

**PRIVATE COLLEGES AND UNIVERSITIES
CAPITAL DISTRIBUTION FORMULA**

Submitted for: Information.

Summary: This item provides an update to the Board about the Independent Colleges Capital (ICCAP) grant program and the distribution of proceeds from the sale of Build Illinois bonds pursuant to the Private Colleges and Universities Capital Distribution Formula (30 ILCS 769/Art. 25).

Action Requested: None.

STATE OF ILLINOIS
BOARD OF HIGHER EDUCATION

**PRIVATE COLLEGES AND UNIVERSITIES CAPITAL DISTRIBUTION
FORMULA**

This agenda item is provided as an update regarding the capital grant program for private non-profit institutions. The Illinois Board of Higher Education (IBHE) adopted the promise of regular updates when the Board authorized the Executive Director to administer the grant program in February 7, 2012.

Background

In 2009, a new capital grant program for non-profit private colleges and universities was created pursuant to the Private Colleges and Universities Capital Distribution Formula Act (30 ILCS 769/Art. 25). This program also is known as the Independent Colleges Capital Program or ICCAP. In June 2009 the program was appropriated \$300.0 million from the Build Illinois Fund as part of the Illinois Jobs Now Capital program. The Build Illinois Fund is a depository for revenues collected from the sale of Build Illinois bonds.

Eligibility

There are two eligibility requirements for this program. First, eligible institutions must have been independent colleges as of the fall 2008 term. An independent college is a private, not-for-profit institution of higher education in Illinois that has been authorized to operate in the State pursuant to statute. Any institution that provided more than 75 percent of its courses online or had more than 75 percent of students enrolled in theology and religious vocation programs is not an eligible institution for this program. (23 Ill. Adm. Code 1039.20)

Second, grants can be awarded only for capital projects. Pursuant to the Build Illinois Act, a capital project is the “construction, repair, renovation, and miscellaneous capital improvements, including the planning, engineering, acquisition, reconstruction, remodeling, improvement, repair and installation of capital facilities and costs of planning, supplies, equipment, materials, services, and all other required expenses.” (30 ILCS 425/4(c)) Capital projects do not include (1) facilities used for sectarian instruction, religious worship, or a school or department of divinity or (2) the proportional share of joint-use facilities that either provide personal residential space for those who are not students or provide space for business activities unrelated to the educational mission of the institution. (23 Ill. Adm. Code 1039.20)

Two Grant Awards

Each independent college is eligible for both a Base grant and a full-time equivalent (FTE) grant. Both grants were created by law and are based on the number of fall 2008 FTE students. The process by which the 2008 FTE were calculated for each grantee was verified by an independent auditor and submitted to IBHE by each institution.

- 1) Base grants are based on a range of FTE and are to be distributed as follows:

<u>1 to 200 FTE</u>	<u>201 to 500 FTE</u>	<u>501 to 4,000 FTE</u>	<u>More than 4,000</u>
\$200,000	\$1,000,000	\$2,000,000	\$5,000,000

- 2) The remaining funds are to be used for FTE grants and distributed on a pro rata share of the fall 2008 FTE. At the end of each five-year grant period, any unused funds shall be collected and redistributed by IBHE based on the number of fall 2008 FTE.

The distribution of grant awards is subject to the availability of bond sale proceeds. If, for any reason, the amount of funds available for release is not sufficient to distribute the grant amounts as determined by the formula, IBHE shall distribute a prorated share.

Fiscal Year 2010 Grant Application and Distribution of \$35.0 Million

The first ICCAP grant application was released in February 2010 and more than 60 institutions applied for the grant program. Institutions submitted 477 capital projects with an estimated cost of \$772.3 million, more than double the amount of the appropriation. This information was presented to the Board at the June 21, 2010, meeting along with a request to approve the final fall 2008 FTE and the initial distribution of partial base grants. The requests were approved.

In June, \$35.0 million in bond proceeds was made available to IBHE for distribution. Since the amount of funds released was not sufficient to award the total amount of base grant awards (\$141.4 million), 63 institutions received prorated shares. Each institution received 24.8 percent of their base grant amount. No institution received an amount that was greater than the total amount of its eligible capital projects.

