

FINANCIAL & PHYSICAL RESOURCES

Financial Resources

OVERVIEW

Illinois Central College is committed to managing its financial resources toward the attainment and/or continuation of the stated Mission and goals of the College. The College develops its annual budget utilizing zero-based budgeting concepts. Then allocations are prioritized to support the Strategic Plan. Budget development is driven by departmental goals that are essential to the College's success relative to current strategic initiatives. Fund reserves are established and maintained based on the nature or purpose of the fund. The Operating funds - Educational, Operations, and Maintenance - are at optimal level when 25% of expenditures are available in a fund balance. The College has been operating very near the 25% threshold for the past five years while making substantial technology and facilities enhancements.

Throughout its 33-year existence, Illinois Central College has demonstrated a commitment to provide its stakeholders with the environment, facilities, and human resources necessary for effective teaching and learning. In recent years, the College has infused a significant amount of capital in the form of low-cost debt financing to build and develop a technology infrastructure and a physical plant that further enhances instructional delivery and service to our students and community. The College's strong financial position and future borrowing capacity postures it to meet current and future strategic objectives.

Revenue Sources

Illinois Central College and all other institutions in the Illinois Community College System operate on a standard funding formula through which the majority of operating funds are secured via three funding sources. The three primary funding sources for the College are State apportionment dollars, local (District 514) property tax dollars, and student tuition and fees dollars. The College attempts to maintain a balance between the three sources to avoid limiting access for students, overburdening the taxpayers of the District, or over reliance on the State. (See Table 6-A and 6-B.)

Table 6-A

ICC Operating Fund Revenue Trend

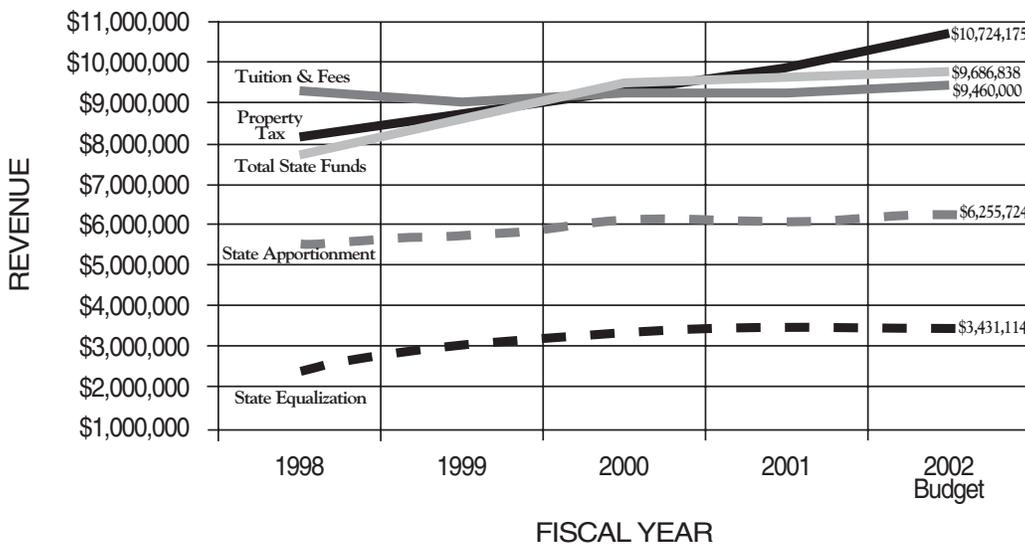
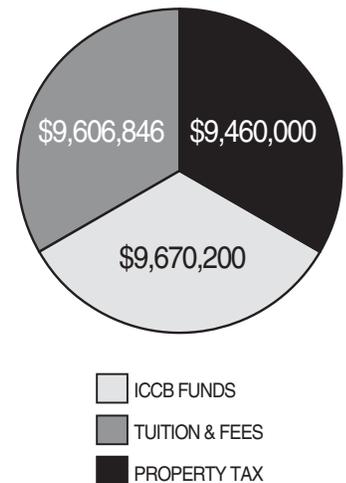


Table 6-B

Primary Revenue Sources 2001



STATE APPROPRIATIONS

State appropriations come to the College for operational and capital purchases support. State apportionment is the primary operating allocation and is linked to the number of credit hours generated by the College. Illinois Central College also receives approximately \$3.5 million in equalization dollars. The equalization grant represents an allocation to certain colleges based on need relative to the trend in enrollment and the District's equalized assessed valuation with other community college districts. See Table 6-C for the credit hour grant rate summary.

