$ 118.35	\$ 118.35	\$ 118.35	\$ 118.35	\$ 118.35	\$ -	\$ 98.63
Local Tax Revenue	\$ 115.13	\$ 115.13	\$ 115.13	\$ 115.13	\$ 115.13	\$ 115.13	\$ 115.13
<b>Total Reductions to Cost</b>	<b>\$ 233.48</b>	<b>\$ 233.48</b>	<b>\$ 233.48</b>	<b>\$ 233.48</b>	<b>\$ 233.48</b>	<b>\$ 115.13</b>	<b>\$ 213.76</b>
Credit Hour Rate	\$ 73.06	\$ 105.83	\$ 111.36	\$ 173.82	\$ 25.46	\$ 195.08	\$ 102.63
State Adjustment	\$ (66.80)	\$ (96.75)	\$ (101.81)	\$ (158.92)	\$ (23.28)	\$ (178.35)	\$ (93.83)
Effective Credit Hour Rate	\$ 6.27	\$ 9.08	\$ 9.56	\$ 14.91	\$ 2.19	\$ 16.74	\$ 8.81

The state adjustment is prorated equally between the six categories

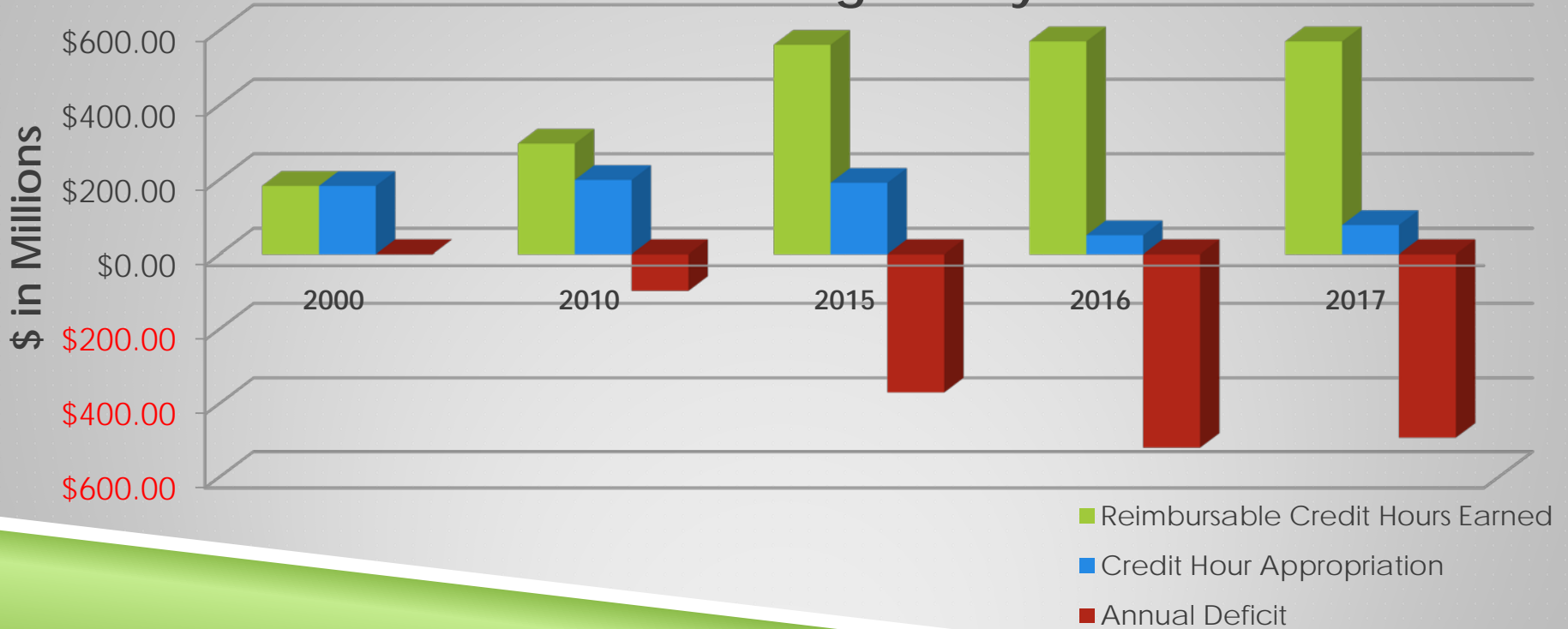
### Interesting Fact:

In 1965 the credit hour rate was **\$11.50**.

