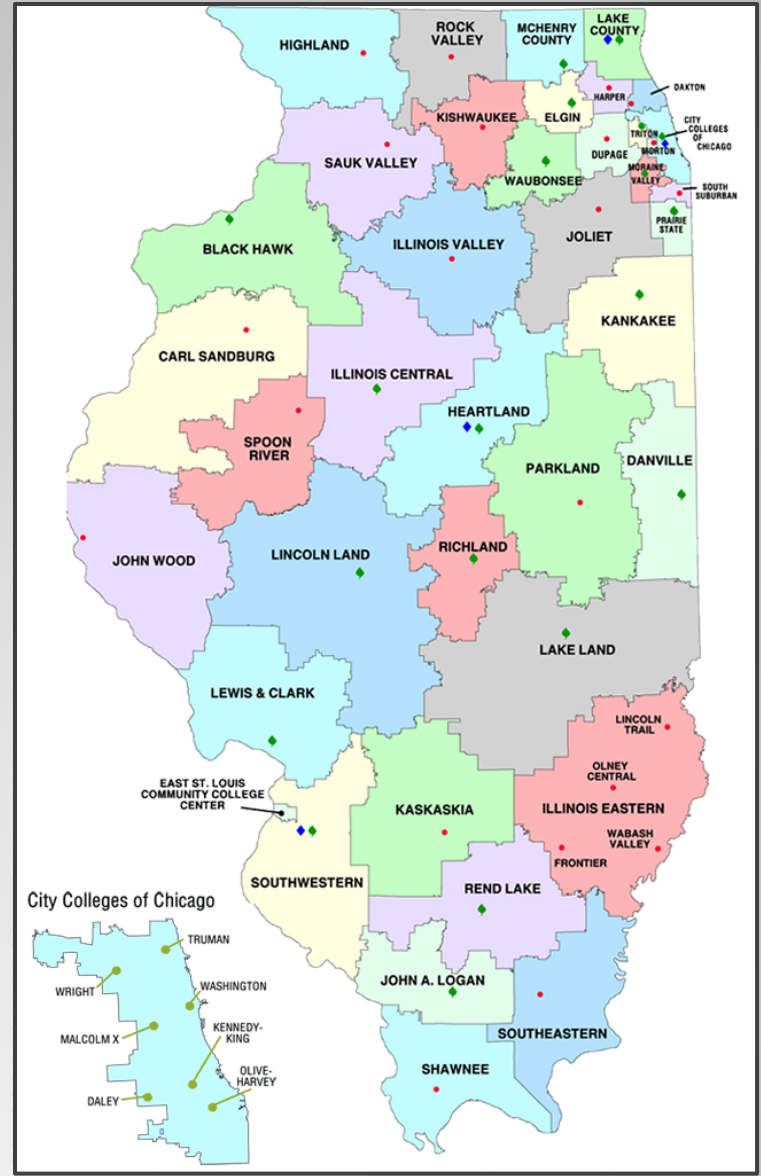


# FISCAL YEAR 2016 BUDGET

## STATE OF ILLINOIS AND ILLINOIS COMMUNITY COLLEGE SYSTEM

# WTF



WTF

We're  
Talkin' Funding

# THE STATE BUDGET

## THREE MAJOR ISSUES TODAY:

1. FY2015 Estimated Revenues-funding to finish current fiscal year
2. Backlog of Unpaid bills
3. FY2016 Revenue Estimates and Spending

# FISCAL YEAR 2015 REVENUES: ESTIMATED VS ACTUAL

March, 2014 HJR 80

▶ GRF = \$34.495

+\$857 M

May, 2014 HJR 100

▶ GRF = \$35.352 B

- Personal Income Tax: + \$197 M
- Public Utility Tax: + \$10 M
- Inter-fund Loans: + \$650 M

# FISCAL YEAR 2015 REVENUES: ESTIMATED VS ACTUAL, MARCH 2015

- ▶ Taxes: Sales, personal, corporate **\$-50M**
- ▶ Inter-fund Borrowing: **\$-650M**
- ▶ Other Sources (Inheritance, use tax..): **\$+235M**
- ▶ Federal Sources: **\$-597M**
  
- ▶ FY2015 Revised Revenue Estimates: **\$-1,062M**
- ▶ FY2015 Underfunding of Programs: **\$ -556M**  
(corrections, child care, and mental health...)

