



Adequacy and Equity in Community College Funding

*Technical Modeling Working Group
Update*

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For the ICCB Board Working Session
9/25/25

Adequacy and Equity in Community College Funding Recommendations

Recommendations	
1. Conduct comprehensive analyses to address key funding challenges and inform the future development of data-informed solutions.	Base Operating Modeling Group Equalization Modeling Group
2. Establish a base funding amount that provides each district with a foundational level of operational support.	Base Operating Modeling Group
3. Allocate targeted resources to districts based on student demographics and institutional needs while providing flexibility in how funds are used to improve student success	Base Operating Modeling Group
4. Revise the equalization grant formula to reduce funding volatility, ensure fair distribution of resources, and create a more predictable and stable funding model for all districts.	Equalization Modeling Group
5. Evaluate existing dual credit funding mechanisms and explore ways to ensure that all community college districts can offer these programs without financial strain.	Dual Credit Modeling Group

Modeling Working Groups: Current Status

Recommendations	
Base Operating	Meeting 4 upcoming
Equalization	Meeting 4 upcoming
Dual Credit	Meeting 1 Upcoming; Study Negotiations

Technical Modeling Groups

- Kickoff Meeting Held August 1, 2025
 - Provided Historical Background and Working Definitions to both Base Operating and Equalization Groups
 - Shared Key Findings Identified by Adequacy and Equity in CC Funding Working Group
 - Funding Challenges
 - Unstable and Unpredictable Resources
 - Equity and Adequacy Gaps
 - Limitations of the Current Funding Formula

Technical Modeling – Timeline

Meeting Agenda Topics			
Meeting 1	Orientation to the Recommendations	<i>Meeting 4</i>	<i>Model review based upon refinements</i>
Meeting 2	Understanding the Methods and Data that drives the formulas	<i>Meeting 5</i>	<i>Model Review based upon further refinement</i>
Meeting 3	“Straw Man,” Model consideration; Opportunity to offer alternative models (and model considerations) by committee	<i>Meeting 6 *</i>	<i>Final Model Development / Selection / Consideration / Review / Recommendations</i>

* - To conclude by Thanksgiving

Base Operating – Meeting 2

Understanding the methods and data that drives the formulas

Considerations for Modeling Development	
Do current funding categories capture:	Considerations:
Actual Cost of Instruction?	Dual Credit
Changes in the way instruction is delivered?	Remedial Credit
Account for student need?	Pell Eligible
Other considerations?	Tuition Reimbursement / Scholarship Availability
	Recommendations #2 (Base Funding) and #3 (Equity)

Base Operating - Meeting 3

“Straw Man”

Model 1: Base (Foundational) Funding

2. Establish a base funding amount that provides each district with a foundational level of operational support.

Version 1 - Foundation Level Modeling	Version 2 – Foundational Model + Increase
<i>No New Funding</i>	<i>\$19.5 M Increase in Funding</i>
FY2026 Appropriations \$208.3M	Base Allocation of \$500k per District (\$19.5M)
Base Allocation of \$500k per District (\$19.5M)	FY2026 Appropriations \$208.3M + \$19.5M New Funding
Remaining Appropriations Allocated by Credit Hour Rates	Remaining Appropriations Allocated by Credit Hour (CH) Rates

Base Operating - Meeting 3

“Straw Man”

Model 2: Student-Centered Model

3. Allocate targeted resources to districts based on student demographics and institutional needs while providing flexibility in how funds are used to improve student success

Version 3: Student-Centered Model	Version 4: Student-Centered Model	Version 5: Student—Centered Model + Increase & Base
No New Funding	\$29.7M Increase in Funding	\$49.2M Increase in Funding
FY2026 Appropriations \$208.3M	FY2026 Appropriations \$208.M + \$29.7M New Funding	FY2026 Appropriations \$208.3M + \$49.2M New Funding
Allocations Weighted for Pell/MAP per Credit Hour (CH)	Allocations Weighted for Pell/MAP per Credit Hour (CH)	Allocations Weighted for Pell/MAP per Credit Hour (CH)
		Base Allocation of \$500k per District (\$19.5M)

