

**STATE OF ILLINOIS
COMMUNITY COLLEGE BOARD**

**COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2006**

Performed as Special Assistant Auditors for
The Auditor General, State of Illinois

STATE OF ILLINOIS
COMMUNITY COLLEGE BOARD

COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2006

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STATE OF ILLINOIS
COMMUNITY COLLEGE BOARD

AGENCY OFFICIALS

Geoffrey S. Obrzut	President/Chief Executive Officer
Virginia McMillan	Executive Vice President – retired April 2005
Sarah Hawker	Vice President for Workforce Development & Adult Education – retired February 2006
Randy Barnette	Vice President for External Affairs
Ellen Andres	Chief Operating Officer, Budget and Operations
Don Wilske	Chief Financial Officer, System Finances & Information Technology – retired August 2005

Agency offices are located at:

401 E. Capitol Ave.
Springfield, IL 62701-1711

Workforce Development Resource Center
2450 Foundation Drive
Springfield, IL 62703-5430

James R. Thompson Center
100 W. Randolph St., Ste. 2-010
Chicago, IL 60601

Adult Education Regional Office – Southern Region
951 Fairfax St.
Carlyle, IL 62231

Adult Education Regional Office – Northern Region
McHenry County College
8900 U.S. Highway 14, Room A-124
Crystal Lake, IL 60012-2761

Adult Education Regional Office – Northern Region
College of DuPage
425 Fawell Blvd., K (151L)
Glen Ellyn, IL 60137-6599

Southern Illinois Collegiate Common Market
3213 South Park Avenue
Herrin, IL 62948

Illinois Community College Board



Guy H. Alongi
Chairman

Geoffrey S. Obrzut
President/CEO

proudly serving the

Illinois Community College System

STATE COMPLIANCE EXAMINATION MANAGEMENT

ASSERTION LETTER

November 20, 2006

Sikich LLP
1000 Churchill Rd.
Springfield, IL 62702

Gentlemen:

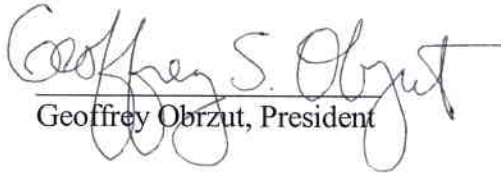
We are responsible for the identification of, and compliance with, all aspects of laws, regulations, contracts, or grant agreements that could have a material effect on the operations of the Agency. We are responsible for and we have established and maintained an effective system of, internal controls over compliance requirements. We have performed an evaluation of the Agency's compliance with the following assertions during the two-year period ended June 30, 2006. Based on this evaluation, we assert that during the year(s) ended June 30, 2006 and June 30, 2005, the Agency has materially complied with the assertions below.

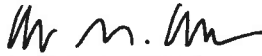
- A. The agency has obligated, expended, received and used public funds of the State in accordance with the purpose for which such funds have been appropriated or otherwise authorized by law.
- B. The agency has obligated, expended, received and used public funds of the State in accordance with any limitations, restrictions, conditions or mandatory directions imposed by law upon such obligation, expenditure, receipt or use.
- C. The agency has complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.

- D. The State revenues and receipts collected by the agency are in accordance with applicable laws and regulations and the accounting and recordkeeping of such revenues and receipts is fair, accurate and in accordance with law.
- E. The money or negotiable securities or similar assets handled by the agency on behalf of the State or held in trust by the agency have been properly and legally administered, and the accounting and recordkeeping relating thereto is proper, accurate and in accordance with law.

Yours very truly,

State of Illinois Community College Board


Geoffrey Obrzut, President



Ellen M. Andres, Chief Operating Officer

STATE OF ILLINOIS
COMMUNITY COLLEGE BOARD

COMPLIANCE REPORT

SUMMARY

The compliance testing performed during this examination was conducted in accordance with *Government Auditing Standards* and in accordance with the Illinois State Auditing Act.

AUDITORS' REPORTS

The Independent Accountants' Report on State Compliance, on Internal Control Over Compliance and on Supplementary Information for State Compliance Purposes does not contain scope limitations, disclaimers, or other significant non-standard language.

SUMMARY OF FINDINGS

<u>Number of</u>	<u>This Report</u>	<u>Prior Report</u>
Findings	3	7
Repeated findings	2	3
Prior recommendations implemented or not repeated	5	2

Details of findings are presented in a separately tabbed report section.

SCHEDULE OF FINDINGS

<u>Item Number</u>	<u>Page</u>	<u>Description</u>
FINDINGS (STATE COMPLIANCE)		
06-1	9	State and Federal grant reporting by Illinois community college districts
06-2	11	Employee performance and probationary evaluations not performed in a timely manner
06-3	12	Failure to gather education and training services data as required by the Adult Education Reporting Act

<u>Item Number</u>	<u>Page</u>	<u>Description</u>
PRIOR FINDINGS NOT REPEATED (STATE COMPLIANCE)		
06-4	13	Failure to enforce travel rules
06-5	13	Weaknesses noted in information systems controls

06-6	13	Board not staffed as required by the Public Community College Act
06-7	14	Failure to file 2001-2002 Biennial Report in a timely manner
06-8	14	Time sheets not maintained in compliance with the State Officials and Employees Ethics Act

EXIT CONFERENCE

The findings and recommendations appearing in this report were discussed with Agency personnel at an exit conference on January 4, 2007. Attending were:

COMMUNITY COLLEGE BOARD

Geoffrey S. Obrzut, President/Chief Executive Officer
Ellen Andres, Chief Operating Officer

OFFICE OF THE AUDITOR GENERAL

Jon Fox, Audit Manager

SIKICH LLP

Nick Appelbaum, Partner
Amy Sherwood, Senior Manager
Megan Cochran, Senior Accountant

Responses to the recommendations were provided by Ellen Andres, Chief Operating Officer, in a letter dated January 8, 2007.



INDEPENDENT ACCOUNTANTS' REPORT ON STATE COMPLIANCE,
ON INTERNAL CONTROL OVER COMPLIANCE, AND ON
SUPPLEMENTARY INFORMATION FOR STATE COMPLIANCE PURPOSES

Honorable William G. Holland
Auditor General
State of Illinois

Compliance

As Special Assistant Auditors for the Auditor General, we have examined the State of Illinois, Community College Board's compliance with the requirements listed below, as more fully described in the Audit Guide for Financial Audits and Compliance Attestation Engagements of Illinois State Agencies (Audit Guide) as adopted by the Auditor General, during the two years ended June 30, 2006. The management of the State of Illinois, Community College Board is responsible for compliance with these requirements. Our responsibility is to express an opinion on the State of Illinois, Community College Board's compliance based on our examination.

- A. The State of Illinois, Community College Board has obligated, expended, received, and used public funds of the State in accordance with the purpose for which such funds have been appropriated or otherwise authorized by law.
- B. The State of Illinois, Community College Board has obligated, expended, received, and used public funds of the State in accordance with any limitations, restrictions, conditions or mandatory directions imposed by law upon such obligation, expenditure, receipt or use.
- C. The State of Illinois, Community College Board has complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.
- D. The State revenues and receipts collected by the State of Illinois, Community College Board are in accordance with applicable laws and regulations and the accounting and recordkeeping of such revenues and receipts is fair, accurate and in accordance with law.

- E. Money or negotiable securities or similar assets handled by the State of Illinois, Community College Board on behalf of the State or held in trust by the State of Illinois, Community College Board have been properly and legally administered and the accounting and recordkeeping relating thereto is proper, accurate, and in accordance with law.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants; the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States; the Illinois State Auditing Act (Act); and the Audit Guide as adopted by the Auditor General pursuant to the Act; and, accordingly, included examining, on a test basis, evidence about the State of Illinois, Community College Board's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the State of Illinois, Community College Board's compliance with specified requirements.

In our opinion, the State of Illinois, Community College Board complied, in all material respects, with the aforementioned requirements during the two years ended June 30, 2006. However, the results of our procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with criteria established by the Audit Guide, issued by the Illinois Office of the Auditor General and which are described in the accompanying schedule of State findings as findings 06-1 and 06-3.

As required by the Audit Guide, immaterial findings relating to instances of noncompliance excluded from this report have been reported in a separate letter to your office.

Internal Control

The management of the State of Illinois, Community College Board is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws and regulations. In planning and performing our examination, we considered the State of Illinois, Community College Board's internal control over compliance with the aforementioned requirements in order to determine our examination procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the Audit Guide, issued by the Illinois Office of the Auditor General.

Our consideration of internal control over compliance with the aforementioned requirements would not necessarily disclose all matters in internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws and regulations that would be material in relation to one or more of the aforementioned requirements being examined may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We

noted no matters involving internal control over compliance that we consider to be material weaknesses. However, the results of our procedures disclosed other matters involving internal control which are required to be reported in accordance with criteria established by the Audit Guide, issued by the Illinois Office of the Auditor General and which are described in the accompanying schedule of State findings as finding 06-2.

As required by the Audit Guide, immaterial findings relating to internal control deficiencies excluded from this report have been reported in a separate letter to your office.

Supplementary Information for State Compliance Purposes

Our examination was conducted for the purpose of forming an opinion on compliance with the requirements listed in the first paragraph of this report. The accompanying supplementary information as listed in the table of contents as Supplementary Information for State Compliance Purposes is presented for purposes of additional analysis. We have applied certain limited procedures as prescribed by the Audit Guide as adopted by the Auditor General to the 2006 and the 2005 Supplementary Information for State Compliance Purposes, except for information on the Memorandums of Understanding, Service Efforts and Accomplishments and Schedules of Grant Awards on which we did not perform any procedures. However, we do not express an opinion on the supplementary information.

We have not applied procedures to the 2004 Supplementary Information for State Compliance Purposes, and accordingly, we do not express an opinion thereon.

This report is intended solely for the information and use of the Auditor General, the General Assembly, the Legislative Audit Commission, the Governor, and agency management, and is not intended to be and should not be used by anyone other than these specified parties.

Sehich LLP

Springfield, Illinois
November 20, 2006

06-1. FINDING (State and Federal grant reporting by Illinois community college districts)

The Illinois Community College Board (Board) did not receive required informational grant reports from community college districts by the required deadline.

During detail testing, we noted 369 of 1,992 (18.5%) informational reports due in fiscal year 2005 were 1 day to 23 months late in being submitted to the Board. We also noted 250 of 1,796 (13.9%) informational reports due in fiscal year 2006 were 1 day to 14 months late in being submitted to the Board.

The Illinois Administrative Code (23 Ill. Adm. Code 1501.201) requires the community college districts to file informational reports throughout the grant period with the Board.

Although the Board routinely reminded the community college officials of the key deadlines of each grant report, delays or lack of submissions continued to occur. According to Board personnel, many colleges submit their informational state grant reports along with the audited financial statements, which have a later due date. The Board has been advised that the internal data reporting systems of some community colleges cannot be closed-out, reconciled, and compiled in time to meet the deadlines. Board management stated the Board has little recourse to enforce timely filing of the reports due to a lack of a penalty mechanism to impose upon the districts that file late.

We previously recommended the Board perform a comprehensive review of reporting deadlines to determine if deadlines should be revised. Board management stated that it examined the reporting deadline structure and determined that none could be altered. The Board has discussed the issue repeatedly with the 49 colleges and 58 Adult Education providers, but issues arise which cause the reporting deadlines to be missed.

This finding has been repeated during the last six engagement periods. The districts have either been unable or unwilling to meet reporting deadlines. It is apparent this recommendation will never be implemented unless the Board takes stronger action, such as imposing monetary penalties for noncompliance.

The Board uses the informational reports to evaluate the effectiveness of grant programs and prepare for future budgets. The failure to receive the community college information reports promptly could delay the Board's completion of its own internal summary reports and budget preparation. (Finding Code No. 06-1, 04-1, 02-3, 00-1, 99-1, 98-1 and 96-2)

RECOMMENDATION

We recommend the Board consider its options for adopting enforcement mechanisms to improve community colleges' compliance with reporting deadlines.

BOARD RESPONSE

The Board concurs with this finding. The receipt of the audit is necessary to compute grant amounts for each of the districts. The Board has started a new policy that either the President or Board Chairman of a college must come before the Board to explain why the audit report is late. The Board will also look at the other 1,991 reports to determine which ones may be important enough to require Board interaction with the college.

06-2. FINDING (Employee performance and probationary evaluations not performed in a timely manner)

The Illinois Community College Board (Board) did not perform employee performance and probationary evaluations in accordance with Board policy.

During our review of 25 employee performance evaluations, we noted that 20 of 25 (80%) were not performed in accordance with Board policy for fiscal years 2005 and 2006. For fiscal year 2005 evaluations, 20 individuals (80%) had untimely performance evaluations, ranging from 7 to 83 days past the due date. For fiscal year 2006 evaluations, 18 individuals (72%) had untimely performance evaluations, ranging from 13 to 107 days past the due date.

The Board's Director of Human Resources stated Board policy dictates employee evaluations are to be performed on an annual basis by June 30 for each fiscal year. For newly hired employees, evaluations are also to be performed at 3 month and 6 month intervals during the probationary period. The evaluation policy is currently not in written form, but is the accepted policy. Employees' supervisors are responsible for ensuring that evaluations are performed in a timely manner.

In its previous response, the Board concurred with the recommendation and stated the Human Resources Director would ensure that all evaluations are done timely. However, Board management stated not all Board supervisors performed employee evaluations in accordance with Board policy because of the increased workload each June. The Board is in the process of revising the policy so that evaluations are conducted by September 1 of each fiscal year, but the policy was not changed in writing during the engagement period.

Good business practice dictates that an annual evaluation and probationary evaluations be performed in a timely manner in order that employee and employer communicate on the performance and future expectations of the employee in the workplace. Employee evaluations support administrative personnel decisions by documenting regular performance measures. Late evaluations can cause delays in communicating positive and negative qualities of the employee's work performance. (Finding Code 06-2, 04-4)

RECOMMENDATION

We recommend the Board establish written procedures to ensure performance evaluations are performed in a timely manner. We also recommend the Board follow-up with supervisors to ensure compliance with these procedures.

BOARD RESPONSE

The Board concurs with this finding and recommendation. The due date for annual evaluations was June 1. Supervisors are busy ending fiscal year activities and preparing grant packages for the new fiscal year. The written evaluation procedures have been amended to allow evaluations to be completed in the summer. We believe this will eliminate this audit finding.

06-3. FINDING (Failure to gather education and training services data as required by the Adult Education Reporting Act)

The Illinois Community College Board (Board) did not obtain information from various State agencies about education and training services provided to adult citizens in Illinois as required by the Adult Education Reporting Act.