**Fiscal Year 2015 Budget Deficit: \$-1.618B**



# BACKLOG OF UNPAID BILLS

As of June 2, 2015:

**\$ 2,785,531,488.03**

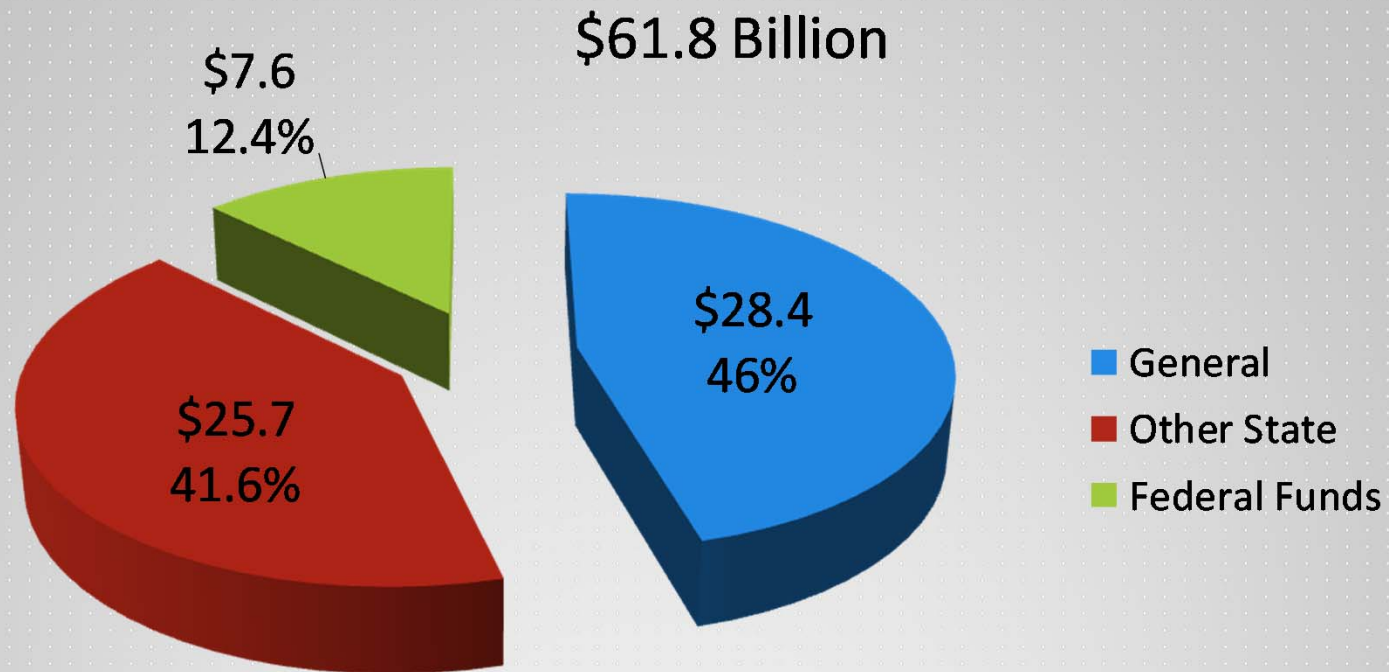
**47,668** BACKLOGGED BILLS

# THE BUDGET

## THREE MAJOR ISSUES TODAY:

- ✓1. FY2015 Estimated Revenues-funding to finish current fiscal year **\$-1.6B**
- ✓2. Backlog of Unpaid bills **\$-2.7B**
3. FY2016 Revenue Estimates and Spending

