

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. Base operating grants shall be paid
14 based on rates per funded semester credit hour or equivalent
15 calculated by the State Board for funded instructional
16 categories using cost of instruction, enrollment, inflation,
17 and other relevant factors. A portion of the base operating
18 grant shall be allocated on the basis of non-residential gross
19 square footage of space maintained by the district.

20 Equalization grants shall be calculated by the State Board
21 by determining a local revenue factor for each district by: (A)
22 adding (1) each district's Corporate Personal Property
23 Replacement Fund allocations from the base fiscal year or the
24 average of the base fiscal year and prior year, whichever is
25 less, divided by the applicable statewide average tax rate to
26 (2) the district's most recently audited year's equalized

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

1 1, 2011 ~~2004~~, a community college district must maintain a
2 minimum required combined in-district tuition and universal
3 fee rate per semester credit hour equal to 70% ~~85%~~ of the
4 State-average combined rate, as determined by the State Board,
5 or the total revenue received by the community college district
6 from combined in-district tuition and universal fees must be at
7 least 30% of the total revenue received by the community
8 college district, 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

1 each fiscal year vouchers setting forth an amount equal to 25%
2 of the grants approved by the State Board for base operating
3 grants and equalization grants. The State Board shall prepare
4 and submit to the State Comptroller vouchers for payments of
5 other grants as appropriated by the General Assembly. If the
6 amount appropriated for grants is different from the amount
7 provided for such grants under this Act, the grants shall be
8 proportionately reduced or increased accordingly.

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

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

20 The Illinois Community College Board Contracts and Grants
21 Fund is hereby created in the State Treasury. Items of income
22 to this fund shall include any grants, awards, endowments, or
23 like proceeds, and where appropriate, other funds made
24 available through contracts with governmental, public, and
25 private agencies or persons. The General Assembly shall from
26 time to time make appropriations payable from such fund for the

1 support, improvement, and expenses of the State Board and
2 Illinois community college districts.

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

4 Section 99. Effective date. This Act takes effect July 1,
5 2010.