



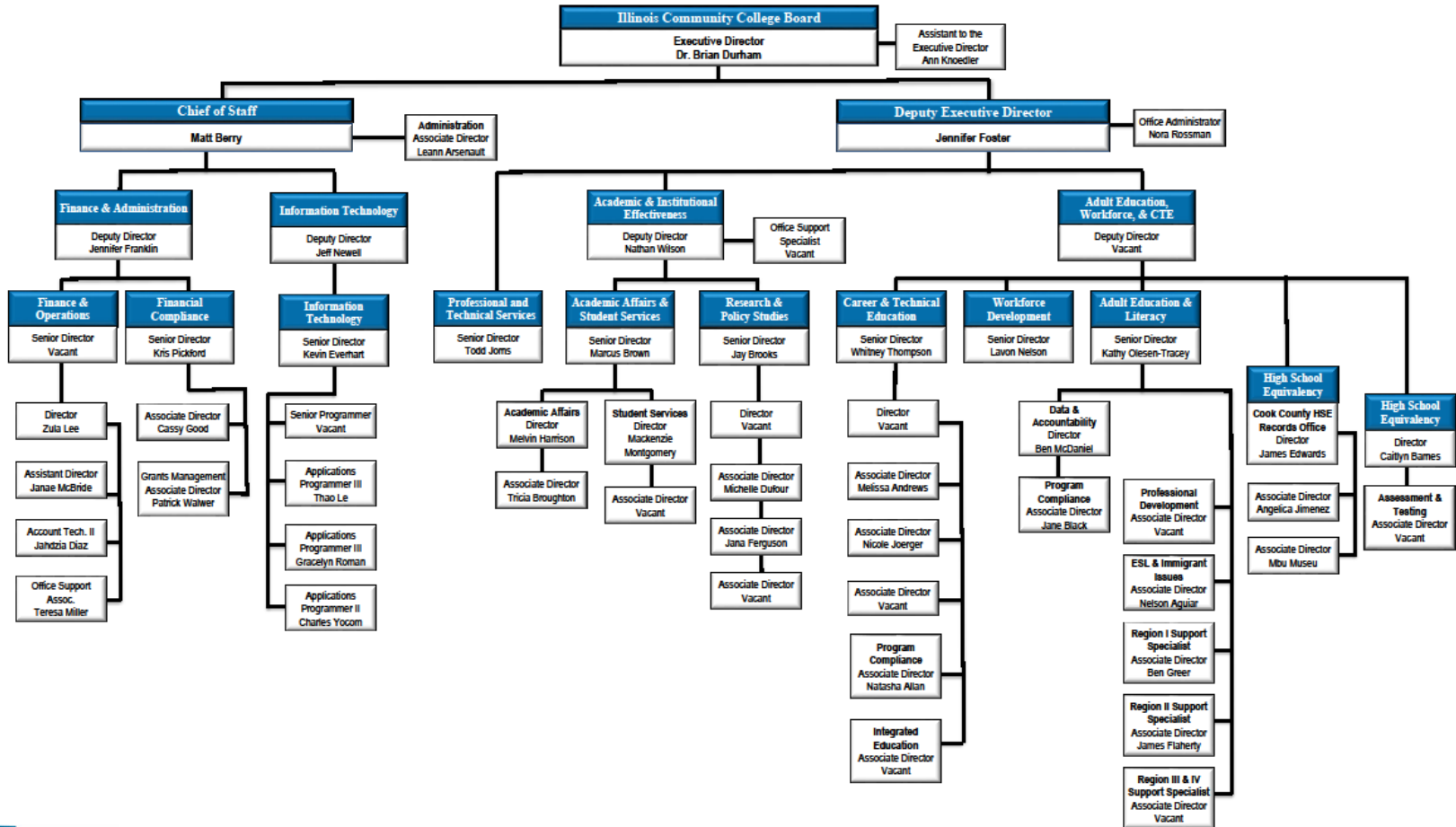
FISCAL YEAR 2020 BUDGET & UPDATES

State of Illinois and Illinois Community
College System

*Jennifer Franklin, Deputy Director of
Finance & Administration*