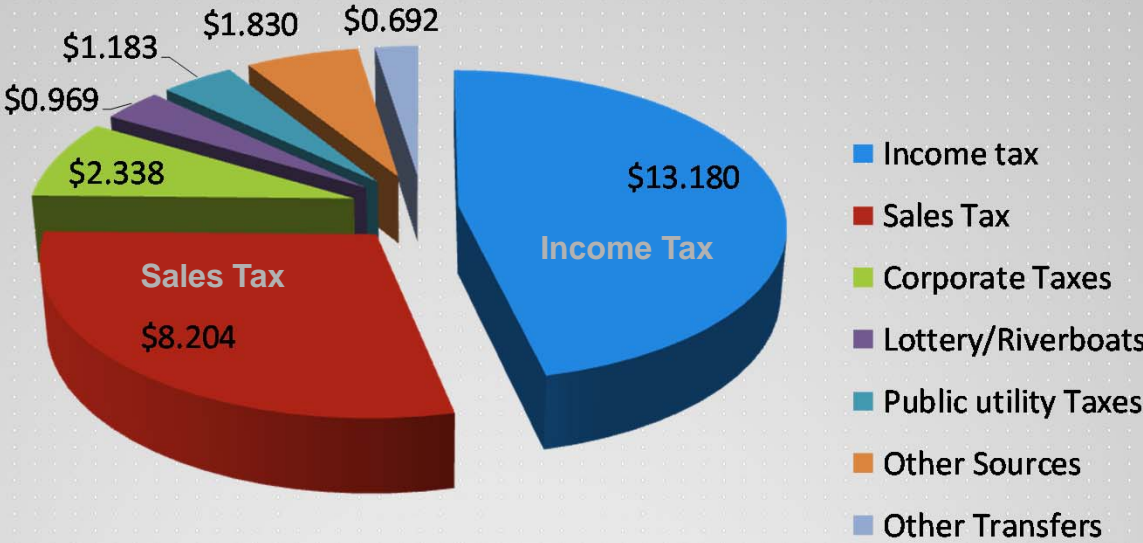
# FISCAL YEAR 2016 STATE OF ILLINOIS BUDGET GOVERNOR'S RECOMMENDATION



Source: FY2016 Budget Book, 2/2015



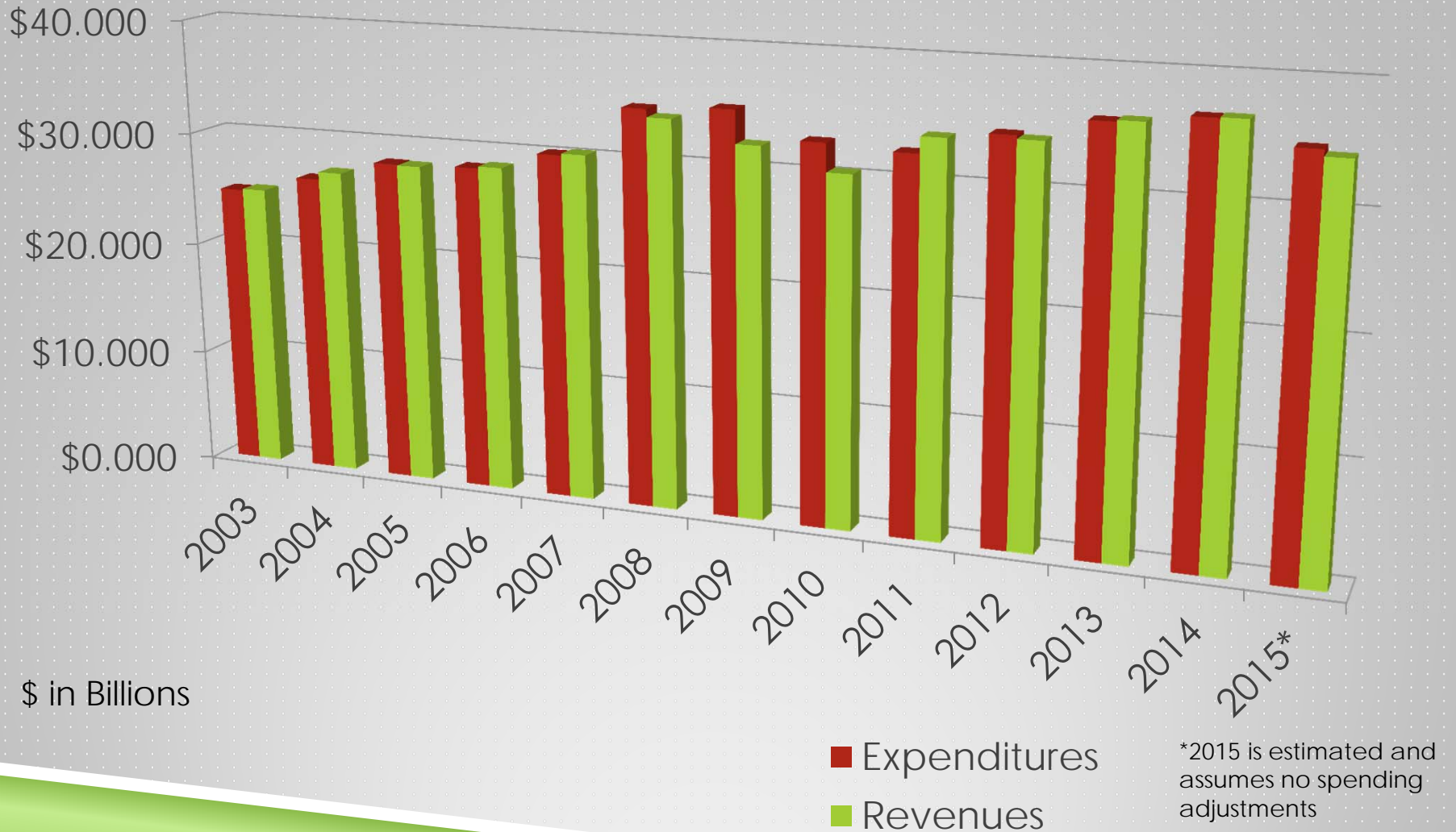
# ESTIMATED FY 2016 GENERAL FUNDS (GRF) BY SOURCE



**Estimated