



ICCBFO Fall Conference

ICCB FY24 Updates

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Budget Highlights

P.A. 103-0006 ~ Fiscal Year 2024 Appropriations

- +7% Base Operating Grants (\$13.2 million)
- +7% Equalization Grants (\$5.2 million)
- +7% City Colleges Grant (\$0.9 million)
- +\$29.1 million new initiatives
- Reappropriation of unexpended federal GEER II, Early Childhood Grants, and College Bridge
- Continuation of state grants (PATH, Mental Health, etc.)
- +\$4.67 million new capital and \$957 million reappropriation of prior year capital projects.

FY24 New State Initiatives

- Advanced Manufacturing/EV ~ \$10 million
- Dual Credit Grants ~ \$3 million
- Non-Credit Workforce Programs ~ \$5 million

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

- *GEER II & College Bridge
- *Bridge & WEI
- *Noncredit Workforce
- *Early Childhood Education
- *Mental Health
- *Dual Credit
- *PATH
- *Advanced Manufacturing

Base Operating Grant Formula

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 Grant Rates

Public Act 103-0006

CREDIT HOUR GRANT RATES BY CATEGORY FOR FISCAL YEAR 2024

	Baccalaureate	Business	Technical	Health	Remedial	ABE/ASE
FY2022 Unit Cost	\$ 463.74	\$ 514.54	\$ 555.30	\$ 645.87	\$ 400.31	\$ 505.23
FY2022 Weighted Cost	\$ 577.51	\$ 640.78	\$ 691.53	\$ 804.33	\$ 498.53	\$ 629.18
Less:						
Tuition & Fees	\$ 153.61	\$ 153.61	\$ 153.61	\$ 153.61	\$ 153.61	\$ -
Local Tax Revenue	\$ 219.10	\$ 219.10	\$ 219.10	\$ 219.10	\$ 219.10	\$ 219.10
Total	\$ 372.72	\$ 372.72	\$ 372.72	\$ 372.72	\$ 372.72	\$ 219.10
Credit Hour Rate	\$ 204.80	\$ 268.06	\$ 318.82	\$ 431.62	\$ 125.81	\$ 410.08
State Adjustment	\$ (164.31)	\$ (215.07)	\$ (255.80)	\$ (346.30)	\$ (100.94)	\$ (329.01)
Effective Credit Hour Rate	\$ 40.48	\$ 52.99	\$ 63.02	\$ 85.32	\$ 24.87	\$ 81.06



Base Operating Grant Totals

	<u>Baccalaureate</u>	<u>Business</u>	<u>Technical</u>	<u>Health</u>	<u>Remedial</u>	<u>ABE/ASE</u>
Funded Hours	2,777,580	263,299	423,309	343,141	202,529	182,209
Effective Rate	\$ 40.48	\$ 52.99	\$ 63.02	\$ 85.32	\$ 24.87	\$ 81.06
Total	\$ 112,447,277	\$ 13,952,375	\$ 26,678,441	\$ 29,277,277	\$ 5,036,943	\$ 14,770,485

