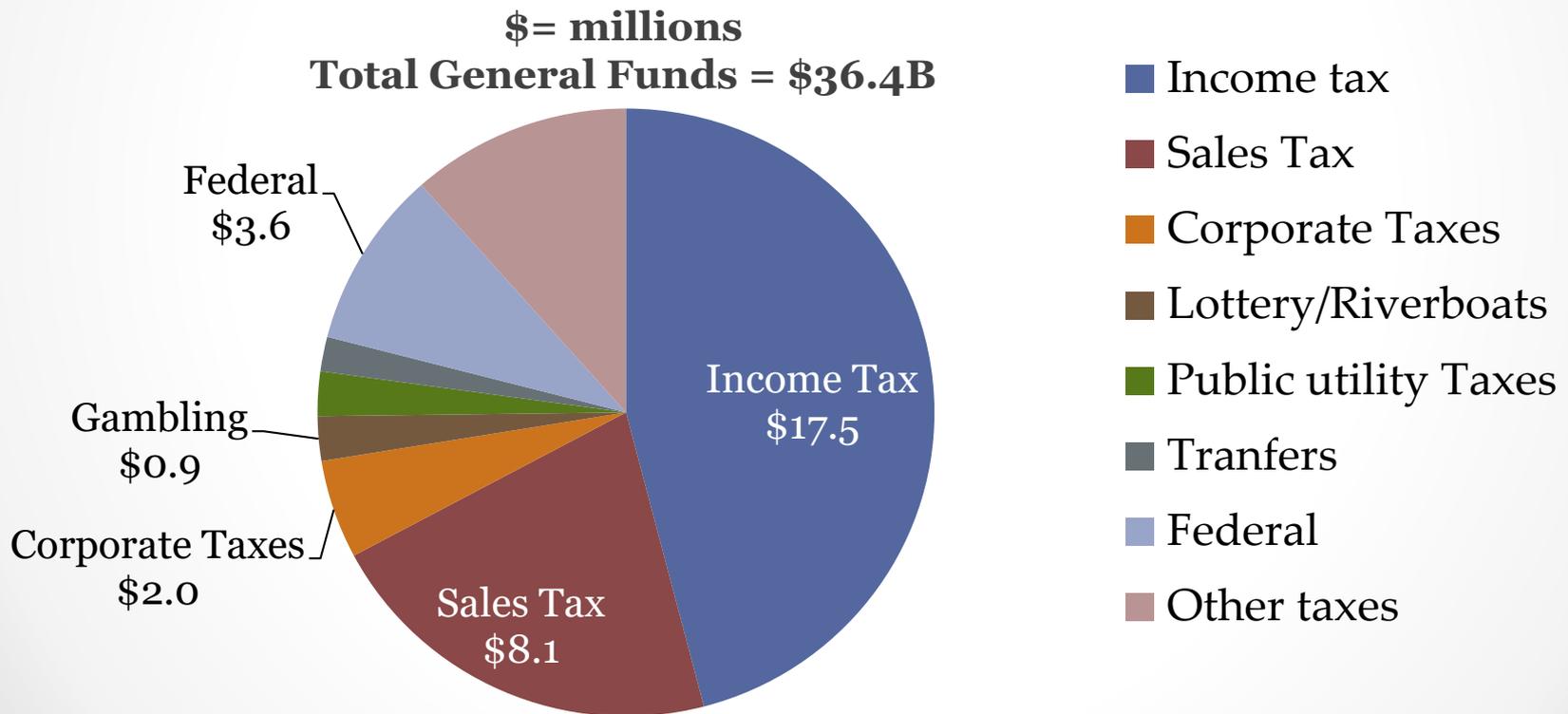




**FISCAL YEAR 2018
ILLINOIS COMMUNITY COLLEGE
SYSTEM BUDGET**

**Present to the Illinois Community College Board
September 15, 2017**

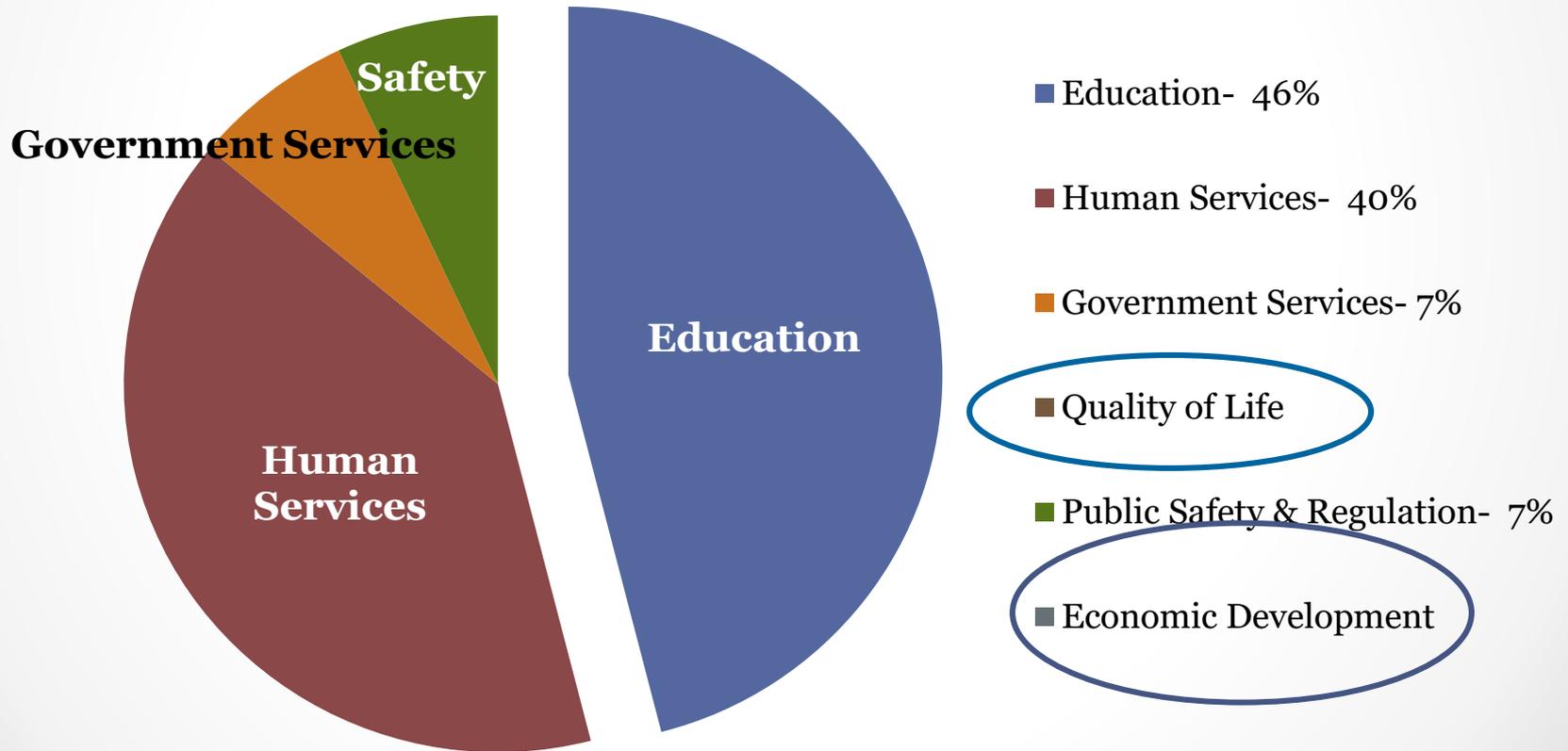
FY2018 GENERAL FUND REVENUES BY SOURCE