Total General Funds Revenues: \$28.4 Billion**

Source: *Fy2016 Budget Book, 2/2015*

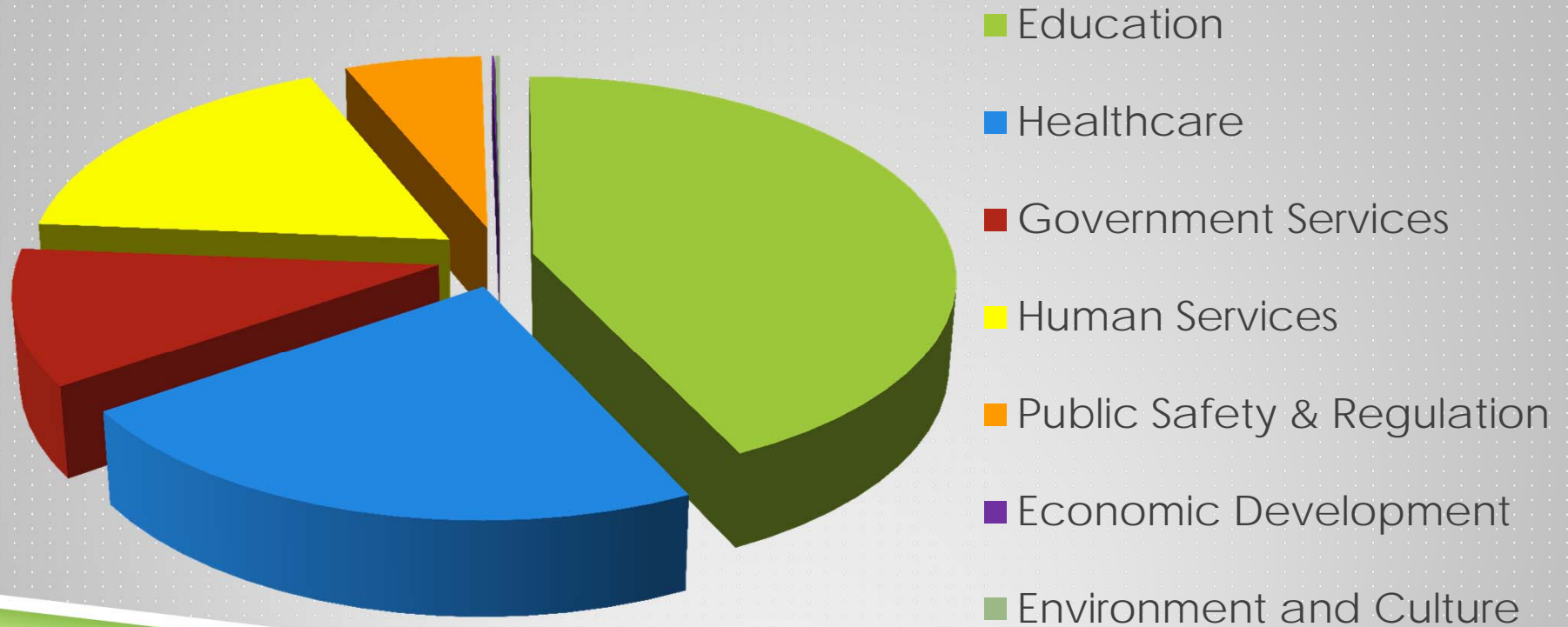
# REVENUES VS. EXPENDITURES



Source: Commission on Government Forecasting and Accountability (CGFA)  
FY2016 Budget Book, 2/2015

