

**APPROVED**  
**JANUARY 5, 2017**

Item #II-1  
January 5, 2017

**FISCAL YEAR 2017 SUPPLEMENTAL ALLOCATION OF  
FINANCIAL SUPPORT FOR ESSENTIAL OPERATIONS**

**Submitted for:** Action.

**Summary:** This item requests approval for the remaining Fiscal Year 2017 Allocation of Financial Support for Essential Operations.

On June 30, 2016, Governor Rauner signed into law Public Act 99-0524 a Stop-Gap measure allocating a lump sum of \$20 million from the General Revenue Fund to the Illinois Board of Higher Education (IBHE) for payment to public universities and community colleges. The appropriation language provides for financial support for essential operations. Furthermore, Public Act 99-0523 amends the Board of Higher Education Act to impose requirements to include in its review of determining eligibility for allocation of funds.

On November 23, 2016, the Board of Higher Education approved \$17 million of financial support to the following institutions: Chicago State University (\$3,020,100), Eastern Illinois University (\$5,582,000), and Western Illinois University (\$8,397,900). The remaining \$3 million was set aside for eligible community colleges as determined by the Illinois Community College Board (ICCB).

On December 7, 2016 the ICCB held a special meeting approving of the formula for distribution to qualifying community colleges. Earlier, on September 16, 2016 the ICCB adopted a resolution declaring a “state of financial emergency” for the entire Community Colleges Systems “due to the drastic loss of State revenue over the last two years.”

On December 13, 2016 the IBHE received an update on recent ICCB proceedings indicating that the ICCB had authorized the ICCB Executive Director to provide the IBHE with a listing of recommended allocations to eligible community colleges for funding under Public Act 99-0523, Public Act 99-0524 and Section 9.35 of the Board of Higher Education Act. Chair Cross indicated a special meeting or executive committee meeting may need to occur in the near future in order to effect approval of the allocation to the ICCB for disbursement to the community colleges.

**Action Requested:** That the Executive Committee, on behalf of the Illinois Board of Higher Education, approve an allocation of \$3.0 million to the Illinois Community College Board for distribution to those community colleges meeting the selection criteria established by the ICCB for funding under

Public Act 99-0523, Public Act 99-0524 and Section 9.35 of the Board of Higher Education Act.

STATE OF ILLINOIS  
EXECUTIVE COMMITTEE FOR THE  
BOARD OF HIGHER EDUCATION

**FISCAL YEAR 2017 SUPPLEMENTAL ALLOCATION OF  
FINANCIAL SUPPORT FOR ESSENTIAL OPERATIONS**

**Background**

On June 30, 2016, Governor Rauner signed into law Public Act 99-0524 a Stop-Gap funding measure allocating a lump sum of \$20 million to the Illinois Board of Higher Education (IBHE) for Fiscal Year 2017. This appropriation authority shall be used for costs incurred through December 31, 2016.<sup>1</sup> Specifically, it provides:

*“For payment to public universities and community colleges to provide for financial support for essential operations as determined by the Board in accordance with Section 9.35 of the Board of Higher Education Act”.*<sup>2</sup>

Enabling provisions included in the Budget Implementation Bill (BIMP) amends the Board of Higher Education Act to provide:

*“In fiscal year 2017 the Board, in consultation with the Illinois Community College Board, shall conduct a review to determine the existence of a financial emergency at a public institution of higher education that requires financial assistance from the Board, but only after the institution's governing board has formally requested the review by adopting a resolution stating that the institution is in a state of financial emergency that requires financial assistance from the Board. To be in a state of financial emergency, the institution must demonstrate that it is significantly diminishing all available resources and must satisfy any other factors determined appropriate by the Board. Subject to appropriation, payments shall be made to institutions in a state of financial emergency, in such amounts as shall be deemed necessary by the Board, in order to minimize, to the extent practicable, adverse impacts to students as a consequence of emergent staff or programmatic reduction.”*

The new law further provides the definition of *“financial emergency”* to mean *“a situation that requires a reduction or reallocation of staff and expenditures and the consequent reduction, reorganization, or termination of programs and activities that cannot be achieved through normal academic, administrative, budgetary, and personnel processes.”*<sup>3</sup>

On November 23, 2016, the Board of Higher Education approved \$17 million of financial support to the following institutions: Chicago State University (\$3,020,100), Eastern Illinois

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<sup>1</sup> Article 998, Section 1 & Article 149, Section 15, Public Act 99-524

<sup>2</sup> Article 149, Section 10, Public Act 99-0524.

<sup>3</sup> Article 5, Section 5-40, Public Act 99-0523, Section 9.35 (new) of The Board of Higher Education Act

University (\$5,582,000), and Western Illinois University (\$8,397,900). The remaining \$3 million was set aside for eligible community colleges as determined by the Illinois Community College Board.

On December 7, 2016 the Illinois Community College Board held a special meeting and to adopt the selection criteria and formula for distribution of the \$3,000,000 allotment set aside by the IBHE in its resolution adopted on November 23, 2016. Earlier, on September 16, 2016 the ICCB adopted a resolution declaring a “state of financial emergency” for the entire Community Colleges Systems “due to the drastic loss of State revenue over the last two years.”

On December 13, 2016 the IBHE received an update indicating that the ICCB had authorized the ICCB Executive Director to provide the IBHE with a listing of recommended allocations to eligible community colleges for funding under Public Act 99-0523, Public Act 99-0524 and Section 9.35 of the Board of Higher Education Act. Chair Cross indicated a special meeting or executive committee meeting may need to occur in the near future in order to effect approval of the allocation to the ICCB for disbursement to the community colleges.

**Recommendations**

The IBHE staff recommends adoption of the following resolution:

*The Executive Committee, on behalf of the Illinois Board of Higher Education (IBHE), hereby resolves:*

*That on September 16, 2016 the Illinois Community College Board (ICCB) adopted a resolution declaring a “state of financial emergency” for the entire Community Colleges Systems “due to the drastic loss of State revenue over the last two years” which satisfies the requirements of Section 9.35 of Board of Higher Education Act.*

*That on December 7, 2016 the ICCB held a special meeting and to adopt the selection criteria and formula for distribution of the \$3,000,000 allotment set aside by the IBHE in its resolution adopted on November 23, 2016.*

*That on December 13, 2016, ICCB updated the IBHE and provided copies of the resolutions adopted on September 16 and December 7, 2016.*

*That on December 28, 2016, the Executive Director of ICCB informed the Executive Director of IBHE of the ICCB’s final determination of eligible community colleges to be awarded financial support for essential operations with the following allocations:*

<i>Illinois Eastern Community Colleges</i>	<i>\$ 428,571.42</i>
<i>Kaskaskia College</i>	<i>428,571.42</i>
<i>Lake Land College</i>	<i>428,571.42</i>
<i>John A. Logan College</i>	<i>428,571.42</i>
<i>Rend Lake College</i>	<i>428,571.42</i>
<i>Shawnee Community College</i>	<i>428,571.42</i>
<i>Southeastern Community College</i>	<i>428,571.42</i>
<i>Total</i>	<i>\$ 2,999,999.94</i>

*That the Executive Committee, on behalf of the Illinois Board of Higher Education, approves the allocation of \$3.0 million to the Illinois Community College Board for distribution to those community colleges specified above as meeting the selection criteria established by the ICCB for funding under Public Act 99-0523, Public Act 99-0524 and Section 9.35 of the Board of Higher Education Act.*