Base Operating Grant Impacts

Funded Hours

Instructional
Cost

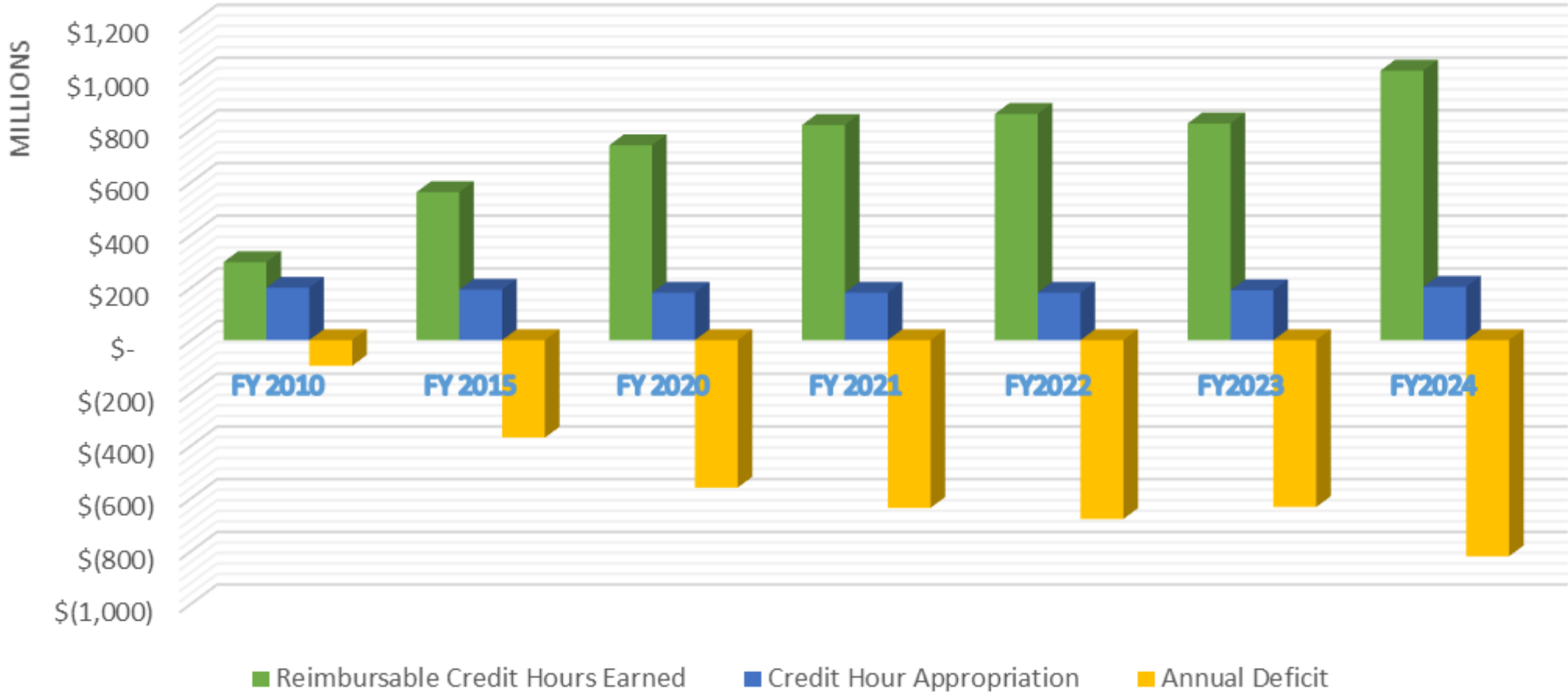
Tuition & Fees

Local Tax
Revenue

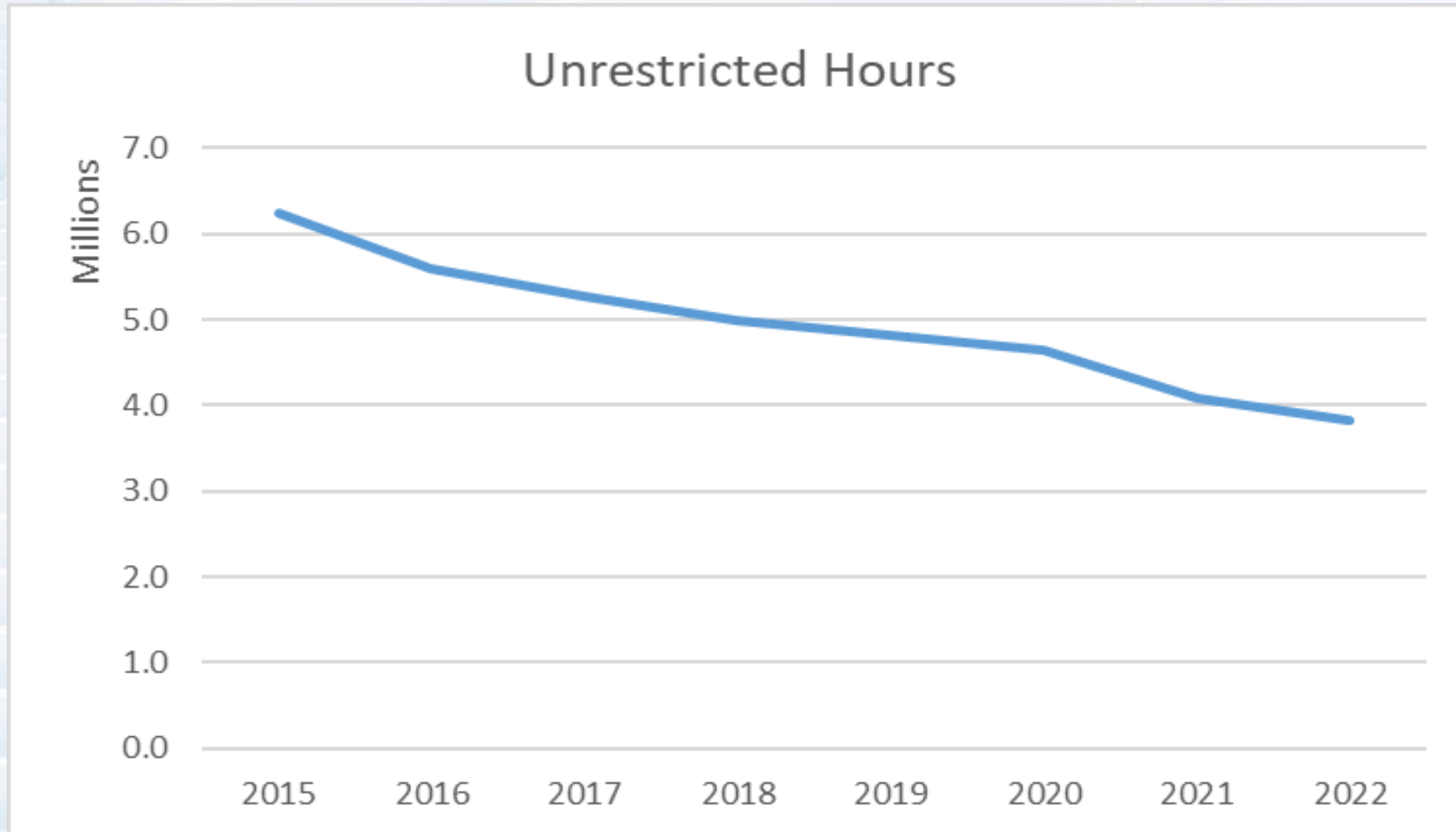
State
Appropriations

Base Operating Annual Deficit

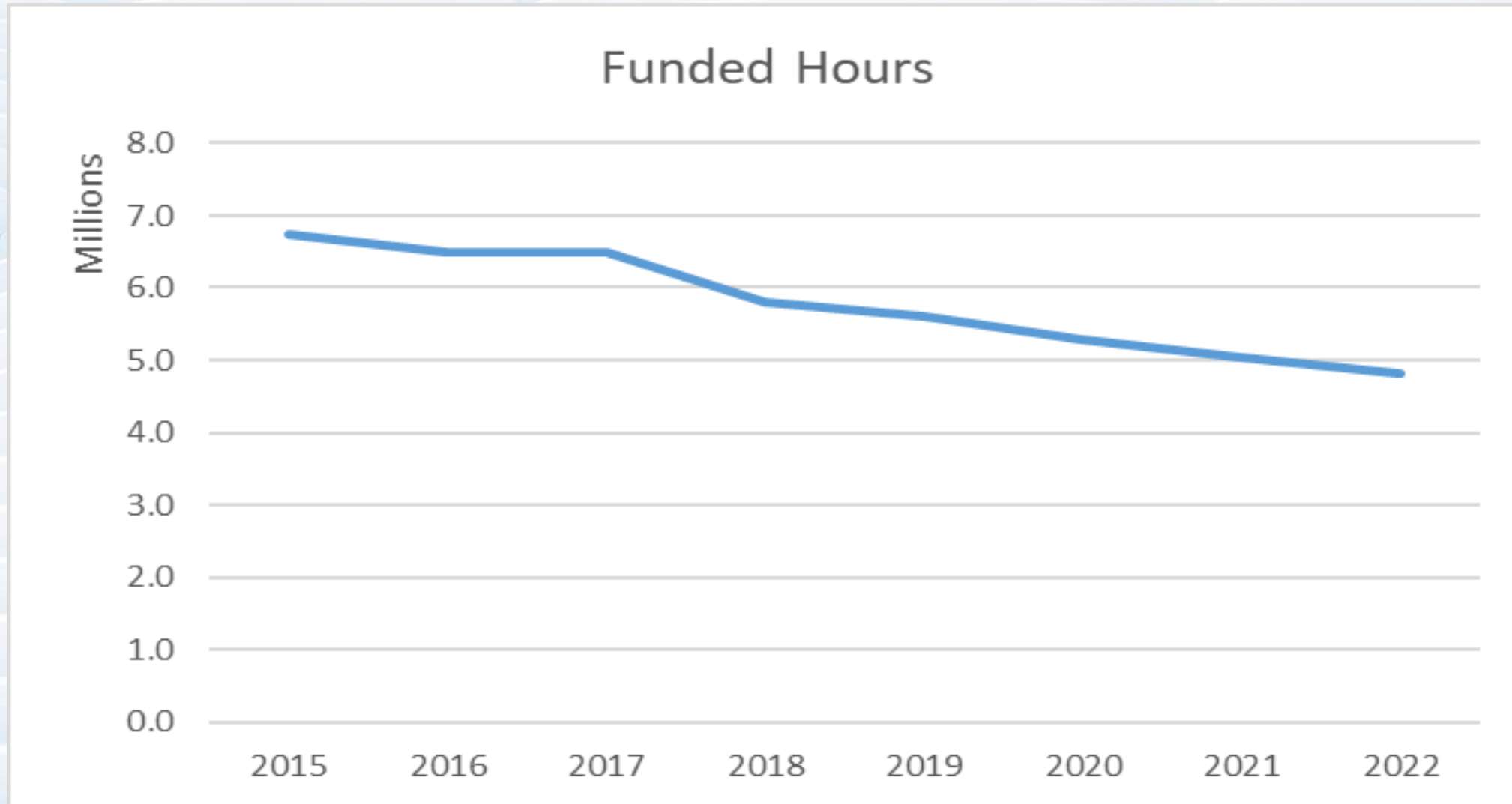
Base Operating Grants



Base Operating Grant Credit Hours



Base Operating Grant 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

FISCAL YEAR 2024 CALCULATION OF EQUALIZATION GRANT THRESHOLD

Lesser of 2022 CPPRT or two-year average:	\$	106,283,362
Statewide Weighted Average Tax Rate:	÷	0.0024529
CPPRT inflated by Statewide Avg. Tax Rate:	= \$	43,329,555,651
Adjusted CPPRT:	\$	43,329,555,651
Lesser of 2021 EAV or two-year average	+ \$	381,636,419,386
Total	= \$	424,965,975,036
In-District FTE:	÷	131,444
Local Revenue per In-District FTE:	= \$	3,233,046