# FY 2016 STATE GENERAL FUNDS BY MAJOR PURPOSE

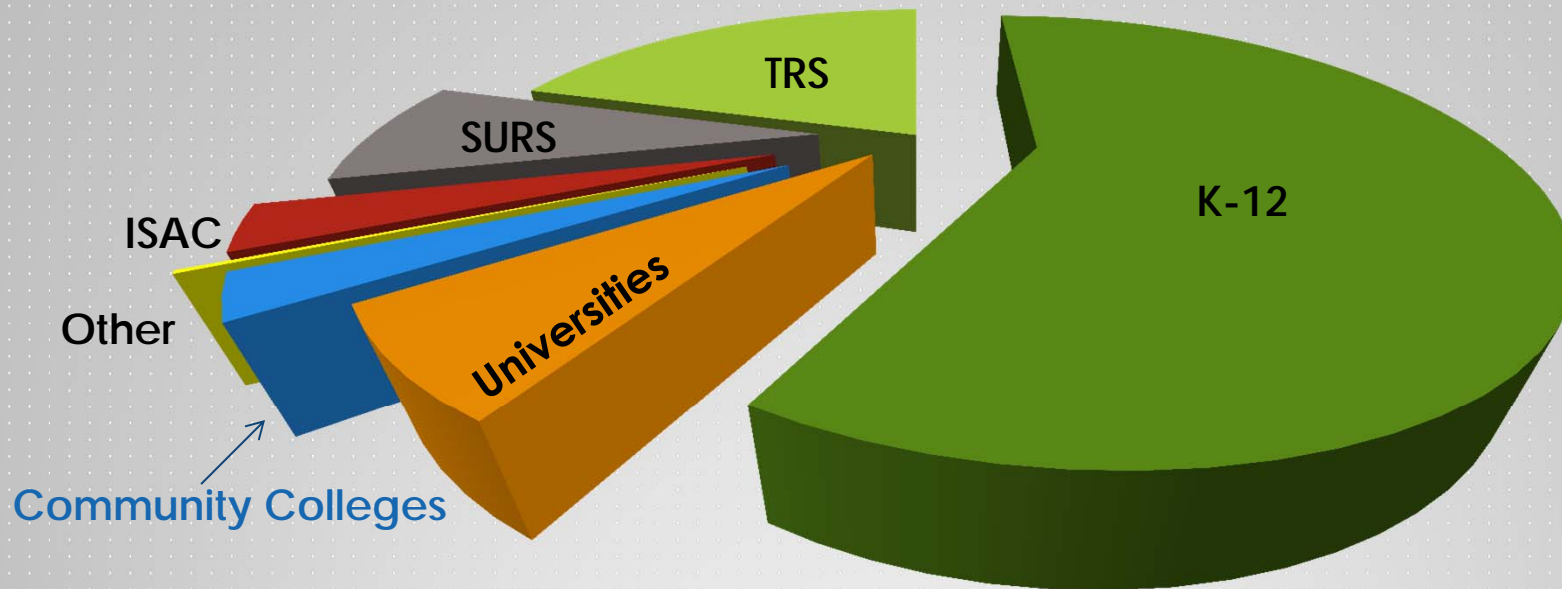
Total GRF = \$28.4B



Source: FY2016 Budget Book, 2/2015

# FY 2016 EDUCATION BUDGET RECOMMENDATIONS

Spending = \$12.19 B



Source: FY2016 Budget Book, 2/2015



# HIGHER EDUCATION BUDGET FY2015 AND FY2016 COMPARISON

FY2016 GOVERNOR'S BUDGET HIGHER EDUCATION OPERATIONS AND GRANTS GENERAL FUNDS				
(in thousands of dollars)				
Resource Requirements	FY2015 Appropriations	Governor's Budget	Fiscal Year 2015 - 2016	
			Dollar Change	Percent Change
Universities	\$ 1,229,438.5	842,172.2	\$ (387,266.3)	-31.5%
Community Colleges	294,505.9	294,391.5	(114.4)	0.0%
Adult Education/Postsecondary Career and Technical Education	51,323.4	51,323.4	-	-
Illinois Student Assistance Commission	385,342.8	380,953.3	(4,389.5)	-1.1%
IBHE Institutional Grants & Initiatives	7,155.7	1,548.5	(5,607.2)	-78.4%
University Center of Lake County	1,200.0	1,065.0	(135.0)	-11.3%
Illinois Mathematics and Science Academy	18,445.7	16,983.8	(1,461.9)	-7.9%
State Universities Civil Service System	1,202.5	1,146.5	(56.0)	-4.7%
Board of Higher Education*	2,695.3	2,923.7	228.4	8.5%
<b>Total Institutional Ops and Grants</b>	<b><u>1,991,309.8</u></b>	<b><u>1,592,507.9</u></b>	<b><u>(398,801.9)</u></b>	<b><u>-20.0%</u></b>
State Contribution to SURS (general funds)	1,347,200.0	1,002,120.1	(345,079.9)	-25.6%
<b>Total</b>	<b><u>\$ 3,338,509.8</u></b>	<b><u>2,594,628.0</u></b>	<b><u>\$ (743,881.8)</u></b>	<b><u>-22.3%</u></b>

\*MyCreditsTransfer was moved from IBHE Grants & Initiatives to Board of Higher Education Operations in FY2016