# ILLINOIS COMMUNITY COLLEGE SYSTEM

Fiscal Year	2000	2010	2015	2016	2017
Reimbursable Credit Hours Earned	\$ 182,826,600.00	\$ 296,289,187.00	\$ 561,367,594.00	\$ 588,278,913.00	\$ 588,278,913.00
Credit Hour Appropriation	\$ 182,826,600.00	\$ 198,746,700.00	\$ 191,271,900.00	\$ 50,445,000.00	\$ 77,877,000.00
Annual Deficit	\$ -	\$ (97,542,487.00)	\$ (370,095,694.00)	\$ (537,833,913.00)	\$ (510,401,913.00)

## Base Operating Grant Funding History

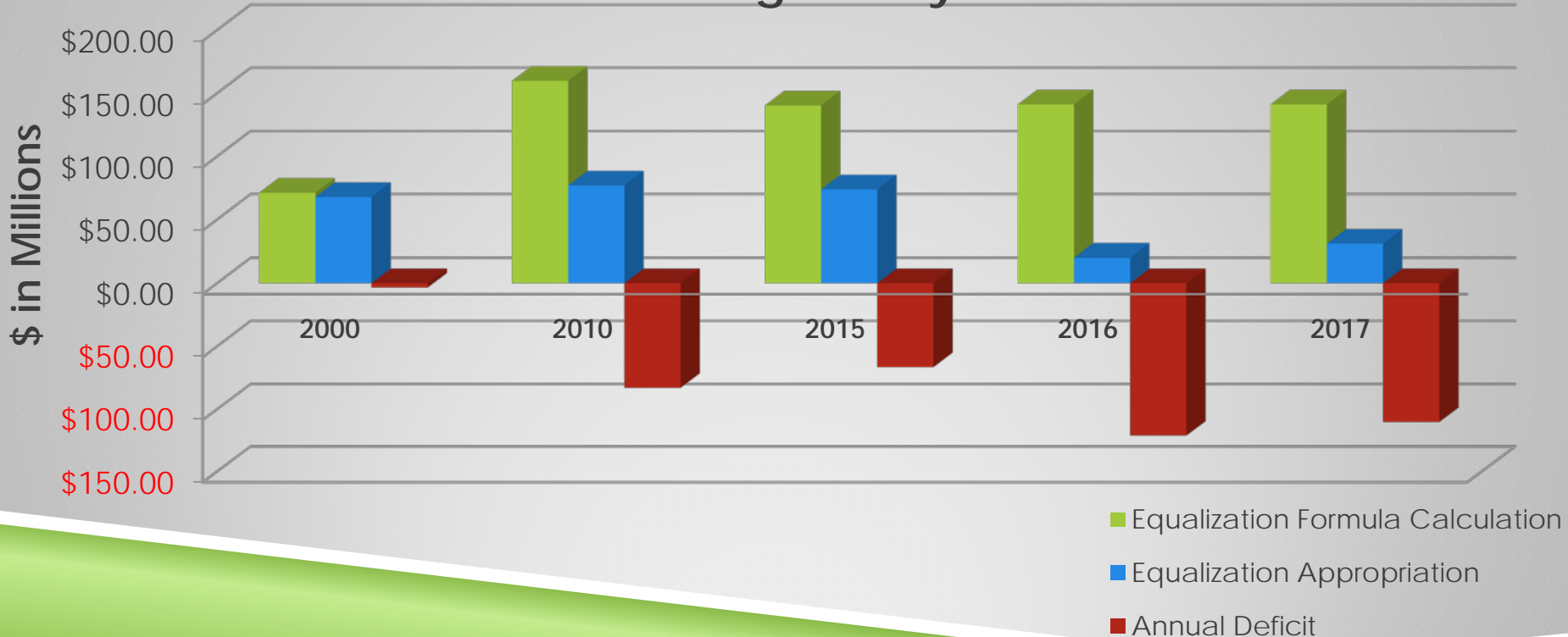


Source: Illinois Community College Board (ICCB)

# ILLINOIS COMMUNITY COLLEGE SYSTEM

Fiscal Year	2000	2010	2015	2016	2017
Equalization Formula Calculation	\$ 71,166,169	\$ 159,820,327	\$ 140,291,416	\$ 141,127,882	\$ 141,127,882
Equalization Appropriation	\$ 67,796,100	\$ 76,997,300	\$ 73,871,500	\$ 19,980,000	\$ 30,922,000
Annual Deficit	\$ (3,370,069)	\$ (82,823,027)	\$ (66,419,916)	\$ (121,147,882)	\$ (110,205,882)

## Equalization Grant Funding History




Source: Illinois Community College Board (ICCB)