The Adult Education Reporting Act (Act)(105 ILCS 410) requires the Department of Corrections, Department of Healthcare and Family Services, Department of Commerce and Economic Opportunity, Department of Public Health, Office of the Illinois Secretary of State, and the Administrative Office of the Illinois Courts to file a report annually with the Board listing all education, training or intern programs, grants, loans or other services they administer or make available to provide education or training to adult citizens in Illinois, as defined in Section 10-22.20 of the School Code. If these agencies do not provide education or training services for adult citizens in Illinois, the report should so state.

The Board has not received any voluntary provided communication from these agencies regarding their educational programs and services for adult citizens since the effective date of the Act, which was July 1, 2001. One agency (the Department of Human Services) did submit a report in July 2006.

Board management stated they were not aware of the provisions of the Act. The Board has since actively solicited the information in August 2006.

Failure to communicate with the aforementioned agencies and obtain information related to the education and training services provided to adult citizens in Illinois is in noncompliance with the Adult Education Reporting Act. The accumulation of this data is necessary to coordinate the Adult Education services activities throughout the State. (Finding Code No. 06-3)

RECOMMENDATION

We recommend the Board work with the mandated organizations to obtain the annual information required by the Adult Education Reporting Act.

BOARD RESPONSE

The Board concurs with this finding. The reports are being collected for the current fiscal year, and staff will now collect the information annually.

STATE OF ILLINOIS
COMMUNITY COLLEGE BOARD

PRIOR FINDINGS NOT REPEATED
(STATE COMPLIANCE)

06-4. Failure to enforce travel rules

The prior examination noted the Board did not comply with the State Finance Act and failed to enforce the travel regulations outlined in “A Travel Guide for State of Illinois Employees,” which was developed by the Governor’s Travel Control Board, or the Board’s Office Rules. The Board failed to approve employees’ travel in advance and did not file the semi-annual Form TA-2 with the Legislative Audit Commission in a timely manner.

During the current examination, we noted the Board was approving travel prior to the employees’ travel dates. Further, the Board’s Form TA-2 reports were filed in a timely manner. As a result, this finding is not repeated. (Finding Code No. 04-2, 02-4)

06-5. Weaknesses noted in information systems controls

The prior examination noted the Board did not have a complete, updated disaster recovery plan; had not tested the existing plan during the engagement period; did not have a long-range information systems plan; and did not utilize an acceptable password change interval.

During the current examination period, the Board updated its disaster recovery plan, but could not perform a test due to instructions received from the Illinois Department of Central Management Services (DCMS) concerning its coordination of testing activities. The Board was also instructed to wait for further directions from DCMS regarding the development of its long-range information systems Plan. Finally, the Board modified its password change interval for its administrative passwords. The Board has implemented sufficient controls over its information system environment. As a result, this finding is not repeated. (Finding Code No. 04-3, 02-5)

06-6. Board not staffed as required by the Public Community College Act

The prior examination noted the Board was not staffed at a total of 12 members as required by the Public Community College Act.

During the current examination period, the Board worked with the Governor’s Office to obtain appointments in order to fully staff the Board. We reviewed the appointments that occurred during the period and noted the Board was fully staffed at the end of the examination period. As a result, this finding is not repeated. (Finding Code No. 04-5)

06-7. Failure to file 2001-2002 Biennial Report in a timely manner

The prior examination noted the Board did not submit its Biennial Report to the General Assembly by March 1, 2003 as required by the Public Community College Act.

During the current examination period the Board submitted its 2003-2004 Biennial Report to the General Assembly in February 2005, prior to the March 1, 2005 deadline. As a result, this finding is not repeated. (Finding Code No. 04-6)

06-8. Time sheets not maintained in compliance with the State Officials and Employees Ethics Act

The prior examination noted the Board did not maintain time sheets for its exempt employees in compliance with the State Officials and Employees Ethics Act (Act).

The Board switched to a “positive” time keeping system during the current examination period and our sample testing indicates the Board is in compliance. As a result, this finding is not repeated. (Finding Code No. 04-7)

STATE OF ILLINOIS
COMMUNITY COLLEGE BOARD

SUPPLEMENTARY INFORMATION FOR STATE COMPLIANCE PURPOSES

SUMMARY

Supplementary Information for State Compliance Purposes presented in this section of the report includes the following:

- Fiscal Schedules and Analysis:
 - Schedule of Expenditures of Federal Awards
 - Year Ended June 30, 2006
 - Year Ended June 30, 2005
 - Notes to the Schedule of Expenditures of Federal Awards
 - Schedule of Appropriations, Expenditures and Lapsed Balances
 - Fiscal Year 2006
 - Fiscal Year 2005
 - Comparative Schedule of Net Appropriations, Expenditures and Lapsed Balances
 - Schedule of Changes in State Property
 - Comparative Schedule of Cash Receipts
 - Reconciliation Schedule of Cash Receipts to Deposits Remitted to the State Comptroller
 - Analysis of Significant Variations in Expenditures
 - Analysis of Significant Variations in Receipts
 - Analysis of Significant Lapse Period Spending
 - Analysis of Accounts Receivable and Significant Balance Sheet Accounts
 - Schedule of Indirect Cost Reimbursements
- Analysis of Operations:
 - Agency Functions and Planning Program
 - Average Number of Employees
 - Memorandums of Understanding (Not Examined)
 - Service Efforts and Accomplishments (Not Examined)
 - Description of State Grant Programs
 - Schedule of Grant Awards (Not Examined)
 - Fiscal Year 2006 Operating (Unrestricted) Grants to Colleges
 - Fiscal Year 2006 Total Grants to Colleges
 - Fiscal Year 2005 Operating (Unrestricted) Grants to Colleges
 - Fiscal Year 2005 Total Grants to Colleges
 - Listing of Board Members

The auditors' report that covers the Supplementary Information for State Compliance Purposes presented in the Compliance Report Section states the auditors have applied certain limited procedures as prescribed by the Audit Guide as adopted by the Auditor General, except for information on the Memorandums of Understanding, Service Efforts and Accomplishments and Schedules of Grant Awards on which they did not perform any procedures. However, the auditors do not express an opinion on the supplementary information.

STATE OF ILLINOIS
COMMUNITY COLLEGE BOARD

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2006
(Expressed in Thousands)

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Federal Expenditures</u>	<u>Amount Provided to Subrecipients</u>
<u>U.S. Department of Education</u>			
Adult Education - State Grant Program	84.002	\$ 24,520	\$ 20,946
Fund for the Improvement of Postsecondary Education	84.116	7	-
Preparing Tomorrow's Teachers to Use Technology (Teacher Training in Technology) PT3	84.342	9	9
Passed through the Illinois State Board of Education:			
Vocational Education - Basic Grants to States	84.048	18,116	17,463
Tech-Prep Education	84.243	3,880	3,880
Improving Teacher Quality State Grants	84.367	349	348
Passed through the Illinois State Board of Higher Education:			
Teacher Quality Enhancement Grants	84.336	(48)	-
<u>U.S. Department of Health and Human Services</u>			
Chafee Foster Care Independent Living	93.674	228	184
<u>U.S. Department of Labor</u>			
Passed through the Illinois Department of Commerce and Economic Opportunity:			
WIA Adult Program	17.258	32	40
WIA Youth Activities	17.259	32	40
WIA Dislocated Workers	17.260	31	39
Incentive Grants - WIA Section 503	17.267	<u>1,676</u>	<u>1,676</u>
TOTAL		<u>\$ 48,832</u>	<u>\$ 44,625</u>

The accompanying notes are an integral part of this schedule.

STATE OF ILLINOIS
COMMUNITY COLLEGE BOARD

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2005
(Expressed in Thousands)

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Federal Expenditures</u>	<u>Amount Provided to Subrecipients</u>
<u>U.S. Department of Education</u>			
Adult Education - State Grant Program	84.002	\$ 22,839	\$ 21,814
Fund for the Improvement of Postsecondary Education	84.116	494	387
Preparing Tomorrow's Teachers to Use Technology (Teacher Training in Technology) PT3	84.342	237	164
Passed through the Illinois State Board of Education:			
Vocational Education - Basic Grants to States	84.048	17,623	17,506
Tech-Prep Education	84.243	3,927	3,927
Improving Teacher Quality State Grants	84.367	350	314
Passed through the Illinois State Board of Higher Education:			
Teacher Quality Enhancement Grants	84.336	54	53
<u>U.S. Department of Health and Human Services</u>			
Chafee Foster Care Independence Program	93.674	194	149
<u>U.S. Department of Labor</u>			
Passed through the Illinois Department of Commerce and Economic Opportunity:			
WIA Adult Program	17.258	285	246
WIA Youth Activities	17.259	285	246
WIA Dislocated Workers	17.260	285	246
Incentive Grants - WIA Section 503	17.267	<u>1,625</u>	<u>1,425</u>
 TOTAL		 <u>\$ 48,198</u>	 <u>\$ 46,477</u>

The accompanying notes are an integral part of this schedule.

STATE OF ILLINOIS
COMMUNITY COLLEGE BOARD

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Years Ended June 30, 2005 and 2006

1. GENERAL

The accompanying Schedule of Expenditures of Federal Awards presents the federal award programs administered by the State of Illinois, Community College Board (Board). The Schedule of Expenditures of Federal Awards includes the expenditure of awards received directly from federal agencies and awards passed through other State and local agencies.

The Schedule of Expenditures of Federal Awards was prepared for State compliance purposes only. A separate single audit of the Board was not conducted. A separate single audit of the entire State of Illinois (which includes the Board) was performed and released under separate cover.

2. BASIS OF ACCOUNTING

The Schedule of Expenditures of Federal Awards has been prepared in accordance with accounting principles generally accepted in the United States of America on the modified accrual basis of accounting as prescribed in pronouncements issued by the Governmental Accounting Standards Board.

3. INDIRECT COSTS

In fiscal year 2004 and 2005, the State of Illinois Community College Board (Board) contracted with a consulting firm to update the indirect cost plan the Board utilized for its federal programs for fiscal year 2005 and 2006. The plan was submitted to the U.S. Department of Education (DOE) in December for each year. The U.S. DOE approved the rate of 27.7% in April 2004 for fiscal year 2005 and 24.0% in February 2006 for fiscal year 2006.

The Illinois Community College Board Federal Trust Fund – 0350 was created by statute through 110 ILCS 805/2-16.08 to receive indirect cost monies recovered from federal programs administered by the Board. Monies in the fund are used for operating expenses of the Board, subject to appropriation by the General Assembly.

During fiscal years 2005 and 2006, \$310,190 and \$261,352, respectively, was received from the U.S. DOE and deposited by the Board into Fund 0350.

STATE OF ILLINOIS
COMMUNITY COLLEGE BOARD
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS – Continued

4. DESCRIPTION OF SIGNIFICANT FEDERAL AWARD PROGRAMS

The following is a brief description of the significant programs included in the Schedule of Expenditures of Federal Awards:

U.S. Department of Education

A. Adult Education – State Grant Program CFDA No. 84.002

The objectives of the Adult Education – State Grant Program is to create a partnership among the Federal Government, states and localities to provide, on a voluntary basis, adult education and literacy services, to assist adults to become literate and obtain the knowledge and skills necessary for employment and self-sufficiency; assist adults who are parents to obtain the educational skills necessary to become full partners in the educational development of their children; and assist adults in the completion of a secondary school education. Participation in this program is limited to adults and out-of-school youths aged 16 and older.

B. Vocational Education – Basic Grants to States CFDA No. 84.048

Basic grants to states develop more fully the academic, vocational, and technical skills of secondary and postsecondary students who elect to enroll in vocational and technical programs.

C. Tech-Prep Education CFDA No. 84.243

This program distributes funds to states to enable them to provide planning and demonstration grants to consortia of local educational agencies and postsecondary educational agencies for the development and operation of 4-year programs designed to provide a tech prep education program leading to a 2-year associate degree or a 2-year certificate. The program also provides, in a systematic manner, strong, comprehensive links between secondary schools and postsecondary educational institutions.

U.S. Department of Labor

D. Incentive Grants – WIA Section 503 CFDA No. 17.267

These incentive grants are to carry out innovative programs consistent with the purposes of the Workforce Investment System, Adult Education and Family Literacy Act, the Carl D. Perkins Vocational and Applied Technology Education Amendments of 1998, or a combination of two or more of these acts.

STATE OF ILLINOIS
COMMUNITY COLLEGE BOARD

SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
APPROPRIATIONS FOR FISCAL YEAR 2006
FOURTEEN MONTHS ENDED AUGUST 31, 2006

	Appropriations (Net after Transfers)	Expenditures Through June 30, 2006	Lapse Period		Total Expenditures	Balances Reappropriated July 1, 2006	Balances Lapsed
			Expenditures July 1 to August 31, 2006	Expenditures July 1 to August 31, 2006			
Public Act 94-0015	\$ 1,179,500	\$ 1,175,273	\$ 175	\$ -	\$ 1,175,448	\$ -	\$ 4,052
Appropriated Funds	15,850	15,579	3	-	15,582	-	268
General Revenue Fund - 0001	370,000	331,047	15,115	-	346,162	-	23,838
Personal services	66,600	57,703	8,833	-	66,536	-	64
State contributions to social security and medicare	7,600	4,691	547	-	5,238	-	2,362
Contractual services	9,550	5,971	79	-	6,050	-	3,500
Travel	1,517	1,517	-	-	1,517	-	-
Commodities	425,600	404,424	16,537	-	420,961	-	4,639
Printing	36,500	28,171	5,763	-	33,934	-	2,566
Equipment	7,383	5,132	2,102	-	7,234	-	149
Electronic data processing	1,500	-	-	-	-	-	1,500
Telecommunications	1,589,100	1,490,294	62,011	-	1,552,305	-	36,795
Operation of automotive equipment	191,837,100	191,837,100	-	-	191,837,100	-	-
East St. Louis operations	5,507,500	5,507,500	-	-	5,507,500	-	-
Educational facility in East St. Louis	780,000	780,000	-	-	780,000	-	-
Base operating grants - hold harmless	76,617,500	76,617,500	-	-	76,617,500	-	-
Small college grants	3,311,300	3,311,300	-	-	3,311,300	-	-
Equalization grants	626,600	626,600	-	-	626,600	-	-
Workforce development grants	2,279,000	2,278,757	-	-	2,278,757	-	243
Retirees' health insurance grants	15,829,600	15,815,748	-	-	15,815,748	-	13,852
P-16 initiatives grants	10,491,800	10,482,361	-	-	10,482,361	-	9,439
Adult education and literacy activities	7,922,100	7,918,350	3,746	-	7,922,096	-	4
Providers for adult education and literacy	120,100	93,556	2,970	-	96,526	-	23,574
Providers for performance based awards	11,911,700	11,577,770	214,693	-	11,792,463	-	119,237
Recipients of public assistance	15,000,000	15,000,000	-	-	15,000,000	-	-
Scholarships to graduates of Lincoln's Challenge Program	330,000	330,000	-	-	330,000	-	-
Costs associated with career and technical education activities	250,000	250,000	-	-	250,000	-	-
Costs associated with City Colleges of Chicago educational-related expenses	20,000	20,000	-	-	20,000	-	-
Community college grants	647,600	479,638	91,146	-	570,784	-	76,816
Lincoln Land and Community College medical training program	347,192,600	346,445,982	423,720	-	346,869,702	-	322,898
Joliet Junior College adult education division							
Costs associated with administering GED tests							
Total - General Revenue Fund							(Continued)

