

AN ACT concerning education.

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

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

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

Sec. 2-16.02. Grants. Any community college district that maintains a community college recognized by the State Board shall receive, when eligible, grants enumerated in this Section. Funded semester credit hours or other measures or both as specified by the State Board shall be used to distribute grants to community colleges. Funded semester credit hours shall be defined, for purposes of this Section, as the greater of (1) the number of semester credit hours, or equivalent, in all funded instructional categories of students who have been certified as being in attendance at midterm during the respective terms of the base fiscal year or (2) the average of semester credit hours, or equivalent, in all funded instructional categories of students who have been certified as being in attendance at midterm during the respective terms of the base fiscal year and the 2 prior fiscal years. For purposes of this Section, "base fiscal year" means the fiscal year 2 years prior to the fiscal year for which the grants are

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

Equalization grants shall be calculated by the State Board

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

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

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

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

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

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

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

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

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

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

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