



ICCCFO Fall Conference ICCB Updates

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System Funding Working Group Overview

- Authorized by ICCB 6/7/2024
- Members include key community college stakeholders
- Subcommittees:
 - Adequacy Subcommittee
 - Equity Subcommittee
- Purpose – develop recommendations aimed at improving adequacy and equity of funding in community colleges
- Report to Board due March 31, 2025

System Funding Working Group Overview

Advance Illinois

Blackhawk College

City Colleges of Chicago

College of DuPage

College of Lake County

Danville Area Community College

Elgin Community College

Heartland Community College

Highland Community College

Illinois Community College Board

Illinois Community College Trustees Association

Illinois Council of Community College Presidents

Illinois Eastern Community Colleges

Illinois Valley Community College

John Wood Community College

Joliet Junior College

Kankakee Community College

Lake Land College

Latino Policy Forum

Lewis & Clark Community College

Lincoln Land Community College

McHenry County College

Moraine Valley Community College

Morton College

Office of Community College Research and Leadership

Parkland Community College

Partnership for College Completion

Rend Lake College

Rock Valley College

South Suburban College

Southwestern Illinois College

Spoon River College

William Rainey Harper College

Women Employed



System Funding Working Group Overview



Working Group Meetings Schedule:

August 8, 2024; Springfield Illinois

September 13, 2024; Springfield Illinois

November 15, 2024; Shaumburg Illinois

January 23, 2025; TBD



Subcommittees Meeting Schedule:

August 30, 2024; Virtual

October 11, 2024; Virtual

November 1, 2024; Virtual

December 4, 2024; Virtual

Illinois
Community
College System
Timeline of
Major
Milestones

1964

Illinois Board of Higher Education (IBHE) Master Plan recommended funding structure.

1965

General Assembly established the community college system. Funding was a reimbursement of the unit cost of instruction.

1969-70

IBHE Advisory Committee on Financing Community Colleges conducted the first major review of the funding model.

1974

IBHE established the “Blue Ribbon” Committee to conduct the second major review.

1978-79

IBHE commissioned the third major review of the funding model.

1995

The Presidents’ Council Funding Task Force released *Operational Funding of Community Colleges in Illinois: A New Look*.

1996

ICCB formed the System Funding Task Force (SFTF), which released *Report of the System Funding Task Force*.

1997

ICCB published a draft version of the *Report of the Advisory Committee on Performance-Based Funding*.

1998

ICCB revised and published the *Report on the Advisory Committee on a Performance-Based Incentive System*.

Illinois
Community
College System
Timeline of
Major
Milestones

- 2001** ICCB formed SFTF to review the funding formula and make recommendations for changes.
- 2002** The Community College Funding Study Task Force released the *Illinois Community College Funding Study Task Force Report*.
- 2006** House Joint Resolution 122 (94th General Assembly) created the Joint Task Force on Community Colleges to study preparation for future expanded roles and demands. *Final Report of the Illinois General Assembly Joint Task Force on Community Colleges* was released in December 2006.
- 2009** Senate Resolution 303 (96th General Assembly) created a Task Force to review the system and make recommendations to the Senate pertaining to whether the community college system is adequately funded. The Task Force's report was due December 31, 2009.
- 2009** Senate Resolution 434 (96th General Assembly) extended the deadline to submit the report to December 31, 2010.
- 2010** IBHE, in consultation with the ICCB and the Illinois Student Assistance Commission, released *A Report on the Efficiency and Sustainability of the Monetary Award Program*.

Illinois
Community
College System
Timeline of
Major
Milestones

2010

Senate Joint Resolution 88 convened the Higher Education Finance Study Commission to evaluate budgeting practices and to align with the goals of the *Illinois Public Agenda for College and Career Success*.