STATE OF ILLINOIS
COMMUNITY COLLEGE BOARD

SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
APPROPRIATIONS FOR FISCAL YEAR 2005
FOURTEEN MONTHS ENDED AUGUST 31, 2005

	Appropriations (Net after Transfers)	Expenditures Through June 30, 2005	Lapse Period Expenditures		Total Expenditures	Balances	
			July 1 to August 31, 2005	August 31, 2005		Reappropriated July 1, 2005	Lapsed
Public Act 93-0842							
Appropriated Funds							
General Revenue Fund - 0001							
Personal services	\$ 1,279,500	\$ 1,278,231	\$ -	\$ -	\$ 1,278,231	\$ -	\$ 1,269
State contributions to social security and medicare	14,350	14,339	-	-	14,339	-	11
Contractual services	358,100	304,503	11,103	-	315,606	-	42,494
Travel	58,100	38,392	9,088	-	47,480	-	10,620
Commodities	8,600	5,302	948	-	6,250	-	2,350
Printing	8,150	2,974	3,686	-	6,660	-	1,490
Equipment	2,000	199	-	-	199	-	1,801
Electronic data processing	448,800	419,260	16,064	-	435,324	-	13,476
Telecommunications	36,500	26,312	2,373	-	28,685	-	7,815
Operation of automotive equipment	6,000	5,474	283	-	5,757	-	243
East St. Louis operations	1,500	-	-	-	-	-	1,500
Illinois Valley Community College operations	160,000	160,000	-	-	160,000	-	-
Scholarships to graduates of Lincoln's Challenge Program	120,100	97,014	948	-	97,962	-	22,138
Educational facility in East St. Louis	1,589,100	1,479,811	98,113	-	1,577,924	-	11,176
Base operating grants	191,837,100	191,837,100	-	-	191,837,100	-	-
Base operating grants - hold harmless	5,507,500	5,507,500	-	-	5,507,500	-	-
Equalization grants	76,617,500	76,617,500	-	-	76,617,500	-	-
Costs associated with career and technical education activities	11,911,700	11,880,246	-	-	11,880,246	-	31,454
Retirees' health insurance grants	626,600	626,600	-	-	626,600	-	-
Workforce development grants	3,311,300	3,311,128	-	-	3,311,128	-	172
Small college grants	900,000	900,000	-	-	900,000	-	-
P-16 initiative grants	1,279,000	1,279,000	-	-	1,279,000	-	-
City Colleges of Chicago educational-related expenses	15,000,000	15,000,000	-	-	15,000,000	-	-
Adult education and literacy activities							
Providers for adult education and literacy	15,829,600	14,045,687	1,771,990	-	15,817,677	-	11,923
Providers for performance based awards	10,491,800	9,074,913	1,416,887	-	10,491,800	-	-
Recipients of public assistance	7,922,100	6,223,242	1,698,858	-	7,922,100	-	-
Educational services to adult education providers for certain grants	102,000	102,000	-	-	102,000	-	-
Lincoln Land Community College medical training program	250,000	250,000	-	-	250,000	-	-
Total - General Revenue Fund	345,677,000	340,486,727	5,030,341	-	345,517,068	-	159,932
Capital Development Fund - 0141							
Reappropriations from FY 2004 for technology infrastructure grants	143,525	-	-	-	-	-	143,525
Reappropriations from FY 2004 for technology infrastructure grants	73,396	-	-	-	-	-	73,396
Total - Capital Development Fund	216,921	-	-	-	-	-	216,921

(Continued)

STATE OF ILLINOIS
COMMUNITY COLLEGE BOARD

SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
APPROPRIATIONS FOR FISCAL YEAR 2005
FOURTEEN MONTHS ENDED AUGUST 31, 2005

	Appropriations (Net after Transfers)	Expenditures Through June 30, 2005	Lapse Period Expenditures July 1 to August 31, 2005	Total Expenditures	Balances Reappropriated July 1, 2005	Balances Lapsed
ICCB Contracts and Grants Fund - 0339						
Awards and grants	\$ 15,000,000	\$ 3,713,784	\$ 299,482	\$ 4,013,266	\$ -	\$ 10,986,734
Total - ICCB Contracts & Grants Fund	15,000,000	3,713,784	299,482	4,013,266	-	10,986,734
AFDC Opportunities Fund - 0349						
Grants to colleges for workforce training	775,000	114,946	387	115,333	-	659,667
Total - AFDC Opportunities Fund	775,000	114,946	387	115,333	-	659,667
ICCB Federal Trust Fund - 0350						
Ordinary and contingent expenses of the Board	300,000	135,328	3,462	138,790	-	161,210
Total - ICCB Federal Trust Fund	300,000	135,328	3,462	138,790	-	161,210
ICCB Adult Education Fund - 0692						
Providers for adult education and literacy	29,867,200	18,150,329	3,694,208	21,844,537	-	8,022,663
Operations	1,500,000	1,018,267	48,041	1,066,308	-	433,692
Total - ICCB Adult Education Fund	31,367,200	19,168,596	3,742,249	22,910,845	-	8,456,355
Career and Technical Education Fund - 0772						
Costs associated with career and technical education activities	22,207,100	21,423,454	411,807	21,835,261	-	371,839
Total - Career and Technical Education Fund	22,207,100	21,423,454	411,807	21,835,261	-	371,839
Build Illinois Bond Fund - 0971						
Reappropriations from FY 2004 for remodeling facilities in compliance with the Americans with Disabilities Act	2,085,595	321,327	-	321,327	1,764,268	-
Total - Build Illinois Bond Fund	2,085,595	321,327	-	321,327	1,764,268	-
Grand Total - All Funds	\$ 417,628,816	\$ 385,364,162	\$ 9,487,728	\$ 394,851,890	\$ 1,764,268	\$ 21,012,658

Note: The above information was taken directly from the Illinois Community College Board records which have been reconciled to those of the State Comptroller.

STATE OF ILLINOIS
COMMUNITY COLLEGE BOARD

SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
APPROPRIATIONS FOR FISCAL YEAR 2006
FOURTEEN MONTHS ENDED AUGUST 31, 2006

	Appropriations (Net after Transfers)	Expenditures Through June 30, 2006	Lapse Period Expenditures July 1 to August 31, 2006	Total Expenditures	Balances Reappropriated July 1, 2006	Balances Lapsed
ICCB Instructional Development and Enhancement Applications Revolving Fund - 0070						
Costs associated with maintaining and updating instructional technology	\$ 550,000	\$ 47,860	\$ -	\$ 47,860	\$ -	\$ 502,140
Total - ICCB Instructional Development and Enhancement Applications Revolving Fund	<u>550,000</u>	<u>47,860</u>	<u>-</u>	<u>47,860</u>	<u>-</u>	<u>502,140</u>
SBE GED Testing Fund - 0161						
Costs associated with administering GED tests	500,000	380,189	30,540	410,729	-	89,271
Total - ISBE GED Testing Fund	<u>500,000</u>	<u>380,189</u>	<u>30,540</u>	<u>410,729</u>	<u>-</u>	<u>89,271</u>
ICCB Contracts and Grants Fund - 0339						
Awards and grants	15,000,000	1,579,086	1,010,320	2,589,406	-	12,410,594
Total - ICCB Contracts & Grants Fund	<u>15,000,000</u>	<u>1,579,086</u>	<u>1,010,320</u>	<u>2,589,406</u>	<u>-</u>	<u>12,410,594</u>
AFDC Opportunities Fund - 0349						
Grants to colleges for workforce training	775,000	222,206	9,184	231,390	-	543,610
Total - AFDC Opportunities Fund	<u>775,000</u>	<u>222,206</u>	<u>9,184</u>	<u>231,390</u>	<u>-</u>	<u>543,610</u>
ICCB Federal Trust Fund - 0350						
Ordinary and contingent expenses	400,000	201,009	6,707	207,716	-	192,284
Total - ICCB Federal Trust Fund	<u>400,000</u>	<u>201,009</u>	<u>6,707</u>	<u>207,716</u>	<u>-</u>	<u>192,284</u>
ICCB Adult Education Fund - 0692						
Providers for adult education and literacy	29,867,200	20,611,558	1,933,443	22,545,001	-	7,322,199
Operations	1,500,000	1,084,637	42,465	1,127,102	-	372,898
Total - ICCB Adult Education Fund	<u>31,367,200</u>	<u>21,696,195</u>	<u>1,975,908</u>	<u>23,672,103</u>	<u>-</u>	<u>7,695,097</u>
Career and Technical Education Fund - 0772						
Costs associated with career and technical education activities	22,207,100	19,898,748	1,888,345	21,787,093	-	420,007
Total - Career and Technical Education Fund	<u>22,207,100</u>	<u>19,898,748</u>	<u>1,888,345</u>	<u>21,787,093</u>	<u>-</u>	<u>420,007</u>
Build Illinois Bond Fund - 0971						
Reappropriations from FY 2005 for remodeling facilities in compliance with the Americans with Disabilities Act	1,764,268	157,445	-	157,445	1,606,823	-
Total - Build Illinois Bond Fund	<u>1,764,268</u>	<u>157,445</u>	<u>-</u>	<u>157,445</u>	<u>1,606,823</u>	<u>-</u>
Grand Total - All Funds	<u>\$ 419,756,168</u>	<u>\$ 390,628,720</u>	<u>\$ 5,344,724</u>	<u>\$ 395,973,444</u>	<u>\$ 1,606,823</u>	<u>\$ 22,175,901</u>

Note: The above information was taken directly from the Illinois Community College Board records which have been reconciled to those of the State Comptroller.

STATE OF ILLINOIS
COMMUNITY COLLEGE BOARD

COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES,
AND LAPSED BALANCES

For the Fiscal Years Ended June 30,

	Fiscal Year		
	2006	2005	2004
	P.A. 94-0015	P.A. 93-0842	P.A. 93-90, 93-587
Appropriated Funds			
General Revenue Fund - 0001			
Appropriations (Net of Transfers)	\$ 347,192,600	\$ 345,677,000	\$ 339,722,195
Expenditures			
Personal services	1,175,448	1,278,231	1,281,297
State contributions to social security and medicare	15,582	14,339	14,891
Contractual services	346,162	315,606	346,127
Travel	66,536	47,480	46,242
Commodities	5,238	6,250	5,800
Printing	6,050	6,660	7,003
Equipment	1,517	199	-
Electronic data processing	420,961	435,324	403,803
Telecommunications	33,934	28,685	32,559
Operation of automotive equipment	7,234	5,757	4,696
East St. Louis operations	-	-	155
Illinois Valley Community College operations	-	160,000	-
Scholarships to graduates of Lincoln's Challenge Program	96,526	97,962	95,213
Educational facility in East St. Louis	1,552,305	1,577,924	1,810,000
Base operating grants	191,837,100	191,837,100	191,837,100
Equalization grants	76,617,500	76,617,500	76,617,500
Retirees' health insurance grants	626,600	626,600	626,600
Workforce development grants	3,311,300	3,311,128	7,475,200
Base operating grants - hold harmless	5,507,500	5,507,500	7,416,200
Small college grants	780,000	900,000	900,000
Deferred maintenance grants	-	-	2,984,600
P-16 initiative grants	2,278,757	1,279,000	1,276,669
City Colleges of Chicago educational-related expenses	15,000,000	15,000,000	-
Adult education grants and operating costs of those grants	15,815,748	15,817,677	15,808,135
Adult education grants performance based awards	10,482,361	10,491,800	10,489,100
Adult education grants Public Assistance awards	7,922,096	7,922,100	7,921,734
Educational services to adult education providers for certain grants	-	102,000	-
Costs associated with career and technical education activities	11,792,463	11,880,246	11,828,180
Lincoln Land Community College medical training program	250,000	250,000	-
Joliet Junior College adult education divisor	20,000	-	-
Costs associated with administering GED tests	570,784	-	-
Community college grants	330,000	-	-
Total expenditures	<u>346,869,702</u>	<u>345,517,068</u>	<u>339,228,804</u>
Lapsed balances - General Revenue Fund	<u>\$ 322,898</u>	<u>\$ 159,932</u>	<u>\$ 493,391</u>

STATE OF ILLINOIS
COMMUNITY COLLEGE BOARD

COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES,
AND LAPSED BALANCES

For the Fiscal Years Ended June 30,

	Fiscal Year		
	2006	2005	2004
	P.A. 94-0015	P.A. 93-0842	P.A. 93-90, 93-587
ICCB Instructional Development and Enhancement Applications Revolving Fund - 0070			
Appropriations (Net of Transfers)	\$ 550,000	\$ -	\$ -
Expenditures			
Costs associated with maintaining and updating instructional technology	47,860	-	-
Total expenditures	47,860	-	-
Lapsed balances - ICCB Instructional Development and Enhancement Applications Revolving Fund	\$ 502,140	\$ -	\$ -
Capital Development Fund - 0141			
Appropriations (Net of Transfers)	\$ -	\$ 216,921	\$ 316,921
Expenditures			
Grant to Kishwaukee College	-	-	100,000
Total expenditures	-	-	100,000
Reappropriated Balances	-	-	216,921
Lapsed balances - Capital Development Fund	\$ -	\$ 216,921	\$ -
SBE GED Testing Fund - 0161			
Appropriations (Net of Transfers)	\$ 500,000	\$ -	\$ -
Expenditures			
Costs associated with administering GED tests	410,729	-	-
Total expenditures	410,729	-	-
Lapsed balances - SBE GED Testing Fund	\$ 89,271	\$ -	\$ -
ICCB Contracts and Grants Fund - 0339			
Appropriations (Net of Transfers)	\$ 15,000,000	\$ 15,000,000	\$ 25,000,000
Expenditures			
Awards and grants	2,589,406	4,013,266	4,076,179
Total expenditures	2,589,406	4,013,266	4,076,179
Lapsed balances - ICCB Contracts and Grants Fund	\$ 12,410,594	\$ 10,986,734	\$ 20,923,821

