



Decennial Committee on Local Government Efficiency Report on Study and Recommendations

Committee Objective

In response to the Decennial Committees on Local Government Efficiency Act of 2023 (50 ILCS 70/), Parkland College formed the 2023-2024 Decennial Committee (hereafter DC) to “study local efficiencies and report recommendations regarding efficiencies and increased accountability” to the county boards in Community College District 505.

District 505 Service Area

The service area of Community College District 505 includes most of Champaign, Piatt, Ford, and Douglas counties, and parts of DeWitt, McLean, Iroquois, Vermillion, Livingston, Edgar, Coles, and Moultrie counties. The DC report is sent to the county board in each of these counties.

Committee Membership

The 2023-2024 DC is comprised of the following members:

- Parkland College Board of Trustees: Chair James Voyles (Tuscola), Vice Chair Bianca Green (Champaign), Board Secretary Maureen Banks (Champaign), Trustees James Ayers (Monticello), Jarrett Clem (St. Joseph), Carolyn Ragsdale (Champaign), and Dana Trimble (Newman)
- Student trustee: Lauren Mobo
- Residents of District 505: Ron Bensyl and Diane Michaels

Committee Meeting Dates

The DC met on the following dates:

- May 17, 2023
- September 20, 2023
- October 18, 2023

Survey of District Residents (non-committee members) in Attendance

At the conclusion of each meeting, a survey was sent to Community College District 505 residents who attended the meeting to solicit input on matters discussed. There were no responses to the survey.

Areas of Study

The DC selected the following three areas of college operations for its study.

1. Mission and External relationships

The mission of the comprehensive community college in general and Parkland College in particular is

to make post-secondary education opportunities accessible for the residents of its district. But the college cannot fulfill its mission in isolation. Mission fulfillment and organizational efficiency both require the college to develop relationships with external stakeholders in and beyond District 505.

A study of efficiency would consider how well the college fulfills its mission in conjunction with an inventory of partnerships and key strategic relationships across the spectrum of stakeholders, with a focus on the ways these connections inform the college's efforts and maximize its impact in the community.

2. Physical Facilities

Parkland College is a 255-acre campus with about 1,000,000 sq. ft. of physical facilities which includes instructional spaces (such as classrooms, labs, and other learning spaces) as well as spaces for student support services, offices, athletics and recreation, and community engagement.

A study of efficiency would include a review of space usage and sustainable energy management.

3. Fiscal resources

Parkland College has an annual operating budget of \$57M to maintain its mission of providing education and training at the certificate and associate degree level.

A study of efficiency would include a review of the allocation of revenues to provide quality teaching and learning while prioritizing educational affordability for students.

Findings and Recommendations

1. Mission and External Relationships: Report presented by Stephanie Stuart, Vice President for Strategic Partnerships and Workforce Innovation/Chief Communication Officer

The DC reviewed how the college fulfills its mission. The review in part focused on an inventory of its relationships with educational partners, industry, government entities, and community-based organizations that helps to enhance mission fulfillment. It concluded that Parkland College maximizes public investment by providing accessible and relevant education and workforce development opportunities that empower individuals to achieve their dreams and contribute to the overall prosperity of our region. As part of its commitment to fulfill its promise to “engage the community in learning,” it serves as an effective and efficient connector between K-12 school districts, universities, government entities, and community-based organizations to create clear pathways to academic and career success for District 505 residents.

2. Physical Facilities: Report presented by Jim Bustard, Director, Physical Plant

The DC reviewed two major aspects of college physical facilities. The first has to do with the allocation and scheduling of learning spaces. Allocation of space has evolved since the 1960s to meet a range of programming and classroom needs. Instructional delivery formats have changed over the decades especially with accelerated use of digital learning environments in response to the pandemic. While current needs in academic programs are met, the DC supports the college's decision to undertake a consultant-led extensive evaluation of classroom and laboratory spaces on its main campus as well as at its additional locations on Mattis Avenue and at Willard Airport in FY2024. This evaluation will evaluate

current space designations against changing student and employer demands and new learning technologies.