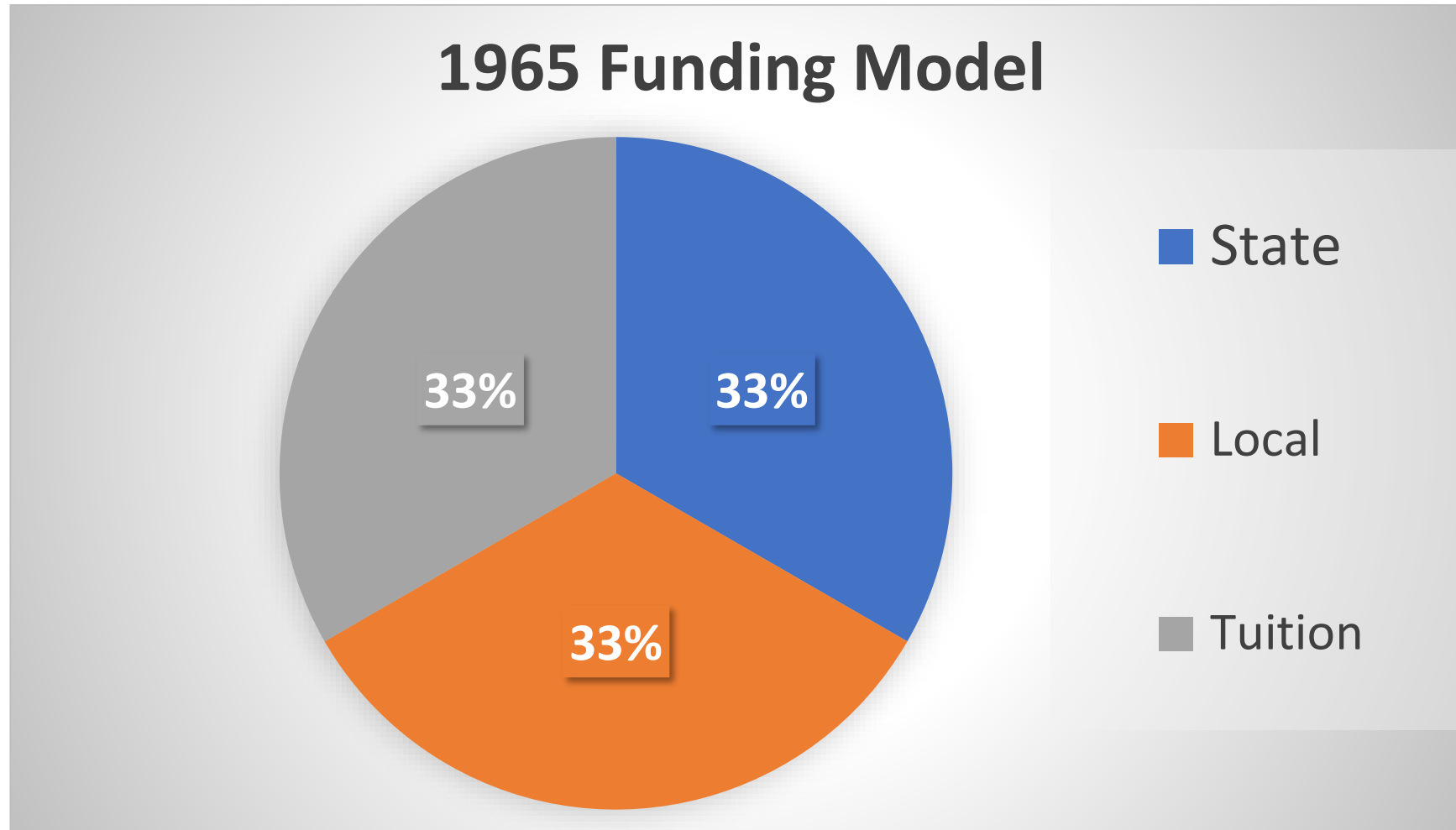
2011

Public Act 97-320 was signed into law, which directed IBHE, to form a broad-based group to devise a system for allocating State resources to public institutions of higher education based upon performance in achieving state goals related to student success and certificate and degree completion.

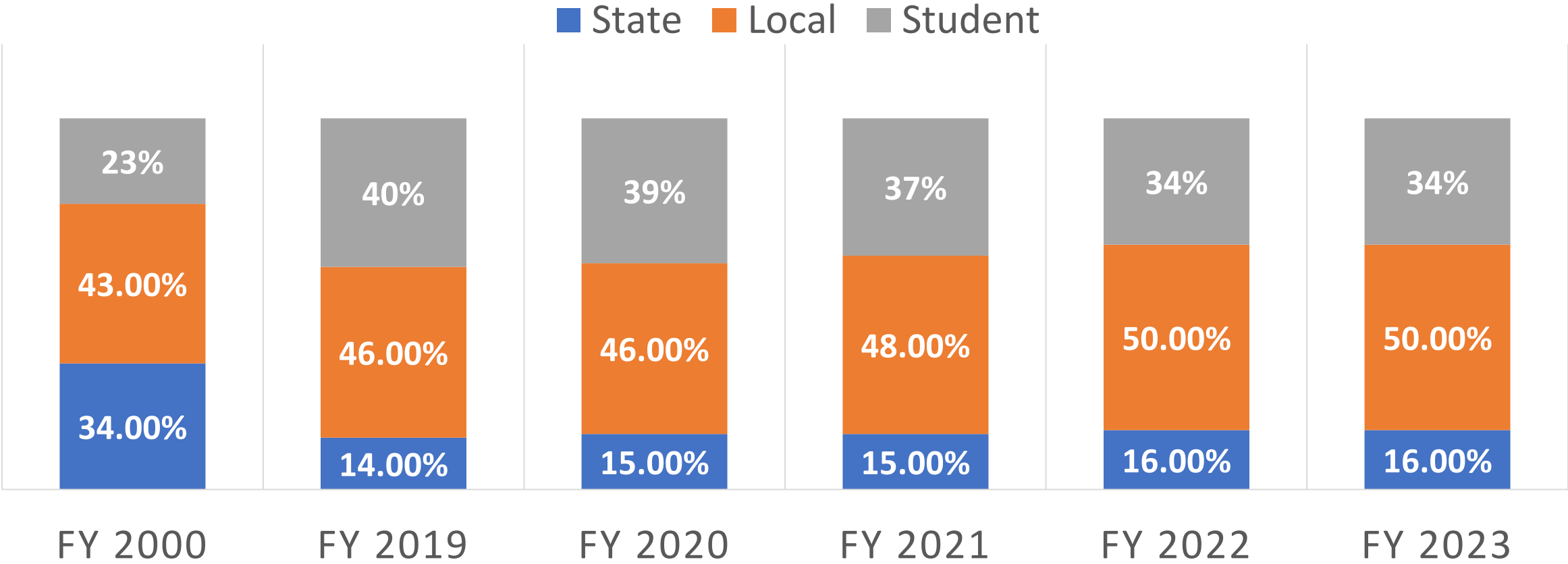
2012

Performance-based funding was legislated by the Illinois General Assembly in June, which required public higher education institutions to have a performance funding component in their budget annually starting in FY 2013.