Table 6-C

Credit Hour Grant Rate Summary

	2001-2002	2000-2001	1999-2000	1998-1999	1997-1998
Baccalaureate	\$ 35.91	\$ 31.90	\$ 32.71	\$ 31.23	\$ 28.31
Business Occupational	17.51	15.87	18.88	20.08	20.22
Technical Occupational	41.83	41.41	40.55	43.61	41.77
Health Occupational	78.75	72.30	69.55	65.10	58.92
Remedial/Developmental	26.67	26.97	22.53	19.25	32.20
ABE/GED/ESL	9.78	16.17	13.16	12.71	13.42
	<u>\$ 32.22</u>	<u>\$ 30.84</u>	<u>\$ 30.27</u>	<u>\$ 29.32</u>	<u>\$ 28.04</u>

State funding is made up of special purpose funding from the ICCB, Financial Assistance, and support of instructional programs and community support programs. Federal funding is primarily related to Federal financial assistance programs. See Table 6-D for operating revenue by source.

Table 6-D

Fiscal Year 2001 Revenue by Source

Revenues	FY2001
Local Government Sources	
Real Estate Taxes	\$9,670,200
Personal Property Replacement Taxes	2,179,524
Subtotal	<u>11,849,724</u>
Intermediate Sources	
Tuition & Fees	9,460,000
State Government Sources	
ICCB	
Credit Hour Grant	6,037,658
Equalization Grant	3,498,850
SURS on behalf of payments	2,272,400
Square Footage Grant	70,338
Board of Vocational and Technical Education	325,000
Subtotal	<u>12,204,246</u>
Additional Sources	
Interest on Investments	1,295,000
PBC Operating Agreement	1,205,780
Other	200,000
Subtotal	<u>2,700,780</u>
TOTAL OPERATING REVENUES	<u>\$36,214,750</u>

TUITION AND FEES

The College manages tuition and fees in an effort to balance operational funding without limiting access for students who are economically disadvantaged. The most recent tuition adjustment (effective Spring 2002) included a review and the eventual elimination of instructional fees. The instructional fees were rolled into tuition and, as a result, are now eligible for financial assistance, which not only increases tuition revenue but also minimizes the financial burden for the student. See Table 6-E for the five-year trend in tuition revenue.

Table 6-E

Five-year Trend in Tuition Revenue

	2001	2000	1999	1998	1997
Tuition and Fee Revenue	\$9,460,000	\$9,249,378	\$9,263,254	\$9,305,395	\$9,029,641
Tuition and Fee Rate	\$47.45	\$47.45	\$44.45	\$44.45	\$44.45
Total Credit Hours	189,578	193,447	196,780	196,381	191,835
% Change in Credit Hours from Prior Year	-2.0%	-1.7%	0.2%	2.4%	0.6%
Student Head count - Fall	11,871	11,750	12,122	12,341	12,115
% Change in Head count from Prior Year	1.0%	-3.14%	-1.8%	1.9%	-2.3%

PROPERTY TAXES

The College strives to manage the overall tax burden to the District's property taxpayers. The equalized assessed valuation (EAV) has been increasing since the sharp decline experienced in the early 1980's. (See Table 6-F.) The increase in EAV has prompted several counties in the College District to adopt tax cap limitations to minimize the tax burden to the property owners. The College has not been affected by tax caps to date and will be impacted only if Peoria County adopts the legislation.