*Kris Pickford, Senior Director
Financial Compliance*

INTRODUCTIONS

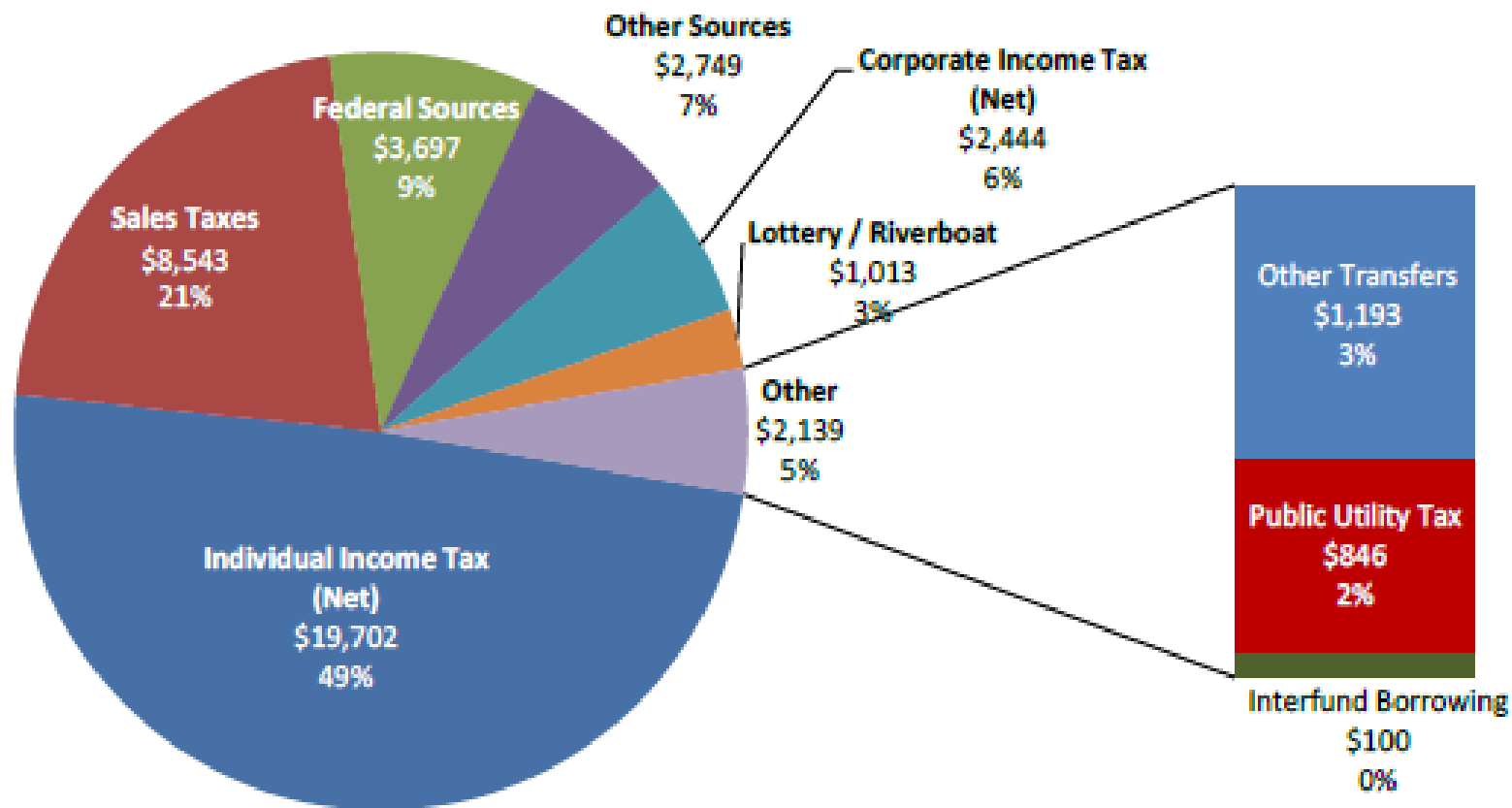


FY20 GENERAL FUNDS REVENUES BY SOURCE

Per Budget Plan

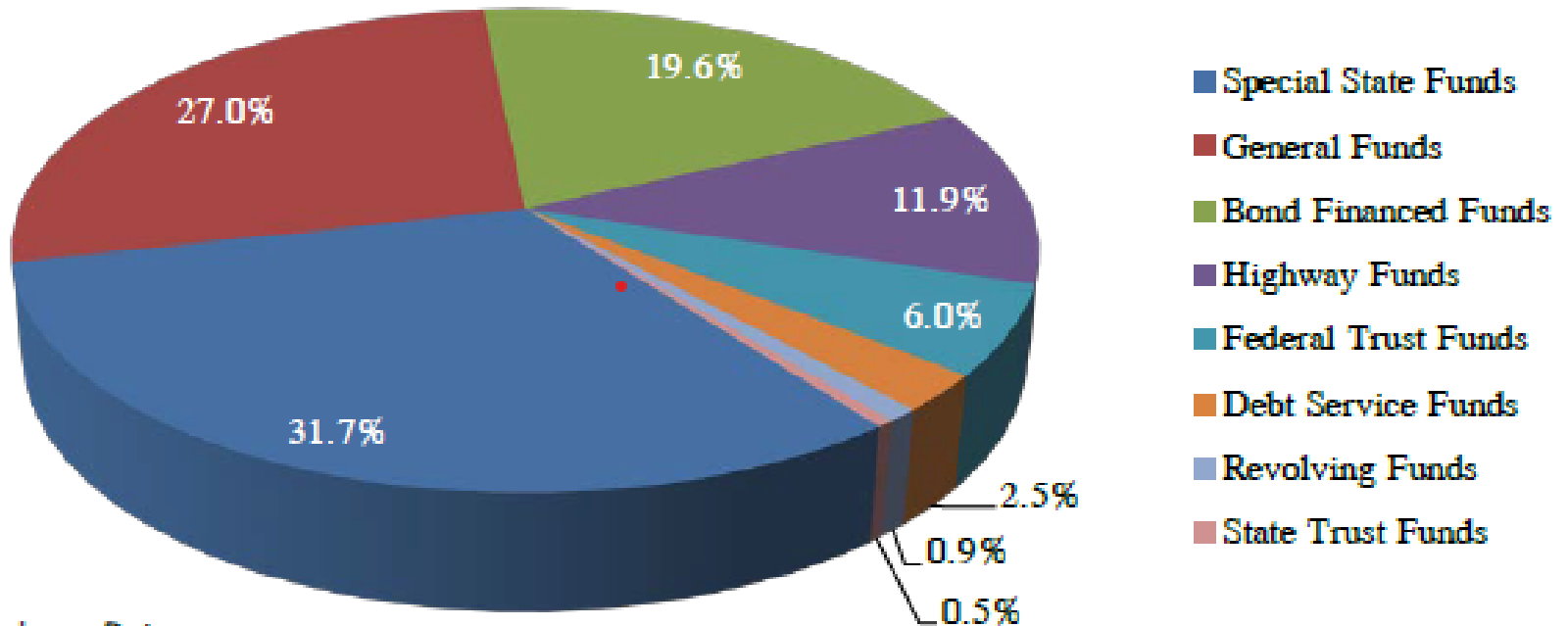
(\$ Millions)