# GENERAL FUNDS PROJECTIONS – REVENUES

FY2013-FY2017 (in \$ millions)					
	FY13 Actual	FY14 Actual	FY15 Estimate	FY16 Forecast	FY17 Forecast
State Sources					
Individual Income Tax	\$ 18,323	\$ 18,388	\$ 14,845	\$ 13,180	\$13,661
Corporate Income Tax	\$ 3,679	\$ 3,640	\$ 2,664	\$ 2,338	\$ 2,451
Sales Taxes	\$ 7,355	\$ 7,676	\$ 7,950	\$ 8,204	\$ 8,475
Other State Taxes and Fees	\$ 3,136	\$ 3,221	\$ 3,198	\$ 3,316	\$ 3,401
Transfers In	\$ 1,704	\$ 2,112	\$ 1,736	\$ 1,361	\$ 1,411
<b>Total State Sources</b>	<b>\$ 34,197</b>	<b>\$ 35,037</b>	<b>\$ 30,393</b>	<b>\$ 28,399</b>	<b>\$ 30,529</b>
<b>Federal Sources</b>	<b>\$ 4,154</b>	<b>\$ 3,903</b>	<b>\$ 3,676</b>	<b>\$ 3,301</b>	<b>\$ 4,452</b>
<b>Total Revenues</b>	<b>\$ 38,351</b>	<b>\$ 38,940</b>	<b>\$ 34,069</b>	<b>\$ 32,000</b>	<b>\$ 32,972</b>