Table 6-F

Assessed and Estimated Actual Value of Taxable Property

Tax Levy Year	Assessed Value	Estimated Actual Value
2000	\$4,291,631,400	\$12,874,894,200
1999	4,054,590,916	12,163,772,748
1998	3,726,295,555	11,178,886,665
1997	3,497,946,460	10,493,839,380
1996	3,201,970,700	9,605,912,100
1995	3,024,889,754	9,074,669,262
1994	2,797,185,539	8,391,556,617
1993	2,629,766,038	7,889,298,114
1992	2,459,956,518	7,379,869,554
1991	2,274,538,569	6,823,615,707

The tax rate has increased modestly in recent years as a result of an increase in debt issued to support technology for the entire institution and parking needs at the Peoria Site. A detail of the tax levy is reflected on page 28 of the *Illinois Central College 2000-2001 Budget*.

OTHER OPERATING REVENUES

The College effectively utilizes other revenue sources to supplement operating and institutional support. The Peoria Public Building Commission and investment revenue each provide over \$1 million annually to support College operations.

The Peoria Public Building Commission represents one of the most significant sources of other revenues. The agreement with the Peoria Public Building Commission, provides \$1.2 million to support the Peoria Site operations, and will be in place for approximately 15 years. At the expiration of this agreement, the College will fund Peoria operations from an accumulated fund balance in the Public Building Commission fund.

The investment revenue of \$1.3 million does not include approximately \$260,000 of interest transferred annually from the Working Cash Fund.

OTHER FUND REVENUES AND RESOURCES

The College increasingly looks toward alternative support for College operations from proprietary operations, state- and federal-restricted grants, and other tax funds.

Auxiliary service operations which include the bookstore, food service, Fitness Center, Performing Arts Center, athletics, student activities, and the Professional Development Institute generate over \$6.5 million annually and are budgeted to break even.

The College receives approximately \$14 million annually from various State and Federal sources. A summary of the grant funding that the College receives is printed on page 50 of the College's annual audit.

Tort Immunity Funds support risk management activities for the College, including Affirmative Action and Public Safety operations. These funds provide nearly \$2 million annually.

Budget

The College is in sound financial condition. Budget requests are submitted annually in the spring and approved in the fall. This amount of time between budget requests and final approval hampers flexibility. Barring grants or open funding sources, a new program or project conceptualized in the summer may not get an approved supporting budget for 15 to 18 months.

The budget is tied to strategic planning and assessment cycles. The College holds an administrative forum on budget submission and review every year with a forum held March 29, 2001, for the 2001-2002 budget year. At this time, all administrators are provided updates on the budget process and a complete package of budget submission materials. The forum, led by the President and senior finance staff members, are also provided guidance on how to tie plans and initiatives to the budget. Further guidance is developed and disseminated by the President at subsequent forums. The College is currently focused on developing a Campus Master Plan, which is to be considered in all budget submissions. Our Self-Study survey results indicate a sound budget although room for improvement does exist.

- The full-time faculty questionnaire indicates 47.3% of full-time faculty members are aware of our strategic planning processes, and many have contributed to them. Similarly, faculty members feel a connection between their accomplishments and the College's accomplishments which are tied to the strategic goals and Mission. Faculty members agree that there is adequate funding to meet operational needs of the school, and they feel they have input to the process. Faculty members feel communication with the administration encourages

input and budget involvement. Statistics indicate the faculty members seem to understand and feel supported by the budget process with a need for improvement in communications, input, and follow-through.

- The part-time faculty results show a distinctly different perspective from those of the full-time faculty survey. Only 40% of the respondents have an awareness of strategic planning within their departments, and 28.3% are aware of strategic planning at the institutional level. Only 12.4% feel they provided input in the most recent planning cycle. They show a generally neutral perception of adequate funding for equipment and salaries. Some are in agreement that instruction and faculty development are adequately funded. They feel that they have little input into the budget process. However, their general perceptions of College-wide support for facilities, equipment, training, and services are good, thus demonstrating an indirect satisfaction with the budget.

Overall, the indication is that while the College may be doing a good job of budgeting and of insuring connection between the budget process, strategic plans, and assessment, there seems to be a communication failure with the part-time faculty members, making it difficult for them to perceive their part in the process.