Total General Funds Revenues: \$40.287 Billion



FY20 BUDGET BY FUNDING SOURCE

Total Funds: \$142.545 Billion*



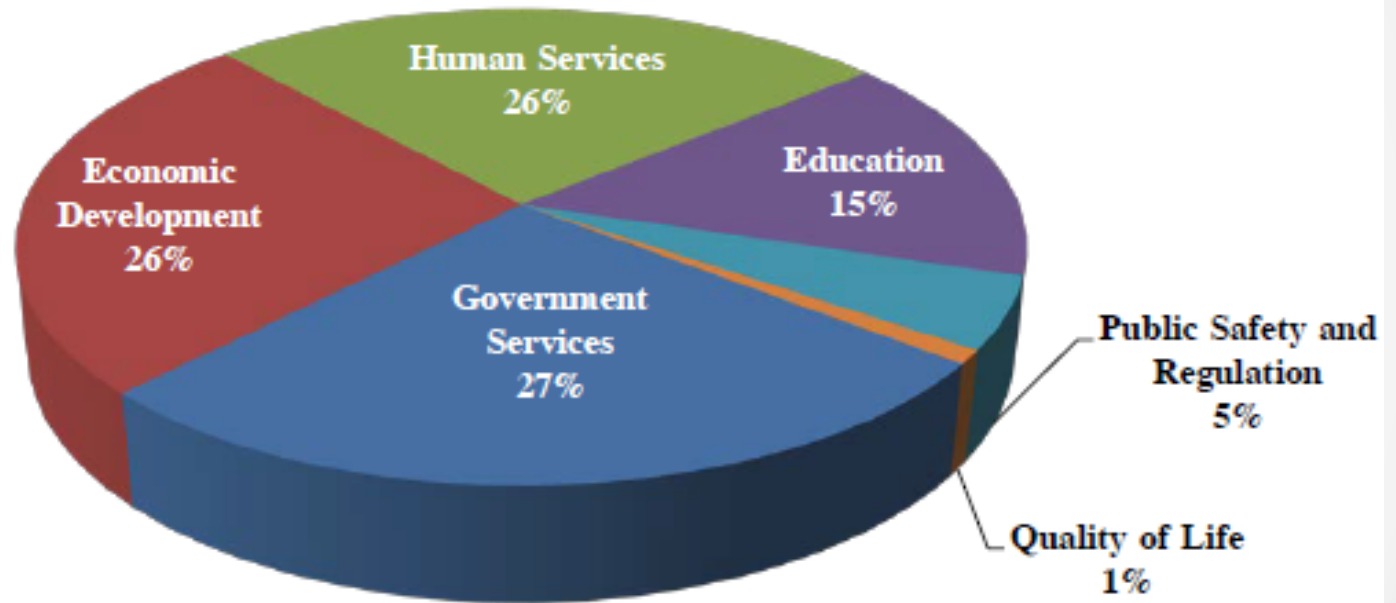
***Preliminary Data**

Includes new appropriations, continuing appropriations, and reappropriations

Source: Statewide Accounting Management System Data Warehouse as of 7/22/19

FY20 APPROPRIATIONS BY MAJOR PURPOSE

Total Funds: \$142.545 Billion*



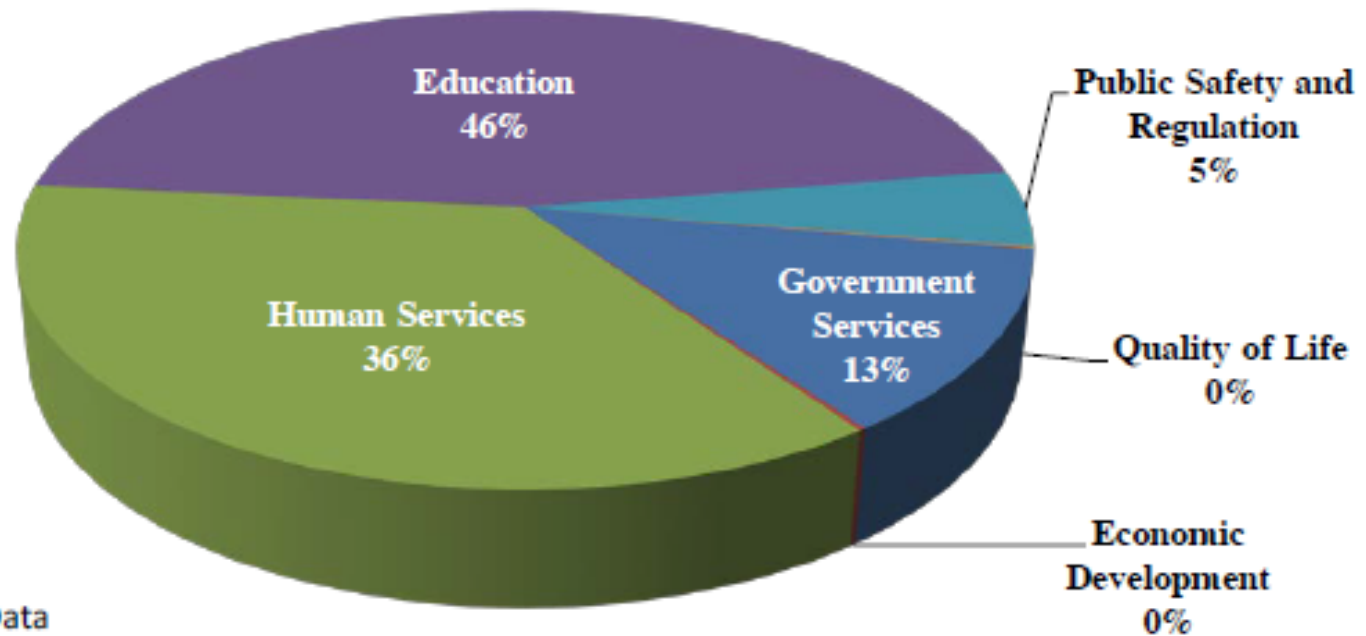
***Preliminary Data**

Includes new appropriations, continuing appropriations, and reappropriations

Source: Statewide Accounting Management System Data Warehouse as of 7/22/19

FY20 GRF APPROPRIATIONS BY PURPOSE

General Funds: \$38.460 Billion*



*Preliminary Data

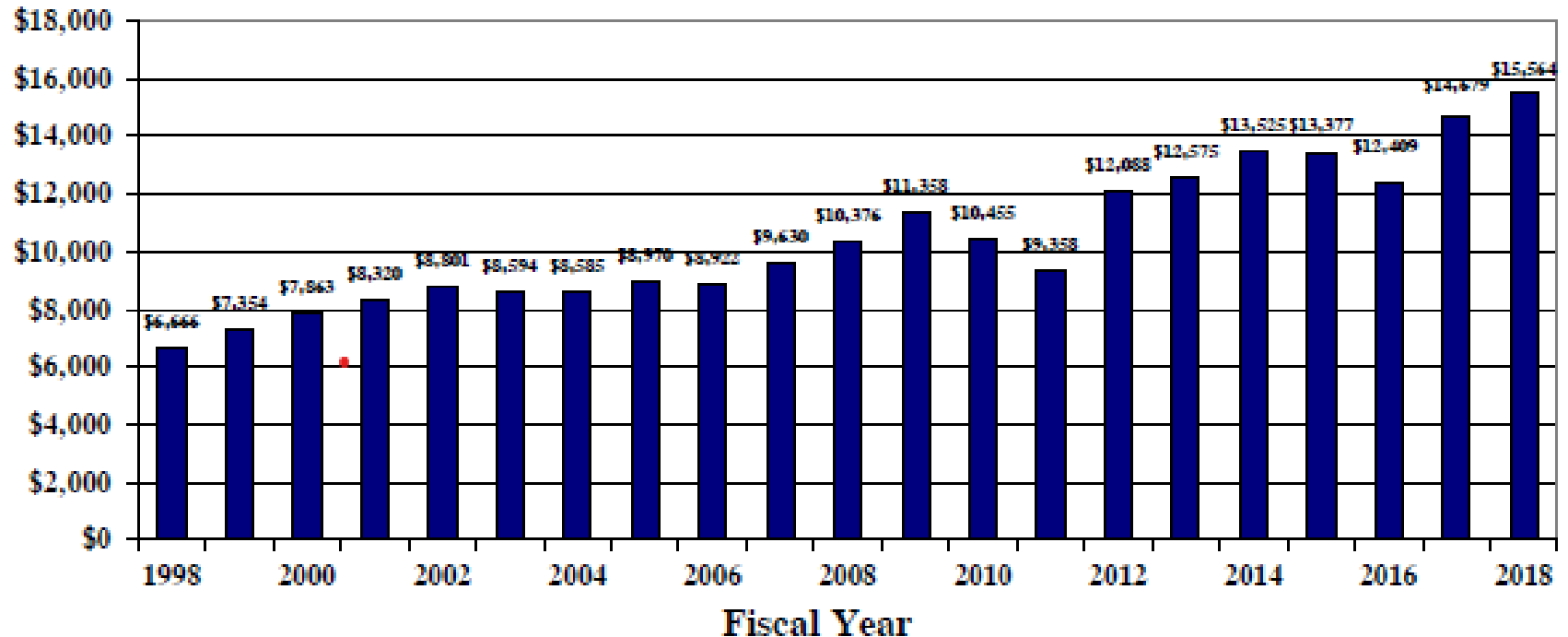
Includes new appropriations, continuing appropriations, and reappropriations