Equalization Grants

FISCAL YEAR 2024 CALCULATION OF EQUALIZATION GRANT ALLOCATION

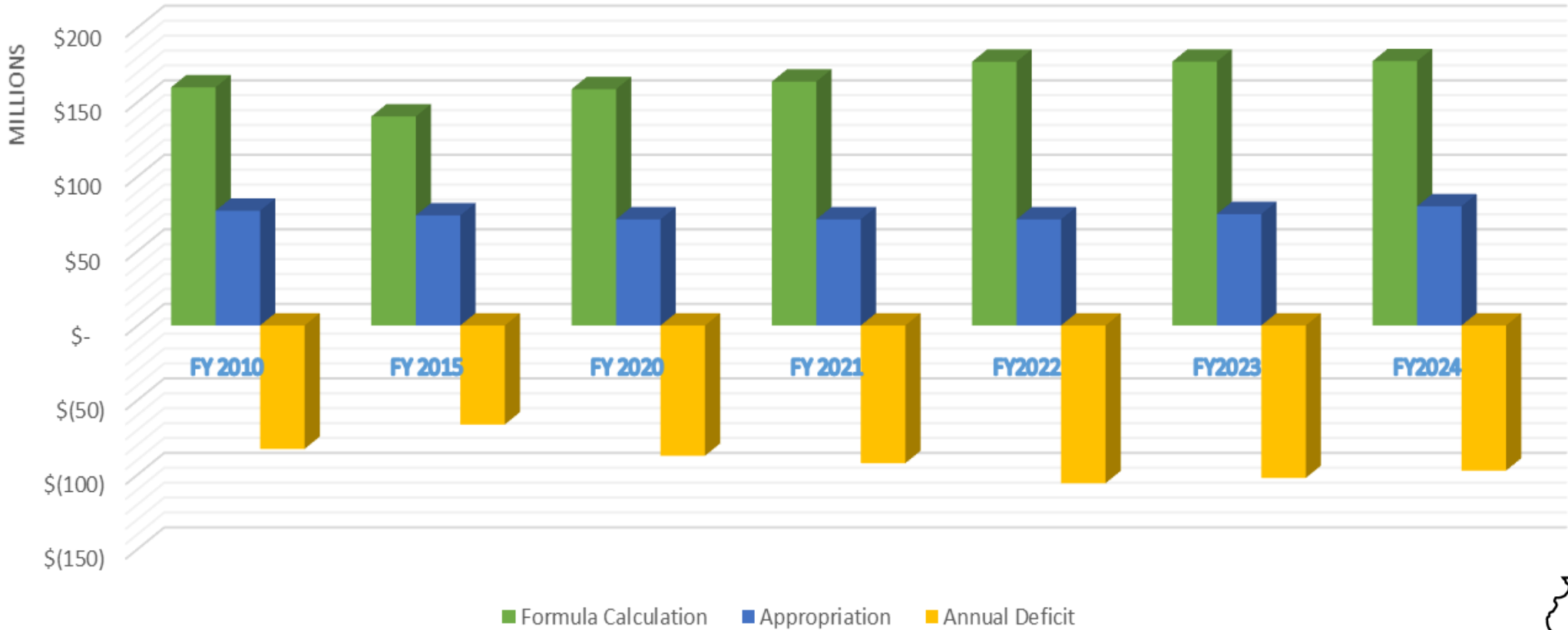
In-District FTE:	÷	131,444
Local Revenue per In-District FTE:	= \$	3,233,046
Statewide Weighted Average Tax Rate:	×	0.0024529
Statewide Threshold:	= \$	7,930
Proration due to underfunding:	×	0.81162829
Prorated Threshold:	= \$	6,437

Equalization Grants

- 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

Equalization Grants



Equalization Grants Impacts

EAV

FTE

PPRT

State
Appropriations

FY24 Revised System Funding

- Original allocations released on 6/27/23
- Noncompliant claiming of high school freshmen and sophomore dual credit hours
- 30 out of 39 districts revised and recertified credit hours
- Revised allocations released on 10/4/23
- Decreases in Base Operating & Equalization were due to highest declines in funded hours and FTE
- Voucher schedules adjusted for the remainder of the fiscal year

Other Unrestricted Grants

Performance-Based Funding:

- P.A. 97-320 statutorily required the Illinois public higher education budget to include a performance-based component in annual funding.
- Performance measures were developed by a group of representatives from the community college system.
- Performance measures award 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 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 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-FY24, the State 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

Amplifund Updates

- Statewide Grants Management System
- Implemented grants to date (CTE Perkins, ESLTP)
- Scheduled for FY24 Implementation (Adult Education, other continual programs)
- System will retain NOFO, NOSA, Applications, Budgets, Quarterly and Close-Out Reporting

Financial Compliance Due Dates

Due Date	Submission
10/15/2023	FY 23 Certification of Credit Hours*
10/15/2023	FY 24 Budget
11/15/2023	Request for External Audit Extension
12/30/2023	FY 23 Uniform Financial Statements*
12/30/2023	FY 23 Instructional Cost Report*
12/30/2023	FY 23 External Audit*
01/15/2024	Notice of publication of annual financial statements
01/31/2024	Certificate of Tax Levy