The DC affirmed collegewide efficiency-related initiatives to reduce the amount of electricity, water, and natural gas utilities consumed on campus. It also reviewed the college's five-year future facilities capital project plan to address on-going maintenance, deferred maintenance, and safety-related projects.

It concluded that Parkland College's approach to the use and upkeep of its physical facilities and learning spaces helps to maximize efficiency as well as improve the physical environment for teaching and learning and for student support operations.

3. Fiscal Management of Financial Resources: Report presented by Christopher Randles, Vice President for Administrative Services/Chief Financial Officer

The DC considered the major purposes behind strong fund balance management and Parkland's implementation of good practice related to fund balance. Prudent fiscal management over the decades has enabled the college to handle unforeseen contingencies (such as significant enrollment declines; state funding impasses or decreases; national emergencies like the recent pandemic; or emergency capital repairs) while maintaining fiscal stability.

The DC noted that the college's current fund balance is higher than normal due in part to \$22 million in Federal HEERF and State CPPRT funds received over the last three years. These one-time supplemental revenue sources enabled the college to maintain positive cash flow and investment balances in the face of significant COVID-19 dips in enrollments while keeping up with operating expenses related to instruction, student support services, and operational infrastructure.

The committee concluded the college's fiscal management practices are sound, resulting in a strong fund balance that in turn protects taxpayers, students, and employees.

Committee Conclusion

Parkland College as a unit of local government demonstrates efficiency in how it builds relationships in conjunction with mission implementation; how it allocates its physical spaces for its academic mission; how it implements efficiency-related initiatives to increase sustainable outcomes and reduce utility costs; and in its approach to fiscal management. The DC endorses the college's plan to undertake a comprehensive evaluation of space usage to enhance efficiencies on main campus and additional locations in the context of evolving student learning needs, academic program expansion, and technology supports.

Attachments:

- 1. Mission and External Relationships and Physical Facilities Report**
- 2. Physical Facilities supplement**
- 3. Fiscal Resources Management – slide deck**
- 4. Sample of Survey for non-committee attendees**



**Decennial Committee on Local Government Efficiency
September 18, 2023**

Objective: *In response to the Decennial Committees on Local Government Efficiency Act of 2023 (50 ILCS 70/), Parkland College has formed the 2023-2024 Decennial Committee to “study local efficiencies and report recommendations regarding efficiencies and increased accountability” to the county boards in District. The college administration will present this study in three parts: 1) mission and external relationships; 2) physical facilities; and 3) fiscal resources.*

Part 1: Mission and External Relationships Report

Mission

Parkland College District #505 was established in 1966 following the passage of a referendum authorized by the Illinois Public Junior College Act of 1965. Today, Parkland College operates as a comprehensive public community college under the Public Community College Act (110 ILCS 805/), which is defined as providing “(1) courses in liberal arts and sciences and general education; (2) adult education courses; and (3) courses in occupational, semi-technical or technical fields leading directly to employment.”

Today, the college’s mission statement is to “engage the community in learning.” The college maintains a comprehensive policies and procedures manual that contains its mission and purposes. This document is also used to guide college operations and ensure consistent practices. This manual is developed through the college’s internal shared governance structures and any changes are approved by the college’s seven locally elected trustees. Additionally, the college recently approved a five-year Strategic Plan for Excellence.

The institution carries out this mission in several ways. The primary means for this engagement in learning is by providing lower division college coursework and technical training, and conferring the following degrees: Associate in Arts (A.A.), Associate in Science (A.S.), Associate in Fine Arts (A.F.A.), Associate in Engineering Science (A.E.S), Associate in Applied Science (A.A.S), and Associate in General Studies (A.G.S.). Additionally, the college awards a variety of certificates and credentials in both transfer and career areas. Since its inception, the college has maintained an open admissions policy to provide access to students regardless of socioeconomic or other demographic factors.

The college also offers English as a Second Language (ESL) courses, developmental education, adult education and GED services, non-credit technical training, and customized training for local industry. Programs seek to engage area youth in career exploration and residents for the opportunity to obtain key skills and credentials that lead to life-sustaining employment opportunities within the community. It offers lifelong learning opportunities through its non-credit community education arm, which includes opportunities for personal development and exploration.