Source: Statewide Accounting Management System Data Warehouse as of 7/22/19

EDUCATION EXPENDITURE HISTORY

General Funds \$ in millions

Total Warrants Issued: 14-18 months depending upon fiscal year

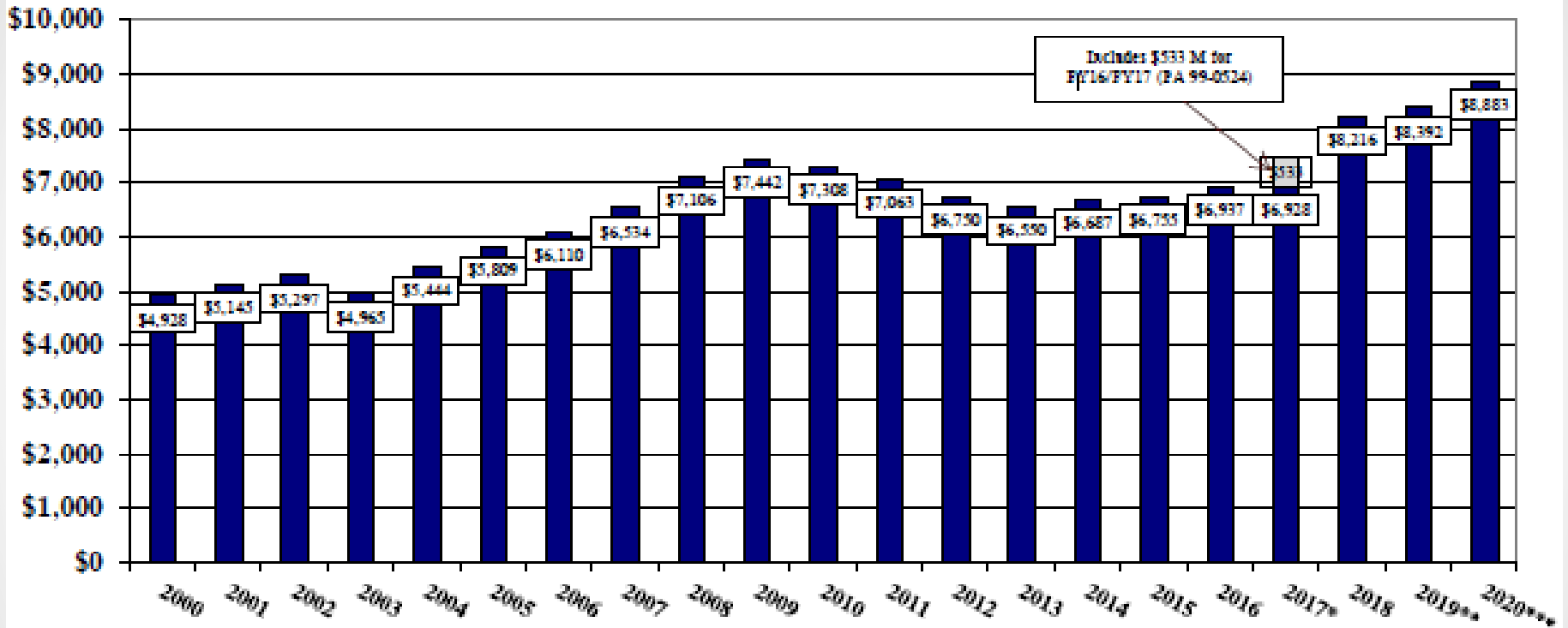


Spending for elementary and secondary education accounted for \$12.423 billion or 79.8% of this program in FY 2018 with the remainder (\$3.141 billion) being spent for higher education - universities including retirement, community colleges, and scholarships.

Source: Commission on Government Forecasting and Accountability

EDUCATION EXPENDITURE HISTORY

Excludes Teacher Retirement System Funds
(\$ in millions)



* PA 99-0524 provides the spending authority for PreK-12 education with combined General Funds appropriations of \$6.928 billion for FY 2017 and an additional \$532.6 million for FY 2016 and/or FY 2017.