- A review of the staff survey results indicates that the staff feels in many ways very similar to the faculty with a variance between staff groupings, however. For instance, the Professional Support Staff (P/S/S) demonstrates a higher overall awareness of the planning processes than the classified staff respondents. The P/S/S group also display a greater level of agreement that they have input into the budget processes, and a higher opinion of the general services within the school. There might be greater failure in communications between the administration and the classified staff than with other groups.
- The student survey results indicate an overall high level of satisfaction with the College's level of support in facilities, equipment, and staff.
- The Board of Trustees survey results are positive about the overall financial viability of the institution. Board members frequently express interest in the Mission and planning processes and show keen interest in the budgetary processes and student outcomes assessment links. This interest and planning happens at many of the public meetings, including the annual retreat, and is a matter of public record. The Board consistently demonstrates support of budget changes needed for new construction, technology, and staff development.

Illinois Central College's budgetary process also provides the opportunity for all faculty and staff members to identify resource needs. Department faculty and staff members generate budget requests, which are reviewed and submitted through the deans and directors to the Associate Vice President of Human Resources and Finance. All departments are encouraged to develop budgets using input from all their areas of responsibility.

Budget submissions also come from committee processes. For example, the Curriculum Committee processes result in program changes and budget submissions which are required in implementing new programs. The Technology Planning Committee develops new technology plans in support of the College Mission, and departments budget for their portions of the technology plans.

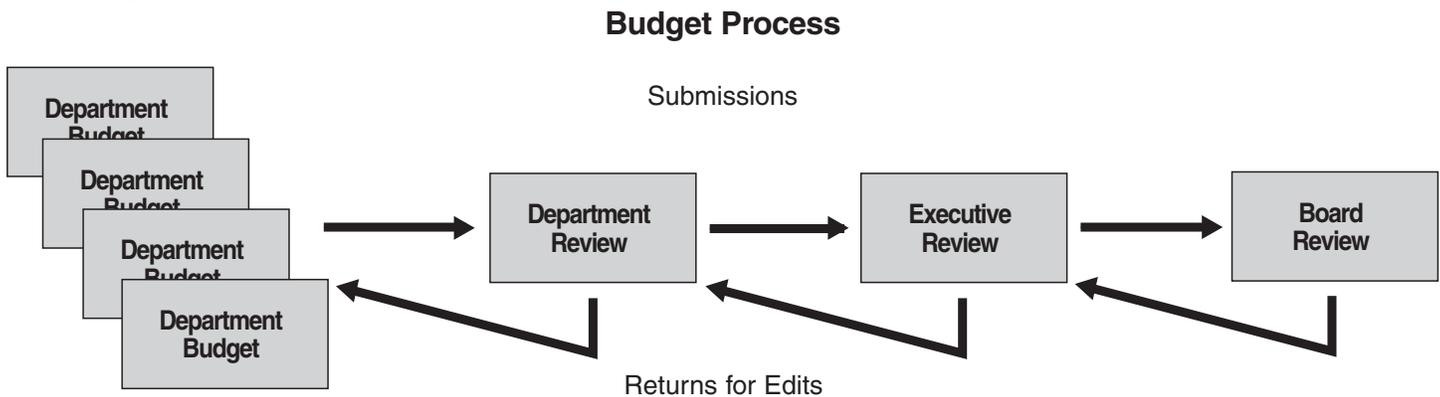
Another strength of the budgetary process at the College is that programs and services are adequately funded. Faculty responses indicate a mean of 3.0/5.0 on questions about adequate funding for equipment, supplies, development, salaries, and input to the budget process.

The following budgeting concerns were noted in both the questionnaires and tasksheets.

- Time frame issue - Process is perceived as long, typically seven to nine months. It is difficult to make rapid programmatic changes and be flexible. Process often extends into next fiscal year, making it difficult to begin projects which are dependent on budget approval.

Generally, the budget process seems to be effective, judging by the overall condition and financial success of the institution. The more problematic aspects seem to be length of time and lack of flexibility. This process, as detailed in Table 6-G, should be streamlined to reduce its length and increase its flexibility.

Table 6-G



Physical Resources

The idea that the quality of education offered by an institution is directly in proportion to its buildings and land holdings is demonstrated clearly by Illinois Central College. It is imperative that the College continue to be an environment conducive to learning. Our two main sites and the off-campus facilities meet this need.

