

AN OVERVIEW OF THE ILLINOIS COMMUNITY COLLEGE SYSTEM FUNDING FORMULAS

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SYSTEM GRANTS

UNRESTRICTED GRANTS

Distributed for the general operations of the colleges.

Base Operating

Equalization

Illinois Veterans/
National Guard

Small College
Grants

Performance-
Based Funding

SYSTEM GRANTS

RESTRICTED GRANTS

Distributed to the system for special activities.

Adult
Education &
Literacy

Career &
Technical
Education

Special Initiatives

- *CURES/CARES/CRSSA/ARPA
- *Innovative Bridge & Transition
- *Workforce Equity Initiative
- *Early Childhood Education
- *PATH

BASE OPERATING GRANTS

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

Base Operating Grants formula =

Funded Credit Hours x Effective Credit Hour Rate

BASE OPERATING GRANTS

- ❑ Funded credit hours - Greater of most recent FY certified unrestricted credit hours, or 3-year average.
- ❑ Credit hour rate - Instructional cost per credit hour, adjusted for inflation*; Less district tuition & fees, and local tax revenue.
- ❑ Effective credit hour rate – Proration factor applied to the net reimbursable credit hour rate as necessary to equal State appropriations.

*Inflationary adjustments are necessary due to the two-year lag in data.

BASE OPERATING GRANTS

CREDIT HOUR GRANT RATES BY CATEGORY FOR FISCAL YEAR 2023

	Baccalaureate	Business	Technical	Health	Remedial	ABE/ASE	Totals/ Averages
FY2021 Unit Cost	\$ 422.57	\$ 456.97	\$ 430.15	\$ 572.29	\$ 300.81	\$ 443.01	\$ 431.56
FY2022 Weighted Cost	\$ 505.36	\$ 546.50	\$ 514.43	\$ 684.41	\$ 359.75	\$ 529.81	\$ 516.11
Less:							
Tuition & Fees	\$ 149.03	\$ 149.03	\$ 149.03	\$ 149.03	\$ 149.03	\$ -	\$ 124.19
Local Tax Revenue	\$ 193.16	\$ 193.16	\$ 193.16	\$ 193.16	\$ 193.16	\$ 193.16	\$ 193.16
Total	\$ 342.19	\$ 342.19	\$ 342.19	\$ 342.19	\$ 342.19	\$ 193.16	\$ 317.35
Credit Hour Rate	\$ 163.17	\$ 204.31	\$ 172.24	\$ 342.22	\$ 17.56	\$ 336.65	\$ 198.76
State Adjustment*	\$ (125.69)	\$ (157.38)	\$ (132.68)	\$ (263.61)	\$ (13.53)	\$ (259.32)	\$ (153.11)
Effective Credit Hour Rate	\$ 37.48	\$ 46.93	\$ 39.57	\$ 78.61	\$ 4.03	\$ 77.33	\$ 45.66

*Proration factor applied to meet State appropriation.

BASE OPERATING GRANTS

	<u>Baccalaureate</u>	<u>Business</u>	<u>Technical</u>	<u>Health</u>	<u>Remedial</u>	<u>ABE/ASE</u>	<u>Total</u>
Funded Hours	2,963,885	276,920	469,916	364,809	256,342	213,910	4,545,782
Effective Rate	37.48	46.93	39.57	78.61	4.03	77.33	
Total	111,093,820	12,996,187	18,592,559	28,678,516	1,033,965	16,542,152	188,937,200

BASE OPERATING GRANTS

Impacts to annual grant allocations:

