



94TH GENERAL ASSEMBLY

State of Illinois

2005 and 2006

HB5852

Introduced 10/31/06, by Rep. Bill Mitchell

SYNOPSIS AS INTRODUCED:

110 ILCS 805/2-16.02

from Ch. 122, par. 102-16.02

Amends the Public Community College Act. With respect to State grants to community college districts, provides that, beginning with the 2008 fiscal year, if the base operating grant amount that a community college district (other than the City Colleges of Chicago) receives from current fiscal year appropriations is less than the base operating grant amount that the district received from the previous fiscal year's appropriations, then the Illinois Community College Board shall make a supplemental payment to the district on or before June 30 of the current fiscal year in an amount equal to the difference between the base operating grant amount that the district received from current fiscal year appropriations and the base operating grant amount received from the previous fiscal year's appropriations. Also provides for supplemental payments on or before June 30, 2007 for base operating grants received from fiscal year 2006 and 2007 appropriations. Effective immediately.

LRB094 21816 NHT 60260 b

FISCAL NOTE ACT
MAY APPLY

1 AN ACT concerning education.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Public Community College Act is amended by
5 changing Section 2-16.02 as follows:

6 (110 ILCS 805/2-16.02) (from Ch. 122, par. 102-16.02)

7 Sec. 2-16.02. Grants. Any community college district that
8 maintains a community college recognized by the State Board
9 shall receive, when eligible, grants enumerated in this
10 Section. Funded semester credit hours or other measures or both
11 as specified by the State Board shall be used to distribute
12 grants to community colleges. Funded semester credit hours
13 shall be defined, for purposes of this Section, as the greater
14 of (1) the number of semester credit hours, or equivalent, in
15 all funded instructional categories of students who have been
16 certified as being in attendance at midterm during the
17 respective terms of the base fiscal year or (2) the average of
18 semester credit hours, or equivalent, in all funded
19 instructional categories of students who have been certified as
20 being in attendance at midterm during the respective terms of
21 the base fiscal year and the 2 prior fiscal years. For purposes
22 of this Section, "base fiscal year" means the fiscal year 2
23 years prior to the fiscal year for which the grants are
24 appropriated. Such students shall have been residents of
25 Illinois and shall have been enrolled in courses that are part
26 of instructional program categories approved by the State Board
27 and that are applicable toward an associate degree or
28 certificate. Courses that are eligible for reimbursement are
29 those courses for which the district pays 50% or more of the
30 program costs from unrestricted revenue sources, with the
31 exception of courses offered by contract with the Department of
32 Corrections in correctional institutions. For the purposes of

1 this Section, "unrestricted revenue sources" means those
2 revenues in which the provider of the revenue imposes no
3 financial limitations upon the district as it relates to the
4 expenditure of the funds.

5 Base operating grants shall be paid based on rates per
6 funded semester credit hour or equivalent calculated by the
7 State Board for funded instructional categories using cost of
8 instruction, enrollment, inflation, and other relevant
9 factors. A portion of the base operating grant shall be
10 allocated on the basis of non-residential gross square footage
11 of space maintained by the district. If the base operating
12 grant amount that a community college district (other than a
13 district to which Article VII of this Act applies) received
14 from fiscal year 2006 appropriations is less than the base
15 operating grant amount that the district received from fiscal
16 year 2005 appropriations, then the State Board shall make a
17 supplemental payment to the district on or before June 30, 2007
18 in an amount equal to the difference between the base operating
19 grant amount that the district received from fiscal year 2006
20 appropriations and the base operating grant amount received
21 from fiscal year 2005 appropriations. If the base operating
22 grant amount that a community college district (other than a
23 district to which Article VII of this Act applies) received
24 from fiscal year 2007 appropriations is less than the base
25 operating grant amount that the district received from fiscal
26 year 2006 appropriations, then the State Board shall make a
27 supplemental payment to the district on or before June 30, 2007
28 in an amount equal to the difference between the base operating
29 grant amount that the district received from fiscal year 2007
30 appropriations and the base operating grant amount received
31 from fiscal year 2006 appropriations. Beginning with the 2008
32 fiscal year, if the base operating grant amount that a
33 community college district (other than a district to which
34 Article VII of this Act applies) receives from current fiscal
35 year appropriations is less than the base operating grant
36 amount that the district received from the previous fiscal

1 year's appropriations, then the State Board shall make a
2 supplemental payment to the district on or before June 30 of
3 the current fiscal year in an amount equal to the difference
4 between the base operating grant amount that the district
5 received from current fiscal year appropriations and the base
6 operating grant amount received from the previous fiscal year's
7 appropriations.