Equalization Modeling - Meeting 3

Considerations for Modeling Development	
Proration amount compared to no proration threshold or pre-defined limits	Prorating Headcount vs. FTE
CPPRT – Remove from formula / Consider statutory revenue	No long prorating equalization, consider prorating base operating at a higher level
Primary funding from base operating	Review PTELL language at 95%

Equalization Modeling – Meeting 3

Version 1 – Proration Method

Version 1a	Version 1b	Version 1c
<i>No increase in funding</i>	<i>\$20 million increase</i>	<i>\$40 million increase</i>
Proration applied proportionately instead of threshold	Proration applied proportionately instead of threshold	Proration applied proportionately instead of threshold
Total full funding needed \$180 million	Total full funding needed \$180 million	Total full funding needed \$180 million

Equalization Modeling – Meeting 3

- Version 2: FTE Replaced by Headcount

Version 2a	Version 2b	Version 2c
No increase in funding	\$20 million increase	\$40 million increase
FTE replaced by headcount	FTE replaced by headcount	FTE replaced by headcount
Total full funding needed \$194 million	Total full funding needed \$194 million	Total full funding needed \$194 million

Equalization Modeling – Meeting 3

- Version 3: No Proration (Full Funding)
- Version 4: Removal of CPPRT

Version 3	Version 4
<i>\$96.7 million increase in funding</i>	<i>No increase in funding</i>
No proration applied	CPPRT removed from formula
Total full funding needed \$180 million	Total full funding needed \$181 million

Equalization Modeling – Meeting 3

- Proposed Formula Distribution (Statute Change) – Tenuta Model
 - Eliminate the reference to PTELL districts in 110 ILCS 805/2-16.02 altogether as it discriminates against PTELL districts as non-PTELL districts have no such standard for qualification.
- OR-
- •Change the statute that allows all districts to qualify if local property taxes meet or exceed 1/3 of funding for Fund 01 or Fund 02 (operating funds)

Equalization Modeling – Meeting 3

- Equalization Funding Model – Welker Model
 - Reduce funding volatility
 - Ensure fair distribution of resources
 - Create a more predictable and stable funding model for all districts

Meeting(s) 4 Proposals

- Feedback on all proposed models received from groups has been evaluated
 - ICCB finance team to present revised models at upcoming meeting(s)
 - Consideration of state funding increases of 2%, 10% or 20%
 - Eliminate models that remove existing allocations

Base Operating – Meeting 4 Considerations

Version 3a – Index of Need (2%)	Version 3b – Index of Need (10%)	Version 3c – Index of Need (20%)
<i>\$4.1M Increase in Funding</i>	<i>\$20.8M Increase in Funding</i>	<i>\$41.6M Increase in Funding</i>
Appropriation: \$212.4M	Appropriation: \$229.1M	Appropriation: \$249.9M
Index of Need Allocations: \$4.1M	Index of Need Allocation: \$20.8M	Index of Need Allocation: \$41.6M
Credit Hour Rate Allocation: \$208.3M	Credit Hour Rate Allocation: \$208.3M	Credit Hour Rate Allocation: \$208.3M

Equalization – Meeting 4 Considerations

Version 3a –No Proration (Full Funding)	Version 4 – Removal of CPPRT	Version 5 – Stability Model
<i>\$96.7M Increase in Funding</i>	<i>No Increase in Funding</i>	<i>No Increase in Funding</i>
No Proration Applied	PTELL Accounted for in the Formula	Uses 5 Year Averages for Stability
Total Full Funding Needed \$180M	Total Full Funding Needed \$181M	Total Full Funding Needed \$180M

Adequacy and
Equity in
Community
College Funding

Current Status

Next Considerations

Base Funding Amount

Square Footage Based
Model

Student Success Model

Index of Need
Calculation incorporated
into Base Operating
Formula

Equalization

Consideration of PTELL
versus Non-PTELL

Consideration of
extended average
calculations

Adequacy and Equity
in Community
College Funding

Guiding Principles of
Recommendations

Next Considerations

Do No Harm

Based upon New Money

Worth the Change

If there is no money, or
nominal amounts, what,
if any changes make
sense?

Some changes would
require a long ramp; all
changes would require
phase in

PTELL Considerations
Data Collection and
Validation
Changes to Index of Need
to be CC centric

Questions?