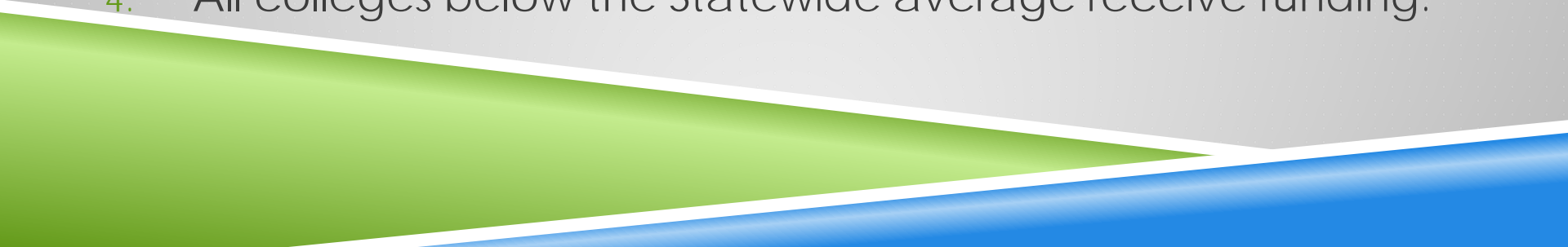


# ILLINOIS COMMUNITY COLLEGE SYSTEM EQUALIZATION GRANTS

## 2016 Grant Formula

- Based on 2012 and 2013 EAV's (Tax Survey)
  - In-district Hours (SU/SR Certifications/ Audit)
  - CPPRT (IL Department of Revenue)
  - Weighted Average Tax Rate
- 

# ILLINOIS COMMUNITY COLLEGE SYSTEM EQUALIZATION GRANTS

1. A local revenue per in-district FTE is calculated for each district
  2. A statewide average of revenue per FTE is also calculated (\$4,102 in FY2016)
  3. Total needed for Equalization Grant Appropriation is calculated: (\$141.1M in FY16)
  4. All colleges below the Statewide average receive funding.
- 

# ILLINOIS COMMUNITY COLLEGE SYSTEM EQUALIZATION GRANTS

## – the proration calculation

Every funding formula committee has recommended that the proration for equalization be applied to the statewide average rather than applied to each grant evenly.

This can cause a college to be prorated out of equalization because the statewide average is decreased below the college's calculated average.

If a college is prorated out of equalization, they will receive a flat grant of \$50,000.

# ILLINOIS COMMUNITY COLLEGE SYSTEM EQUALIZATION GRANTS

- FY2016 calculation example

Statewide average local revenue per FTE: \$4,102.00

Harper	\$5,347	FTE: 8,665	Difference: +\$ 1,245	Grant: \$0
Elgin	\$4,296	FTE: 6,595	Difference: +\$ 194	Grant: \$0
SWIC	\$2,465	FTE: 7,692	Difference: <b>-\$1,637</b>	Grant: \$12,589,779
IL Eastern	\$1,274	FTE: 3,338	Difference: <b>-\$2,828</b>	Grant: \$ 9,438,982
MorValley	\$3,035	FTE: 8,771	Difference: <b>-\$1,067</b>	Grant: \$ 9,360,406

Statewide Averages:

**\$4,102** FTE: 205,122

**Equalization Grant: \$141,121,323**

# ILLINOIS COMMUNITY COLLEGE SYSTEM EQUALIZATION GRANTS

– the FY2016 proration calculation

Statewide average local revenue per FTE: \$2,276.00 (55.4739436% of \$4,102)

Harper	\$5,347	FTE: 8,665	Difference: +\$ 3,071	Grant: \$0
Elgin	\$4,296	FTE: 6,595	Difference: +\$ 2,020	Grant: \$0
SWIC	\$2,465	FTE: 7,692	Difference: +\$ 189	Grant: \$ 50,000
IL Eastern	\$1,274	FTE: 3,338	Difference: -\$ 1,002	Grant: \$ 3,343,080
Kankakee	\$2,214	FTE: 2,898	Difference: -\$ 62	Grant: \$ 179,151
MorValley	\$3,035	FTE: 8,771	Difference: -\$ 759	Grant: \$ 50,000

Equalization Grant Appropriation: \$19,092,516

# ILLINOIS COMMUNITY COLLEGE SYSTEM EQUALIZATION GRANTS

– the proration calculation

What does this mean?

Harper and Elgin: nothing

<b>SWIC</b>	<b>FY15 grant:</b>	<b>\$7,010,514</b>
	<b>FY16 grant:</b>	<b>\$50,000</b>

<b>IL Eastern</b>	<b>FY 15 grant:</b>	<b>\$6,571,247</b>
	<b>FY16 grant:</b>	<b>\$3,343,080</b>

<b>Kankakee</b>	<b>FY15 grant:</b>	<b>\$3,520,995</b>
	<b>FY16 grant:</b>	<b>\$ 179,151</b>

<b>MorValley</b>	<b>FY15 grant:</b>	<b>\$2,500,450</b>
	<b>Grant:</b>	<b>\$ 50,000</b>

**Equalization Grant Appropriation: \$19,092,516**

# ILLINOIS COMMUNITY COLLEGE SYSTEM FY 2016 EQUALIZATION GRANT THE SAGA CONTINUES.....

– the proration calculation

**PA 99-0524**

**Equalization Grant Appropriation: +\$30,922,000**

**Use FY2016 Data and Formula**

The statewide average rate is increased to \$3,020

The grants are calculated based on \$50.9M and the original allocations are subtracted from the new calculations.