Source: Commission on Governmental Forecasting and Accountability

FY2018 STATE GENERAL FUNDS BY PURPOSE

Total GRF = \$36.4B



Source: Commission on Governmental Forecasting and Accountability

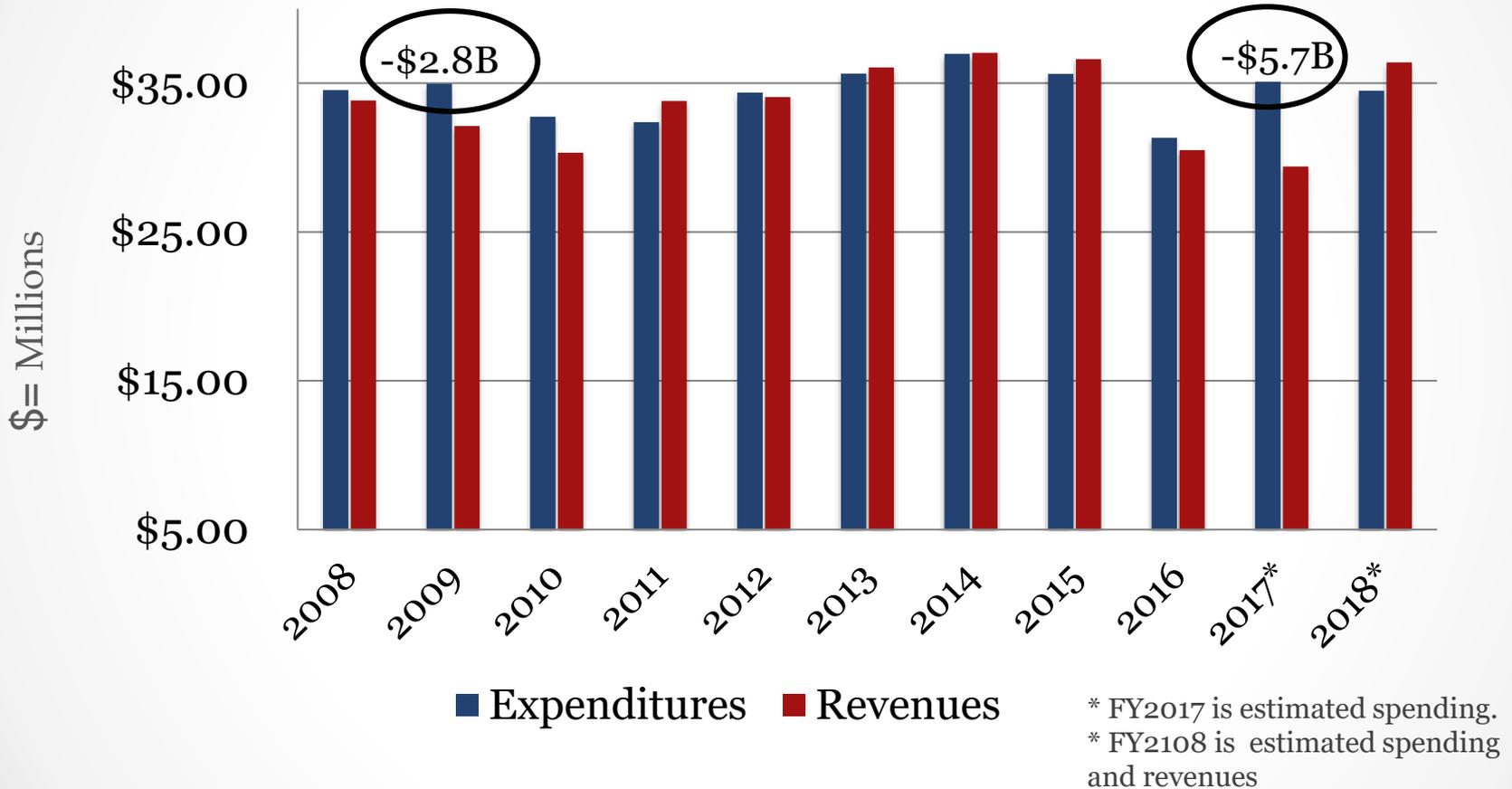
BACKLOG OF UNPAID BILLS

As of September 12, 2017

\$14,910,789,564
(138,835 bills)

