

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

1 appropriated. Such students shall have been residents of  
2 Illinois and shall have been enrolled in courses that are part  
3 of instructional program categories approved by the State Board  
4 and that are applicable toward an associate degree or  
5 certificate. Courses that are eligible for reimbursement are  
6 those courses for which the district pays 50% or more of the  
7 program costs from unrestricted revenue sources, with the  
8 exception of courses offered by contract with the Department of  
9 Corrections in correctional institutions. For the purposes of  
10 this Section, "unrestricted revenue sources" means those  
11 revenues in which the provider of the revenue imposes no  
12 financial limitations upon the district as it relates to the  
13 expenditure of the funds. Except for Fiscal Year 2012, base  
14 operating grants shall be paid based on rates per funded  
15 semester credit hour or equivalent calculated by the State  
16 Board for funded instructional categories using cost of  
17 instruction, enrollment, inflation, and other relevant  
18 factors. For Fiscal Year 2012, the allocations for base  
19 operating grants to community college districts shall be the  
20 same as they were in Fiscal Year 2011, reduced or increased  
21 proportionately according to the appropriation for base  
22 operating grants for Fiscal Year 2012. ~~A portion of the base~~  
23 ~~operating grant shall be allocated on the basis of~~  
24 ~~non-residential gross square footage of space maintained by the~~  
25 ~~district.~~

26 Equalization grants shall be calculated by the State Board

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

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

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

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

1           The State Board shall certify, prepare, and submit monthly  
2 vouchers to the State Comptroller setting forth an amount equal  
3 to one-twelfth of the grants approved by the State Board for  
4 base operating grants and equalization grants. The State Board  
5 shall prepare and submit to the State Comptroller vouchers for  
6 payments of other grants as appropriated by the General  
7 Assembly. If the amount appropriated for grants is different  
8 from the amount provided for such grants under this Act, the  
9 grants shall be proportionately reduced or increased  
10 accordingly.

11           For the purposes of this Section, "resident student" means  
12 a student in a community college district who maintains  
13 residency in that district or meets other residency definitions  
14 established by the State Board, and who was enrolled either in  
15 one of the approved instructional program categories in that  
16 district, or in another community college district to which the  
17 resident's district is paying tuition under Section 6-2 or with  
18 which the resident's district has entered into a cooperative  
19 agreement in lieu of such tuition.

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

22           The Illinois Community College Board Contracts and Grants  
23 Fund is hereby created in the State Treasury. Items of income  
24 to this fund shall include any grants, awards, endowments, or  
25 like proceeds, and where appropriate, other funds made  
26 available through contracts with governmental, public, and

1 private agencies or persons. The General Assembly shall from  
2 time to time make appropriations payable from such fund for the  
3 support, improvement, and expenses of the State Board and  
4 Illinois community college districts.

5 (Source: P.A. 96-911, eff. 7-1-10; 97-72, eff. 7-1-11.)

6 Section 99. Effective date. This Act takes effect upon  
7 becoming law.