Funded Hours

Instructional
Cost

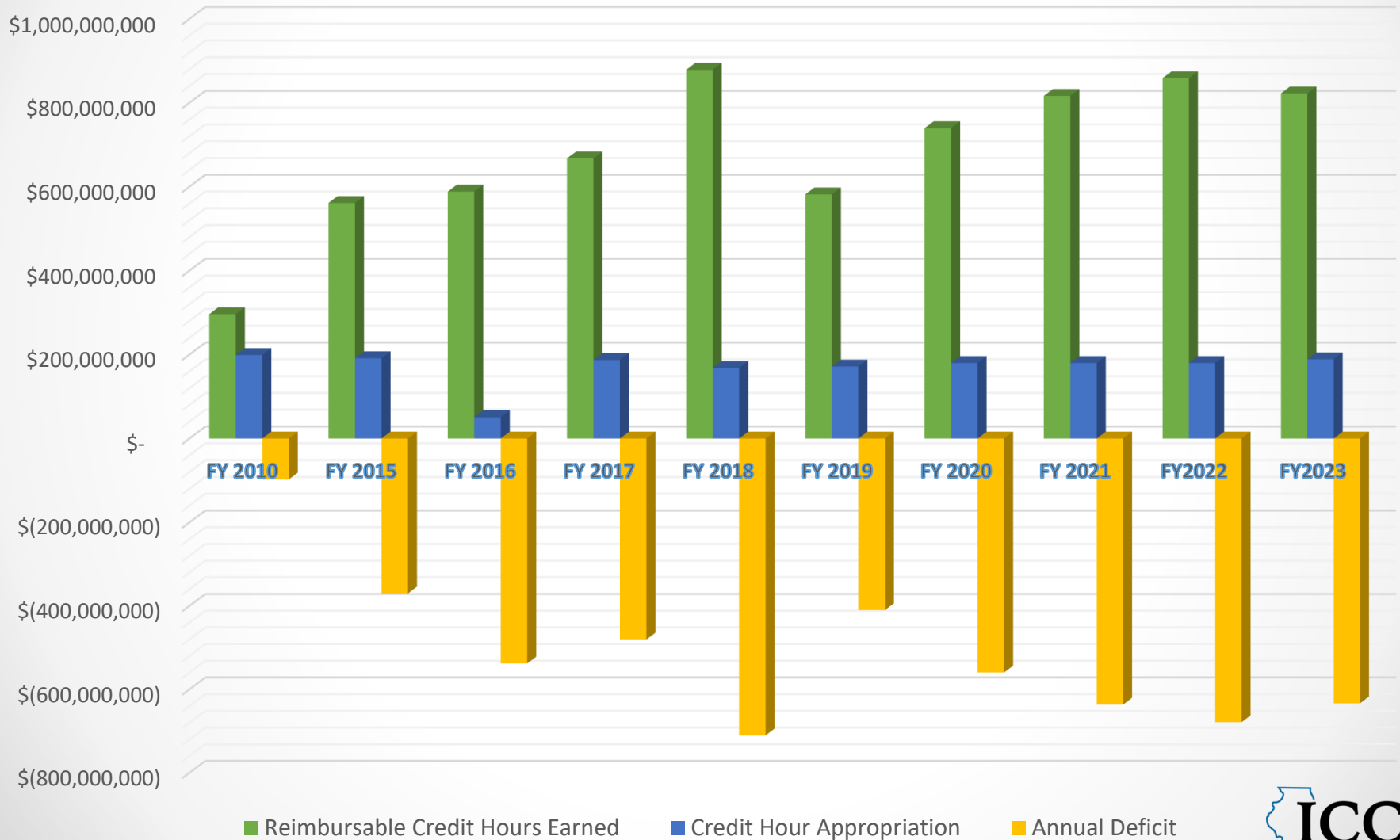
Tuition & Fees

Local Tax
Revenue

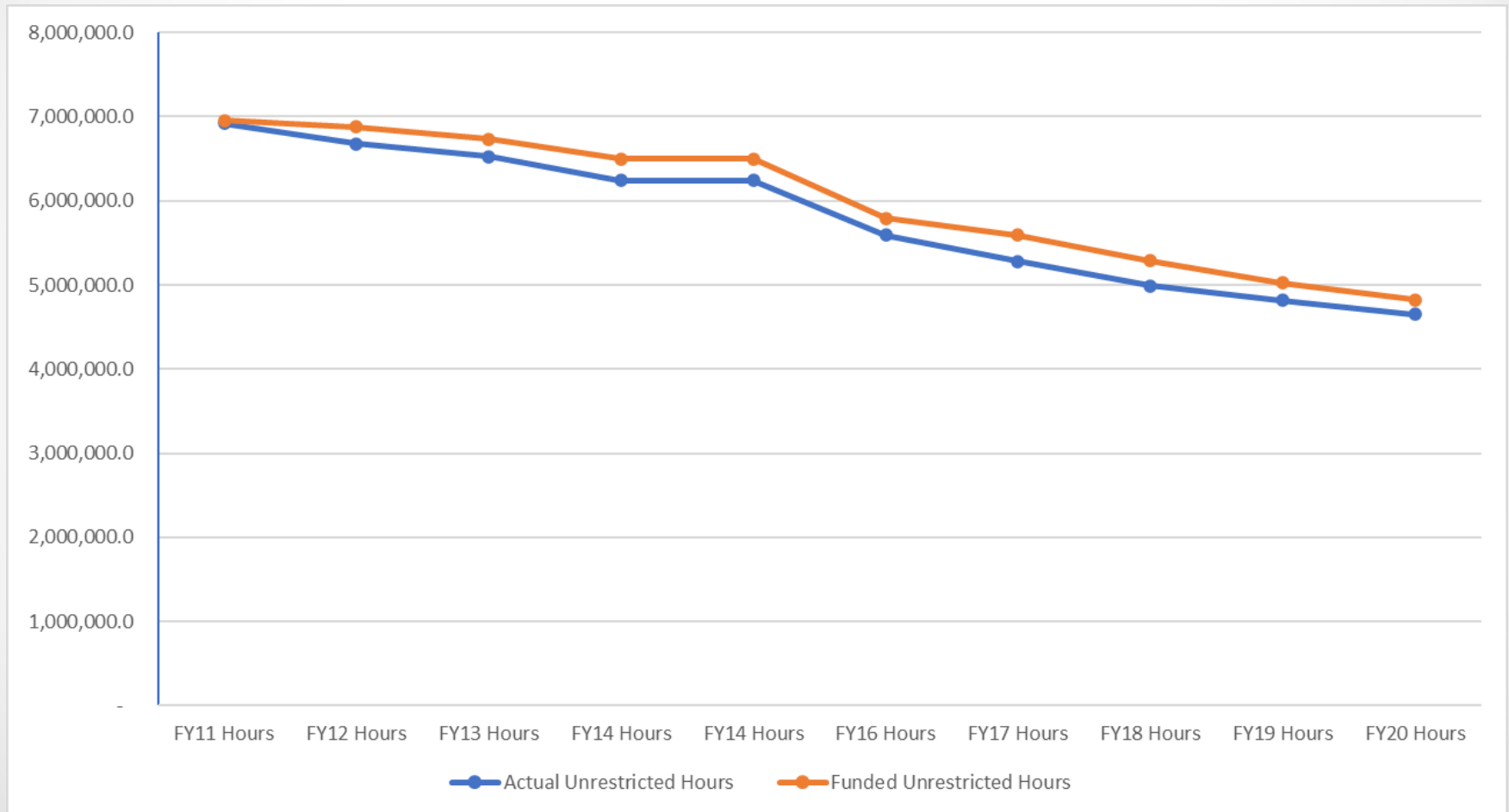
State
Appropriations

BASE OPERATING GRANTS

ANNUAL DEFICIT IN FUNDING



BASE OPERATING GRANT UNRESTRICTED CREDIT HOURS



EQUALIZATION GRANTS

- Grants were established by statute to reduce disparity of local property tax funds available per student between districts.
- A base foundation level of expected tax revenue per student is calculated from EAV and PPRT.
- Districts with EAV PPRT rate below the calculated foundation level are eligible for funding.
- Proration factor applied if State appropriations do not meet the fully funded threshold level.
- A minimum \$50,000 grant is awarded to districts that qualify for Equalization but become ineligible due to the proration factor.

EQUALIZATION GRANTS

Calculation of Grant Allocation

District's tax revenue per FTE
< Base Foundation Level =

Eligible full funding; proration
factor applied to Base
Foundation Level if necessary.

Minimum \$50,000 grant for
districts who qualify for full
funding, but not under
prorated funding.

EQUALIZATION GRANTS

FY2023 Formula

Lesser of 2021 CPPRT or two-year average:		\$59,777,477
Statewide Weighted Average Tax	<i>divide</i>	0.0024545
CPPRT inflated by Statewide Avg. *	<i>equals</i>	\$ 24,354,237,930
Adjusted CPPRT:		24,354,237,930
< of 2020 EAV or 2yr Avg.	<i>plus</i>	371,429,938,210
Total	<i>equals</i>	\$ 395,784,176,140
In-District FTE:	<i>divide</i>	144,431
Local Rev. per In-District FTE:		\$ 2,740,299
Statewide Weighted Average Tax	<i>times</i>	0.0024545
Statewide Threshold:	<i>equals</i>	\$ 6,726