Source: Illinois Office of the Comptroller

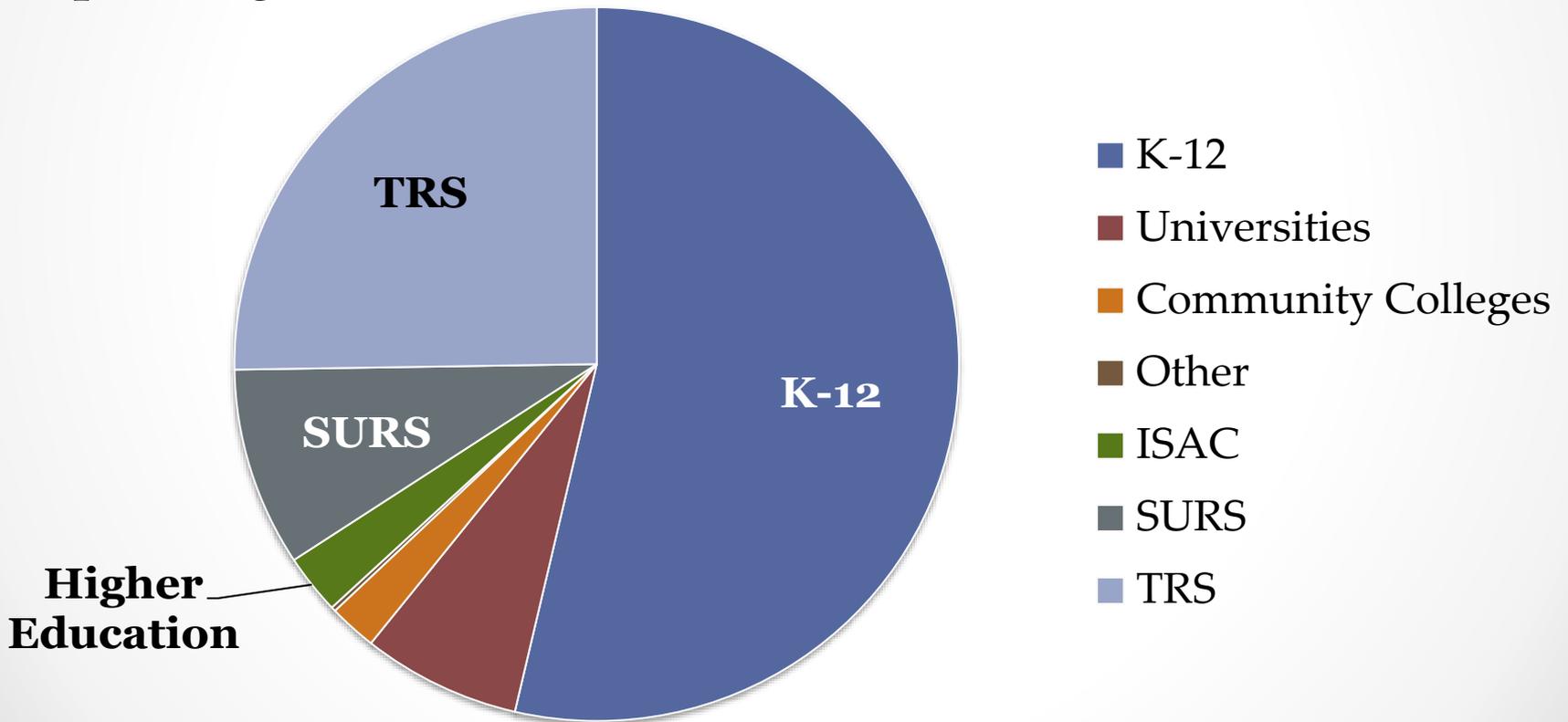
HOW IT HAPPENED



Source: Commission on Governmental Forecasting and Accountability