**Submissions are not complete until they are correct.*

[ICCB System Rules Manual](#)

[ICCB Financial Compliance SharePoint](#)

ICCB Contacts

Grant inquiries, payment requests, reporting:

ICCB.GrantPayments@Illinois.gov

Financial compliance, data due, required reporting:

ICCB.Finance@Illinois.gov

Voucher, EFT, Check questions:

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**Monitoring
protocols and
new GATA
administrative
rules**

Overview

GRANT MONITORING AND RECENT CHANGES TO ICCB'S APPROACH

NEW GRANT ACCOUNTABILITY AND TRANSPARENCY ACT ADMINISTRATIVE RULES

GRANT MONITORING

Why? Appropriate use of funds, Performance goals, Compliance

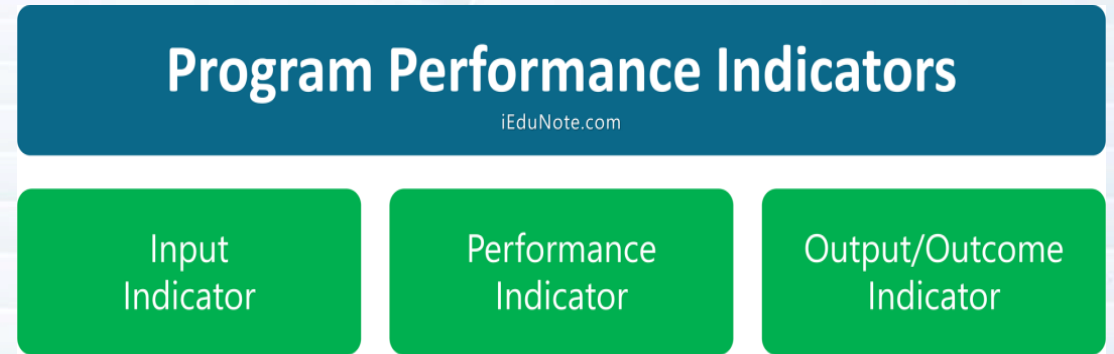
How? Desk reviews, Site visits
Audits

Identify potential fraud, waste and abuse and any problems early to improve performance



