

**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 potential for re-distribution of award refunds 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 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 (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. Administration will continue into Fiscal Year 2020 because the ten-year grant period ends on July 12, 2019. Based on the quarterly reports submitted by the grantees, there is approximately \$951,000 of the \$300 million left to be expended. Any funds unexpended as of the end of the grant period will be redistributed to the other grantees. Plus any refunds due to a transfer of ownership or closure will need to be re-distributed.

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 2018 enrollment data. Funds have been used to address safety and health issues such as installing fire sprinklers in dormitories, code-entry doors, outside lighting, and automatic door openers. 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 463,000 students would benefit from similar capital improvement projects at public universities and community colleges. The Board recommended \$657.1 million for capital renewal funding plus \$1,433.2 million for regular capital funding in Fiscal Year 2020. With almost no funding since Fiscal Year 2004, deferred maintenance has grown to \$6.2 billion and there has only been one capital building project. It has not been possible for universities and

community colleges to adequately maintain facilities and build new facilities to keep them competitive with institutions in other states and prepare a ready workforce.