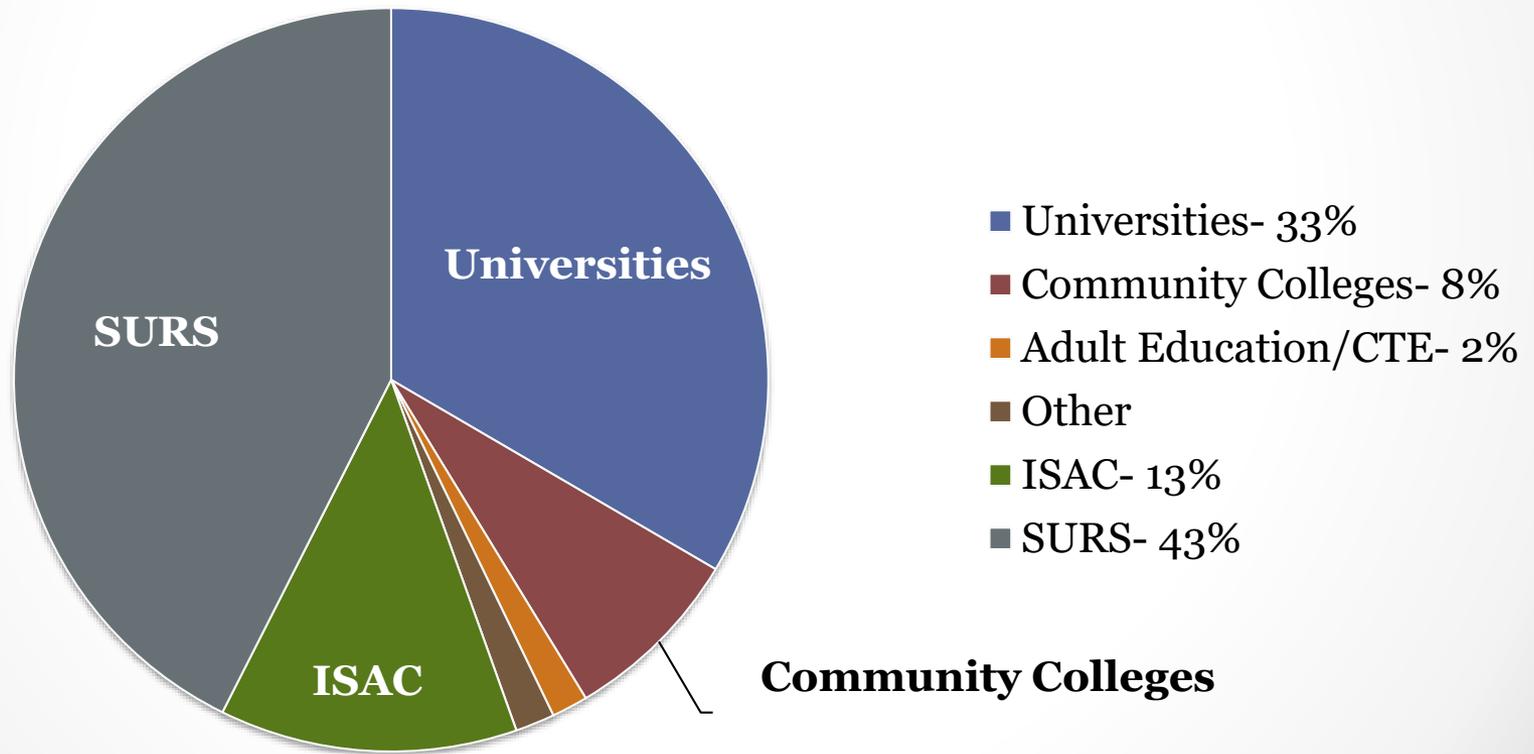
FY2018 EDUCATION BUDGET

Spending = \$15.2 B



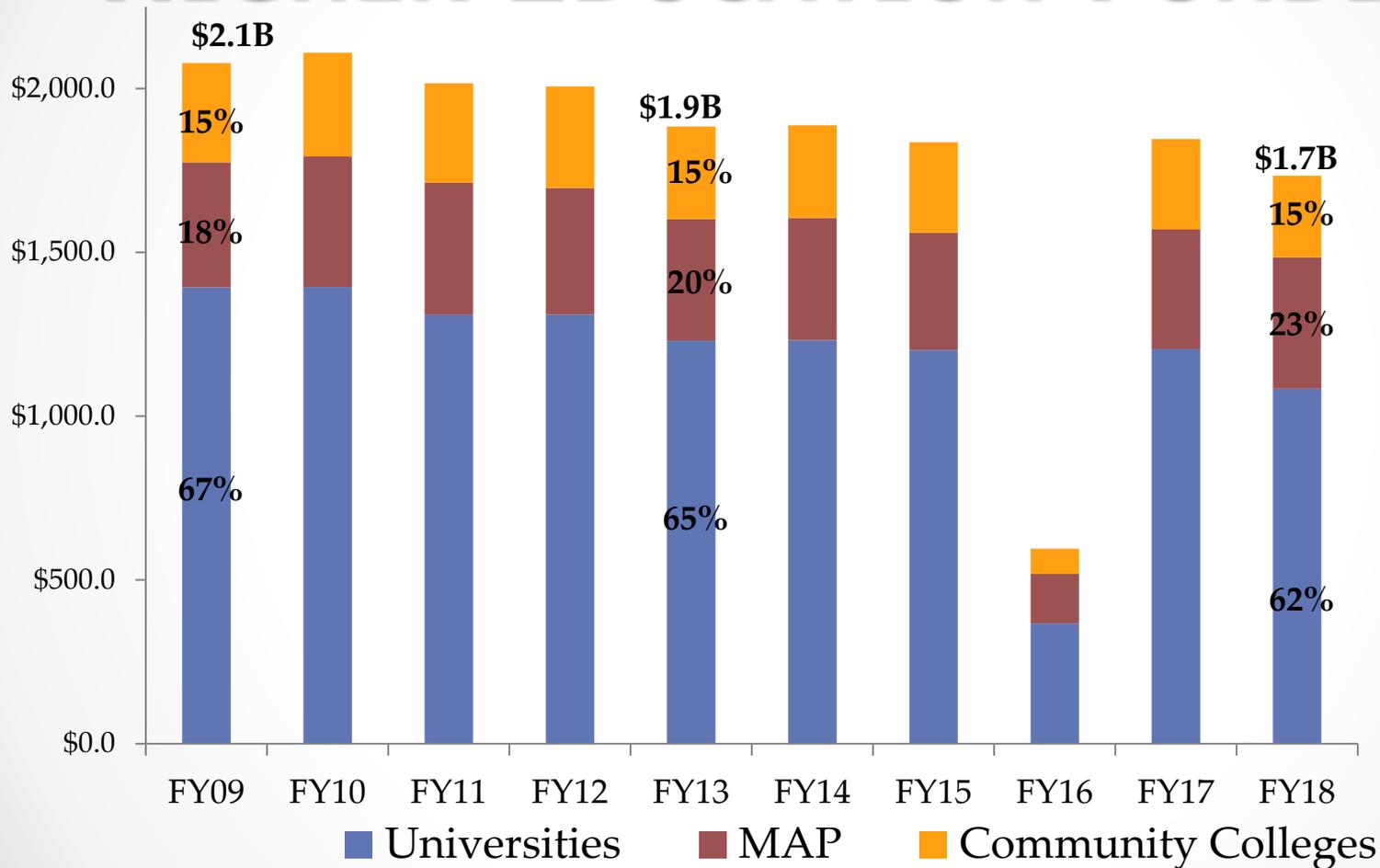
Source: Commission on Governmental Forecasting and Accountability