STATE OF ILLINOIS
COMMUNITY COLLEGE BOARD

COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES,
AND LAPSED BALANCES

For the Fiscal Years Ended June 30,

	Fiscal Year		
	2006	2005	2004
	P.A. 94-0015	P.A. 93-0842	P.A. 93-90, 93-587
AFDC Opportunities Fund - 0349			
Appropriations (Net of Transfers)	\$ 775,000	\$ 775,000	\$ 885,000
Expenditures			
Grants to colleges for workforce training	231,390	115,333	96,966
Total expenditures	231,390	115,333	96,966
Lapsed balances - AFDC Opportunities Fund	<u>\$ 543,610</u>	<u>\$ 659,667</u>	<u>\$ 788,034</u>
ICCB Federal Trust Fund - 0350			
Appropriations (Net of Transfers)	\$ 400,000	\$ 300,000	\$ 300,000
Expenditures			
Ordinary and contingent expenses	207,716	138,790	126,964
Total expenditures	207,716	138,790	126,964
Lapsed balances - ICCB Federal Trust Fund	<u>\$ 192,284</u>	<u>\$ 161,210</u>	<u>\$ 173,036</u>
State College and University Trust Fund - 0417			
Appropriations (Net of Transfers)	\$ -	\$ -	\$ 15,075
Expenditures			
Grant to Malcolm X College for student scholarships from the sale of license plates	-	-	15,075
Total expenditures	-	-	15,075
Lapsed balances - State College and University Trust Fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Video Conferencing User Fund - 0593			
Appropriations (Net of Transfers)	\$ -	\$ -	\$ 10,000
Expenditures			
Video conferencing expenses	-	-	-
Total expenditures	-	-	-
Lapsed balances - Video Conferencing User Fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,000</u>

STATE OF ILLINOIS
COMMUNITY COLLEGE BOARD

COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES,
AND LAPSED BALANCES

For the Fiscal Years Ended June 30,

	Fiscal Year		
	2006	2005	2004
	P.A. 94-0015	P.A. 93-0842	P.A. 93-90, 93-587
ICCB Adult Education Fund - 0692			
Appropriations (Net of Transfers)	\$ 31,367,200	\$ 31,367,200	\$ 27,000,000
Expenditures			
Providers for adult education and literacy	22,545,001	21,844,537	21,285,802
Operations	1,127,102	1,066,308	1,020,586
Total expenditures	23,672,103	22,910,845	22,306,388
Lapsed balances - ICCB Adult Education Fund	\$ 7,695,097	\$ 8,456,355	\$ 4,693,612
Career and Technical Education Fund - 0772			
Appropriations (Net of Transfers)	\$ 22,207,100	\$ 22,207,100	\$ 22,207,145
Expenditures			
Career and technical education programs	21,787,093	21,835,261	22,091,587
Total expenditures	21,787,093	21,835,261	22,091,587
Lapsed balances - Career and Technical Education Fund	\$ 420,007	\$ 371,839	\$ 115,558
Build Illinois Bond Fund - 0971			
Appropriations (Net of Transfers)	\$ 1,764,268	\$ 2,085,595	\$ 2,455,358
Expenditures			
Grants for Americans with Disabilities Act compliance - reappropriations	157,445	321,327	369,763
Total expenditures	157,445	321,327	369,763
Reappropriated Balances	1,606,823	1,764,268	2,085,595
Lapsed balances - Build Illinois Fund	\$ -	\$ -	\$ -
Grand Total - All Funds			
Appropriations (Net of Transfers)	\$ 419,756,168	\$ 417,628,816	\$ 417,911,694
Expenditures	395,973,444	394,851,890	388,411,726
Reappropriations	1,606,823	1,764,268	2,302,516
Lapsed balances	\$ 22,175,901	\$ 21,012,658	\$ 27,197,452

Note: The State of Illinois Community College Board did not make any Efficiency Initiative payments during fiscal years ending June 30, 2006, 2005, and 2004.

STATE OF ILLINOIS
COMMUNITY COLLEGE BOARD

SCHEDULE OF CHANGES IN STATE PROPERTY

Fiscal Years Ended June 30, 2006 and 2005

Beginning Equipment Balance, July 1, 2004	\$1,230,425
Additions	74,992
Deletions	(29,004)
Net Transfers	<u>-</u>
Ending Equipment Balance, June 30, 2005	<u><u>\$1,276,413</u></u>
Beginning Equipment Balance, July 1, 2005	\$1,276,413
Additions	33,051
Deletions	(205,530)
Net Transfers	<u>2,833</u>
Ending Equipment Balance, June 30, 2006	<u><u>\$1,106,767</u></u>

Note: The above information was taken directly from the Illinois Community College Board records which have been reconciled to those of the State Comptroller. The balance above consists primarily of office equipment.

STATE OF ILLINOIS
COMMUNITY COLLEGE BOARD
COMPARATIVE SCHEDULE OF CASH RECEIPTS
Fiscal Years Ended June 30, 2006, 2005, and 2004

	<u>2006</u>	<u>2005</u>	<u>2004</u>
<u>General Revenue Fund - 0001</u>			
Miscellaneous	\$ 540	\$ 216	\$ 100
Total - Fund 0001	<u>\$ 540</u>	<u>\$ 216</u>	<u>\$ 100</u>
<u>ICCB Instructional Development and Enhancement Applications Revolving Fund - 0070</u>			
Washington State Board of Education	\$ 26,050	\$ -	\$ -
Piedmont Community College	<u>21,810</u>	<u>-</u>	<u>-</u>
Total - Fund 0070	<u>\$ 47,860</u>	<u>\$ -</u>	<u>\$ -</u>
<u>SBE GED Testing Fund - 0161</u>			
Illinois State Board of Education	\$ 356,041	\$ -	\$ -
Total - Fund 0161	<u>\$ 356,041</u>	<u>\$ -</u>	<u>\$ -</u>
<u>ICCB Contracts and Grants Fund - 0339</u>			
American Council on Education	\$ 4,200	\$ -	\$ 2,450
Allied Health Project	-	-	423,133
Preparing Today's Teachers for Tomorrow	4,027	242,358	228,531
Illinois Community College Online	65,203	508,245	467,149
Education Commission of the States	-	98,000	-
Department of Children and Family Services	173,198	174,875	225,000
STAR Project	-	30,000	-
Tech Prep Grant - ISBE, CMS	-	-	1,557,100
Family Literacy Grant - ISBE	-	-	49,294
Skill Standards Grant - ISBE	-	-	15,000

STATE OF ILLINOIS
COMMUNITY COLLEGE BOARD
COMPARATIVE SCHEDULE OF CASH RECEIPTS
Fiscal Years Ended June 30, 2006, 2005, and 2004

	<u>2006</u>	<u>2005</u>	<u>2004</u>
Paraprofessional Grant - ISBE	\$ 363,023	\$ 355,592	\$ 260,750
American Association of Community Colleges/Microsoft	-	37,500	25,000
Department of Commerce and Economic Opportunity	1,289,973	2,362,226	1,103,504
Teacher Quality Enhancement	-	59,000	16,000
PEW Foundation for National Forum on College Level Learning	-	-	21,000
Total Fund - 0339	<u>\$ 1,899,624</u>	<u>\$ 3,867,796</u>	<u>\$ 4,393,911</u>
<u>ICCB Federal Trust Fund - 0350</u>			
Indirect Cost Reimbursements - U.S. Department of Education	<u>\$ 261,352</u>	<u>\$ 310,190</u>	<u>\$ 287,290</u>
Total Fund - 0350	<u>\$ 261,352</u>	<u>\$ 310,190</u>	<u>\$ 287,290</u>
<u>ICCB Adult Education Fund - 0692</u>			
Adult Education Program - U.S. Dept. of Education	<u>\$ 23,413,480</u>	<u>\$ 23,227,277</u>	<u>\$ 22,707,981</u>
Total Fund - 0692	<u>\$ 23,413,480</u>	<u>\$ 23,227,277</u>	<u>\$ 22,707,981</u>
<u>Career and Technical Education Fund - 0772</u>			
Grantee Interest Income (2)	<u>\$ 701</u>	<u>\$ -</u>	<u>\$ -</u>
Total Fund - 0772	<u>\$ 701</u>	<u>\$ -</u>	<u>\$ -</u>
Total Receipts Per Board Records	\$ 25,979,598	\$ 27,405,479	\$ 27,389,282
Transfers from Other Agencies:			
Career and Technical Education Fund - 0772 (1)	<u>20,664,619</u>	<u>21,532,905</u>	<u>21,440,694</u>
Combined Total	<u>\$ 46,644,217</u>	<u>\$ 48,938,384</u>	<u>\$ 48,829,976</u>

(1) These receipts are transferred to the ICCB from the Illinois State Board of Education out of monies received from the U.S. Department of Education.

(2) This receipt for Fund 0772 is related to an error by the Illinois Office of the Comptroller. The monies were originally deposited into Fund 0339.

STATE OF ILLINOIS
COMMUNITY COLLEGE BOARD
RECONCILIATION SCHEDULE OF CASH RECEIPTS TO DEPOSITS
REMITTED TO THE STATE COMPTROLLER
Fiscal Years Ended June 30, 2006, 2005, and 2004

	<u>2006</u>	<u>2005</u>	<u>2004</u>
<u>General Revenue Fund - 0001</u>			
Receipts per Board Records	\$ 540	\$ 216	\$ 100
Plus Deposits in Transit, Beginning of Year	-	-	-
Less Deposits in Transit, End of Year	<u>-</u>	<u>-</u>	<u>-</u>
Deposits Recorded by the Comptroller	<u>\$ 540</u>	<u>\$ 216</u>	<u>\$ 100</u>
<u>ICCB Instructional Development and Enhancement Applications Revolving Fund - 0070</u>			
Receipts per Board Records	\$ 47,860	\$ -	\$ -
Plus Deposits in Transit, Beginning of Year	-	-	-
Less Deposits in Transit, End of Year	<u>-</u>	<u>-</u>	<u>-</u>
Deposits Recorded by the Comptroller	<u>\$ 47,860</u>	<u>\$ -</u>	<u>\$ -</u>
<u>SBE GED Testing Fund - 0161</u>			
Receipts per Board Records	\$ 356,041	\$ -	\$ -
Plus Deposits in Transit, Beginning of Year	-	-	-
Less Deposits in Transit, End of Year	<u>-</u>	<u>-</u>	<u>-</u>
Deposits Recorded by the Comptroller	<u>\$ 356,041</u>	<u>\$ -</u>	<u>\$ -</u>
<u>ICCB Contracts and Grants Fund - 0339</u>			
Receipts per Board Records	\$ 1,899,624	\$ 3,867,796	\$ 4,393,911
Plus Deposits in Transit, Beginning of Year	-	-	-
Less Deposits in Transit, End of Year	<u>-</u>	<u>-</u>	<u>-</u>
Deposits Recorded by the Comptroller	<u>\$ 1,899,624</u>	<u>\$ 3,867,796</u>	<u>\$ 4,393,911</u>

STATE OF ILLINOIS
COMMUNITY COLLEGE BOARD
RECONCILIATION SCHEDULE OF CASH RECEIPTS TO DEPOSITS
REMITTED TO THE STATE COMPTROLLER
Fiscal Years Ended June 30, 2006, 2005, and 2004

	<u>2006</u>	<u>2005</u>	<u>2004</u>
<u>ICCB Federal Trust Fund - 0350</u>			
Receipts per Board Records	\$ 261,352	\$ 310,190	\$ 287,290
Plus Deposits in Transit, Beginning of Year	-	-	-
Less Deposits in Transit, End of Year	<u>-</u>	<u>-</u>	<u>-</u>
Deposits Recorded by the Comptroller	<u>\$ 261,352</u>	<u>\$ 310,190</u>	<u>\$ 287,290</u>
<u>ICCB Adult Education Fund - 0692</u>			
Receipts per Board Records	\$ 23,413,480	\$ 23,227,277	\$ 22,707,981
Plus Deposits in Transit, Beginning of Year	-	-	-
Less Deposits in Transit, End of Year	<u>-</u>	<u>-</u>	<u>-</u>
Deposits Recorded by the Comptroller	<u>\$ 23,413,480</u>	<u>\$ 23,227,277</u>	<u>\$ 22,707,981</u>
<u>Career and Technical Education Fund - 0772</u>			
Receipts per Board Records	\$ 701	\$ -	\$ -
Plus Deposits in Transit, Beginning of Year	-	-	-
Less Deposits in Transit, End of Year	<u>-</u>	<u>-</u>	<u>-</u>
Deposits Recorded by the Comptroller	<u>\$ 701</u>	<u>\$ -</u>	<u>\$ -</u>
<u>GRAND TOTAL ALL FUNDS</u>			
Receipts per Board Records	\$ 25,979,598	\$ 27,405,479	\$ 27,389,282
Plus Deposits in Transit, Beginning of Year	-	-	-
Less Deposits in Transit, End of Year	<u>-</u>	<u>-</u>	<u>-</u>
Deposits Recorded by the Comptroller	<u>\$ 25,979,598</u>	<u>\$ 27,405,479</u>	<u>\$ 27,389,282</u>

STATE OF ILLINOIS
COMMUNITY COLLEGE BOARD

ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES

The Illinois Community College Board's (Board) explanation for significant fluctuations in expenditures as presented in the Comparative Schedule of Net Appropriations, Expenditures, and Lapsed Balances is detailed below:

General Revenue Fund – 0001

Travel expenditures increased \$19,056 or 40.1% from fiscal year 2005 to 2006. The Board was not fully staffed for the majority of fiscal year 2005; therefore, more reimbursements were submitted for travel during fiscal year 2006 when the Board was fully staffed.

The Illinois Valley Community College Operations grant was a one-time special initiative appropriation from the General Assembly, thus the increase in expenditures by \$160,000 or 100.0% from fiscal year 2004 to 2005 and the resulting decrease from fiscal year 2005 to 2006.

The Workforce Development grants decreased \$4,164,072 or 55.7% from fiscal year 2004 to 2005 due to a reduction in the appropriation by the General Assembly in fiscal year 2005.

The Base Operating Grants – Hold Harmless grant decreased by \$1,908,700 or 25.7% from fiscal year 2004 to 2005. The General Assembly reduced funding in fiscal year 2005 due to the change in the funding formula.

The Deferred Maintenance grants decreased \$2,984,600 or 100.0% from fiscal year 2004 to 2005 because the program was not funded by the General Assembly during fiscal year 2005.

The P-16 Initiative grant expenditures increased \$999,757 or 78.2% from fiscal year 2005 to 2006 due to additional grant money approved by the General Assembly in fiscal year 2006 for this program.

The City Colleges of Chicago educational-related expenses grant increased by \$15,000,000 or 100.0% from fiscal year 2004 to 2005. This was a General Assembly new initiative in fiscal year 2005, as it was unfunded in 2004.