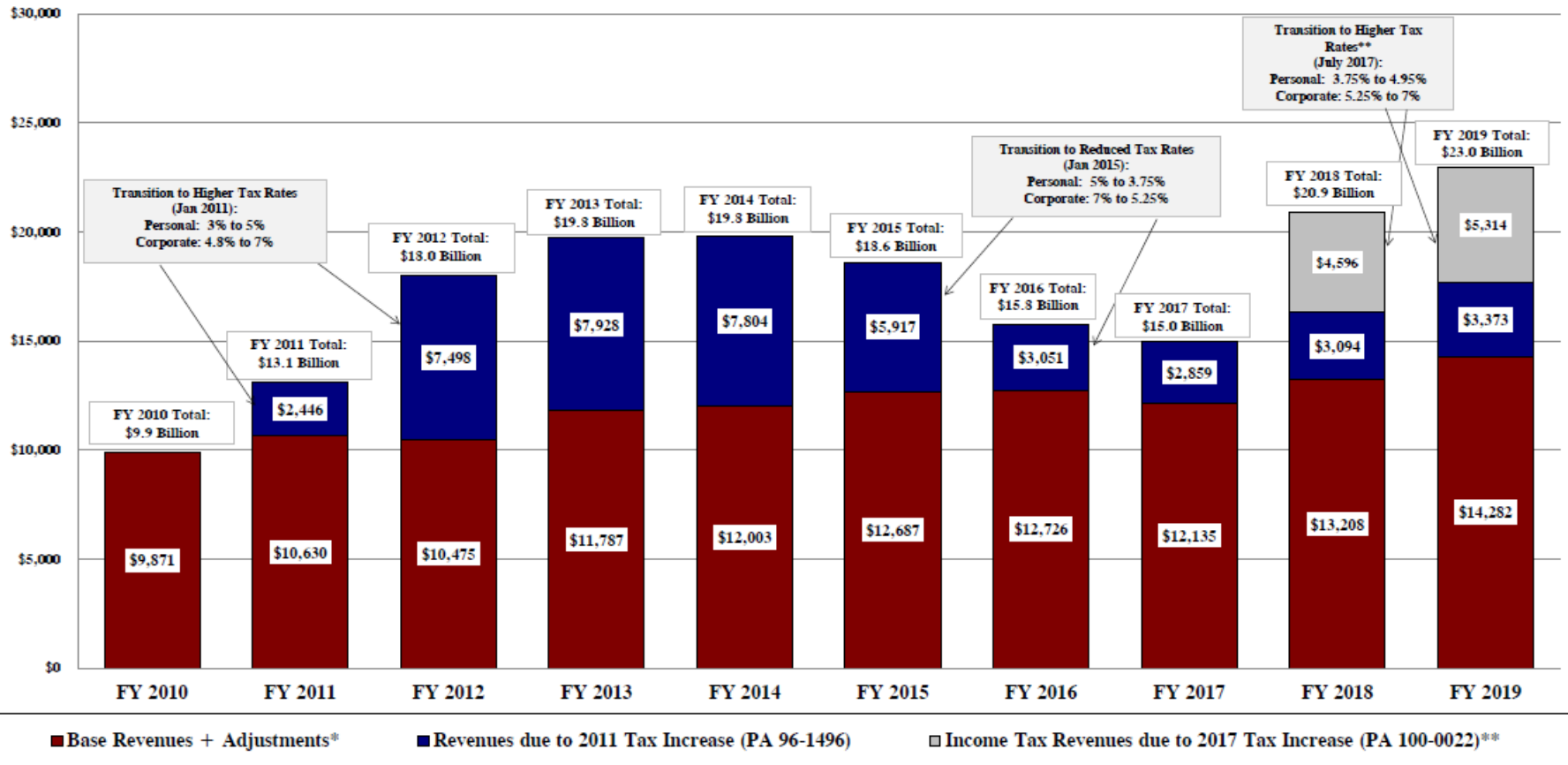
** As provided by PA 100-586 and PA 101-007.

*** As provided by PA 101-007.

Source: Commission on Government Forecasting and Accountability

IMPACT OF CHANGES TO INCOME TAX RATES

Composition of Income Tax Net Revenues between FY 2010 and FY 2019
Including Impact of 2011 Tax Increase and the Impact of the July 2017 Tax Increase {P.A. 100-0022}
\$ in millions

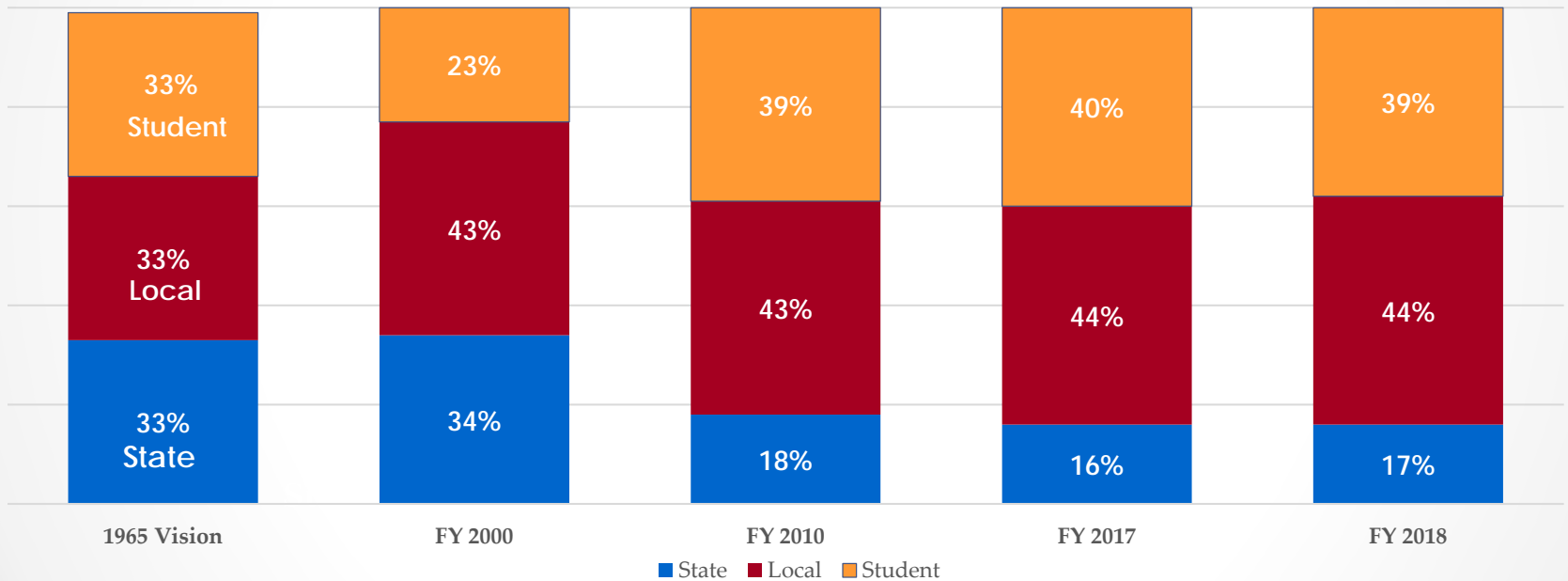


* The adjustments added/subtracted to the base revenues include the impacts from bonus depreciation, tax amnesty, refund percentage changes, and the costs of tax expenditures implemented by P.A. 97-0636 and P.A. 97-0652. Nongeneral fund distribution subtractions to the Fund for Advancement of Education (thru FY17), Commitment to Human Services Fund (thru FY17), and the Local Government Distributive Fund (FY18+) are not applied to these figures.

** The revenues shown here include the impact of the higher tax rates, as well as encompassing the impact of modification of several credits, exemptions, and deductions enacted under P.A. 100-0022.

Note: The value of the components of these revenues are estimated as available data does not distinguish the revenues based on the various imposed tax rates. As such, the values shown above are subject to change.