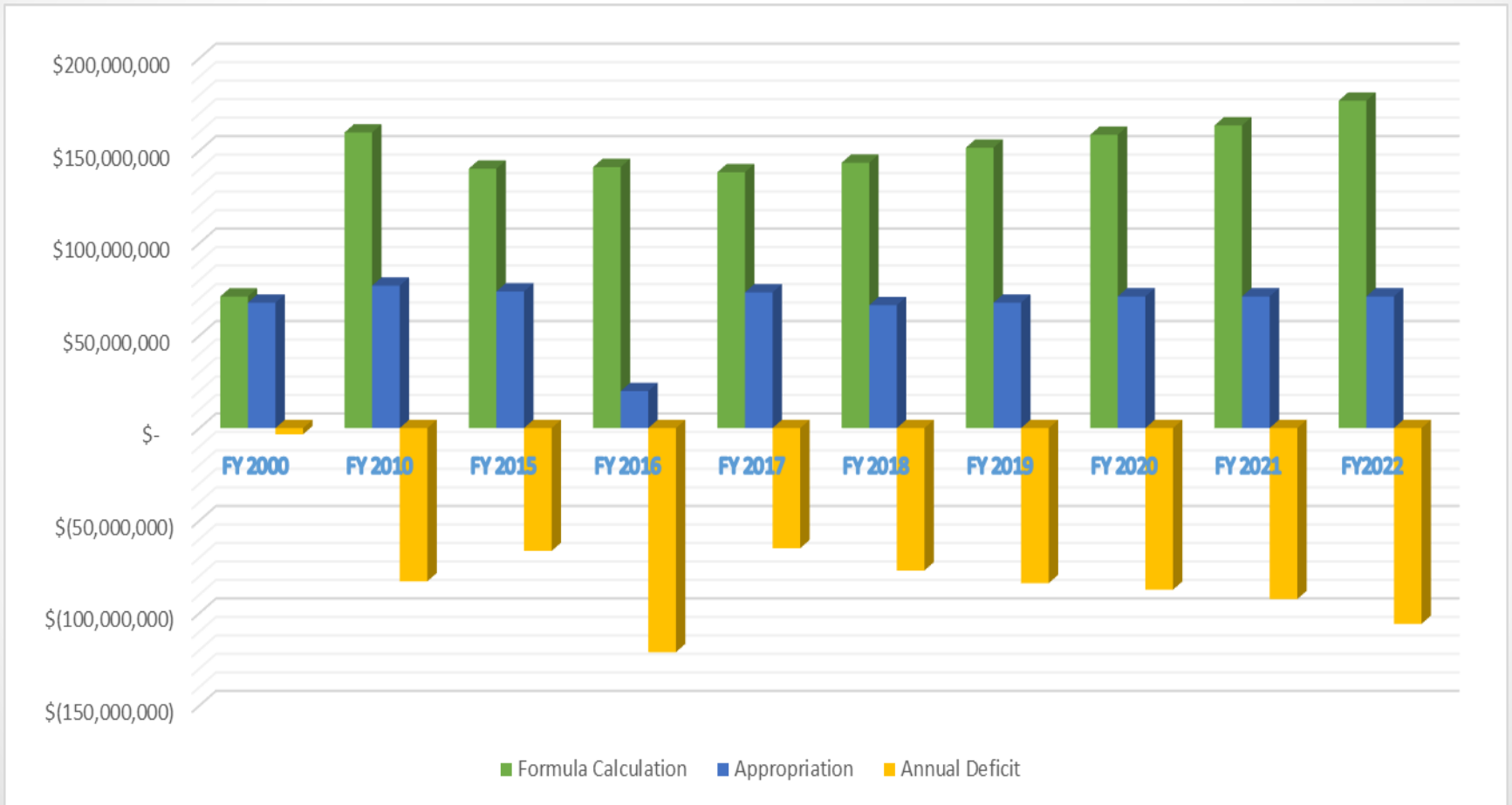
EQUALIZATION GRANTS

Statewide Threshold:	<i>equals</i>	\$	6,726
Underfunding Prorated Factor	<i>times</i>		0.786634458
Prorated Threshold:	<i>equals</i>	\$	5,292

- Statewide threshold is prorated to equal State appropriations.
- Districts with a EAV CPPRT rate below the Statewide threshold and Prorated threshold qualify for Prorated funding.
- Formula = (District EAV CPPRT rate - Prorated Threshold) x FTE.
- Districts qualifying for full funding, but ineligible under prorated funding, will receive a minimum \$50,000 grant.

EQUALIZATION GRANTS

ANNUAL DEFICIT IN FUNDING



EQUALIZATION GRANTS

Impacts to annual grant allocations:

EAV

FTE

PPRT

State
Appropriations

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).
- 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

- Prior to FY20, annual appropriations were line item by institution. The appropriation 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 tuition waivers associated with Illinois National Guard veterans in addition to Veterans grants.
- In FY22, Public Act 102-0017 appropriated the full amount to ICCB to be allocated equitably among the colleges.

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

RESTRICTED GRANTS

- Special Initiatives
 - Federal or State funded
 - Grant Agreements
 - Allocations may be formula-based
 - Restricted Accounts



Questions?

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