Source: Governor's Office of Management and Budget 12/31/2014

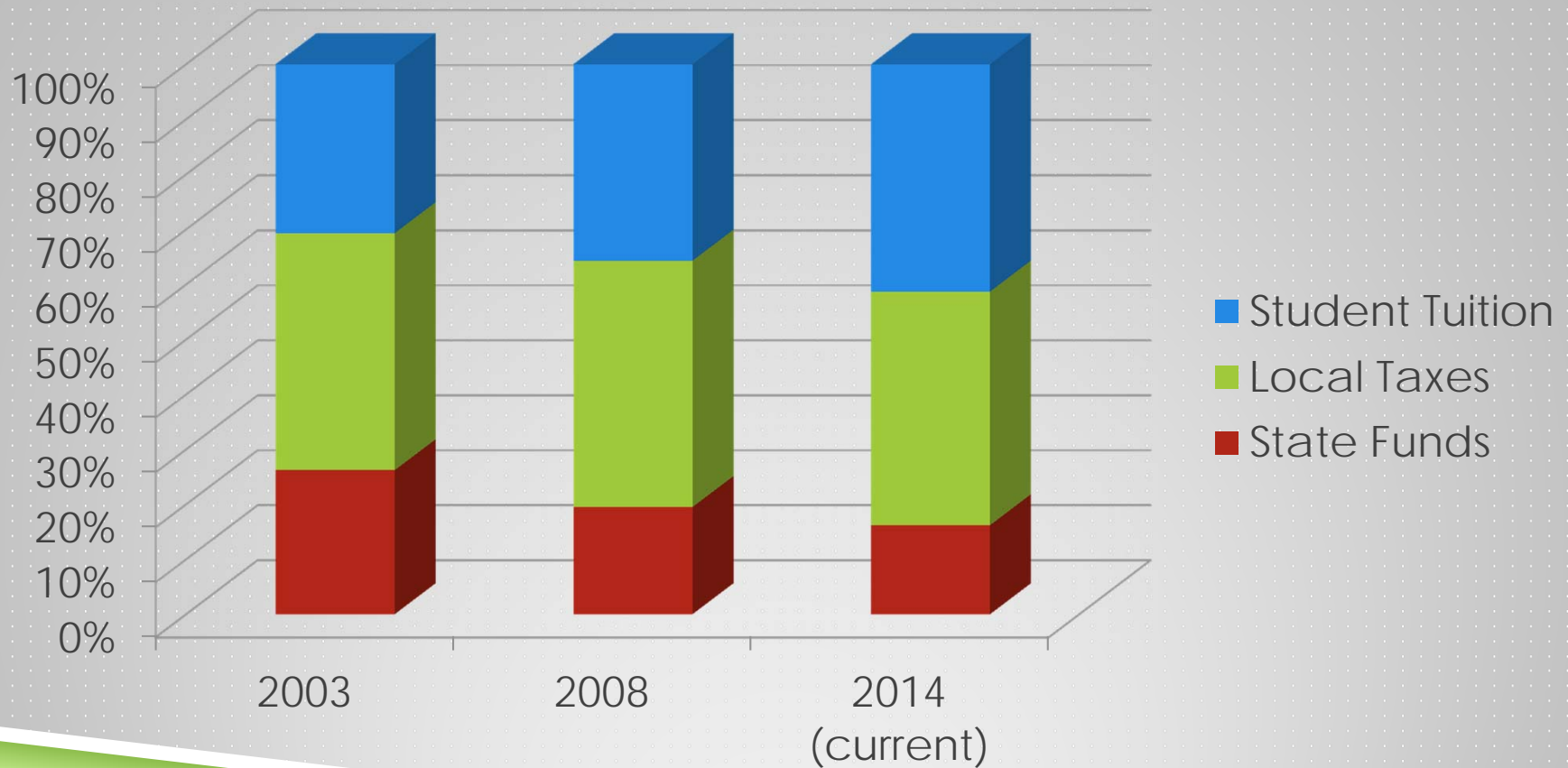
# STATE RETIREMENT SYSTEMS PROJECTED TOTAL STATE PENSION COSTS

Projected Total State Pension Costs FY2015-FY2018								
Year	With PA 98-0599				Without PA 98-0599			
	Regular Contribution	2003 POB Debt Service	2010/11 Debt Service	Total	Regular Contribution	2003 POB Debt Service	2010/11 Debt Service	Total
FY2015	\$6,855.3	\$578.6	\$1,219.3	<b>\$8,653.2</b>	\$7,033.2	\$578.6	\$1,219.3	<b>\$8,831.1</b>
FY2016	\$5,813.8	\$574.5	\$781.9	<b>\$7,170.2</b>	\$7,237.9	\$574.5	\$781.9	<b>\$8,594.3</b>
FY2017	\$5,854.3	\$595.2	\$1,052.2	<b>\$7,501.7</b>	\$7,498.4	\$595.2	\$1,052.2	<b>\$9,145.8</b>
FY2018	\$6,006.3	\$614.7	\$1,003.9	<b>\$7,624.9</b>	\$7,785.1	\$614.7	\$1,003.9	<b>\$9,403.7</b>

On 11/21/2014 the Sangamon County Circuit Court entered a final declaratory judgment that "Public Act 98-0599 is unconstitutional and void in its entirety." Attorney General Madigan appealed to the Illinois Supreme Court. The Illinois Supreme Court ruled on 5/8/2015 that Public Act 98-0599 was unconstitutional.