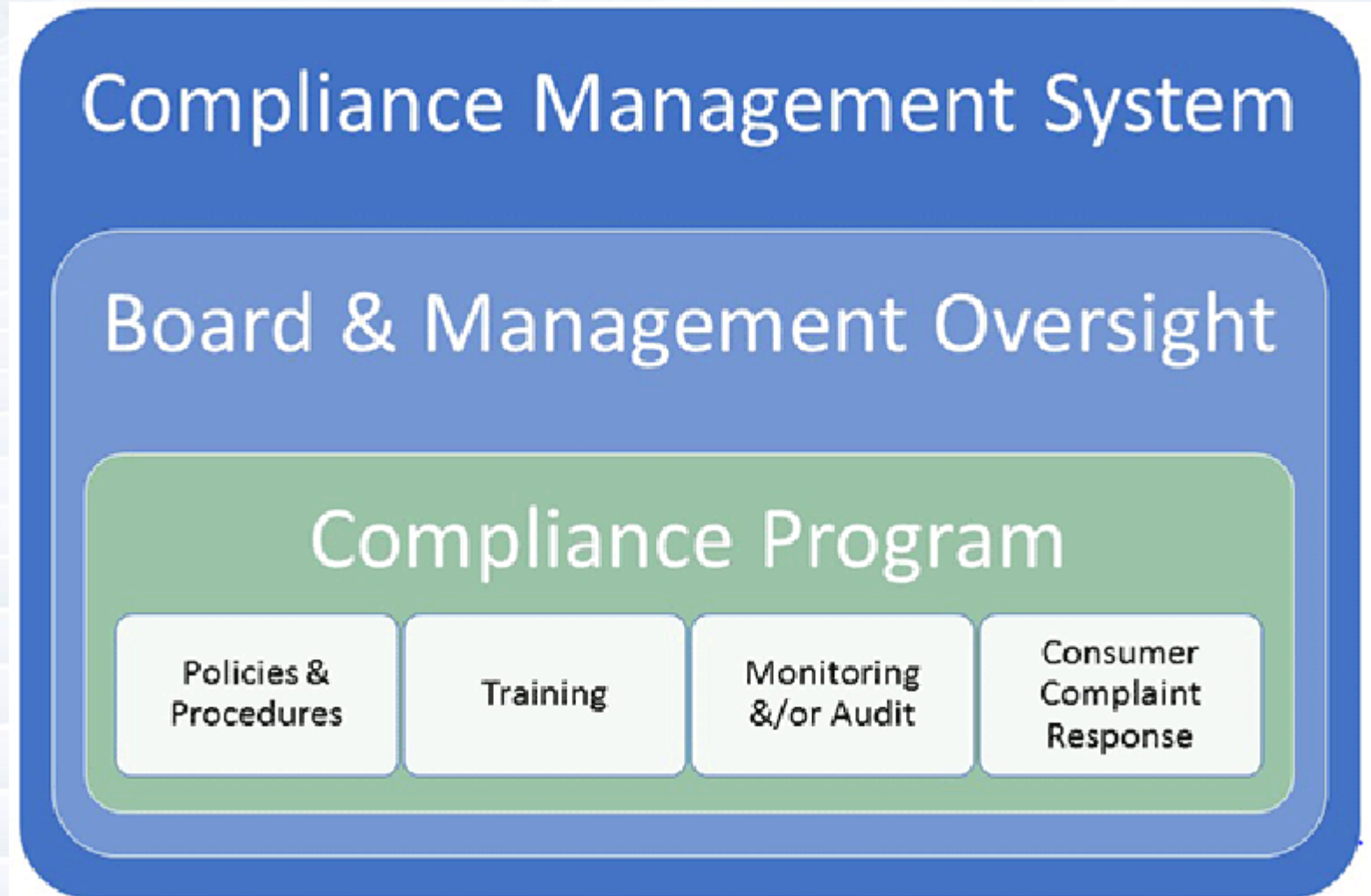
When, What, Where....Why, How...

- When – throughout the course of the grant period with additional attention at close of each grant period
- What – review reporting, any performance issues, anomalous spending
- Where – on site and desk reviews



Why – (2 CFR 200.329)(30 ILCS 708/5(a), 45(g))
Monitoring and reporting program performance.

How – from the performance period, factor in other risk factors like organizational risk, amount of award, complexity of funding...



Updates to ICCB's Process

- Performance period monitoring will not be changing significantly
- Upon close out, program will review their subrecipients to determine some number for selected follow-up
- Upon close out, the fiscal area will also determine some number of subrecipients for selected follow-up
- The changes are effective with FY22 close out.
- This means that subrecipients may be contacted by multiple programs and fiscal for follow-up.

Programmatic/Fiscal/Admin. Reviews

Compliance with 2 CFR 200 (UG) and 44 IAC 7000 (GATA)

Fiscal

- Compliance with 2 CFR 200 (UG) and 44 IAC 7000 (GATA)
- ICQ
- Audits
- Funds awarded

Program

- Performance (deficiency)
- Unmet deliverables
- Unspent funds
- Significant technical assistance
- Staffing concerns (leadership, management, turnover, etc.)

Across ICCB – budget activity including payment requests, quarterly reports, close out reports, prior communications, pre-award risk reviews (programmatic and financial (ICQ))

Summary of ICCB's adapted monitoring

- Pre-award risk assessment may lead to specific conditions in a grant agreement.
- “Active monitoring” occurs during the term of the grant agreement (period of performance).
- Closeout assessment is performed by each grant program and by Fiscal.
- Selected subrecipients will be contacted for further inspection.

Takeaway: There may be multiple contacts for follow-up monitoring.

GATA – Rules Update



Grant Accountability and Transparency Act

Grant Accountability and Transparency Act (30 ILCS 708/), adopted July 16, 2014. Administrative rules were adopted July 2015, amended in October 2018 and again May 2023.

PA 102-0626, enacted 8/27/21, exempts state funded grants to institutions of higher education (subject to grantor agency policies).