FY2018 HIGHER EDUCATION BUDGET

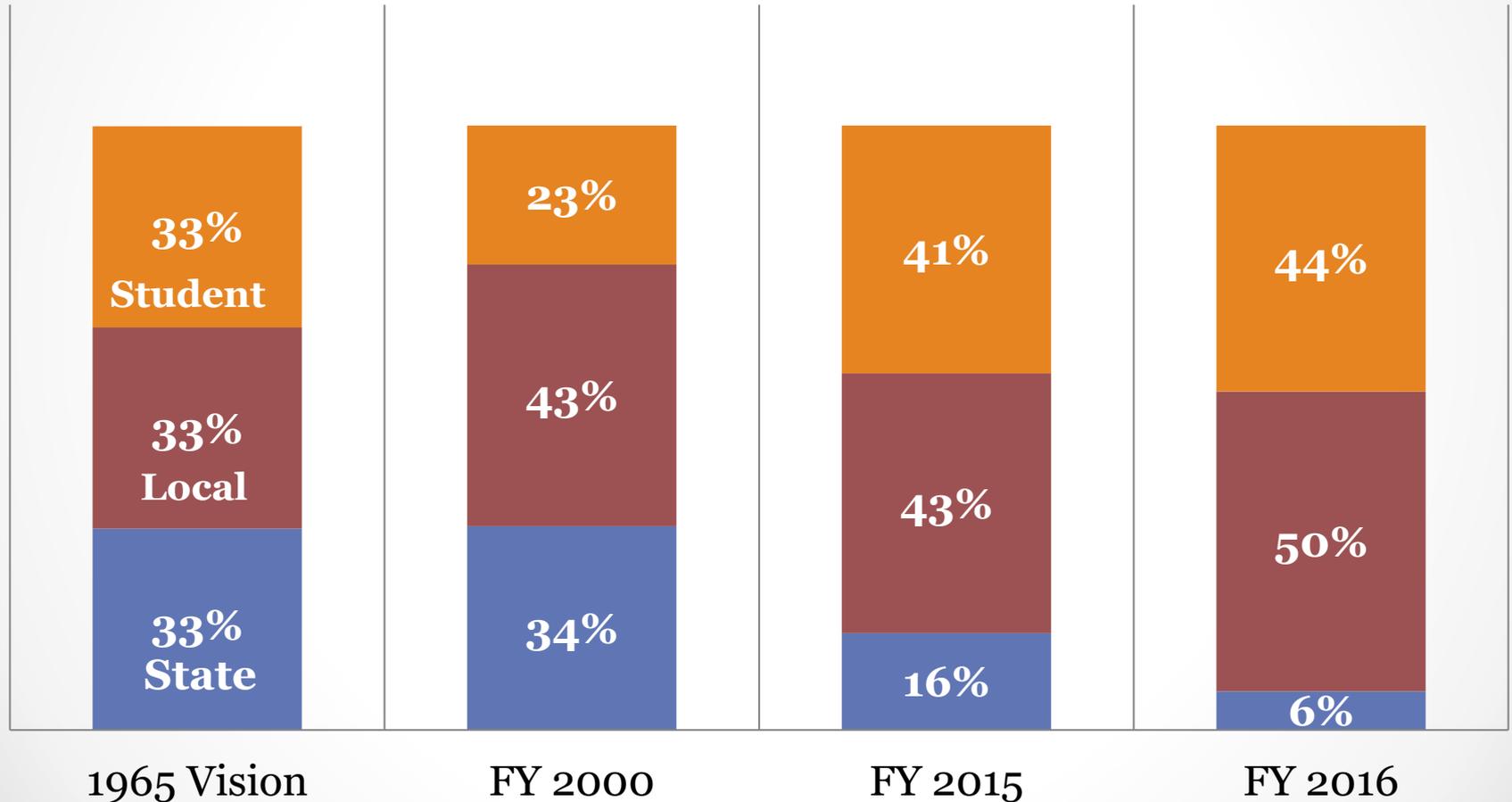


Source: Commission on Governmental Forecasting and Accountability

10 YEARS OF HIGHER EDUCATION FUNDING



COMMUNITY COLLEGE SOURCES OF REVENUE



Source: Community College Audits

SYSTEM GRANTS

UNRESTRICTED GRANTS

Distributed for the general operations of the college

No grant agreements or special requirements for separating funds

- base operating grants

- equalization grants

- performance based funding grants

- small college grants

- veterans grants

Allocations based on a formula

SYSTEM GRANTS

RESTRICTED GRANTS

- Distributed to the system for special activities, expenditures are limited, funds may require special accounting, and generally come with a written grant agreement

