

**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. As of January 2014, a total of \$200.0 million has been released from the fund for distribution to grantees by IBHE.

**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 an FTE grant. Both grants were created by law and are based on the number of fall 2008 full-time equivalent students

(FTE). 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, the IBHE shall distribute a prorated share.

### **FY 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 the 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.

### **FY 2012 Grant Application and Distribution of \$75.0 Million**

In preparation for a second distribution of funds, the 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 the 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, the IBHE releases the grant funds for the project.

## **FY 2014 Distribution of \$93.0 Million**

In 2013, the IBHE was notified that a distribution of \$90 million in Build Illinois Bond proceeds would be made available to the 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. The 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.

Allocations by grantee for the third distribution are shown in Table 1. The table also includes the estimated total amount of the Base Grant and FTE Grant; allocations for the first and second distributions; and the total amount distributed by grantee. The total amount of the three distributions is approximately \$200.0 million.

## **Future Activities**

The 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 2018 since the five-year grant period for the third distribution ends on June 30, 2017, and a subsequent additional distribution may be necessary if unexpended funds are available to be redistributed in fiscal year 2018.

**Table 1.**  
**Estimated ICCAP Grant Award and Distributions, by Institution**

Name of Institution	Estimated Amount of Base Grant Plus FTE Grant (\$300 million)	First Distribution (\$35 million)	Second Distribution (\$75 million)	Third Distribution (\$90 million)*	Total Distribution (\$200 million)
		June 2010	May 2012	Sept 2013	
Adler School of Prof. Psychology	\$ 1,385,659	\$ 247,525	\$ 518,455	\$ 379,515	\$ 1,145,495
Augustana College	4,402,601	495,049	1,036,911	1,374,451	2,906,411
Aurora University	5,110,861	495,049	1,036,911	1,641,652	3,173,612
Benedictine University	5,295,466	495,049	1,036,911	1,711,296	3,243,256
Blackburn College	2,586,714	495,049	1,036,911	689,385	2,221,345
Bradley University	9,912,127	1,237,623	2,592,278	3,023,261	6,853,162
Chicago School of Prof. Psych (see notes)	76,101	495,049	-	-	76,101
Columbia College Chicago	15,106,643	1,237,623	2,592,278	4,982,958	8,812,859
Concordia University	4,263,691	495,049	1,036,911	1,322,046	2,854,006
DePaul University	23,507,065	1,237,623	2,592,278	8,152,123	11,982,024
Dominican University	4,173,216	495,049	1,036,911	1,287,913	2,819,873
East-West University	3,043,656	495,049	1,036,911	861,772	2,393,732
Elmhurst College	4,867,768	495,049	1,036,911	1,549,941	3,081,901
Eureka College	2,692,724	495,049	1,036,911	729,379	2,261,339
Greenville College	3,337,926	495,049	1,036,911	972,790	2,504,750
Hebrew Theological College	1,425,870		765,980	394,685	1,160,665
Illinois College	2,871,845	495,049	1,036,911	796,954	2,328,914
Illinois College of Optometry	2,940,387	495,049	1,036,911	822,813	2,354,773
Illinois Institute of Technology	10,909,174	1,237,623	2,592,278	3,399,410	7,229,311
Illinois Wesleyan University	4,090,967	495,049	1,036,911	1,256,883	2,788,843
John Marshall Law School, The	3,282,179		1,531,960	951,758	2,483,718
Judson University	2,769,490	495,049	1,036,911	758,340	2,290,300
Knox College	3,294,060	495,049	1,036,911	956,241	2,488,201
Lake Forest College	3,297,715	495,049	1,036,911	957,619	2,489,579
Lake Forest Graduate School of Mgmt.	1,278,735	247,525	518,455	339,176	1,105,156
Lakeview College of Nursing	1,227,557	247,525	518,455	319,869	1,085,849
Lewis University	9,056,731	1,237,623	2,592,278	2,700,552	6,530,453
Lincoln University	2,876,415	495,049	1,036,911	798,678	2,330,638
Loyola University of Chicago	17,644,499	1,237,623	2,592,278	5,940,396	9,770,297
MacCormac College	305,097	49,505	103,691	86,453	239,649
MacMurray College	2,521,828	495,049	1,036,911	664,906	2,196,866
McKendree University	4,282,882	495,049	1,036,911	1,329,286	2,861,246
Methodist College	310,580	49,505	103,691	88,521	241,717
Midwestern University	4,856,801		1,531,960	1,545,804	3,077,764
Millikin University	4,146,714	495,049	1,036,911	1,277,915	2,809,875
Column A	\$ 173,151,744	\$ 18,663,352	\$ 41,884,535	\$ 54,064,741	\$ 114,193,680