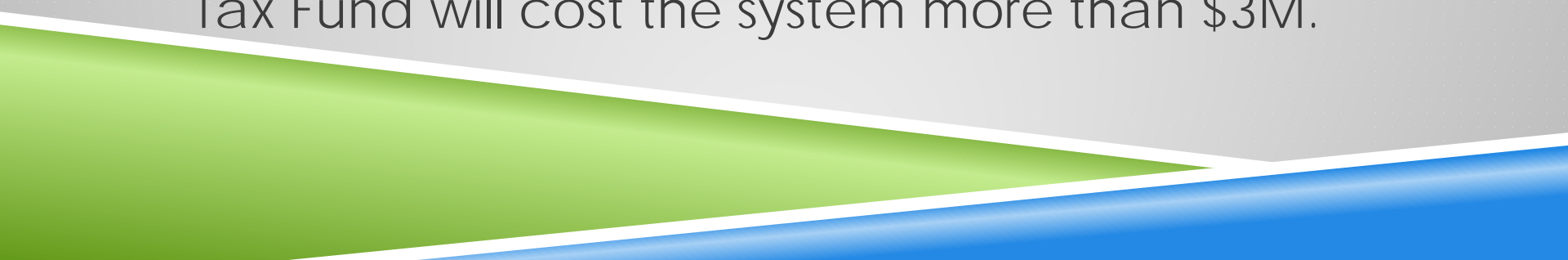
**SWIC: +4,217,534**

**IL Eastern: +\$2,484,528**

**Kankakee: +\$2,157,561**

**Moraine Valley: +\$0**

# THE STATE BUDGET THE MAJOR ISSUES FOR THE ILLINOIS COMMUNITY COLLEGE SYSTEM

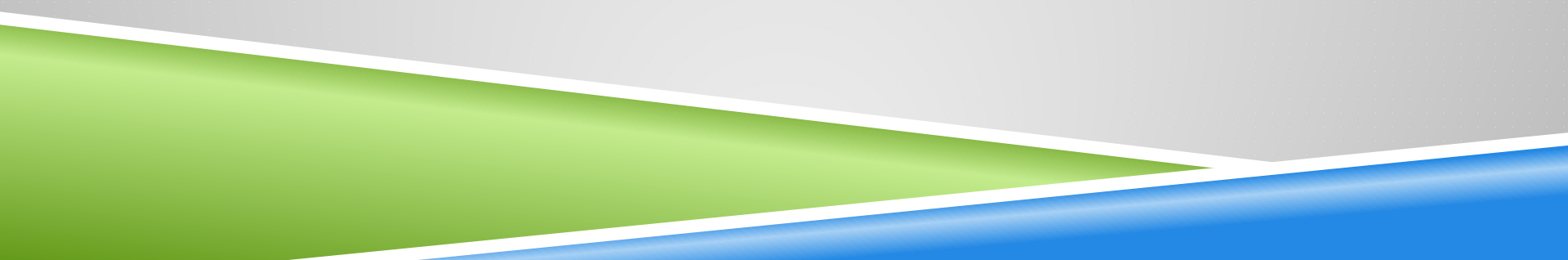
1. FY2016 Final System Appropriation: 27% of FY2015
  2. FY2017 System Appropriation: 42% of FY2015
  3. The system received only 69% of the FY2015 budget while the universities received 83% of the FY2015 budget.
  4. Funding from the Personal Property Replacement Tax Fund will cost the system more than \$3M.
- 



# FINANCIAL EMERGENCY

1. Financial Emergency requires reduction of staff, reduction or reorganization of programs that can't be achieved through normal processes, etc.
2. Public Act 99-523 defines the emergency.
3. A resolution stating the institution is in a state of financial emergency must be passed by Board. (HLC Considerations)
4. IBHE has an appropriation for \$20M for financial emergencies.

# LOOKING FORWARD

- ▶ Veto Session Scheduled for November 15, 16, 17, 29, 30, and December 1<sup>st</sup>
    - ▶ Stop-Gap Budget Expires December 31<sup>st</sup>
    - ▶ Lame Duck Legislature
  - ▶ Chargebacks
  - ▶ Prior Learning Assessments
  - ▶ Health Centers
  - ▶ Dual Credit
  - ▶ GATA
  - ▶ Pension Reform
- 

# QUESTIONS ?

More Information:

ICCB Website: [Technical Appendix  
Data and Characteristics](#)