The College currently covers a total of 432.79 acres of land overlooking the Illinois River Valley. Approximately three-quarters of this area is retained in landscaped grounds and accessible woodlands. The Peoria downtown acreage is leased land and is not included in the acreage table; however, the classroom and gross building footage does reflect the additional downtown buildings.

Table 6-H

Acres for Use (ICCDB 66)

Usage Type	Acres
Landscaped Grounds	112.79
Physical Ed. and Athletic Fields	6.1
Buildings and Structures	7.6
Experiment Plots	3.8
Parking Lots	24.81
Roadways	12.8
Pond Retention and Drainage	3.8
Other	261.09
Total Acreage	432.79

Table 6-1

Assignable Square Footage by Room Use Classification (ICCDB 66)

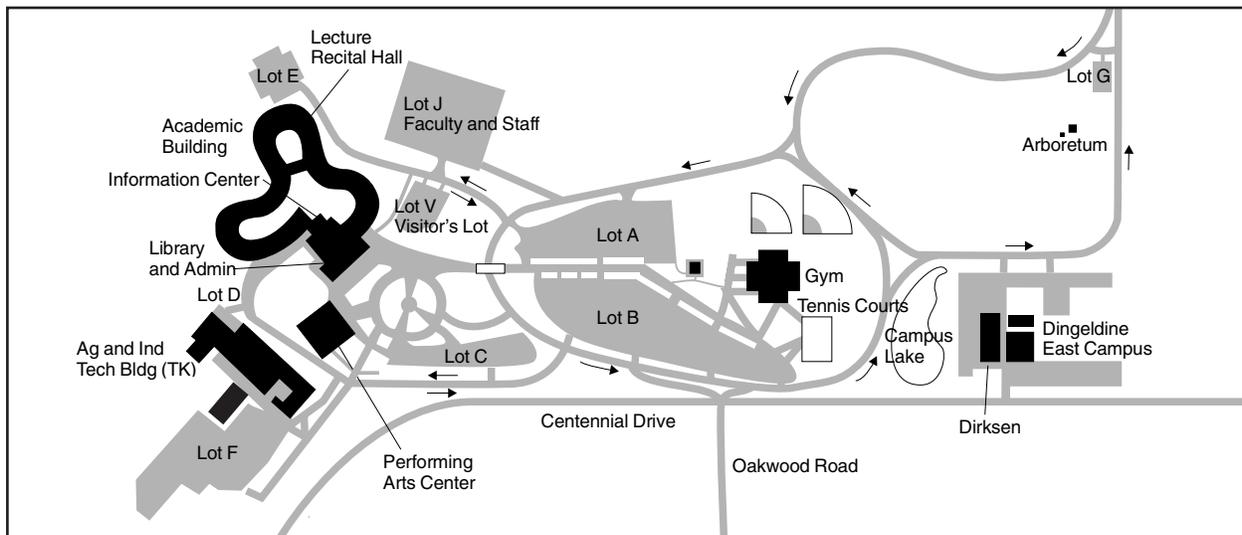
Room Use Classification	Net Assignable Square Footage
Classrooms	51,378
Laboratories	130,205
Office	70,319
Study	30,077
Athletic/Physical Ed.	15,290
Special Use	19,489
Theater/Auditorium	7,143
General Use	93,364
Support	42,157
Health Care	1,388
Unclassified	1,228
Total Net Assignable Square Footage*	462,038
Total Gross Square Footage**	649,674

* Represents usable building areas for students, faculty members, and staff that are not part of the building structure. It does not include walls, circulation, mechanical, or custodial areas.

** Represents the measurements of an entire building, including structural components.

FACILITIES

The College has effectively organized the physical resources necessary to accomplish its purposes. Many renovation projects have been completed during the last ten years. The cafeteria, bookstore, student activities areas, classrooms, Health Services, the gym, the Fitness Center, and the support services areas have been remodeled or renovated. Many areas have been converted to smart classrooms or completely remodeled when the Health programs, Fire Science program, and Criminal Justice program moved to the newly renovated Health and Public Services Building in downtown Peoria. The buildings at the East Peoria Site are well maintained and meet the needs of faculty members and students. See map below.



