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
FY20 GENERAL FUNDS REVENUES BY SOURCE

Per Budget Plan
($ Millions)
Total General Funds Revenues: $40.287 Billion

- Sales Taxes: $8,543 (21%)
- Individual Income Tax (Net): $19,702 (49%)
- Federal Sources: $3,697 (7%)
- Corporate Income Tax (Net): $2,444 (6%)
- Other: $2,139 (5%)
- Lottery/Riverboat: $1,013 (3%)
- Other Transfers: $1,193 (3%)
- Public Utility Tax: $846 (2%)
- Interfund Borrowing: $100 (0%)

Other Sources: $2,749
FY20 BUDGET BY FUNDING SOURCE

Total Funds: $142.545 Billion*

- Special State Funds: 31.7%
- General Funds: 19.6%
- Bond Financed Funds: 11.9%
- Federal Trust Funds: 6.0%
- Highway Funds: 2.5%
- Debt Service Funds: 0.9%
- Revolving Funds: 0.5%
- State Trust Funds: 0.0%

*Preliminary Data
Includes new appropriations, continuing appropriations, and reappropriations
Source: Statewide Accounting Management System Data Warehouse as of 7/22/19

Source: Commission on Government Forecasting and Accountability
FY20 Appropriations by Major Purpose

Total Funds: $142.545 Billion*

- Human Services: 26%
- Economic Development: 26%
- Government Services: 27%
- Education: 15%
- Public Safety and Regulation: 5%
- Quality of Life: 1%

*Preliminary Data
Includes new appropriations, continuing appropriations, and reappropriations
Source: Statewide Accounting Management System Data Warehouse as of 7/22/19

Source: Commission on Government Forecasting and Accountability
FY20 GRF APPROPRIATIONS BY PURPOSE

General Funds: $38.460 Billion*

- Education: 46%
- Human Services: 36%
- Government Services: 13%
- Public Safety and Regulation: 5%
- Quality of Life: 0%
- Economic Development: 0%

*Preliminary Data
Includes new appropriations, continuing appropriations, and reappropriations
Source: Statewide Accounting Management System Data Warehouse as of 7/22/19

Source: Commission on Government Forecasting and Accountability
EDUCATION EXPENDITURE HISTORY

General Funds $ in millions
Total Warrants Issued: 14-18 months depending upon fiscal year

Fiscal Year
1998 $6,600
2000 $7,563
2002 $8,320
2004 $8,501
2006 $8,594
2008 $8,970
2010 $9,630
2012 $10,376
2014 $10,455
2016 $11,358
2018 $11,564

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)

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

Source: Commission on Government Forecasting and Accountability
COMMUNITY COLLEGE SOURCES OF REVENUE

33% Student
33% Local
33% State

33% Student
43% Local
34% State

23% Student
43% Local
34% State

39% Student
43% Local
18% State

40% Student
44% Local
16% State

39% Student
44% Local
17% State

Source: Community College Audits
## Illinois Community College Board
### Summary Allocation Table

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

<table>
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</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>$182,826,600</td>
<td>$296,289,187</td>
<td>$561,367,594</td>
<td>$588,278,913</td>
<td>$570,736,672</td>
<td>$570,736,672</td>
<td>$878,525,892</td>
<td>$581,800,644</td>
<td>$794,310,731</td>
</tr>
<tr>
<td>2010</td>
<td>$198,746,700</td>
<td>$370,095,694</td>
<td>$50,445,000</td>
<td>$128,322,000</td>
<td>$237,413,300</td>
<td>$168,271,500</td>
<td>$171,636,900</td>
<td>$179,940,200</td>
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<tr>
<td>2016</td>
<td>$570,736,672</td>
<td>$570,736,672</td>
<td>$570,736,672</td>
<td>$570,736,672</td>
<td>$570,736,672</td>
<td>$570,736,672</td>
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</tr>
<tr>
<td>2017</td>
<td>$878,525,892</td>
<td>$581,800,644</td>
<td>$794,310,731</td>
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<tr>
<td>2018</td>
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<tr>
<td>2019</td>
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<td>2020</td>
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</tr>
</tbody>
</table>

Reimbursable Credit Hours Earned
Credit Hour Appropriation
Annual Deficit

Source: Illinois Community College Board (ICCB)
# Credit Hour Rates by Course Category

### For FY 2020

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

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.
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**

<table>
<thead>
<tr>
<th></th>
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<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Equalization Formula Calculation</td>
<td>$71,166,169</td>
<td>$159,820,327</td>
<td>$140,291,416</td>
<td>$141,127,882</td>
<td>$143,455,289</td>
<td>$151,638,719</td>
<td>$158,580,522</td>
</tr>
<tr>
<td>Equalization Appropriation</td>
<td>$67,796,100</td>
<td>$76,997,300</td>
<td>$73,871,500</td>
<td>$19,980,000</td>
<td>$66,483,500</td>
<td>$67,813,200</td>
<td>$71,203,900</td>
</tr>
<tr>
<td>Annual Deficit</td>
<td>$(3,370,069)</td>
<td>$(82,823,027)</td>
<td>$(66,419,916)</td>
<td>$(121,147,882)</td>
<td>$(76,971,789)</td>
<td>$(83,825,519)</td>
<td>$(87,376,622)</td>
</tr>
</tbody>
</table>

Source: Illinois Community College Board (ICCB)
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).

Source: Office of the Illinois Comptroller
STATE OF ILLINOIS BACKLOG OF BILLS

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

Key:
- Fiscal year budgets under Quinn administration
- Fiscal year budgets under Rauner administration
- Fiscal year budgets under Pritzker administration
- Fiscal impact of $6 billion in bond proceeds
- Illinois Office of Comptroller payables

Source: Office of the Illinois Comptroller
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

Source: Adult Education and Literacy Provider Manual and Certification of Required Due Dates
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

Source: Career and Technical Education Grant Manual
• Capital Bill
  - HB 62  $479,001,400.00
    o New Projects
  - SB 262  $224,897,894.00
    o 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
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.
• 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.