The education services to adult education providers for certain grants of the adult education and literacy activities appropriation increased \$102,000 or 100.0% from fiscal year 2004 to 2005. The appropriation was a one-time initiative of the General Assembly, thus the identical decrease in fiscal year 2006.

The Lincoln Land Community College medical training program grant was a new General Assembly initiative for fiscal year 2005, thus the increase of \$250,000 or 100.0% from fiscal year 2004.

The Joliet Junior College adult education division grant was a one year appropriation for fiscal year 2006, thus the increase of \$20,000 or 100.0% from fiscal year 2005 to 2006.

Costs associated with administering GED tests was a new appropriation line in fiscal year 2006 in conjunction with the Board's involvement in the GED testing process, thus the increase of \$570,784 or 100.0% from fiscal year 2005 to 2006.

The community college grants program was a new appropriation in fiscal year 2006 for on-line grants, thus the increase of \$330,000 or 100.0% from fiscal year 2005 to 2006.

ICCB Instructional Development and Enhancement Applications Revolving Fund - 0070

The costs associated with maintaining and updating instructional technology was a new appropriation in fiscal year 2006, thus the increase of \$47,860 or 100.0% from fiscal year 2005 to 2006.

Capital Development Fund – 0141

The grants to the colleges for capital development activities are one-time legislative add-ons. The grants were distributed when the colleges were ready to accept them. The grant to Kishwaukee College was a General Assembly one year only initiative for fiscal year 2004, thus the decrease of \$100,000 or 100.0% from fiscal year 2004 to 2005.

SBE GED Testing Fund – 0161

The costs associated with administering GED tests was a new appropriation in fiscal year 2006, thus the increase of \$410,729 or 100.0% from fiscal year 2005 to 2006.

ICCB Contracts and Grants Fund – 0339

The awards and grants expenditures decreased \$1,423,860 or 35.5% from fiscal year 2005 to 2006. This decrease is due to several grants, including the Preparing Today's Teachers for Tomorrow, Illinois Community College On-line, and the Teacher Quality Enhancement grants, ending in fiscal year 2005.

AFDC Opportunities Fund – 0349

The grants to colleges for workforce training expenditures increased \$116,057 or 100.6% from fiscal year 2005 to 2006. Additional staff expenses were incurred due to the scope of work that falls within the guidelines of this fund.

ICCB Federal Trust Fund – 0350

The operational expenditures for this fund increased \$68,926 or 49.7% from fiscal year 2005 to 2006. Additional staff expenses were incurred due to the scope of work that falls within the guidelines of this fund.

State College and University Trust Fund – 0417

The grant to Malcolm X College decreased by \$15,075 or 100.0% from fiscal year 2004 to 2005. These expenditures were based on receipts from Malcolm X license plates on order through the Secretary of State's office. The program ended in fiscal year 2004.

Build Illinois Bond Fund – 0971

The remodeling of community colleges for Americans with Disabilities decreased by \$163,882 or 51.0% from fiscal year 2005 to 2006. The recurring appropriation and funding is released and expended as the colleges submit requests for funds.

STATE OF ILLINOIS
COMMUNITY COLLEGE BOARD

ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS

The Board's explanation for significant fluctuations in cash receipts as presented in the Comparative Schedule of Cash Receipts is detailed below:

ICCB Instructional Development and Enhancement Applications Revolving Fund - 0070

The maintenance and updating of instructional technology was a new program for fiscal year 2006, thus the total increase of \$47,860 or 100.0% from fiscal year 2005 to 2006.

SBE GED Testing Fund – 0161

The Board's involvement in the GED testing process began in fiscal year 2006, and resulted in related receipts of \$356,041 from the Illinois State Board of Education in fiscal year 2006, a 100.0% increase from fiscal year 2005.

ICCB Contracts and Grants Fund – 0339

The Allied Health Project Grant was completed in fiscal year 2004, thus the decrease in receipts of \$423,133 or 100.0% from fiscal year 2004 to 2005.

The Preparing Today's Teachers for Tomorrow grant was completed in October of fiscal year 2006. The Board received an extension in fiscal year 2006 to complete the project, thus the decrease in receipts of \$238,331 or 98.3% from fiscal year 2005 to 2006.

The Illinois Community College Online grant was completed in October of fiscal year 2006, thus the decrease in receipts of \$443,042 or 87.2% from fiscal year 2005 to 2006.

The Education Commission of the States grant ended in fiscal year 2005, thus the decrease in receipts of \$98,000 or 100.0% from fiscal year 2005 to 2006.

The Department of Children and Family Services (DCFS) contract decreased \$50,125 or 22.3% from fiscal year 2004 to 2005. In fiscal year 2004, DCFS provided all of the funds for the contract. In fiscal year 2005, the contract funds were drawn down by the Board as needed or when billings from the colleges were received.

The STAR Project grant was new in fiscal year 2005 and was completed in the same fiscal year. This explains the increase of \$30,000 or 100.0% from fiscal year 2004 to 2005 and the decrease of \$30,000 or 100.0% from fiscal year 2005 to 2006.

The Tech Prep Grant was a one year grant in fiscal year 2004, thus the decrease in receipts of \$1,557,100 or 100.0% from fiscal year 2004 to 2005.

The Family Literacy Grant was a one year grant in fiscal year 2004, thus the decrease in receipts of \$49,294 or 100.0% from fiscal year 2004 to 2005.

The Skills Standards Grant was completed in fiscal year 2004, thus the decrease in receipts of \$15,000 or 100.0%.

Paraprofessional Grant monies are requested from the Illinois State Board of Education as contracts to community colleges are processed. Receipts increased \$94,842 or 36.4% from fiscal year 2004 to 2005 due to increased activity in the second year of the program. This was a three-year project completed in fiscal year 2006.

The American Association of Community Colleges/Microsoft grant started in fiscal year 2004 and continued through fiscal year 2005. The American Association of Community Colleges/Microsoft controlled the disbursements as needed by the Board. Fiscal year 2004 was the startup of the project. Receipts increased \$12,500 or 50.0% from fiscal year 2004 to 2005 as the project was completed. No activity occurred in fiscal year 2006, thus the decrease in receipts of \$37,500 or 100.0% from fiscal year 2005 to 2006.

The Department of Commerce and Economic Opportunity (DCEO) grant receipts are drawn down as contracts were written and approved by DCEO. This explains the increase in receipts of \$1,258,722 or 114.1% from fiscal year 2004 to 2005. This also explains the decrease in receipts of \$1,072,253 or 45.4% from fiscal year 2005 to 2006.

The Teacher Quality Enhancement grant is a three year interagency agreement with the Illinois Board of Higher Education. Receipts are drawn down as needed through the terms of the agreement. Receipts increased \$43,000 or 268.8% from fiscal year 2004 to 2005 in the last year of the agreement. The agreement ended in fiscal year 2005, thus the decrease in receipts of \$59,000 or 100.0% from fiscal year 2005 to 2006.

The PEW Foundation for National Forum on College Level Learning grant was a one year grant in fiscal year 2004, thus the decrease in receipts of \$21,000 or 100.0% from fiscal year 2004 to 2005.

STATE OF ILLINOIS
COMMUNITY COLLEGE BOARD

ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING

The Illinois Community College Board's (Board) explanation for significant lapse period spending as presented in the Schedule of Appropriations, Expenditures and Lapsed Balances for fiscal years 2006 and 2005 is detailed below.

Fiscal Year 2006

Lapse period expenditures of travel were \$8,833 or 13.3% of the total expenditures for the 14 months ended for fiscal year 2006. The majority of the expenditures were for submission of travel reimbursements for board members to attend board meetings and the travel reimbursements for staff travel in June.

The lapse period expenditures for telecommunications were \$5,763 or 17.0% of the total expenditures for the 14 months ended for fiscal year 2006. The expenditures were for the May and June telephone billings and February through June charges for cell phones and Blackberries.

The lapse period expenditures for operation of automotive were \$2,102 or 29.1% of the total expenditures for the 14 months ended for fiscal year 2006. The expenditures were for repair work on the Board's assigned automobile.

The lapse period expenditures for the costs associated with administering GED tests were \$91,146 or 16.0% of the total expenditures for the 14 months ended for fiscal year 2006. The expenditures were for reimbursements of payments for vendors who submitted their reports for costs incurred prior to June 30.

The lapse period expenditures for awards and grants in the ICCB Contracts and Grants Fund were \$1,010,320 or 39.0% of the total expenditures for the 14 months ended for fiscal year 2006. These were payments for the vendors of the Department of Commerce and Economic Opportunity grant program and occurred after the Board received and accepted their reports and requests.

Fiscal Year 2005

Lapse period expenditures of travel were \$9,088 or 19.1% of the total expenditures for the 14 months ended for fiscal year 2005. The majority of the expenditures were for hotel and travel reimbursements for employees and board members attending the June Board meeting. The remaining expenditures were for travel for the Decatur for Diversity conference, Student Leadership Institute, Illinois Education Research Council Board meeting, Illinois Board of Higher Education meeting, and the Illinois Community Colleges Admission and Records Officers Organization meeting.

Lapse period expenditures for adult education – recipients’ public assistance were \$1,698,858 or 21.4% of the total expenditures for the 14 months ended for fiscal year 2005. These expenditures were associated with a payment that was held awaiting proper paperwork from the vendor and payment for a late submittal of final grant request.

Lapse period expenditures from the ICCB Adult Education Fund for providers for adult education and literacy payments were \$3,694,208 or 16.9% of the total expenditures for the 14 months ended for fiscal year 2005. These were payments to providers that submitted their final request with reports after June 30th.

STATE OF ILLINOIS
COMMUNITY COLLEGE BOARD

ANALYSIS OF ACCOUNTS RECEIVABLE AND
SIGNIFICANT BALANCE SHEET ACCOUNTS
(Expressed in Thousands)

The Illinois Community College Board's (Board) most significant balance sheet account is its accounts receivable. Receivables for the Board consist of amounts due to the Board for the administration of federal grant awards, amounts due from other local governments, other funds, and component units. The principal federal grantor agency is the U.S. Department of Education for the Adult Education program. All of the amounts due to the Board are considered to be fully collectible and no allowance for uncollectibles has been accrued.

The following is a schedule of receivable balances at June 30, 2006 and 2005, respectively, for all Board funds.

	2006	2005
Due from other government – federal	\$ 2,447	\$ 1,398
Due from other funds	765	575
	\$ 3,212	\$ 1,973

Other significant balance sheet accounts at June 30, 2006 and 2005 for all Board funds include amounts due to local governments of \$3,909 and \$0, respectively. At June 30, 2006 and 2005 cash was on deposit with the State Treasurer of \$2,199 and \$3,358, respectively. The Board does not recognize revenue until it is expended, thus earned. At June 30, 2006 and 2005 for all Board funds included deferred revenues of \$601 and \$30, respectively. At June 30, 2006 and 2005, the Board had not expended all of its grant funds, thus the balances in the deferred revenue and cash accounts. At June 30, 2006 and 2005 there were also accounts payable and accrued liabilities of \$1,255 and \$3,781 respectively.

STATE OF ILLINOIS
COMMUNITY COLLEGE BOARD

SCHEDULE OF INDIRECT COST REIMBURSEMENTS

In fiscal year 2004 and 2005, the State of Illinois Community College Board (Board) contracted with a consulting firm to update the indirect cost plan the Board utilized for its federal programs for fiscal year 2005 and 2006. The plan was submitted to the U.S. Department of Education (DOE) in December of each year. The U.S. DOE approved the rate of 27.7% in April 2004 for fiscal year 2005 and 24.0% in February 2006 for fiscal year 2006.

The Illinois Community College Board Federal Trust Fund – 0350 was created by statute through 110 ILCS 805/2-16.08 to receive indirect cost monies recovered from federal programs administered by the Board. Monies in the fund are used for operating expenses of the Board, subject to appropriation by the General Assembly.

During fiscal years 2006 and 2005, \$261,352 and \$310,190, respectively, was received from the U.S. DOE and deposited by the Board into Fund 0350.

STATE OF ILLINOIS
COMMUNITY COLLEGE BOARD

AGENCY FUNCTIONS AND PLANNING PROGRAM
For the Two Years Ended June 30, 2006

Introduction

The Illinois General Assembly established the Illinois Community College Board (Board) in 1965 to create a system of community colleges that would be accessible to every resident of Illinois. Today, the Illinois community college system covers the entire State with 48 community colleges and one multi-community college center in 39 community college districts.

The Board consists of 12 citizens appointed by the Governor. Locally elected Boards of Trustees set policies that guide their colleges in achieving local and Statewide goals. Within the Illinois community college system, organized groups represent students, faculty, trustees, staff, administrators, and college presidents.

Geoffrey S. Obrzut was hired by the Board to serve as President/CEO on January 19, 2004.

The Board is located at 401 East Capitol Avenue, Springfield, Illinois. Satellite offices are located at the Workforce Development Resource Center, 2450 Foundation Drive, Springfield, Illinois and James R. Thompson Center, 100 W. Randolph Street, Ste. 2-010, Chicago, Illinois. The Board also has Adult Education staff located at satellite offices in Crystal Lake, Carlyle, and Glen Ellyn, Illinois.

Board Functions

The Board has the following powers and duties as defined by the Public Community College Act (Act) (110 ILCS 805/2-1 et seq.):

- (a) To provide Statewide planning for community colleges as institutions of higher education and coordinate the programs, services and activities of all community colleges in the State so as to encourage and establish a system of locally initiated and administered comprehensive community colleges.
- (b) To organize and conduct feasibility surveys for new community colleges or for the inclusion of existing institutions as community colleges and the locating of new institutions.
- (c) To approve all locally held funded capital projects for which no State monies are required, in accordance with standards established by rule.
- (d) To cooperate with the community colleges in continuing studies of student characteristics, admission standards, grading policies, performance of transfer students, qualification and certification of facilities, and any other problems of community college education.