COMMUNITY COLLEGE SOURCES OF REVENUE



Source: Community College Audits

COMMUNITY COLLEGE FUNDING

Illinois Community College Board Summary Allocation Table		FY2020 Final Appropriations
<i>State General Funds</i>		
<u>Unrestricted Grants</u>		
Base Operating Grant		\$179,940,200
Corporate Personal Property Replacement Tax Fund		105,570,000
Education Assistance Fund		74,370,200
Equalization Grant		71,203,900
Performance Based Funding		359,000
Small College Grant		548,400
City Colleges of Chicago Equalization Grant		13,265,400
Career and Technical Education Formula Grant		15,400,000
Veterans Tuition Reimbursement Grant		4,264,400
	subtotal:	\$284,981,300
<u>Restricted Grants</u>		
East St. Louis Higher Education Center		\$1,457,900
Lincoln's Challenge Program		60,200
Adult Education Basic Grant		22,651,000
Adult Education Performance Grant		11,236,700
High School Equivalency Testing		1,200,000
P-20 Council		150,000
Alternative Schools Network Grant		3,000,000
Transitional Math & English Development		1,000,000
BRIDGE		23,794,400
	subtotal:	\$64,550,200
	Total State Funds:	\$349,531,500

BASE OPERATING GRANT FORMULA

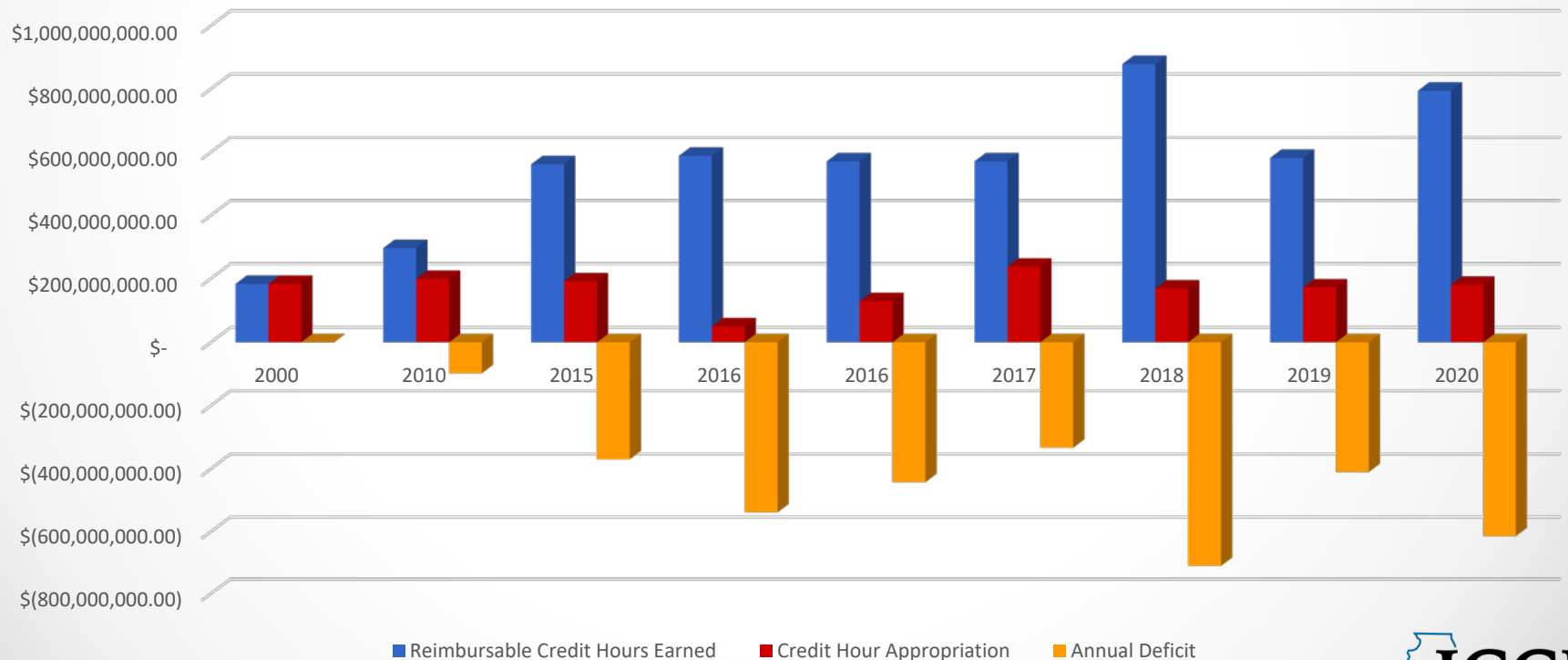
Base operating grants are unrestricted funds disbursed to community colleges on the basis of credit hours generated in six reimbursable instructional categories.

Data utilized in calculating the formula include:

- Instructional Costs as reported by each district
- Weighted Unit Instructional Cost (adjusting instructional costs for inflation)
- Tuition and Fees as reported by each district
- Local Tax Contribution per the uniform financial statements submitted by districts
- Credit hour certifications for each district

BASE OPERATING GRANTS HISTORY

Public Act	P.A. 91-0708 2000	P.A. 96-0956 2010	P.A. 98-0678 2015	P.A. 99-0502 2016	P.A. 99-0524 2016	P.A. 100-0021 2017	P.A. 100-0021 2018	P.A. 100-0586 2019	P.A. 101-0007 2020
Reimbursable Credit Hours Earned	\$ 182,826,600.00	\$ 296,289,187.00	\$ 561,367,594.00	\$ 588,278,913.00	\$ 570,736,672.00	\$ 570,736,672.00	\$ 878,525,892.00	\$ 581,800,644.00	\$ 794,310,731.00
Credit Hour Appropriation	\$ 182,826,600.00	\$ 198,746,700.00	\$ 191,271,900.00	\$ 50,445,000.00	\$ 128,322,000.00	\$ 237,413,300.00	\$ 168,271,500.00	\$ 171,636,900.00	\$ 179,940,200.00
Annual Deficit	\$ -	\$ (97,542,487.00)	\$ (370,095,694.00)	\$ (537,833,913.00)	\$ (442,414,672.00)	\$ (333,323,372.00)	\$ (710,254,392.00)	\$ (410,163,744.00)	\$ (614,370,557.00)