When faculty members were asked to rate the College's physical facilities in terms of condition and appropriateness on a scale of 1-3 with 3.0 being good, they gave high marks to many as seen in Table 6-J.

Table 6-J

	Full-time Faculty		Part-time Faculty	
	Mean	% rated as a 3	Mean	% rated as a 3
Smart Classrooms	2.56	62.9%	2.70	77.4%
Distance Learning Classrooms	2.37	49.2%	2.64	71.1%
Traditional Classrooms	2.21	36.5%	2.45	46.9%
Science Labs	2.44	59.3%	2.53	52.6%
Technology Labs	2.31	44.9%	2.67	69.7%
Faculty Offices (East Peoria)	2.15	37.0%	2.22	37.0%
Faculty Offices (Peoria)	2.16	36.8%	2.22	37.8%
Reading Lab (East Peoria)	2.67	66.7%	2.78	78.2%
Reading Lab (Peoria)	2.40	40.0%	2.54	58.3%
Math Lab	2.56	62.2%	2.74	73.9%
Writing Lab (East Peoria)	2.67	68.4%	2.84	84.1%
Writing Lab (Peoria)	2.29	41.7%	2.67	66.7%
Cafeteria	2.80	84.9%	2.86	87.4%
Help Lab (East Peoria)	2.72	71.7%	2.74	73.7%
Help Lab (Peoria)	2.20	36.0%	2.56	64.0%
Bookstore	2.78	79.4%	2.91	92.1%
Storage	1.79	18.1%	1.90	19.2%
Library (East Peoria)	2.42	76.2%	2.80	79.5%
Gym	2.59	69.0%	2.64	67.9%
Fitness Center	2.57	66.7%	2.79	82.4%
Performing Arts Center	2.83	84.0%	2.91	90.9%
Health & Public Services Bldg.	2.71	71.0%	2.79	79.2%
Perley Building	2.55	54.8%	2.65	67.6%
Lecture Recital Hall	2.65	68.0%	2.80	79.7%
East Peoria Site Overall	2.64	64.5%	2.78	79.8%
Peoria Site Overall	2.48	55.4%	2.53	59.6%
Land Lab Facility	2.72	72.4%	2.90	90.0%
Technology Building	2.28	48.7%	2.63	73.7%
Caterpillar Training Center	2.84	86.5%	2.88	88.2%
Dirksen Building	2.13	36.7%	2.29	52.9%

After analyzing the Self-Study surveys, certain perceptions were also noted. The heating and cooling of the East Peoria Academic Building continues to be a problem. The faculty and staff members are in agreement that the facilities continue to meet the College's needs. However, faculty and staff members expressed a need for more storage space. In addition, 63% of full-time and 60.7% of part-time faculty members rate the East Peoria Site faculty offices as "poor" to "fair." The Peoria Site faculty offices were rated with 63.2% of full-time faculty members and 62.1% of part-time faculty members indicating "fair" to "poor."

Faculty/staff support areas such as Instructional Technology, word processing, facility services, and public safety were remodeled in 1999-2000.

The College strives to keep the College facilities as well maintained as possible, and the faculty and staff members agree that this is done. On the Self-Study surveys, 72.5% of staff members feel that the “ICC buildings are properly maintained.” In addition, 85% of part-time faculty members and 68% of full-time faculty members rate facilities maintenance as “very good” or “good.”

EQUIPMENT

To meet the Core Value of excellence, the College provides the best equipment available to its faculty members, staff, and students. Input from the Self-Study questionnaires concerning the adequacy and up-to-date status of equipment showed that this objective is being met. Further discussions on technology at the College can be found in Instructional/Academic Programs Chapter 9.

When asked if the College has up-to-date equipment, the responses which were “strongly agree” or “agree” are in Table 6-K.