adult education-state and federal funds

career and technical education funds

special initiatives

Distributed based on a formula or RFP

CREDIT HOUR RATES BY COURSE CATEGORY FOR FY2018

	<u>Baccalaureate</u>	<u>Business</u>	<u>Technical</u>	<u>Health</u>	<u>Remedial</u>	<u>ABE/ASE</u>	<u>Totals/Averages</u>
FY2016 Unit Cost	\$ 369.74	\$ 392.45	\$ 393.01	\$ 468.04	\$ 300.39	\$ 558.04	\$ 383.65
FY2018 Weighted Cost	\$ 400.51	\$ 425.11	\$ 425.72	\$ 507.00	\$ 325.40	\$ 604.48	\$ 415.58

Instructional Cost Report: Each college submits end-of-year expenditure data to the ICCB office. The information submitted is from annual audited financial information.

Direct Costs: Instruction

Indirect Costs: Academic Support, Auxiliary Services, Student Services, Operations and Maintenance, and Institutional Support

CREDIT HOUR RATES BY COURSE CATEGORY FOR FY2018

	<u>Baccalaureate</u>	<u>Business</u>	<u>Technical</u>	<u>Health</u>	<u>Remedial</u>	<u>ABE/ASE</u>	<u>Totals/Averages</u>
FY2016 Unit Cost	\$ 369.74	\$ 392.45	\$ 393.01	\$ 468.04	\$ 300.39	\$ 558.04	\$ 383.65
FY2018 Weighted Cost	\$ 400.51	\$ 425.11	\$ 425.72	\$ 507.00	\$ 325.40	\$ 604.48	\$ 415.58

	<u>Baccalaureate Courses</u>	<u>Total</u>
Direct Instructional Costs:	\$434,456,921.18	\$779,854,049.00
FY16 Credit Hours Certified:	3,445,474	5,593,919
Proportion of hours:	61.6%	
Indirect Allocation:	\$888,813,435.22	\$1,443,038,005.00
Total Costs:	\$1,323,270,356.40	\$2,222,892,050.97
Funded Credit Hours:	3,578,952	5,794,128
Unit Cost Rate:	\$369.74	\$383.65

CREDIT HOUR RATES BY COURSE CATEGORY FOR FY2018

	<u>Baccalaureate</u>	<u>Business</u>	<u>Technical</u>	<u>Health</u>	<u>Remedial</u>	<u>ABE/ASE</u>	<u>Averages</u>
FY2016 Unit Cost	\$ 369.74	\$ 392.45	\$ 393.01	\$ 468.04	\$ 300.39	\$ 558.04	\$ 383.65
FY2018 Weighted Cost	\$ 400.51	\$ 425.11	\$ 425.72	\$ 507.00	\$ 325.40	\$ 604.48	\$ 415.58
Less:							
Tuition & Fees	\$ (135.05)	\$ (135.05)	\$ (135.05)	\$ (135.05)	\$ (135.05)	\$ -	\$ (112.54)
Local Tax Revenue	<u>\$ (134.87)</u>	<u>\$ (134.87)</u>	<u>\$ (134.87)</u>	<u>\$ (134.87)</u>	<u>\$ (134.87)</u>	<u>\$ (134.87)</u>	<u>\$ (134.87)</u>
Total	\$ (269.92)	\$ (269.92)	\$ (269.92)	\$ (269.92)	\$ (269.92)	\$ (134.87)	\$ (247.41)