Name of Institution	Estimated Amount of Base Grant Plus FTE Grant (\$300 million)	First Distribution (\$35 million)	Second Distribution (\$75 million)	Third Distribution (\$90 million)*	Total Distribution (\$200 million)
		June 2010	May 2012	Sept 2013	
Monmouth College	\$ 3,288,576	\$ 495,049	\$ 1,036,911	\$ 954,172	\$ 2,486,132
Moody Bible Institute	2,463,339	495,049	1,036,911	642,841	2,174,801
Morrison Institute of Technology	326,116	49,505	103,691	94,383	247,579
National University of Health Sciences	2,924,851	495,049	1,036,911	816,951	2,348,911
National-Louis University	4,922,601	495,049	1,036,911	1,570,628	3,102,588
North Central College	4,342,285	495,049	1,036,911	1,351,696	2,883,656
North Park University	4,049,842	495,049	1,036,911	1,241,369	2,773,329
Northwestern University	21,692,091	1,237,623	2,592,278	7,467,401	11,297,302
Olivet Nazarene University	4,935,395	495,049	1,036,911	1,575,455	3,107,415
Principia College (see notes)	-	-	-	-	-
Quincy University	3,167,944	495,049	1,036,911	908,662	2,440,622
Robert Morris University-Illinois	9,238,594	1,237,623	2,592,278	2,769,162	6,599,063
Rockford College	3,026,292	495,049	1,036,911	855,222	2,387,182
Roosevelt University	9,698,278	1,237,623	2,592,278	2,942,583	6,772,484
Rosalind Franklin Univ, Med & Science	4,636,555	495,049	1,036,911	1,462,714	2,994,674
Rush University	3,304,112	495,049	1,036,911	960,032	2,491,992
School of the Art Inst. Chicago	4,665,800	495,049	1,036,911	1,473,746	3,005,706
Shimer College	280,422	-	153,196	77,144	230,340
Spertus Inst. Jewish Learning & Leadership	247,522	49,505	103,691	64,733	217,929
Springfield College in Illinois (see notes)	247,525	247,525	-	-	247,525
St. Anthony College of Nursing	361,757	49,505	103,691	107,829	261,025
St. Augustine College	2,722,882	495,049	1,036,911	740,756	2,272,716
St. Francis Medical Center, Nursing	1,305,237	247,525	518,455	349,175	1,115,155
St. Johns College	268,541	49,505	103,691	72,663	225,859
St. Xavier University	8,682,039	1,237,623	2,592,278	2,559,194	6,389,095
Trinity Christian College	3,135,044	495,049	1,036,911	896,250	2,428,210
Trinity College of Nursing & Health Sci	322,460	49,505	103,691	93,003	246,199
Trinity International University	2,896,520	495,049	1,036,911	806,264	2,338,224
University of Chicago	13,927,733	1,237,623	2,592,278	4,538,199	8,368,100
University of St. Francis	4,089,139	495,049	1,036,911	1,256,194	2,788,154
VanderCook College of Music	1,183,691	247,525	518,455	303,320	1,069,300
Wheaton College (see notes)	-	495,049	-	-	-
Column B	\$ 126,353,183	\$ 15,594,048	\$ 31,260,527	\$ 38,951,741	\$ 85,311,267
Column A	173,151,744	18,663,352	41,884,535	54,064,741	114,193,680
Total	\$ 299,504,927	\$ 34,257,400	\$ 73,145,062	\$ 93,016,482	\$ 199,504,947

\* The third distribution consists of \$90 million in new funds plus the re-distribution of \$3 million in unexpended funds.

Notes: The Chicago School of Professional Psychology is no longer eligible for the program; the school refunded the unexpended funds from the first distribution (\$418,948) on 11/28/2012. Principia College is eligible for the program but decided not to participate. Springfield College of Illinois is no longer eligible for the program. Wheaton College is eligible but elected not to participate; the college returned the first distribution (\$495,049) on 12/10/2013.