Table 6-K

Equipment

	Full-time Faculty	Part-time Faculty	Staff	Students
Science and Technology Labs	79.6%	52%	—	90.5%
Computer Labs	93%	82%	95.8%	96.9%
Reading/Writing Labs	83%	71%	—	96%
Library - East Peoria	86%	88%	93.6%	96.5%
Library - Peoria	72%	68%	83.7%	—
Help Lab - East Peoria	79%	82%	—	—
Distance Learning Classes	74%	81%	—	—
Help Lab - Peoria	66%	68%	—	—
Smart Classrooms	86%	85%	—	—

As the College strives to provide the best equipment, it must remain aware that equipment, especially in the Health Programs, Caterpillar Dealer Service Technician Program, and Computer Technology Programs must continue to be state of the art.

Several surveys contained comments concerning the need for replacement of the computers in both the Writing Lab and the Career Center. In addition, up-to-date equipment for the new Horticultural Land Lab facility is needed.

Grounds

The grounds of Illinois Central College are one of its greatest assets. They are used to host community functions, to provide a land lab for students, nature trails for pleasure and education, fields for various athletics, and parking. Development of walking and running paths is a high priority for faculty and staff members, according to the Self-Study surveys. Seventy-five percent of full-time and 81% of part-time faculty members are against the idea of property development by outside organizations. Housing for students is a need that was expressed on both the community and faculty surveys.

Currently 25 acres of the East Peoria Site are well-lighted parking lots for staff, faculty members, visitors, and students. Ninety-four percent of part-time faculty members and 90% of full-time faculty members rate the parking as “fair” to “good.” Handicapped parking received similar percentages with 92% of the full-time faculty members and 86.6% of part-time faculty members rating it as “good” to “fair.” Sixty percent of the

students “strongly agree” or “agree” with the statement “there is adequate parking for students at the East Peoria Site” while 55.6% “agree” with the statement when it relates to “adequate parking for students at ICC’s Peoria Site.”

Strengths

- The College has been operating near the auditors’ recommended optimal level by holding 25% of expenditures in a fund balance for the last five years.
- The College’s strong financial position and future borrowing capacity prepare it to meet future challenges.
- Recently, the instructional fees were incorporated into tuition which increases revenue and minimizes the financial burden on many students because it eliminates fees which are not covered under financial aid.
- The College utilizes other revenue sources to supplement operating and institutional support.
- The budget is tied to strategic planning and assessment cycles.
- The College is currently developing a Campus Master Plan.
- Parking lots are well lighted with handicapped parking close to handicap entrances.
- Equipment in labs and offices is current and up-to-date.
- The student activity area, the cafeteria, bookstore, Health Services, Fitness Center, and Student Support Offices have been remodeled to better serve students.
- The College’s physical facilities and grounds are well maintained.
- “Smart rooms” have been installed, and faculty members have been trained to use them.

Opportunities for Improvement

- The amount of time between budget request submittal and approval hampers flexibility. Process is perceived as lengthy.
- Poor information flowing back to individual departments may be causing dissatisfaction with the budget. In some cases, departments are not aware of the level of detail available or where it is available.
- Individual handicapped parking spaces are too small.
- There are not enough directional markings and signs for traffic control in the parking lots at the East Peoria Site.
- Faculty and staff members feel that storage space is lacking.
- The assignment, location, and size of faculty offices are of concern to many faculty and staff members.
- Faculty members express a need for more “smart rooms” because all who want to use them do not have the opportunity.
- The Fitness Center, Instructional Technology, Computer Services, and facility services areas, although recently remodeled, are experiencing a need for expansion and storage areas.
- Due to the success of the program, the Caterpillar Dealer Service Technician Building is facing a need for more space.
- Even though parking at the Peoria Site has improved, almost 60% of full-time faculty members rate the parking situation as “poor” to “fair.”

Recommendations

- Shorten the budget process time to increase flexibility.
- Provide better communication on budget status to departments.
- Consider converting more traditional classrooms to “smart classrooms.”
- Continue to seek other sources of revenue for the College.
- Investigate the faculty members’ concerns regarding faculty offices and lack of storage.
- Pursue expansion of the Fitness Center and other areas on campus which express a need for more space.
- Pursue ways to keep providing state-of-the-art equipment for the College in both instructional and administrative areas.

