

**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

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CAPITAL DISTRIBUTION FORMULA**

This informational agenda item provides 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 at the February 7, 2012, Board meeting.

Grant Administration

The program was created in 2009, pursuant to the Private Colleges and Universities Capital Distribution Formula Act. (30 ILCS 769/Art. 25) This program is for non-profit private institutions and is known as the Independent Colleges Capital Program or ICCAP. A total of \$300 million was transferred to IBHE as part of the Illinois Jobs Now! capital program and subsequently distributed to 63 grantees. The funds were appropriated from the Build Illinois Fund, the depository for revenues collected from the sale of bonds.

The IBHE continues to administer the grant program pursuant to the applicable statute and administrative rules. This includes the redistribution of any grant awards that are returned to IBHE. Administration of the grant program by IBHE is anticipated to continue into Fiscal Year 2020 since the ten-year grant period ends on July 12, 2019. An additional redistribution may be necessary if unexpended funds are identified.

Students and Projects

Annually, more than 213,000 students in Illinois non-for-profit institutions of higher education are benefitting from this \$300 million program, based on the preliminary fall 2017 enrollment data. Safety and health issues such as installing fire sprinklers in dormitories, code-entry doors, and outside lighting for better security and automatic doors for students with disabilities. Energy efficiency has been improved with the installation of new HVAC systems, weather proofing, insulation, and high efficiency windows. Classrooms have new and advanced smart technologies including high definition projectors, wireless microphones and speech reinforcement. State-of-the-art labs have been built for science, technology, engineering, and mathematics programs. Student services for veterans returning to the classroom have been enhanced with the creation of new centers and clinics. Maintenance projects that have long been neglected have been completed.

More than 478,000 students would benefit from capital improvements at public universities and community colleges. Deferred maintenance needs at public universities and community colleges have ballooned to more than \$5.5 billion. The steady decline in state operations funding has limited the capacity of institutions to even address emergencies. The budget impasse resulted in a sharp decline in the bond rating of public institutions. This makes

bonding for repair costs prohibitive. The cost to address already health and safety projects at public universities alone exceeds even this request. The Board recommended funding for capital needs at public institutions in Fiscal Year 2019.