Fiscal Year 2012 Grant Application and Distribution of \$75.0 Million

In preparation for a second distribution of funds, IBHE re-released the ICCAP grant application in November 2011. The re-release provided institutions with another opportunity to apply. Institutions that previously received an ICCAP grant award were not asked to re-apply. Four new institutions submitted applications and requested funds for 10 capital projects with an estimated cost of \$53.6 million.

With the distribution of \$75.0 million in pro rata shares to 67 institutions came a new requirement. After July 16, 2010, the ICCAP grantees must comply with the Business Enterprise Program (BEP) practices prior to receiving their pro rata share of the \$75 million from IBHE. The BEP requirement includes the submission of a written certification and a plan for contacting and hiring minority-owned businesses, female-owned businesses, and businesses owned by persons with disabilities (30 ILCS 575). The Capital Development Board (CDB) works with the grantees to determine the appropriate goals for each project. IBHE’s role is to identify the projects that are not yet completed and to provide contact information and the descriptions of the capital projects to the CDB. Once the CDB approves the BEP plan and goals, IBHE releases the grant funds for the project.

Fiscal Year 2014 Distribution of \$93.0 Million

In 2013, IBHE was notified that a distribution of \$90 million in Build Illinois Bond proceeds would be made available to IBHE for distribution to the grantees. Additional funds in the amount of \$3.0 million were available for re-distribution due to the decisions of two grantees not to participate in the program and two determinations of grantee ineligibility due to changes in base of operation and ownership. This increased the amount of funds available for the third distribution to \$93.0 million. These funds were allocated among the grantees in pro rata shares in August 2013, and grantees were notified of the upcoming distribution and the steps for accessing the funds.

Grantees continue to work with the CDB to ensure the statutory BEP requirements for awarding contracts to minority-owned businesses, female-owned businesses, and businesses owned by persons with disabilities are met. IBHE does not release the funds to the grantee until receipt of CDB approval. BEP goals are not required for capital projects that have been completed sometime between the start of the program and the distribution of funds or for projects that cost less than \$100,000.

Fiscal Year 2015 Distribution of \$100.0 Million

The release of the remaining \$100.0 million of the \$300.0 million appropriation was announced by the Governor Quinn's Office in the fall of 2014. In addition, the amount of \$495,049 was available for re-distribution because one grantee returned their award. This increased the amount of funds available for the fourth distribution to approximately \$100.5 million.

In 2014, a new law was passed to address the allocation of funds when an institution is sold to another grantee (P.A. 98-715). After the re-allocation of funds from Springfield College in Illinois to Benedictine University, the remaining funds were allocated among the grantees in October 2014. Grantees were notified of the upcoming distribution and provided the steps for accessing the funds. IBHE releases the funds to the grantees after the CDB approves any required BEP goals and the grantee signs a new grant agreement.

Allocations by grantee for all of the scheduled distributions are shown in Table 1. A second table includes the estimated dollars awarded for the Base Grant and the FTE Grant by grantee (see Table 2). There are minor discrepancies between the two tables due to rounding (the totals in Table 1 are 0.0048 percent or \$721 less than Table 2).

Future Activities

IBHE staff will continue to administer the grant program pursuant to the applicable statutes and administrative rules. It is anticipated that these activities will continue into Fiscal Year 2019 since the five-year grant period for the fourth distribution ends on July 12, 2019, and a subsequent additional distribution may be necessary if unexpended funds are available to be redistributed in Fiscal Year 2019.