Source: Commission on Government Forecasting and Accountability

# ILLINOIS COMMUNITY COLLEGE SYSTEM SOURCES OF REVENUE



Source: Illinois Community College Board (ICCB)-- college audits

# ILLINOIS COMMUNITY COLLEGE BOARD

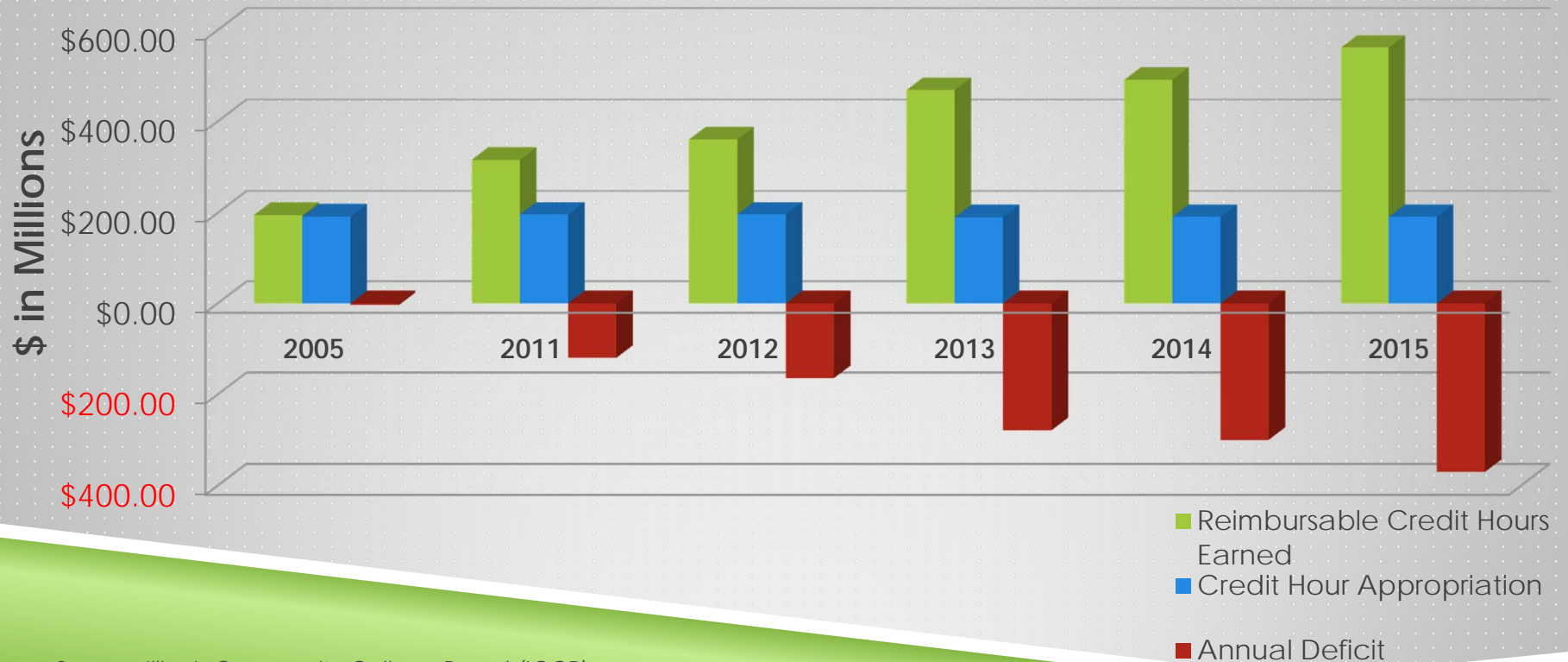
## CREDIT HOUR GRANT RATES BY CATEGORY FOR FISCAL YEAR 2015

	<u>Baccalaureate</u>	<u>Business</u>	<u>Technical</u>	<u>Health</u>	<u>Remedial</u>	<u>ABE/ASE</u>	<u>Totals/Averages</u>
FY2013 Unit Cost	\$ 276.77	\$ 304.44	\$ 307.22	\$ 366.54	\$ 241.45	\$ 291.31	\$ 286.45
FY2015 Weighted Cost	\$ 287.56	\$ 316.30	\$ 319.20	\$ 380.82	\$ 250.87	\$ 302.65	\$ 297.62
<b>Less:</b>							
Tuition & Fees	\$ 112.67	\$ 112.67	\$ 112.67	\$ 112.67	\$ 112.67	\$ -	\$ 93.89
Local Tax Revenue	\$ 108.97	\$ 108.97	\$ 108.97	\$ 108.97	\$ 108.97	\$ 108.97	\$ 108.97
<b>Total Reductions to Cost</b>	<b>\$ 221.64</b>	<b>\$ 221.64</b>	<b>\$ 221.64</b>	<b>\$ 221.64</b>	<b>\$ 221.64</b>	<b>\$ 108.97</b>	<b>\$ 202.86</b>
Credit Hour Rate	\$ 65.92	\$ 94.66	\$ 97.56	\$ 159.18	\$ 29.23	\$ 193.68	\$ 94.76
State Adjustment	\$ (43.46)	\$ (62.41)	\$ (64.32)	\$ (104.94)	\$ (19.27)	\$ (127.69)	\$ (62.47)
Effective Credit Hour Rate	\$ 22.46	\$ 32.25	\$ 33.24	\$ 54.24	\$ 9.96	\$ 65.99	\$ 32.29

# ILLINOIS COMMUNITY COLLEGE SYSTEM

	2005	2011	2012	2013	2014	2015
Reimbursable Credit Hours Earned	\$ 195,502,185.00	\$ 315,954,481.00	\$ 360,591,976.00	\$ 468,814,917.00	\$ 490,856,624.00	\$ 561,367,594.00
Credit Hour Appropriation	\$ 191,837,100.00	\$ 196,461,000.00	\$ 196,461,000.00	\$ 190,271,900.00	\$ 191,271,900.00	\$ 191,271,900.00
Annual Deficit	\$ (3,665,085.00)	\$ (119,493,481.00)	\$ (164,130,976.00)	\$ (278,543,017.00)	\$ (299,584,724.00)	\$ (370,095,694.00)

## Credit Hour Grant Funding History



Source: Illinois Community College Board (ICCB)



# ILLINOIS COMMUNITY COLLEGE SYSTEM

	2005	2011	2012	2013	2014	2015
Equalization Formula Calculation	\$ 96,535,997.00	\$ 165,101,946.00	\$ 167,279,020.00	\$ 170,732,672.00	\$ 158,088,551.00	\$ 140,291,416.00
Equalization Appropriation	<u>\$ 76,617,500.00</u>	<u>\$ 76,933,000.00</u>	<u>\$ 77,113,000.00</u>	<u>\$ 75,570,800.00</u>	<u>\$ 75,570,800.00</u>	<u>\$ 75,570,800.00</u>
Annual Deficit	\$ (19,918,497.00)	\$ (88,168,946.00)	\$ (90,166,020.00)	\$ (95,161,872.00)	\$ (82,517,751.00)	\$ (64,720,616.00)

## Equalization Funding History



Source: Illinois Community College Board (ICCB)

- In FY 2005 our system received \$295.7M from the State for 5.6M credit hours
- In FY 2015 our system is receiving \$267.8M from the State for 6.9M credit hours



Source: Illinois Community College Board (ICCB)

# QUESTIONS?

Jeff Newell

Deputy Director, Student Services & Technology

Illinois Community College Board