\$168.17 per credit hour * 5,794,128 funded credit hours = \$974,398,506

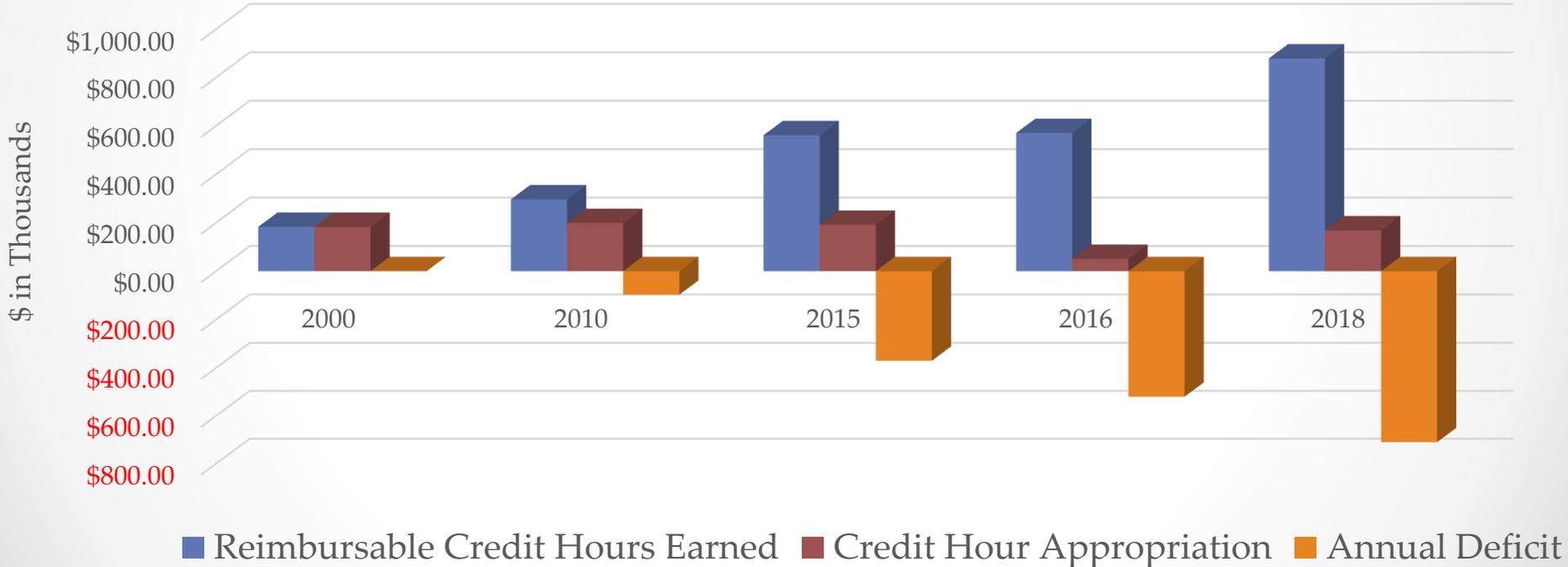
CREDIT HOUR RATES BY COURSE CATEGORY FOR FY2018

	<u>Baccalaureate</u>	<u>Business</u>	<u>Technical</u>	<u>Health</u>	<u>Remedial</u>	<u>ABE/ASE</u>	<u>Averages</u>
State Adjustment	\$ (105.58)	\$ (125.46)	\$ (125.96)	\$ (191.67)	\$ (44.85)	(379.66)	135.96)
Effective Credit Hour Rate	\$ 25.01	\$ 29.73	\$ 29.84	\$ 45.41	\$ 10.63	\$ 89.95	\$ 32.21
Credit Hour Rate	\$ 130.59	\$ 155.19	\$ 155.80	\$ 237.08	\$ 55.48	\$ 469.61	\$ 168.17
Funded Hours	3,578,951.6	371,294.5	647,239.2	442,613.7	498,386.7	255,642.6	5,794,128.3
Total Grants	\$89,525,892.40	\$11,037,496.24	\$19,316,324.75	\$20,099,943.80	\$ 5,296,375.09	\$22,995,479.64	\$ 168,271,511.92

Base Operating Grant Appropriation: \$168,271,500

BASE OPERATING GRANTS HISTORY

Fiscal Year	2000	2010	2015	2016	2018
Reimbursable Credit Hours Earned	\$ 182,826,600.00	\$ 296,289,187.00	\$ 561,367,594.00	\$ 588,278,913.00	\$ 878,525,892.00
Credit Hour Appropriation	\$ 182,826,600.00	\$ 198,746,700.00	\$ 191,271,900.00	\$ 50,445,000.00	\$ 168,271,500.00
Annual Deficit	\$ -	\$ (97,542,487.00)	\$ (370,095,694.00)	\$ (537,833,913.00)	\$ (710,254,392.00)



Source: Illinois Community College Board (ICCB)

EQUALIZATION GRANT

2018 Grant Formula

Based on 2014 and 2015 EAV's (Tax Survey)

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

EQUALIZATION GRANT

1. A local revenue per in-district FTE is calculated for each district
2. A statewide average of revenue per FTE is also calculated (\$4,620 in FY2018)
3. Total needed for Equalization Grant Appropriation is calculated: (\$143.5M in FY18)
4. All colleges below the Statewide average receive funding.

EQUALIZATION GRANT FORMULA

Statewide Average Local Funding per FTE in FY2018: \$4,620

	<u>EAV</u>	<u>FTE's</u>	<u>Funding</u> <u>per FTE</u>	<u>difference</u>	<u>Grant</u>
Highland	\$ 1,656,105,431	1,210	\$ 4,081	\$ (539)	\$ 652,184
Harper	\$ 16,469,952,983	8,118	\$ 5,680	\$ 1,060	\$ -
IL Eastern	\$ 1,385,800,280	3,115	\$ 1,432	\$ (3,188)	\$ 9,930,615
Lake County	\$ 21,861,400,038	8,350	\$ 7,321	\$ 2,701	\$ -
Lake Land	\$ 2,668,022,539	3,423	\$ 2,262	\$ (2,358)	\$ 8,069,472
Rock Valley	\$ <u>5,313,920,076</u>	<u>5,360</u>	\$ <u>3,001</u>	\$ <u>(1,619)</u>	\$ <u>8,674,072</u>
Statewide	\$ 296,416,248,001	186,362	\$ 4,620		\$ 143,455,289