CREDIT HOUR RATES BY COURSE CATEGORY FOR FY 2020

	Baccalaureate	Business	Technical	Health	Remedial	ABE/ASE	Totals/Averages
FY 2018 Unit Cost	\$ 353.49	\$ 380.33	\$ 380.19	\$ 485.63	\$ 296.85	\$ 325.65	\$ 362.16
FY 2019 Weighted Cost	\$ 403.69	\$ 434.33	\$ 434.17	\$ 554.58	\$ 339.00	\$ 371.89	\$ 413.58
Less:							
Tuition & Fees	\$ (127.13)	\$ (127.13)	\$ (127.13)	\$ (127.13)	\$ (127.13)	\$ -	\$ (105.94)
Local Tax Revenue	\$ (153.90)	\$ (153.90)	\$ (153.90)	\$ (153.90)	\$ (153.90)	\$ (153.90)	\$ (153.90)
Total	\$ (281.04)	\$ (281.04)	\$ (281.04)	\$ (281.04)	\$ (281.04)	\$ (153.90)	\$ (259.85)
Credit Hour Rate	\$ 122.65	\$ 153.30	\$ 153.14	\$ 273.55	\$ 57.97	\$ 217.99	\$ 153.73
State Adjustment	\$ (92.81)	\$ (116.00)	\$ (115.88)	\$ (206.99)	\$ (43.87)	\$ (164.95)	\$ (116.33)
Effective Credit Hour Rate	\$ 29.84	\$ 37.30	\$ 37.26	\$ 66.56	\$ 14.10	\$ 53.04	\$ 37.40
Total Funded Hours	3,320,382	312,991	589,111	401,027	381,550	536,884	5,541,945
Amount at full Credit Hour Rate	\$ 407,260,419	\$ 47,980,722	\$ 90,214,409	\$ 109,699,911	\$ 22,118,235	\$ 117,037,035	\$ 794,310,731
State Appropriation:				\$ 179,940,200			

EQUALIZATION GRANT

2020 Grant Formula

Based on 2016 and 2017 EAV's (Tax Survey)

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

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: (\$158.6 M in FY2020).
4. All colleges below the Statewide average receive funding.

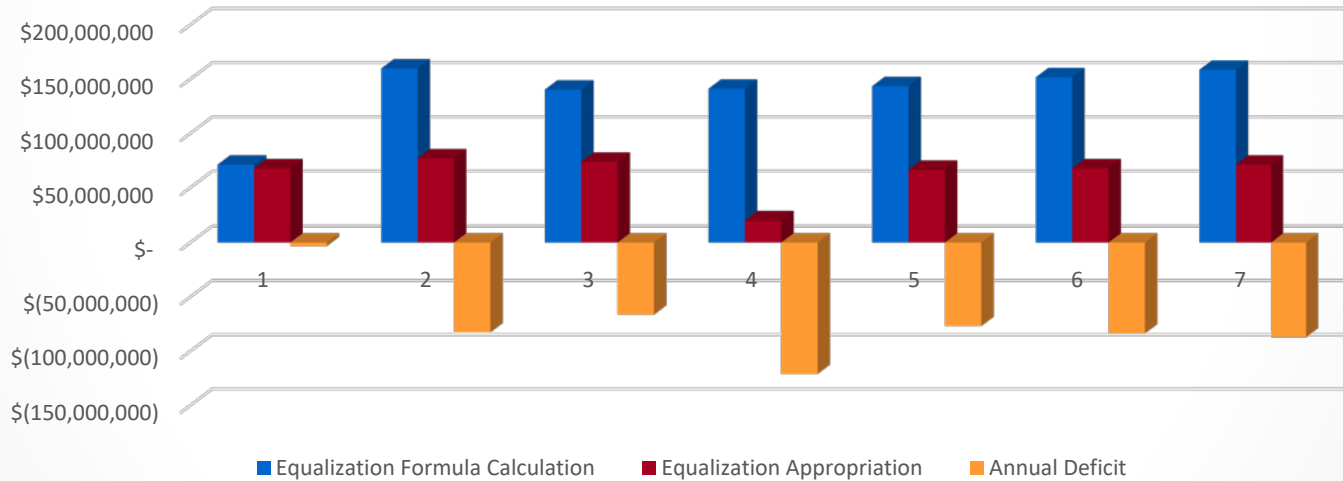
EQUALIZATION GRANT

– 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.

EQUALIZATION GRANT HISTORY

Fiscal Year	2000	2010	2015	2016	2018	2019	2020
Equalization Formula Calculation	\$ 71,166,169	\$ 159,820,327	\$ 140,291,416	\$ 141,127,882	\$ 143,455,289	\$ 151,638,719	\$ 158,580,522
Equalization Appropriation	\$ 67,796,100	\$ 76,997,300	\$ 73,871,500	\$ 19,980,000	\$ 66,483,500	\$ 67,813,200	\$ 71,203,900
Annual Deficit	\$ (3,370,069)	\$ (82,823,027)	\$ (66,419,916)	\$ (121,147,882)	\$ (76,971,789)	\$ (83,825,519)	\$ (87,376,622)



Source: Illinois Community College Board (ICCB)

STATE OF ILLINOIS BACKLOG VOUCHER REPORT

As of 8:00 AM, OCT 07 2019

ESTIMATED GENERAL FUNDS PAYABLE BACKLOG

- The backlog includes what is currently at the Office of Comptroller and the estimated \$0.640 billion with state agencies.
- \$6,145,152,925.71