- (e) To enter into contracts with other governmental agencies and eligible providers; to accept federal funds, and to plan with other State agencies when appropriate for the allocation of such federal funds for instructional programs and student services including such funds for vocational and technical education and retraining as may be allocated by State and federal agencies for the aid of community colleges. To receive, receipt for, hold in trust, expend and administer, for all purposes of this Act, funds and other aid made available by the federal government or by other agencies public or private, subject to appropriation by the General Assembly.
- (f) To determine efficient and adequate standards for community colleges for the physical plant, heating, lighting, ventilation, sanitation, safety, equipment and supplies, instruction and teaching, curriculum, library, operation, maintenance, administration and supervision, and to grant recognition certificates to community colleges meeting such standards.
- (g) To determine the standards for establishment of community colleges and the proper location of the site in relation to existing institutions of higher education offering academic, occupational and technical curricula, possible enrollment, assessed valuation industrial, business, agricultural, and other conditions reflecting educational needs in the area to be served; however, no community college may be considered as being recognized nor may the establishment of any community college be authorized in any district which shall be deemed inadequate for the maintenance, in accordance with the desirable standards thus determined, of a community college offering the basic subjects of general education and suitable vocational and semiprofessional and technical curricula.
- (h) To approve or disapprove new units of instruction, research or public service submitted by the boards of trustees of the respective community college districts of this State. The State Board may discontinue programs which fail to reflect the educational needs of the area being served. The community college district shall be granted 60 days following the State Board staff recommendation and prior to the State Board's action to respond to concerns regarding the program in question. If the State Board acts to abolish a community college program, the community college district has a right to appeal the decision in accordance with administrative rules promulgated by the State Board under the provision of the Illinois Administrative Procedure Act.
- (i) To participate in, to recommend approval or disapproval, and to assist in the coordination of the programs of community colleges participating in programs of inter-institutional cooperation with other public or nonpublic institutions of higher education. If the State Board does not approve a particular cooperative agreement, the community college district has a right to appeal the decision in accordance with administrative rules promulgated by the State Board under the provisions of the Illinois Administrative Procedure Act.
- (j) To establish guidelines regarding sabbatical leaves.

- (k) To establish guidelines for the admission into special, appropriate programs conducted or created by the community colleges for elementary and secondary school dropouts who have received truant status from the school districts of this State in compliance with Section 26-14 of the School Code.
- (l) To conduct a study of community college teacher education courses to determine how the community college system can increase its participation in the preparation of elementary and secondary teachers.
- (m) To establish uniform financial accounting and reporting standards and principles for community colleges and develop procedures and systems for community colleges for reporting financial data to the State Board.
- (n) To create and participate in the conduct and operation of any corporation, joint venture, partnership, association, or other organizational entity that has the power: (i) to acquire land, buildings, and other capital equipment for the use and benefit of the community colleges or their students; (ii) to accept gifts and make grants for the use and benefit of the community colleges or their students; (iii) to aid in the instruction and education of students of community colleges; and (iv) to promote activities to acquaint members of the community with the facilities of the various community colleges.
- (o) To ensure the effective teaching of adults and to prepare them for success in employment and lifelong learning adult basic education, adult secondary/general education development, English as a second language, and any other instruction designed to prepare adult students to function successfully in society and to experience success in post secondary education and the world of work.
- (p) To supervise the administration of adult education and adult literacy programs, to establish the standards for such courses of instruction and supervise the administration thereof, to contract with other State and local agencies and eligible providers, for the purpose of promoting and establishing classes for instruction under these programs, to contract with other State and local agencies to accept and expend appropriations for educational purposes to reimburse local eligible providers for the cost of these programs, and to establish an advisory council consisting of all categories of eligible providers, agency partners, and other stakeholders to identify, deliberate, and make recommendations to the State Board on adult education policy and priorities.

Agency Planning

The Board adopted a Strategic Plan for the Illinois Community College System in February 2001. The plan and results were reviewed during Fiscal Years 2003 and 2004. The Board organized a committee to update or restate the strategic plan in Fiscal Year 2005. The plan, which is titled "Promise for Illinois Revisited," is a strategic plan which pledges six promises.

The plan is a product of discussions with thousands of individuals which occurred across the State of Illinois with community and business leaders, executive branch and legislative leaders, educational partners, and representatives from all groups within the community college system. The pledges and actions are neither prescriptions nor mandates, but rather a vision of how the colleges will serve Illinois. Below are listed the six pledges of the planning program, which are representations by the Board as items of action for the strategic plan.

1. *Emphasize high quality in all programs, services, and operations.*

The Illinois Community College Board will work with the Illinois Community College System and adult education providers to strengthen efforts to develop strategies and obtain resources to support the following actions:

- Assure that students in academic, career and technical, remedial, adult education and literacy, continuing education, and noncredit business and industry programs meet national, State, and industry performance standards.
- Aggressively recruit and retain the best faculty and reward exceptional teaching with competitive salaries.
- Ensure that colleges maintain the human and capital capacities to offer the highest quality programs and services possible.
- Maintain small class sizes.
- Strengthen evaluations of the quality and relevancy of all courses, programs, services, and operations and take decisive action to enhance or improve offerings at every opportunity.
- Implement a new program review process that is integrated into other college assessment and accountability functions.
- Provide program events and international educational opportunities to encourage diversity and knowledge of other cultures.

2. *Deliver affordable and accessible learning opportunities for all residents of Illinois.*

The Illinois Community College Board will work with the colleges to strengthen efforts to develop strategies and obtain resources to support actions such as:

- Create strategically located education centers to serve more individuals.
- Use technology, including online course delivery, to expand learning opportunities.
- Keep student tuition and fees as low as possible through efforts to minimize cost increases and revenue reductions.
- Increase financial aid opportunities for the neediest students.
- Expand the availability of courses and cooperative programs for preschool through high school students and faculty.
- Support a broad network of Adult Education and Literacy providers, including community colleges, community-based organizations, high school districts, and Regional Offices of Education.

- Use flexible course scheduling to meet the needs of students.
- Provide noncredit educational opportunities to individuals of all ages and skill levels with various delivery systems.
- Review administrative costs to ensure colleges operate as efficiently and effectively as possible.

3. *Address workforce and economic development needs with flexible, responsive, and progressive programs and services.*

The Illinois Community College Board will work with colleges and appropriate partners to strengthen strategies and obtain resources for actions such as:

- Expand community college commitment to Illinois' workforce and economic development through productive partnerships with business, industry, education, and government.
- Encourage collaboration between community colleges and regional collaboration with workforce and adult education providers to address local and regional issues.
- Anticipate education and training needs for future jobs and develop flexible programs that meet State and local needs.
- Assure that professional development and education programs meet State and federal licensure, certification, and quality standards and requirements.
- Work with other State agencies, such as the Department of Commerce and Economic Opportunity, to address critical skill shortage areas such as homeland security, healthcare, transportation and warehousing, manufacturing, and teach education.
- Increase linkages with international communities to maximize opportunities for Illinois students and businesses.
- Educate students about changing work requirements and help them make wise education and career choices.
- Continually review programs to ensure that they are current and relevant.
- Expand the use of instructional technology to meet the education and training needs of students and employers for higher levels of training and professional development at remote locations and in the workplace.
- Increase grant opportunities for community colleges and adult education providers to address workforce and economic development issues.

4. *Offer rigorous courses, programs, and services designed to enable students to transition from one learning environment and level to another.*

The Illinois Community College Board will work with colleges and appropriate partners to strengthen efforts, develop strategies, and obtain resources to support actions such as:

- Eliminate institutional barriers which inhibit the transfer of courses to all institutions of higher education in the State.
- Promote university-based baccalaureate degree completion programs on community college campuses.

- Partner with local school systems to develop and promote rigorous programs that prepare students for postsecondary education.
- Structure Associate in Applied Science degree programs that allow students to move into baccalaureate programs.
- Implement Associate of Arts in Teaching degrees.
- Implement recommendations of the Illinois Articulation Initiative Study.
- Implement recommendations of the Baccalaureate Access Task Force.
- Enhance the availability and effectiveness of dual credit/dual enrollment offerings to assist students in transitioning into postsecondary education.
- Create effective transitions between adult education instruction, GED high school equivalency achievement, and development education and credit coursework for occupational preparation or transfer in community colleges.
- Honor each student's achievements acknowledging variety in academic goals.

5. *Enhance adult education and literacy programs necessary for individuals and families to achieve high-quality standards of living in Illinois.*

The Illinois Community College Board will work with the adult education community to strengthen efforts to develop strategies and obtain resources to support the following actions:

- Implement a funding process that more accurately reflects Statewide need while maintaining a network of multiple service providers, the diversity of provider types, and services to all geographic areas of Illinois.
- Maximize State and federal resources to assure there is adequate and stable funding that will facilitate program quality and growth.
- Utilize the expertise of the current system of diverse providers, stakeholders, and State leadership in developing policies and procedures that will be responsive to the emerging needs of adult basic, adult secondary, and English as a Second Language (ESL) students.
- Promote the use of data for program quality and improvement, determining program success, building learner success in meeting individual goals including secondary completions, transition to postsecondary education or training, and obtaining employment.
- Continue Illinois' participation in national leadership projects that promote quality, accountability, research-based practices, and provide adult education programs with access to state-of-the-art technology to expand service options and instructional delivery methods to students.
- Increase access to ESL and citizenship instruction to meet the needs of persons moving to the United States, new citizens, and employers who increasingly rely on foreign-speaking workers.
- Establish effective administration of the GED Testing Program, working with Regional Offices of Education, test administrators, and adult educators to identify and address needed improvements.
- Continue the development and dissemination of innovations in adult education instruction.

- Increase awareness of, and involvement in, collaborative workforce and economic development initiatives at the local, regional, and State level.
- Increase grant opportunities to support adult education.

6. *Provide programs and services to assist students to succeed in their educational endeavors.*

The Illinois Community College Board will work with colleges and appropriate partners to strengthen efforts to develop strategies and obtain resources to support actions such as:

- Provide academically underprepared students with effective remedial/developmental programs.
- Work with secondary schools to strengthen academic preparation for all students.
- Help secure adequate financial aid dollars for all who need them and advocate in favor of State and federal policies that do not disproportionately impact the financial aid available to traditional and nontraditional community college students.
- Work to secure funds for colleges to provide strategies, programs, and technologies that assist students facing barriers to accessing educational opportunities and achieving success.
- Provide services, assistance, and accommodations to all students who face physical or educational barriers to learning.
- Provide effective services to assist students to successfully transition from community colleges into baccalaureate degree-granting institutions or employment.
- Coordinate efforts to assist colleges and college students following natural disasters.

Auditor's Assessment of Planning Program

The Board has developed an adequate planning program to meet its statutory mandates, defined goals, and objectives.

STATE OF ILLINOIS
COMMUNITY COLLEGE BOARD

AVERAGE NUMBER OF EMPLOYEES
Fiscal Years Ended June 30,

The following information was prepared from the Illinois Community College Board's (Board) records and represents the average full-time equivalent number of employees by function during the fiscal years ended June 30:

	<u>2006</u>	<u>2005</u>	<u>2004</u>
Central Office	24	28	29
Preparing Today's Teachers for Tomorrow	-	-	1
Adult Education	10	10	10
Illinois Community College Online	-	1	1
Career and Technical Education	6	9	8
Federal Trust	3	2	2
Workforce Training	2	1	1
Dept. of Commerce and Economic Opportunity Funded Programs	-	-	1
Dept. of Children and Family Services Funded Programs	<u>-</u>	<u>-</u>	<u>1</u>
TOTAL	<u>45</u>	<u>51</u>	<u>54</u>

STATE OF ILLINOIS
COMMUNITY COLLEGE BOARD

MEMORANDUMS OF UNDERSTANDING
Fiscal Years Ended June 30, 2006 and 2005
(Not Examined)

The following is a description of the single Memorandum of Understanding (MOU) entered into by the Illinois Community College Board during the engagement period as provided by Board management.

Appropriation Account Code	MOU Description	MOU Amount	FY 2005 Expenditures	FY 2006 Expenditures
0001-68401-4476-3000	Operating funds grant agreement with Moraine Valley Community College and Prairie State College under the authority of the Public Community Colleges Act (110 ILCS 805)	\$ 330,000	\$ -	\$ 330,000
	MOU Totals	<u>\$ 330,000</u>	<u>\$ -</u>	<u>\$ 330,000</u>

STATE OF ILLINOIS
COMMUNITY COLLEGE BOARD

SERVICE EFFORTS AND ACCOMPLISHMENTS

For the Two Years Ended June 30, 2006
(Not Examined)

Mission Statement

The Illinois Community College Board (Board) is the Statewide coordinating board for the community college system. Its mission is to administer the Public Community College Act in a manner that maximizes the ability of community college districts to serve their communities, to promote system wide cooperation, and to accommodate State of Illinois initiatives that are appropriate for community colleges. As an integral part of the State's system of higher education, community colleges are committed to providing high-quality, accessible, and cost effective educational opportunities for the individuals and the communities they serve.

Background

In 1965, the Illinois General Assembly established the Illinois Community College Board to create a system of public community colleges that would be within easy reach of every resident. Over forty-one years later, the Illinois community college system covers the entire State with 48 colleges and one multi-community college center. Community colleges serve nearly one million Illinois residents each year through credit and noncredit courses.

Illinois community colleges share a common mission yet each college is unique because the communities they serve have unique needs. Community colleges offer developmental courses, adult education and English-as-a-Second Language to prepare individuals for college, advancement in the workplace, and provide opportunities for an improved quality of life; furnish transferable coursework applicable to a bachelor's degree; and provide workforce preparation programs that furnish individuals with the skills for gainful employment.

The Illinois Community College System is coordinated by the Statewide Board which is comprised of citizens appointed by the Governor. In thirty-eight districts, locally-elected Boards of Trustees set policies that guide colleges in achieving local and Statewide goals. The City Colleges of Chicago is the remaining district and their Board of Trustees is appointed by the Mayor of Chicago. Within the System, organized groups represent students, faculty, trustees, staff, administrators, and college presidents, and all of these groups are actively involved in the decision-making process for the System. Colleges meet both local and Statewide needs for education and workforce development.

Illinois community colleges deliver accessible education and training to individuals of all ages and skill levels:

- Charge affordable tuition and fees;
- Enable students to earn the first two years of a bachelor's degree;
- Equip students with academic and technical skills for the workforce;
- Address business needs with customized workforce education and training programs;
- Promote lifelong learning;
- Empower students to live and work in an international economy and a multi-cultural society;
- Support diversity within community and college life;
- Embrace technology as a critical instructional tool;
- Eliminate barriers of distance, location, and time through distance-learning opportunities;
- Maximize resources and use them effectively and efficiently; and,
- Validate results and achievements to the public.

Goals

The Illinois Community College System's statewide strategic plan entitled, "Promise for Illinois Revisited," contains six pledges to the citizens of this State. The Illinois community colleges pledge to:

1. Emphasize high quality in all programs, services, and operations.
2. Deliver affordable and accessible learning opportunities for all residents of Illinois.
3. Address workforce and economic development needs with flexible, responsive and progressive programs and services.
4. Offer rigorous courses, programs, and services designed to enable students to transition from one learning environment and level to another.
5. Enhance adult education and literacy programs necessary for individuals and families to achieve high-quality standards of living in Illinois.
6. Provide programs and services to assist students to succeed in their educational endeavors.

The Illinois Community College also has statewide leadership and coordination responsibilities for federal Adult Education and Family Literacy and Postsecondary Perkins programs.