Table 1: Grant Awards by Scheduled Distributions and Totals, by Institution

Institution Name	First Distribution	Second Distribution	Third Distribution	Fourth Distribution	Scheduled Distribution Totals
	June 2010	May 2012	Sept 2013	Oct 2014	
Adler School of Prof. Psychology	\$ 247,525	\$ 518,455	\$ 379,515	\$ 238,818	\$ 1,384,313
Augustana College	495,049	1,036,911	1,374,451	1,487,804	4,394,215
Aurora University	495,049	1,036,911	1,641,652	1,926,392	5,100,004
<i>Benedictine University (see notes)</i>	495,049	1,036,911	1,711,296	3,095,535	6,338,791
Blackburn College	495,049	1,036,911	689,385	363,321	2,584,666
Bradley University	1,237,623	2,592,278	3,023,261	3,041,820	9,894,982
<i>Chicago School of Prof. Psych (see notes)</i>	76,101	-	-	-	76,101
Columbia College Chicago	1,237,623	2,592,278	4,982,958	6,258,509	15,071,368
Concordia University	495,049	1,036,911	1,322,046	1,401,784	4,255,790
DePaul University	1,237,623	2,592,278	8,152,123	11,460,446	23,442,470
Dominican University	495,049	1,036,911	1,287,913	1,345,758	4,165,631
East-West University	495,049	1,036,911	861,772	646,281	3,040,013
Elmhurst College	495,049	1,036,911	1,549,941	1,775,857	4,857,758
Eureka College	495,049	1,036,911	729,379	428,967	2,690,306
Greenville College	495,049	1,036,911	972,790	828,507	3,333,257
Hebrew Theological College	-	765,980	394,685	263,719	1,424,384
Illinois College	495,049	1,036,911	796,954	539,888	2,868,802
Illinois College of Optometry	495,049	1,036,911	822,813	582,332	2,937,105
Illinois Institute of Technology	1,237,623	2,592,278	3,399,410	3,659,239	10,888,550
Illinois Wesleyan University	495,049	1,036,911	1,256,883	1,294,825	4,083,668
John Marshall Law School, The	-	1,531,960	951,758	793,986	3,277,704
Judson University	495,049	1,036,911	758,340	476,505	2,766,805
Knox College	495,049	1,036,911	956,241	801,343	3,289,544
Lake Forest College	495,049	1,036,911	957,619	803,606	3,293,185
Lake Forest Graduate School of Mgmt.	247,525	518,455	339,176	172,606	1,277,762
Lakeview College of Nursing	247,525	518,455	319,869	140,914	1,226,763
Lewis University	1,237,623	2,592,278	2,700,552	2,512,119	9,042,572
Lincoln University	495,049	1,036,911	798,678	542,717	2,873,355
Loyola University of Chicago	1,237,623	2,592,278	5,940,396	7,830,069	17,600,366
Mac Cormac College	49,505	103,691	86,453	65,081	304,730
MacMurray College	495,049	1,036,911	664,906	323,140	2,520,006
McKendree University	495,049	1,036,911	1,329,286	1,413,668	4,274,914
Methodist College	49,505	103,691	88,521	68,476	310,193
Midwestern University	-	1,531,960	1,545,804	1,769,066	4,846,830
Millikin University	495,049	1,036,911	1,277,915	1,329,346	4,139,221
Column A	\$ 18,244,404	\$ 41,884,535	\$ 54,064,741	\$ 59,682,444	\$ 173,876,124

Institution Name	First Distribution	Second Distribution	Third Distribution	Fourth Distribution	Scheduled Distribution Totals
	June 2010	May 2012	Sept 2013	Oct 2014	
Monmouth College	\$ 495,049	\$ 1,036,911	\$ 954,172	\$ 797,947	\$ 3,284,079
Moody Bible Institute	495,049	1,036,911	642,841	286,921	2,461,722
Morrison Institute of Technology	49,505	103,691	94,383	78,097	325,676
National University of Health Sciences	495,049	1,036,911	816,951	572,711	2,921,622
National-Louis University	495,049	1,036,911	1,570,628	1,809,812	4,912,400
North Central College	495,049	1,036,911	1,351,696	1,450,453	4,334,109
North Park University	495,049	1,036,911	1,241,369	1,269,359	4,042,688
Northwestern University	1,237,623	2,592,278	7,467,401	10,336,529	21,633,831
Olivet Nazarene University	495,049	1,036,911	1,575,455	1,817,735	4,925,150
<i>Principia College (see notes)</i>	-	-	-	-	-
Quincy University	495,049	1,036,911	908,662	723,246	3,163,868
Robert Morris University-Illinois	1,237,623	2,592,278	2,769,162	2,624,737	9,223,800
Rockford University	495,049	1,036,911	855,222	635,528	3,022,710
Roosevelt University	1,237,623	2,592,278	2,942,583	2,909,395	9,681,879
Rosalind Franklin Univ, Med & Science	495,049	1,036,911	1,462,714	1,632,679	4,627,353
Rush University	495,049	1,036,911	960,032	807,568	3,299,560
School of the Art Inst. Chicago	495,049	1,036,911	1,473,746	1,650,789	4,656,495
Shimer College	-	153,196	77,144	49,801	280,141
Spertus College of Judaica	49,505	103,691	64,733	29,428	247,357
<i>Springfield College in IL (see notes)</i>	247,525	-	-	-	247,525
St. Anthony College of Nursing	49,505	103,691	107,829	100,168	361,193
St. Augustine College	495,049	1,036,911	740,756	447,643	2,720,359
St. Francis Medical Center, Nursing	247,525	518,455	349,175	189,017	1,304,172
St. Johns College	49,505	103,691	72,663	42,444	268,303
St. Xavier University	1,237,623	2,592,278	2,559,194	2,280,092	8,669,187
Trinity Christian College	495,049	1,036,911	896,250	702,873	3,131,083
Trinity College of Nursing & Health Sci	49,505	103,691	93,003	75,833	322,032
Trinity International University	495,049	1,036,911	806,264	555,168	2,893,392
University of Chicago	1,237,623	2,592,278	4,538,199	5,528,472	13,896,572
University of St. Francis	495,049	1,036,911	1,256,194	1,293,693	4,081,847
VanderCook College of Music	247,525	518,455	303,320	113,750	1,183,050
<i>Wheaton College (see notes)</i>	-	-	-	-	-
Column B	\$ 15,098,999	\$ 31,260,527	\$ 38,951,741	\$ 40,811,888	\$ 126,123,155
Column A	18,244,404	41,884,535	54,064,741	59,682,444	173,876,124
Total	\$ 33,343,403	\$ 73,145,062	\$ 93,016,482	\$ 100,494,332	\$ 299,999,279