FY2018 Appropriation: \$66,483,500

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

Proration Translated

Traditional Proration -46.34%

Statewide Average Local Funding per FTE in FY2018: \$4,620

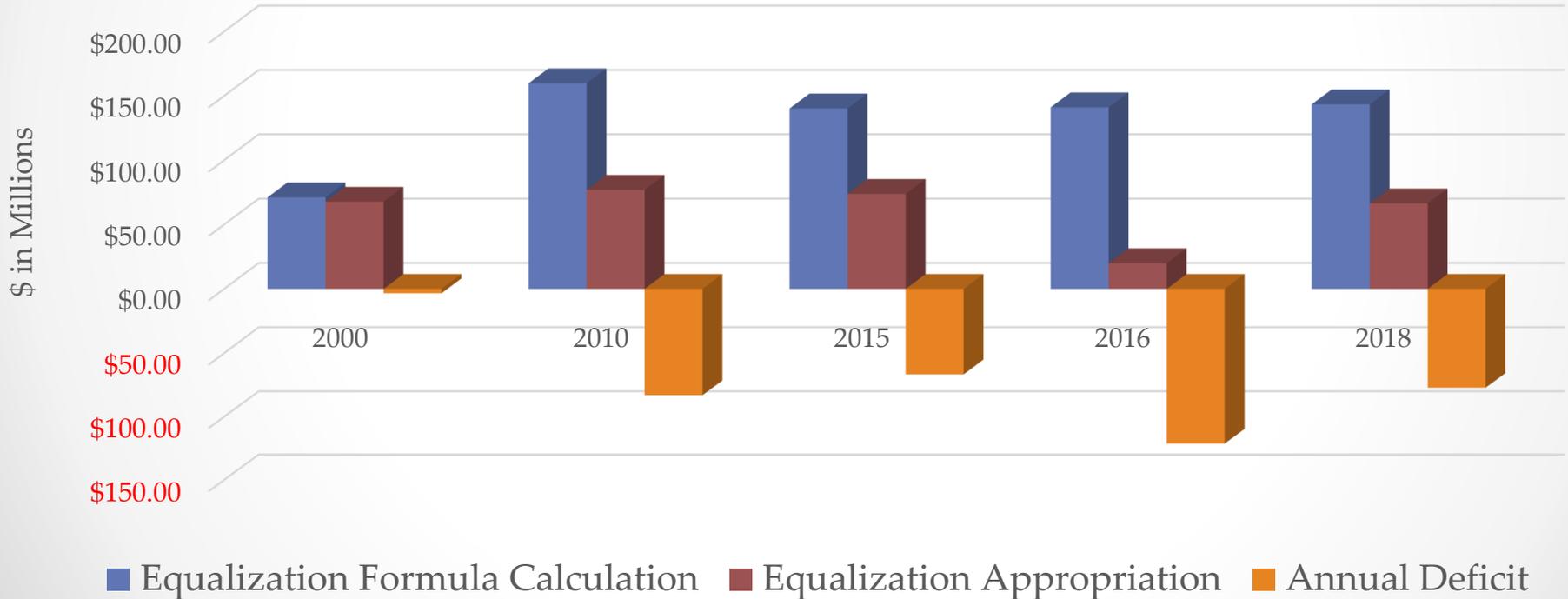
Prorated Statewide Average Local Funding per FTE in FY2018: \$3,629

	<u>FTE's</u>	<u>Funding</u> <u>per FTE</u>	<u>difference</u>	<u>Grant</u>	<u>Traditional</u> <u>Proration</u>	<u>difference</u> <u>per FTE</u>	<u>Prorated</u> <u>Grant</u>
Highland	1,210	\$ 4,081	\$ 539	\$ 652,184	\$ 302,222	\$ 452	\$ 50,000
Harper	8,118	\$ 5,680	\$ (1,060)	\$ -	\$ -	\$ 2,051	\$ -
IL Eastern	3,115	\$ 1,432	\$ 3,188	\$ 9,930,615	\$ 4,601,847	\$ (2,197)	\$ 6,845,930
Lake County	8,350	\$ 7,321	\$ (2,701)	\$ -	\$ -	\$ 3,692	\$ -
Lake Land	3,423	\$ 2,262	\$ 2,358	\$ 8,069,472	\$ 3,739,393	\$ (1,367)	\$ 4,679,320
Rock Valley	<u>5,360</u>	<u>\$ 3,001</u>	<u>\$ 1,619</u>	<u>\$ 8,674,072</u>	<u>\$ 4,019,565</u>	<u>\$ (628)</u>	<u>\$ 3,366,310</u>
Statewide	186,362	\$ 4,620		\$ 143,455,289	\$ 66,483,500	\$ 3,629	\$ 66,483,500

FY2018 Appropriation: \$66,483,500

EQUALIZATION GRANT HISTORY

Fiscal Year	2000	2010	2015	2016	2018
Equalization Formula Calculation	\$ 71,166,169	\$ 159,820,327	\$ 140,291,416	\$ 141,127,882	\$ 143,455,289
Equalization Appropriation	\$ 67,796,100	\$ 76,997,300	\$ 73,871,500	\$ 19,980,000	\$ 66,483,500
Annual Deficit	\$ (3,370,069)	\$ (82,823,027)	\$ (66,419,916)	\$ (121,147,882)	\$ (76,971,789)



Source: Illinois Community College Board (ICCB)

OTHER

UNRESTRICTED GRANTS

- Performance Based Funding

- 6 Metrics

1. Completions
2. Completions For At Risk Students
3. Transfer to 4 Year Institutions
4. Remedial Advancement
5. Momentum Points
6. Transfer to Community Colleges

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). Beginning in fiscal year 2005, districts below 2,000 FTE, below \$850 million equalized assessed valuation(EAV), and qualify for an equalization grant, will 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.

Veterans Grants

RESTRICTED GRANTS

- Adult Education Grants
 - MOE
 - Formula
 - Grant Agreements
 - Restricted Accounts
- Career and Technical Education
 - MOE
 - Formula
 - Grant Agreements
 - Restricted Accounts



Questions?

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