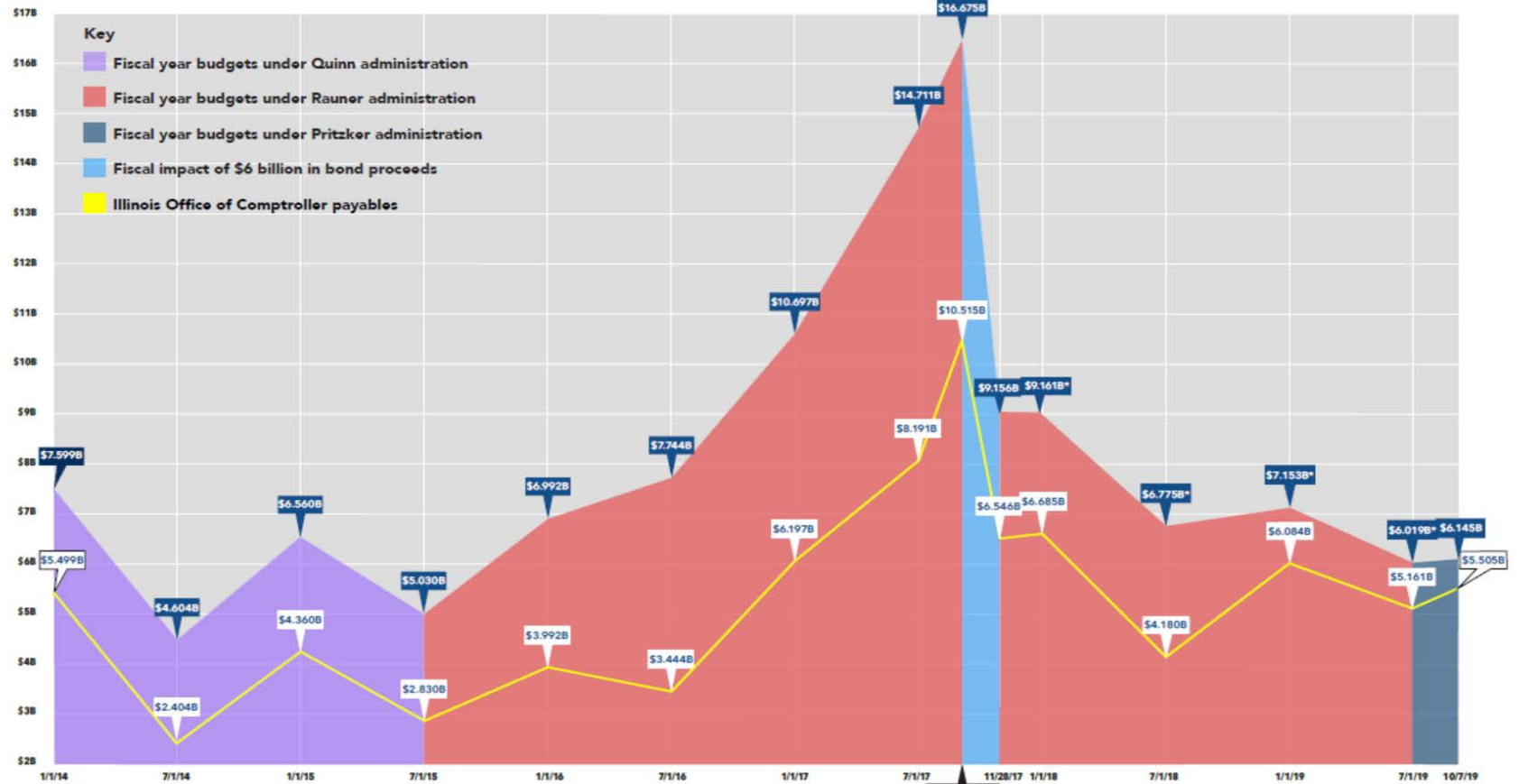
VOUCHERS BACKLOGGED

- Includes vouchers and transfers to other state funds.
- 61,142
- Pursuant to authorization granted by the General Assembly under Public Act 100-0023, the State of Illinois issued \$6 billion in General Obligation bonds in October 2017 for the purpose of paying vouchers incurred by the state prior to July 1, 2017. The law created the Income Tax Bond Fund, in which bond proceeds were deposited prior to disbursement. The tracking of the state's bill backlog beginning with the first payments made with bond fund proceeds and resulting federal reimbursements is the Backlog Voucher Report (BVR).

STATE OF ILLINOIS BACKLOG OF BILLS

BACKLOG VOUCHER REPORT (BVR)

Illinois General Funds backlog over time (includes estimates of state agencies' held bills)



SUSANA A. MENDOZA
ILLINOIS STATE COMPTROLLER

All dates as of 6 a.m.
Sources: Illinois Office of Comptroller's End-of-Day Balance Tables and Debt Transparency Report Summary and Agency Submissions.
*Adjusted backlog based on Debt Transparency Report agency submissions.
Bills are not processed on non-business days or State holidays.

ADULT ED GRANT DUE DATES

Fiscal Reporting Deadlines

- Return of FY19 Funds October 15, 2019
- Annual Audit December 31, 2019
- Final Payment Request August 1, 2020

Programmatic Reporting Deadlines

- 1st Quarter Reports October 30, 2019
 - NRS Performance, Program Status, Expenditure
- 2nd Quarter Reports January 30, 2020
 - NRS Performance, Program Status, Expenditure, Enrollment
- 3rd Quarter Reports April 30, 2020
 - NRS Performance, Program Status, Expenditure
- ADA Compliance Report June 30, 2020
- 4th Quarter Reports August 15, 2020
 - NRS Performance, Program Status, Expenditure, Enrollment, Certification of Units, Data Verification, Equipment Inventory

CTE GRANT DUE DATES

CTE Postsecondary Perkins Grant

- Quarter 1 Reporting 10/31/19
- Quarter 2 Reporting 1/30/20
- Quarter 3 Reporting 4/30/19
- Quarter 4 Reporting 7/30/20

- Extension Request for Late FY20 Perkins Plan Submission -5/15/20
- Final FY20 Budget Modification Request 5/29/20
- FY20 funds must be obligated by 6/30/20
- FY20 goods and products must be ordered by 6/30/20
- FY20 services must be rendered by 6/30/20
- Final payment request due 8/01/20
- Funds must be expended and goods/products must be received by 8/31/20

CAPITAL

- Capital Bill
 - HB 62 \$479,001,400.00
 - New Projects
 - SB 262 \$224,897,894.00
 - Re-Appropriation of old projects
 - 1-6 year timeline for the release of funds
- Deferred Maintenance State Allocation \$38,357,084
 - Funding is currently being released. CDB is working with colleges to complete these projects. CDB contact is Erin Eoff
Erin.Eoff@Illinois.gov

RAMP

- ICCB has decided to focus on getting funds released for FY21 and will not prioritize or recommend projects next Spring.
 - ICCB will continue to accept RAMP projects from colleges.
- A workgroup has created a draft application and prioritization process that is still under review. It is not anticipated that it will be available until next year.

RECOGNITION

- Tier 2 Reports are being finalized at this time (Logan, McHenry, Kishwaukee and IL Central).
- Tier 3 visits are being scheduled now (Heartland, Moraine Valley and Spoon River).
- Tier 4 and 5 will be scheduled in the Spring (Lake County, Lewis and Clark, Richland Southeastern, John Wood and Oakton).

GRANT MONITORING

- Completion of year 1 of the “risk based monitoring” should conclude by the end of the calendar year.
- January-February ICCB will evaluate the risk based approach and determine a schedule for FY20 monitoring. Colleges will be notified of their risk level at this time.
- Reminder, risk is based on amount of grant funds received, how long since last monitoring and # of ICQ/audit findings in previous years.

AMPLIFUND

- GATU contracted with AMPLIFUND to create a state grant management system.
- All state and federal grants will eventually be executed through this system.
 - The system will streamline with the current GATA processes.
 - A slow roll out this Spring will begin the process.
- Base Operating, Equalization and other system budget allocations are not anticipated to be part of this system.