Table 1: Grant Awards by Scheduled Distributions and Totals, by Institution (notes)

Notes:

Benedictine University receives the allocations previously assigned to Springfield College in Illinois, pursuant to Public Act 98-715. The pro rata allocations for the second and third distributions (\$866,942) are included in the fourth distribution.

Chicago School of Professional Psychology refunded the unexpended funds from the first distribution when no longer eligible for the program (\$418,948 on 11/28/2012). Refund was redistributed to other grantees.

Principia College is eligible but elected to not participate.

Springfield College of Illinois received a pro rata share in the first distribution and the remainder was awarded to Benedictine University pursuant to Public Act 98-715.

Wheaton College is eligible but elected to not participate. The college returned the first distribution (\$495,049 on 12/10/2013) and the refund was redistributed to other grantees.

Table 2: Estimated Grant Awards by Base Grant, FTE Grant, and Total, by Institution

Institution Name	Final Fall 2008 FTE	Base Grant	FTE Grant	Estimated Distribution Total
Adler School of Prof. Psychology	422	\$ 1,000,000	\$ 384,315	\$ 1,384,315
Augustana College	2,629	2,000,000	2,394,226	4,394,226
Aurora University	3,404	2,000,000	3,100,017	5,100,017
<i>Benedictine University (see notes)</i>	3,938	2,752,475	3,586,330	6,338,805
Blackburn College	642	2,000,000	584,668	2,584,668
Bradley University	5,375	5,000,000	4,895,004	9,895,004
<i>Chicago School of Prof. Psych (see notes)</i>	-	76,101	-	76,101
Columbia College Chicago	11,059	5,000,000	10,071,414	15,071,414
Concordia University	2,477	2,000,000	2,255,800	4,255,800
DePaul University	20,251	5,000,000	18,442,553	23,442,553
Dominican University	2,378	2,000,000	2,165,641	4,165,641
East-West University	1,142	2,000,000	1,040,018	3,040,018
Elmhurst College	3,138	2,000,000	2,857,772	4,857,772
Eureka College	758	2,000,000	690,309	2,690,309
Greenville College	1,464	2,000,000	1,333,262	3,333,262
Hebrew Theological College	466	1,000,000	424,385	1,424,385
Illinois College	954	2,000,000	868,806	2,868,806
Illinois College of Optometry	1,029	2,000,000	937,109	2,937,109
Illinois Institute of Technology	6,466	5,000,000	5,888,576	10,888,576
Illinois Wesleyan University	2,288	2,000,000	2,083,678	4,083,678
John Marshall Law School, The	1,403	2,000,000	1,277,710	3,277,710
Judson University	842	2,000,000	766,808	2,766,808
Knox College	1,416	2,000,000	1,289,549	3,289,549
Lake Forest College	1,420	2,000,000	1,293,192	3,293,192
Lake Forest Graduate School of Mgmt.	305	1,000,000	277,763	1,277,763
Lakeview College of Nursing	249	1,000,000	226,764	1,226,764
Lewis University	4,439	5,000,000	4,042,590	9,042,590
Lincoln University	959	2,000,000	873,360	2,873,360
Loyola University of Chicago	13,836	5,000,000	12,600,423	17,600,423
Mac Cormac College	115	200,000	104,730	304,730
MacMurray College	571	2,000,000	520,009	2,520,009
McKendree University	2,498	2,000,000	2,274,925	4,274,925
Methodist College	121	200,000	110,195	310,195
Midwestern University	3,126	2,000,000	2,846,843	4,846,843
Millikin University	2,349	2,000,000	2,139,231	4,139,231
Column A	103,929	\$ 79,228,576	\$ 94,647,975	\$ 173,876,551