The purpose of the federal Adult Education and Family Literacy Act, Title II of the Workforce Investment Act (WIA), is to create a partnership among the Federal government, States, and local communities to provide adult education and literacy services to individuals who are 16 years of age or above, who are not enrolled or required to be enrolled in secondary school under state law; and to provide instructional and support services that are designed to assist adults; to become literate and obtain the knowledge and skills necessary for employment and self-sufficiency; who are parents to obtain the educational skills necessary to become full partners in the educational development of their children; and assist adults in the completion of a secondary school education. Addressing the scope and diversity of need for adult education/literacy takes a total of 102 community colleges, public schools, community based organizations, and others working together to provide the education and services.

The Carl D. Perkins Vocational and Technical Education Act of 2006 (Perkins IV) sets out a new vision of vocational and technical education for the 21st century. The central goals of this new vision are improving student achievement and preparing students for postsecondary education, further learning, and careers. Through a broad range of initiatives, the Board partners to: assess the programs, expand the use of technology, provide for professional development, implement interventions that improve student skills, provide preparation for nontraditional training and employment, support collaborations among local educational agencies, serve individuals in institutions, and support programs for special populations.

Input Indicators	FY 2004	FY 2005	FY 2006
Total expenditures – all sources (in thousands)	\$1,968,040	\$1,999,503	\$1,999,503
Total expenditures – State appropriated funds (in thousands)	\$388,412	\$394,852	\$395,973
Teaching faculty employed in Illinois public community colleges, full-time equivalent staff, fall semester	10,640	10,008	10,439
Administrative staff employed in Illinois public community colleges, full-time equivalent staff, fall semester	1,429	1,310	1,314
Non-teaching professional staff employed in Illinois public community colleges, full-time equivalent staff, fall semester	3,978	4,218	4,487
Civil service/classified staff employed in Illinois public community colleges, full-time equivalent staff, fall semester	6,530	6,744	6,664

Output Indicators	FY 2004	FY 2005	FY 2006
Fall term headcount enrollment; community college system total	363,204	355,684	352,824
Twelve-Month Unduplicated Headcount: all students enrolled for credit, occupational and vocational programs, annual	698,707	698,971	698,971
Percentage of college level (credit/ occupational/vocational) students seeking a degree or certificate	45.9%	47.9%	47.9%
Twelve-Month Unduplicated Headcount: all students enrolled in non-credit courses, annual	260,374	258,080	258,080
Pre-Baccalaureate degree completions (number) by race/ethnicity: Black	7,229	N/A	7,485
Pre-Baccalaureate degree completions (number) by race/ethnicity: Hispanic	3,917	N/A	4,268
Pre-Baccalaureate degree completions (number) by race/ethnicity: White	33,564	N/A	36,476
Pre-Baccalaureate degree completions (number) by race/ethnicity: All Other	3,276	N/A	3,215
Pre-Baccalaureate degree completions (number) by gender: Male	20,621	N/A	22,582
Pre-Baccalaureate degree completions (number) by gender: Female	27,365	N/A	28,862

Outcome Indicators	FY 2004	FY 2005	FY 2006
Number of businesses provided technical assistance through Community College Business and Industry Centers, annual	4,837	N/A	4,904
Number of persons receiving technical assistance through Community College Business and Industry Centers, annual	82,455	N/A	88,232
Percent of degree/certificate recipients employed or enrolled in further education within one year of graduation (median)	93.3%	N/A	77.8%
Institutional pass rate: National Council Licensure Exam (NCLEX) – Nursing (RN/AND)	89%	N/A	89%
Institutional pass rate: Dental Hygiene certification exam	100%	N/A	100%
Institutional pass rate: Radiologic Technology	93%	N/A	93%
Institutional pass rate: Emergency Medical Technician certification exam	96%	N/A	96%
Three-year graduation, transfer, retained rate: first time, full time freshmen	66.7%	N/A	71.1%

External Benchmarks	FY 2004	FY 2005	FY 2006
Institutional pass rate: National Council Licensure Exam (NCLEX) – Nursing (RN/AND)	85%	N/A	85%
Institutional pass rate: Dental Hygiene certification exam	96%	N/A	96%
Institutional pass rate: Radiologic Technology	84%	N/A	84%

Efficiency/Cost-Effectiveness	FY 2004	FY 2005	FY 2006
Percent of total expenditures (all sources) devoted to Instruction	36.9%	33.7%	N/A
Percent of total expenditures (all sources) devoted to Public Service and Organized Research	4.8%	5.1%	N/A
Percent of total expenditures (all sources) devoted to Academic and Student Support	14.2%	14.4%	N/A
Percent of total expenditures (all sources) devoted to All Other Programs	40.1%	46.7%	N/A
Tuition and mandatory fees: annual, statewide high based on 30 credit hours (in dollars)	\$2,361.00	\$2,555.00	\$2,818.00
Tuition and mandatory fees: annual, statewide low based on 30 credit hours (in dollars)	\$1,350.00	\$1,440.00	\$1,500.00
Instructional cost per credit hour: statewide high (in dollars)	\$261.85	\$307.24	N/A
Instructional cost per credit hour: statewide low (in dollars)	\$108.60	\$98.52	N/A

External Benchmarks	FY 2004	FY 2005	FY 2006
Tuition and mandatory fees: annual, statewide average based on 30 credit hours (in dollars)	\$1,807.00	\$1,918.00	\$2,082.00
Tuition and mandatory fees as a percentage of Illinois Per Capita Disposable Income	5.7%	6.4%	5.3%
Instructional cost per credit hour: statewide average (in dollars)	\$193.16	\$198.39	N/A

STATE OF ILLINOIS
COMMUNITY COLLEGE BOARD

DESCRIPTION OF STATE GRANT PROGRAMS
Fiscal Years Ended June 30, 2006 and 2005

The Illinois Community College Board's (Board) System Finance Division is responsible for calculating the State grants awarded to the community colleges in Illinois. The following "Schedule of Grant Awards," depicts the grants authorized by the Board in fiscal years 2006 and 2005. This schedule is not readily reconciled to the Schedule of Appropriations, Expenditures and Lapsed Balances for fiscal years 2006 and 2005. The State grants are paid out of multiple appropriations. Additionally, the Schedule of Grant Awards does not reflect refunds of unspent funds received by the Board during the fiscal year from community colleges and subsequent reallocations to other colleges. As such, we did not perform any procedures on the Schedule of Grant Awards.

Specific descriptions and the grants' formulas are as follows.

1. Unrestricted Grants to Colleges

Base Operating Grants

The Base Operating Grants are divided into the Credit Hour and Gross Square Footage (GSF) Allocations.

Credit Hour Grants are allocated to all of the districts based upon credit hour enrollment in six funding categories: Baccalaureate, Business, Technical, Health, Remedial, and ABE/ASE. The hours utilized for the grant amounts to each district are the greater of the:

- Average of the past three fiscal years, which for fiscal year 2006 were fiscal years 2003, 2004, and 2005; or,
- Two years prior fiscal year's actual credit hours, which for fiscal year 2006 was fiscal year 2004.

The total hours in each funding category are multiplied by the grant rate in each category to arrive at the total credit hour grant for each district. The rate utilized is the past completed fiscal year (fiscal year 2005 for the fiscal year 2006 grants) net instructional weighted unit cost, less non-ICCB revenues. If necessary to arrive at the total appropriated grant amount, a rate adjustment amount is added to the grant rate.

Each year by August 1, the districts are required to submit their gross square footage data to the ICCB. This data is utilized to calculate a statewide average GSF. The GSF grants are allocated to each district as follows:

- The GSF per student is calculated by dividing the total GSF of the district by student headcount.
- If the district's GSF per student is greater than the statewide average, then a weighted GSF is utilized in the calculation.
- A weighted GSF is calculated by dividing the amount that the district's GSF is greater than the statewide average by 2 and then multiplying it by the district's headcount. This amount is then added to the district's total GSF.
- Using this calculation, the ICCB allocates the total appropriation for GSF grants to the various districts.

Small College Grants

These grants are distributed to the districts with less than 2,500 non-correctional full-time equivalent students. A non-correctional student is one that is not being educated in a State of Illinois Department of Corrections facility. A full-time equivalent student is one that carries a course load of 15 hours per semester, or 30 hours per year. The districts must submit their annual enrollment data by August 1 of each year. The allocation of the appropriation is made based on the number of districts that qualify divided by the total appropriated grant amount.

Equalization Grants

The Equalization Grants are the State's attempt to reduce the inequality throughout the State of the local property tax revenues available per student. The allocation includes many steps. First, the equalized assessed value (EAV) threshold per full-time equivalent student is calculated as follows:

- The lesser of the 2003 statewide EAV or two year average of 2003 and 2004 is divided by the fiscal year 2004 in-district and chargeback (a student who is enrolled in a college outside of its district due to curriculum choices) FTE students. This calculation equals the EAV per FTE.
- The EAV per FTE is then multiplied by the statewide weighted average actual tax rate. The total is the EAV threshold per FTE.
- Then, the corporate personal property replacement tax revenue (CPPRT) threshold per FTE student is calculated by dividing the lesser of the fiscal year 2004 net operating CPPRT revenue or the two year average by the fiscal year in-district and chargeback FTE students.
- The EAV threshold per FTE student is added to the CPPRT threshold per FTE student, and then multiplied by any necessary threshold proration to arrive at the fiscal year 2004 equalization threshold.

- The district's local tax revenue per FTE student is subtracted from the equalization threshold, and then multiplied by the district's FTE students. Only amounts greater than zero are utilized for the grant. If the district has an amount greater than zero prior to any proration factor being used and the proration factor causes it to become less than zero, the district will receive the minimum grant, which is \$50,000.

Funding Formula Impact Grant

The Funding Formula Impact Grant is distributed to districts that experience a decrease in the credit hour grant due to the change in the funding formula methodology beginning in fiscal year 2004. The grant will fund decreases in the credit hour grant using the difference between credit hour grants calculated using the original funding formula and the revised funding formula method implemented in fiscal year 2004. This grant will not be distributed after fiscal year 2006.

2. *Restricted Grants to Colleges*

Workforce Development Grants

These grants provide funds for community colleges to expand opportunities for additional noncredit training for incumbent employees at businesses, industry, and other employers, specifically to provide financial assistance for small and mid-size employers who need to upgrade or enhance the skills of their employees. The goal is to present the community college as a training system that is responsible to the business community's training requirements in order to improve employees' productivity and wages and the local and State economies.

This grant recognizes the importance of the community college system in assisting local businesses, associations, labor, government and others to develop and enhance a qualified, well trained labor force. The grant funds are dedicated to the operation of a business assistance center and/or involvement with State and local economic development efforts.

P-16 Initiative Grants

This grant allows community colleges to expand their services to high school students desiring to take college-level classes while still in high school. This component will be used to subsidize the cost of the college of offering courses to high school students without charging tuition and fees. This grant will also allow the implementation and/or expansion of programs and services that relate to teacher preparation (certification) and professional development (re-certification).

Retirees' Health Insurance Grant

The City Colleges of Chicago is the only district that receives this grant, which is intended to provide health insurance for the district's annuitants. If more than one district qualified, the grant would be distributed proportionately to each eligible district based on the number of that district's annuitants as certified by the State Universities Retirement System as of July 1 of the fiscal year in which the appropriation is made. An eligible district is defined as those not eligible for participation in the retirees' health insurance plan administered through the Department of Central Management Services.

3. *Statewide Initiative & Other Grants*

Additional Designated Grants

The General Assembly traditionally includes additional designated grants within the Board's appropriations to cover specific initiatives. During fiscal years 2005 and 2006, the additional designated grants included funds for education related expenses of the City Colleges of Chicago; the medical training program at Lincoln Land Community College; additional operating grants for three community colleges; and funds for the adult education division of Joliet Junior College.

STATE OF ILLINOIS
COMMUNITY COLLEGE BOARD

SCHEDULE OF GRANT AWARDS

Fiscal Year 2006 Operating (Unrestricted) Grants to Colleges
(Not Examined)

	Base Operating Grant			Small College Grants	Equalization Grants	Funding Formula Impact Grant	Total Unrestricted Grants
	Credit Hour	Square Footage	Total				
Black Hawk	\$ 3,900,118	\$ 49,390	\$ 3,949,508	\$ -	\$ 4,403,116	\$ 111,363	\$ 8,463,987
Chicago	38,150,639	429,471	38,580,110	-	-	-	38,580,110
Danville	1,492,551	40,603	1,533,154	60,000	1,747,339	87,708	3,428,201
DuPage	13,813,263	144,867	13,958,130	-	-	412,846	14,370,976
Elgin	4,693,643	75,359	4,769,002	-	-	86,017	4,855,019
Harper	6,408,503	98,066	6,506,569	-	-	257,487	6,764,056
Heartland	1,975,323	25,077	2,000,400	-	-	142,022	2,142,422
Highland	1,445,447	26,949	1,472,396	60,000	1,020,957	70,482	2,623,835
Illinois Central	6,076,622	81,045	6,157,667	-	3,711,361	253,124	10,122,152
Illinois Eastern	6,099,950	59,405	6,159,355	-	6,730,278	66,407	12,956,040
Illinois Valley	2,414,766	31,595	2,446,361	-	546,193	102,027	3,094,581
Joliet	6,083,517	70,969	6,154,486	-	-	322,839	6,477,325
Kankakee	3,203,128	26,347	3,229,475	-	3,161,526	-	6,391,001
Kaskaskia	3,613,412	28,738	3,642,150	-	5,105,521	67,455	8,815,126
Kishwaukee	2,075,371	38,094	2,113,465	-	1,626,310	117,687	3,857,462
Lake County	6,248,541	77,950	6,326,491	-	-	177,831	6,504,322
Lake Land	5,532,199	39,004	5,571,203	-	4,638,214	44,338	10,253,755
Lewis & Clark	2,826,265	54,865	2,881,130	-	2,919,256	124,511	5,924,897
Lincoln Land	3,659,618	53,576	3,713,194	-	325,060	285,423	4,323,677
Logan	4,207,533	50,346	4,257,879	-	7,317,891	86,805	11,662,575
McHenry	2,492,133	40,042	2,532,175	-	-	143,771	2,675,946
Moraine Valley	7,294,978	74,528	7,369,506	-	997,026	488,169	8,854,701
Morton	1,666,991	24,505	1,691,496	-	1,377,256	145,421	3,214,173
Oakton	5,558,292	65,052	5,623,344	-	-	319,250	5,942,594
Parkland	5,045,272	60,438	5,105,710	-	2,704,249	259,983	8,069,942
Prairie State	2,301,770	41,629	2,343,399	-	50,000	149,954	2,543,353
Rend Lake	2,818,642	33,872	2,852,514	60,000	3,861,103	75,918	6,849,535
Richland	1,942,597	25,912	1,968,509	60,000	739,696	52,357	2,820,562
Rock Valley	4,504,327	65,220	4,569,547	-	1,509,927	228,084	6,307,558
Sandburg	2,089,133	28,104	2,117,237	60,000	2,141,675	145,664	4,464,576
Sauk Valley	1,433,010	29,943	1,462,953	60,000	1,036,354	53,392	2,612,699
Shawnee	1,563,871	16,155	1,580,026	120,000	2,716,716	27,016	4,443,758
South Suburban	3,898,407	62,783	3,961,190	-	2,923,683	209,573	7,094,446
Southeastern	2,200,937	24,805	2,225,742	120,000	2,713,387	15,440	5,074,569
Southwestern	7,184,856	69,240	7,254,096	-	8,205,683	229,496	15,689,275
Spoon River	1,056,931	20,973	1,077,904	120,000	859,673	70,962	2,128,539
Triton	7,329,022	87,573	7,416,595	-	50,000	-	7,466,595
Waubonsee	3,807,544	60,696	3,868,240	-	-	19,135	3,887,375
Wood	1,375,428	16,814	1,392,242	60,000	1,477,197	57,543	2,986,982
Totals	189,484,550	2,350,000	191,834,550	780,000	76,616,647	5,507,500	274,738,697
Rounding	2,550	-	2,550	-	853	-	3,403
	<u>\$ 189,487,100</u>	<u>\$ 2,350,000</u>	<u>\$ 191,837,100</u>	<u>\$ 780,000</u>	<u>\$76,617,500</u>	<u>5,507,500</u>	<u>\$ 274,742,100</u>