8 Equalization grants shall be calculated by the State Board
9 by determining a local revenue factor for each district by: (A)
10 adding (1) each district's Corporate Personal Property
11 Replacement Fund allocations from the base fiscal year or the
12 average of the base fiscal year and prior year, whichever is
13 less, divided by the applicable statewide average tax rate to
14 (2) the district's most recently audited year's equalized
15 assessed valuation or the average of the most recently audited
16 year and prior year, whichever is less, (B) then dividing by
17 the district's audited full-time equivalent resident students
18 for the base fiscal year or the average for the base fiscal
19 year and the 2 prior fiscal years, whichever is greater, and
20 (C) then multiplying by the applicable statewide average tax
21 rate. The State Board shall calculate a statewide weighted
22 average threshold by applying the same methodology to the
23 totals of all districts' Corporate Personal Property Tax
24 Replacement Fund allocations, equalized assessed valuations,
25 and audited full-time equivalent district resident students
26 and multiplying by the applicable statewide average tax rate.
27 The difference between the statewide weighted average
28 threshold and the local revenue factor, multiplied by the
29 number of full-time equivalent resident students, shall
30 determine the amount of equalization funding that each district
31 is eligible to receive. A percentage factor, as determined by
32 the State Board, may be applied to the statewide threshold as a
33 method for allocating equalization funding. A minimum
34 equalization grant of an amount per district as determined by
35 the State Board shall be established for any community college
36 district which qualifies for an equalization grant based upon

1 the preceding criteria, but becomes ineligible for
2 equalization funding, or would have received a grant of less
3 than the minimum equalization grant, due to threshold
4 prorations applied to reduce equalization funding. As of July
5 1, 2004, a community college district must maintain a minimum
6 required combined in-district tuition and universal fee rate
7 per semester credit hour equal to 85% of the State-average
8 combined rate, as determined by the State Board, for
9 equalization funding. As of July 1, 2004, a community college
10 district must maintain a minimum required operating tax rate
11 equal to at least 95% of its maximum authorized tax rate to
12 qualify for equalization funding. This 95% minimum tax rate
13 requirement shall be based upon the maximum operating tax rate
14 as limited by the Property Tax Extension Limitation Law.

15 The State Board shall distribute such other grants as may
16 be authorized or appropriated by the General Assembly.

17 Each community college district entitled to State grants
18 under this Section must submit a report of its enrollment to
19 the State Board not later than 30 days following the end of
20 each semester, quarter, or term in a format prescribed by the
21 State Board. These semester credit hours, or equivalent, shall
22 be certified by each district on forms provided by the State
23 Board. Each district's certified semester credit hours, or
24 equivalent, are subject to audit pursuant to Section 3-22.1.

25 The State Board shall certify, prepare, and submit to the
26 State Comptroller during August, November, February, and May of
27 each fiscal year vouchers setting forth an amount equal to 25%
28 of the grants approved by the State Board for base operating
29 grants and equalization grants. The State Board shall prepare
30 and submit to the State Comptroller vouchers for payments of
31 other grants as appropriated by the General Assembly. If the
32 amount appropriated for grants is different from the amount
33 provided for such grants under this Act, the grants shall be
34 proportionately reduced or increased accordingly.

35 For the purposes of this Section, "resident student" means
36 a student in a community college district who maintains

1 residency in that district or meets other residency definitions
2 established by the State Board, and who was enrolled either in
3 one of the approved instructional program categories in that
4 district, or in another community college district to which the
5 resident's district is paying tuition under Section 6-2 or with
6 which the resident's district has entered into a cooperative
7 agreement in lieu of such tuition.

8 For the purposes of this Section, a "full-time equivalent"
9 student is equal to 30 semester credit hours.

10 The Illinois Community College Board Contracts and Grants
11 Fund is hereby created in the State Treasury. Items of income
12 to this fund shall include any grants, awards, endowments, or
13 like proceeds, and where appropriate, other funds made
14 available through contracts with governmental, public, and
15 private agencies or persons. The General Assembly shall from
16 time to time make appropriations payable from such fund for the
17 support, improvement, and expenses of the State Board and
18 Illinois community college districts.

19 (Source: P.A. 93-21, eff. 7-1-03.)

20 Section 99. Effective date. This Act takes effect upon
21 becoming law.