Two processes for grants @ ICCB

GATA-exempt – Intergovernmental Grant Agreement (IGGA)

GATA-covered – Uniform Grant Agreement (UGA)

Applications are different for GATA-exempt and GATA-covered; the same budget template is used.

Different – applications and agreement form

Same – budget template, budget modifications, quarterly reporting and closeout. Also, the pre-requisites (SAM.gov, Stop payment list, Fiscal and Administrative Risk Assessment (ICQ))

Major Changes to Part 7000 - GATA (44 IL Adm Code 7000)

- Competitive and non-competitive replaced by Discretionary and Non-Discretionary.
- Non-Discretionary means formulaic or other pre-determined criteria
- Non-Discretionary Funding Information will be produced from the GATA system for public notice/awareness. (Previously only NOFO)

Major Changes to Part 7000 - GATA (44 IL Adm Code 7000)

Budget modification criteria is changed from the 10% or \$1000 whichever is greater criteria to a much stricter...

Criteria of \$50,000 of the overall budget and 10% of the total award. Revisions larger than these will require a budget modification and approval from the grantor.

Implies a running accumulation of small transfers to monitor the \$50K criteria.

Major Changes to Part 7000 - GATA (44 IL Adm Code 7000)

Severely limiting “no-cost extensions” - The issuance of no-cost extensions (as defined in Section 7000.30) must be supported by statute. {7000.110 (c)}

"No-Cost Extension" means an extension of an active award that does not increase the total amount of the award.

Major Changes to Part 7000 - GATA

Stop Payment Rules tightened which may prompt other agencies to act more quickly on stop payment.

7000.260(b) - If an awardee is not compliant with the grant terms stated in Section 7000.80(f)(1) or Section 7000.80(f)(2), the State awarding agency must place the awardee on temporary Stop Payment Status

7000.80(f)(1) Delinquent Reporting Based on the Terms Specified in the Grant Agreement

7000.80(f)(2) includes missing payment/refunds, failure to clear fiscal or administrative monitoring issues, failure to submit an audit report within 15 business days after due date

Major Changes to Part 7000 - GATA

Stop Payment Rules tightened which may prompt other agencies to act more quickly on stop payment.

b) If an awardee is not compliant with the grant terms stated in Section 7000.80(f)(1) or Section 7000.80(f)(2), the State awarding agency must place the awardee on temporary Stop Payment Status pursuant to Section 7000.80(g)~~Grant Compliance Enforcement System shall go into effect.~~

1) ~~Delinquent Reporting~~

~~A) State agency protocols shall dictate procedures for managing financial and programmatic reporting due dates. State agencies shall apply due diligence with awardees to support the administration of reporting requirements stated in the executed Grant Agreement and/or subsequent amendments.~~

Major Changes to Part 7000 - GATA (44 IL Adm Code 7000)

Programmatic Risk Assessment will now be conducted using the GATU-prescribed program-specific risk assessment job aid.

There won't be (or shouldn't be) a Programmatic Risk assessment form to be filled out by grantees – only the annual ICQ as part of the prequalification process.

Criteria for evaluation include Financial Stability, Management Systems and Standards, Audit Findings, Monitoring Findings, Performance History, Key Staff, Capacity , External Partnerships, and Reporting.

This assessment and the ICQ will be used by agencies to develop specific conditions for grant agreements. (2 CFR 200.208, 47 IAC 7000.340)

Brief Recap

**GRANT MONITORING: ICCB WILL USE A “BY PROGRAM”
APPROACH FOR MONITORING POST CLOSE-OUT)**

NEW GATA ADMINISTRATIVE RULES

**THE EXEMPTION FOR MAKING GRANTS WITH STATE FUNDS
TO INSTITUTIONS OF HIGHER EDUCATION IS IRONCLAD.**

**TIGHTENING OF GAPS IN THE PREVIOUS RULES MAY LIMIT
FLEXIBILITY, NO COST EXTENSIONS SEVERELY CONSTRAINED,
STOP PAYMENT LANGUAGE MAY PROMPT MORE AGENCIES
TO REACT QUICKLY TO ANY DEFICIENCY.**

Questions and Answers



ANSWERS

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