(Continued)

Note: Minor rounding differences exist in this schedule, which was prepared by Board management

STATE OF ILLINOIS
COMMUNITY COLLEGE BOARD

SCHEDULE OF GRANT AWARDS

Fiscal Year 2006 Total Grants to Colleges
(Not Examined)

	Total Unrestricted Grants	Workforce Development Grants	P-16 Initiative Grants	Retirees' Health Insurance Grants	Additional Designated Grants	Total Grants to Colleges
Black Hawk	\$ 8,463,987	\$ 77,448	\$ 46,009	\$ -	\$ -	\$ 8,587,444
Chicago	38,580,110	257,160	181,646	626,600	15,000,000	54,645,516
Danville	3,428,201	55,105	22,500	-	-	3,505,806
DuPage	14,370,976	184,927	212,293	-	-	14,768,196
Elgin	4,855,019	86,974	104,102	-	-	5,046,095
Harper	6,764,056	92,303	134,551	-	-	6,990,910
Heartland	2,142,422	50,005	31,673	-	-	2,224,100
Highland	2,623,835	50,301	22,500	-	-	2,696,636
Illinois Central	10,122,152	101,767	66,822	-	-	10,290,741
Illinois Eastern	12,956,040	126,266	22,500	-	-	13,104,806
Illinois Valley	3,094,581	63,311	29,275	-	-	3,187,167
Joliet	6,477,325	101,544	122,837	-	20,000	6,721,706
Kankakee	6,391,001	62,187	26,955	-	-	6,480,143
Kaskaskia	8,815,126	86,178	23,824	-	-	8,925,128
Kishwaukee	3,857,462	57,514	22,500	-	-	3,937,476
Lake County	6,504,322	93,174	141,399	-	-	6,738,895
Lake Land	10,253,755	119,837	36,547	-	-	10,410,139
Lewis & Clark	5,924,897	67,783	41,437	-	-	6,034,117
Lincoln Land	4,323,677	78,652	61,190	-	250,000	4,713,519
Logan	11,662,575	91,414	22,797	-	-	11,776,786
McHenry	2,675,946	56,026	57,852	-	-	2,789,824
Moraine Valley	8,854,701	106,786	104,715	-	150,000	9,216,202
Morton	3,214,173	52,283	22,500	-	-	3,288,956
Oakton	5,942,594	96,358	83,530	-	-	6,122,482
Parkland	8,069,942	87,921	47,492	-	-	8,205,355
Prairie State	2,543,353	61,556	83,668	-	180,000	2,868,577
Rend Lake	6,849,535	74,761	22,500	-	-	6,946,796
Richland	2,820,562	57,000	23,246	-	-	2,900,808
Rock Valley	6,307,558	84,527	61,716	-	-	6,453,801
Sandburg	4,464,576	64,745	22,500	-	-	4,551,821
Sauk Valley	2,612,699	51,237	22,500	-	-	2,686,436
Shawnee	4,443,758	52,615	22,500	-	-	4,518,873
South Suburban	7,094,446	86,037	62,147	-	-	7,242,630
Southeastern	5,074,569	70,542	22,500	-	-	5,167,611
Southwestern	15,689,275	131,939	89,585	-	-	15,910,799
Spoon River	2,128,539	46,424	22,500	-	-	2,197,463
Triton	7,466,595	106,127	43,093	-	-	7,615,815
Waubonsee	3,887,375	68,703	68,599	-	-	4,024,677
Wood	2,986,982	51,865	22,500	-	-	3,061,347
Totals	<u>274,738,697</u>	<u>3,311,302</u>	<u>2,279,000</u>	<u>626,600</u>	<u>15,600,000</u>	<u>296,555,599</u>
Rounding	<u>3,403</u>	<u>(2)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,401</u>
	<u>\$ 274,742,100</u>	<u>\$ 3,311,300</u>	<u>\$ 2,279,000</u>	<u>\$ 626,600</u>	<u>\$15,600,000</u>	<u>\$ 296,559,000</u>

(Concluded)

Note: Minor rounding differences exist in this schedule, which was prepared by Board management.

STATE OF ILLINOIS
COMMUNITY COLLEGE BOARD

SCHEDULE OF GRANT AWARDS

Fiscal Year 2005 Operating (Unrestricted) Grants to Colleges
(Not Examined)

	Base Operating Grant			Small College Grants	Equalization Grants	Funding Formula Impact Grants	Total Unrestricted Grants
	Credit Hour	Square Footage	Total				
Black Hawk	\$ 3,795,389	\$ 49,138	\$ 3,844,527	\$ -	\$ 4,873,749	\$ 363,970	\$ 9,082,246
Chicago	36,201,026	441,392	36,642,418	-	50,000	-	36,692,418
Danville	1,393,146	37,692	1,430,838	120,000	1,721,807	103,027	3,375,672
DuPage	13,990,108	145,643	14,135,751	-	-	443,158	14,578,909
Elgin	4,631,110	72,246	4,703,356	-	-	33,955	4,737,311
Harper	6,438,070	97,564	6,535,634	-	-	310,445	6,846,079
Heartland	2,116,346	25,442	2,141,788	-	50,000	189,099	2,380,887
Highland	1,409,981	27,851	1,437,832	60,000	918,572	91,620	2,508,024
Illinois Central	6,081,921	76,752	6,158,673	-	3,697,770	221,672	10,078,115
Illinois Eastern	6,190,480	60,268	6,250,748	-	6,652,280	-	12,903,028
Illinois Valley	2,404,749	33,298	2,438,047	-	410,552	105,528	2,954,127
Joliet	6,250,582	63,990	6,314,572	-	-	254,982	6,569,554
Kankakee	3,163,824	26,730	3,190,554	-	3,072,206	-	6,262,760
Kaskaskia	3,019,078	28,018	3,047,096	-	4,164,848	19,208	7,231,152
Kishwaukee	2,093,552	38,380	2,131,932	60,000	1,816,269	138,253	4,146,454
Lake County	6,222,561	79,165	6,301,726	-	-	249,737	6,551,463
Lake Land	5,455,473	39,357	5,494,830	-	4,270,513	-	9,765,343
Lewis & Clark	2,829,114	55,242	2,884,356	-	2,846,549	150,914	5,881,819
Lincoln Land	4,123,406	53,541	4,176,947	-	467,011	201,878	4,845,836
Logan	4,265,311	44,640	4,309,951	-	7,037,061	-	11,347,012
McHenry	2,532,595	40,723	2,573,318	-	-	247,659	2,820,977
Moraine Valley	7,391,022	75,611	7,466,633	-	688,056	465,532	8,620,221
Morton	1,705,639	24,861	1,730,500	-	1,887,602	226,398	3,844,500
Oakton	6,224,776	65,997	6,290,773	-	-	223,347	6,514,120
Parkland	5,171,255	60,689	5,231,944	-	2,908,382	247,267	8,387,593
Prairie State	2,529,834	40,954	2,570,788	-	50,000	140,731	2,761,519
Rend Lake	2,635,129	40,180	2,675,309	60,000	3,473,738	16,049	6,225,096
Richland	2,084,833	26,698	2,111,531	60,000	1,341,964	91,132	3,604,627
Rock Valley	4,625,498	63,597	4,689,095	-	1,897,547	223,411	6,810,053
Sandburg	2,151,211	27,715	2,178,926	60,000	2,041,718	124,805	4,405,449
Sauk Valley	1,528,708	30,440	1,559,148	60,000	1,152,535	40,869	2,812,552
Shawnee	1,736,453	15,326	1,751,779	120,000	2,658,783	-	4,530,562
South Suburban	3,868,686	61,254	3,929,940	-	2,833,420	242,507	7,005,867
Southeastern	2,108,738	25,165	2,133,903	120,000	2,899,837	-	5,153,740
Southwestern	7,375,935	68,326	7,444,261	-	8,494,387	144,513	16,083,161
Spoon River	1,069,008	19,365	1,088,373	120,000	755,341	44,454	2,008,168
Triton	6,901,126	88,074	6,989,200	-	50,000	103,135	7,142,335
Waubonsee	4,364,205	61,578	4,425,783	-	50,000	-	4,475,783
Wood	1,405,052	17,098	1,422,150	60,000	1,384,915	48,245	2,915,310
Totals	189,484,930	2,350,000	191,834,930	900,000	76,617,412	5,507,500	274,859,842
Rounding	2,170	-	2,170	-	88	-	2,258
	<u>\$ 189,487,100</u>	<u>\$ 2,350,000</u>	<u>\$ 191,837,100</u>	<u>\$900,000</u>	<u>\$76,617,500</u>	<u>\$ 5,507,500</u>	<u>\$ 274,862,100</u>

(Continued)

Note: Minor rounding differences exist in this schedule, which was prepared by Board management.

STATE OF ILLINOIS
COMMUNITY COLLEGE BOARD

SCHEDULE OF GRANT AWARDS

Fiscal Year 2005 Total Grants to Colleges
(Not Examined)

	Total Unrestricted Grants	Workforce Development Grants	P-16 Initiative Grants	Retirees' Health Insurance Grants	Additional Designated Grants	Total Grants to Colleges
Black Hawk	\$ 9,082,246	\$ 79,390	\$ 25,296	\$ -	\$ -	\$ 9,186,932
Chicago	36,692,418	266,975	102,648	626,600	15,000,000	52,688,641
Danville	3,375,672	53,835	15,000	-	-	3,444,507
DuPage	14,578,909	187,563	112,878	-	-	14,879,350
Elgin	4,737,311	86,575	55,373	-	-	4,879,259
Harper	6,846,079	90,202	75,682	-	-	7,011,963
Heartland	2,380,887	50,882	16,964	-	-	2,448,733
Highland	2,508,024	49,292	15,000	-	-	2,572,316
Illinois Central	10,078,115	100,274	36,447	-	-	10,214,836
Illinois Eastern	12,903,028	125,853	15,000	-	-	13,043,881
Illinois Valley	2,954,127	63,938	16,020	-	160,000	3,194,085
Joliet	6,569,554	100,496	63,591	-	-	6,733,641
Kankakee	6,262,760	60,103	15,490	-	-	6,338,353
Kaskaskia	7,231,152	78,640	15,000	-	-	7,324,792
Kishwaukee	4,146,454	56,409	15,000	-	-	4,217,863
Lake County	6,551,463	94,987	74,669	-	-	6,721,119
Lake Land	9,765,343	119,807	20,605	-	-	9,905,755
Lewis & Clark	5,881,819	67,643	22,458	-	-	5,971,920
Lincoln Land	4,845,836	77,611	33,477	-	250,000	5,206,924
Logan	11,347,012	88,635	15,000	-	-	11,450,647
McHenry	2,820,977	57,219	29,087	-	-	2,907,283
Moraine Valley	8,620,221	107,617	59,206	-	-	8,787,044
Morton	3,844,500	51,971	15,000	-	-	3,911,471
Oakton	6,514,120	98,813	47,211	-	-	6,660,144
Parkland	8,387,593	87,448	25,168	-	-	8,500,209
Prairie State	2,761,519	63,893	46,371	-	-	2,871,783
Rend Lake	6,225,096	70,065	15,000	-	-	6,310,161
Richland	3,604,627	58,275	15,000	-	-	3,677,902
Rock Valley	6,810,053	84,222	32,363	-	-	6,926,638
Sandburg	4,405,449	63,405	15,000	-	-	4,483,854
Sauk Valley	2,812,552	51,485	15,000	-	-	2,879,037
Shawnee	4,530,562	54,413	15,000	-	-	4,599,975
South Suburban	7,005,867	83,248	35,138	-	-	7,124,253
Southeastern	5,153,740	68,586	15,000	-	-	5,237,326
Southwestern	16,083,161	132,380	48,173	-	-	16,263,714
Spoon River	2,008,168	45,715	15,000	-	-	2,068,883
Triton	7,142,335	112,147	24,365	-	-	7,278,847
Waubonsee	4,475,783	69,159	35,320	-	-	4,580,262
Wood	2,915,310	52,127	15,000	-	-	2,982,437
Totals	<u>274,859,842</u>	<u>3,311,298</u>	<u>1,279,000</u>	<u>626,600</u>	<u>15,410,000</u>	<u>295,486,740</u>
Rounding	<u>2,258</u>	<u>2</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,260</u>
	<u>\$274,862,100</u>	<u>\$ 3,311,300</u>	<u>\$ 1,279,000</u>	<u>\$ 626,600</u>	<u>\$15,410,000</u>	<u>\$295,489,000</u>

(Concluded)

Note: Minor rounding differences exist this schedule, which was prepared by Board management.

STATE OF ILLINOIS
COMMUNITY COLLEGE BOARD

LISTING OF BOARD MEMBERS
For the Year Ended June 30, 2006

Board Chair

Guy H. Alongi, DuQuoin

Representatives

Suzanne Morris, Grayslake
John Lewis Aurand, Jr., Homewood
John E. Donahue, Orland Park
Marikay Hegarty, Chicago
Dianne Meeks, Carbondale
Angela Perez Miller, Chicago
Bill Naegele, Chicago
Rudolph J. Papa, Bethalto
Judith A. Rake, Glen Carbon
Jake Rendleman, Carterville

Student Representative

Jenna M. Altadonna, Kaskaskia