Original Funding Model



Actual Funding Model



Unrestricted System Funding

\$206.2 M

**Base
Operating**

Cost x Credit Hours

\$81.6 M

Equalization

Revenue per FTE

\$0.5 M

**Small
Colleges**

< 2,500 FTE

\$0.3 M

**Performance
Based
Funding**

**6 Performance
Metrics**

Working Group 8/08/24 Summary

- Working group overview and objectives
- Funding level setting
- Overview of ICCB whitepaper published July 2024
- Presentation on defining adequacy and equity in Illinois' proposed university funding model
- Considerations for subcommittees
 - Highlighting funding principles that should be prioritized
 - Compiling information including performance funding metrics, list of restricted grant funding, and list of unfunded mandates for community colleges

Working Group 9/13/24 Summary

- Recap the work of the subcommittees to date
- Solidify definitions of adequate and equitable funding
- Presentation of research base for defining “Adequacy”
- Presentation of high-level overview of student landscape
- Identify focus areas for the subcommittees and larger working group
- Begin discussing the foundational principles to lead the group’s work

Working Group Focus Areas

1. Recognize fixed costs across institutions regardless of size, tax base, and ability to levy
2. Fund institutions for serving underrepresented populations
3. Fund program improvement, new program creation, etc.
4. Ensure students attain credentials of value
5. Identify funding mechanisms beyond the traditional credit hour
6. Invest in strategies that improve student access, affordability, and outcomes
7. Account for students' basic and educational needs
8. Fund high-need, high-cost courses/programs differentially

Working Group Additional Considerations

- Review of fully funded formulas
- Concept of 1/3 funding model relevance
- General baseline allocations
- Accounting for student outcomes
- Impact of Non-Credit and Adult Education
- Prioritization of deferred maintenance

Uniform Guidance Key Updates

Federal Office of Management and Budget (OMB) published updates to the Uniform Grants Guidance (2 CFR 200) on April 22, 2024.

- New regulations - effective as of 10/1/2024 (for awards beginning after 10/1/24).
- Amendments after 10/1/24 - 2024 Revisions can be applied to existing awards (unless the amendment is merely a no cost extension).

Uniform Guidance Key Updates

- Revisions would only apply after the effective date of the amendment.
- If a federal pass-through award to a state agency is amended to apply the 2024 Revisions - then the state agency would apply the 2024 Revisions to subawards as well. (There may be exceptions.)
- If a federal pass-through award is not amended for the 2024 Revisions - then the 2024 Revisions are not applied to subawards even if issued after 10/1/24.

Uniform Guidance Key Updates

Indirect Costs & New De Minimis Rate

- Effective 10/1/24 De Minimis Rate 15%
- Federal pass-through awards – federal agency dictates whether updated 15% rate may be used for awards made prior to 10/1/24.
- State funded awards – New rate applies for awards made after 10/1/24 (state agencies may allow change to 15% for existing awards).

Uniform Guidance Key Updates

Indirect Costs & New De Minimis Rate

- New De Minimis Rate – only applies to expenditures beginning 10/1/24.
- NICRA negotiated prior to 10/1/24 – must be honored by both federal agencies and recipients.
- NICRA may be renegotiated (amended agreements) to reflect new MTDC base.

Uniform Guidance Key Updates

Indirect Costs & New De Minimis Rate

- Equipment – capitalization threshold increased from \$5,000 to \$10,000.
- Modified Total Direct Costs - may include up to \$50,000 (previously \$25,000) of each subaward.
- Increased threshold from \$5,000 to \$10,000 regarding remitting unused supplies. (200.314(a))

Uniform Guidance Key Updates

Single Audit

- Revisions to Subpart F – Audit requirements, whose effective date is for fiscal years beginning on or after Oct. 1, 2024.
- Increase the audit threshold from \$750,000 to \$1,000,000.
- Federal agencies may elect to implement the 2024 Revisions as early as June 21, 2024 for existing awards.

Financial Compliance Reminders

District Budget;
Amended Budget
within 30 days of
adoption

15 Oct. 24

UFS & Instructional
Cost Report or
extension request

30 Dec. 24

Notice of F/S
Publication filed
with ICCB

15 Jan. 25

30 Dec. 24

Annual external
college audit or
extension request

31 Dec. 24

Publication of
Financial
Statements

31 Jan. 25

Certificate of Tax
Levy