Institution Name	Final Fall 2008 FTE	Base Grant	FTE Grant	Estimated Distribution Total
Monmouth College	1,410	\$ 2,000,000	\$ 1,284,085	\$ 3,284,085
Moody Bible Institute	507	2,000,000	461,724	2,461,724
Morrison Institute of Technology	138	200,000	125,676	325,676
National University of Health Sciences	1,012	2,000,000	921,627	2,921,627
National-Louis University	3,198	2,000,000	2,912,413	4,912,413
North Central College	2,563	2,000,000	2,334,120	4,334,120
North Park University	2,243	2,000,000	2,042,697	4,042,697
Northwestern University	18,265	5,000,000	16,633,906	21,633,906
Olivet Nazarene University	3,212	2,000,000	2,925,163	4,925,163
<i>Principia College (see notes)</i>	-	-	-	-
Quincy University	1,278	2,000,000	1,163,873	3,163,873
Robert Morris University-Illinois	4,638	5,000,000	4,223,819	9,223,819
Rockford University	1,123	2,000,000	1,022,714	3,022,714
Roosevelt University	5,141	5,000,000	4,681,900	9,681,900
Rosalind Franklin Univ. Med & Science	2,885	2,000,000	2,627,365	4,627,365
Rush University	1,427	2,000,000	1,299,567	3,299,567
School of the Art Inst. Chicago	2,917	2,000,000	2,656,507	4,656,507
Shimer College	88	200,000	80,141	280,141
Spertus College of Judaica	52	200,000	47,356	247,356
<i>Springfield College in IL (see notes)</i>	-	247,525	-	247,525
St. Anthony College of Nursing	177	200,000	161,194	361,194
St. Augustine College	791	2,000,000	720,362	2,720,362
St. Francis Medical Center, Nursing	334	1,000,000	304,173	1,304,173
St. Johns College	75	200,000	68,302	268,302
St. Xavier University	4,029	5,000,000	3,669,204	8,669,204
Trinity Christian College	1,242	2,000,000	1,131,087	3,131,087
Trinity College of Nursing & Health Sci	134	200,000	122,034	322,034
Trinity International University	981	2,000,000	893,395	2,893,395
University of Chicago	9,769	5,000,000	8,896,613	13,896,613
University of St. Francis	2,286	2,000,000	2,081,857	4,081,857
VanderCook College of Music	201	1,000,000	183,050	1,183,050
<i>Wheaton College (see notes)</i>	-	-	-	-
Column B	72,116	\$ 60,447,525	\$ 65,675,924	\$ 126,123,449
Column A	103,929	79,228,576	94,647,975	173,876,551
Total	176,045	\$ 139,676,101	\$ 160,323,899	\$ 300,000,000

Table 2: Estimated Grant Awards by Base Grant, FTE Grant, and Total, by Institution (notes)

Notes:

Benedictine University's FTE increased by 332 and the base grant increased \$752,477 when the University received the allocations for Springfield College in Illinois pursuant to Public Act 98-715.

The Chicago School of Professional Psychology refunded the unexpended funds for the base grant when no longer eligible for program.

Principia College is eligible but elected to not participate.

Springfield College of Illinois received a pro rata share of the base grant in the first distribution and the remainder was awarded to Benedictine University pursuant to Public Act 98-715.

Wheaton College is eligible but elected to not participate