The college also serves as a cultural destination and educational hub for area residents through the Harold and Jean Miner Theatre, Giertz Gallery, Staerke Planetarium, athletics programs, and library. These assets also serve as learning labs for students, whether they choose to audition for a theatre production, exhibit their work, or compete in intercollegiate athletics.

Finally, the college is accredited by the [Higher Learning Commission](#), an institutional accreditor empowered by the U.S. Department of Education to provide oversight of higher education institutions for the purpose of quality assurance. The reaffirmation of the college's HLC accreditation in 2023 signifies the college's compliance with rigorous standards of both academic and operational excellence. Thus, the institution is authorized to continue dispersing federal financial aid to its students.

All this work to fulfill the college's mission is realized in true economic impact to the region and communities within District 505. In 2021, the Illinois Community College Board completed an economic impact study of the college's service area and concluded that Parkland College generates an estimated \$85.7 million in economic output annually and gains students \$600,000 in additional earnings throughout their lifetime (Parkland College, 2021).

In examining the college's mission through the lens of efficiency, Parkland College delivers high-quality, distinct, and freely accessible services to its residents and taxpayers. While aspects of the college may connect to other community entities, there is little—if any—overlap in the essential educational opportunities it provides.

External Relationships

Parkland College, as a public community college, cannot fulfill its mission in isolation. Mission fulfillment and organizational efficiency both require the college to develop relationships with external stakeholders in and beyond District 505. Parkland works together with K-12 school districts and other institutions of higher education; business owners and leaders of local industries; legislators and policy influencers; and community-based organizations. These partnerships with key stakeholders contextualize the college's work in the local economic, social, and educational landscape.

Table 1

<i>Parkland College Stakeholders</i>	
Students	K-12 School Districts
Taxpayers	Four-Year Colleges and Universities
Employees (faculty, staff, administration)	Chambers of Commerce and Workforce Development agencies
Board of Trustees	Non-Profits/Charitable Organizations
Alumni	Municipalities
Government Agencies and Legislators	Community-Based Organizations
Employers/Industry	Other Taxing Bodies

Educational Partners

The college works in partnership with the 35 high schools located within District #505 to provide access to career exploration, dual credit, dual enrollment, and transfer pathways. These collaborations with area school districts assist students and their families in exploring their options for education and training past high school.

One key partnership the college holds is with [Education for Employment \(EFE\) #330](#), which co-locates its offices on the Parkland College campus. EFE #330 is an educational cooperative “designed to administer the efficient regional delivery of career and technical education” under the purview of the Illinois State Board of Education’s Perkins V implementation. Together, Parkland and EFE #330 jointly operate the [Early College and Career Academy](#), which brings approximately 200 area high schools to campus each morning for two hours during the academic year to take college-level courses in career and technical areas such as construction, manufacturing, health professions, agricultural technology, and IT. This training provides participating students with a head-start on college by earning college credits as well as professional certifications such as the Certified Nursing Assistant (CNA) and Occupational Safety and Health Administration (OSHA) 30 certification. Additionally, the college has partnered with [Lincoln’s Challenge Academy](#), which is operated by the Illinois National Guard, to provide career exploration and academic programming to its students.

The college also maintains strong ties to its university partners within the state of Illinois and across the country. One of the college’s flagship programs is the [Parkland Pathway to the University of Illinois](#). The program provides students with dual admission to both institutions, allowing students to pay community college tuition for the first two years and transition to college life. Each year, more than 300 students apply and 175 are admitted to the Parkland Pathway program.

Additionally, the college holds transfer agreements with a multitude of four-year institutions across the nation to ensure students can successfully transfer their credits, whether taking a few classes or completing an associate degree. [Eastern Illinois University](#) partners with the college in offering upper division undergraduate and graduate courses on the college’s campus to increase access. The college also participates in the [Illinois Articulation Initiative \(IAI\)](#), which provides course articulation between community colleges and universities to help students plan for successful transfer to their university of choice. These examples demonstrate how Parkland collaborates with key educational stakeholders to both fulfill its mission and operate efficiently within the complex educational landscape.

Industry Connections

Parkland also serves as a “regional leader in economic and workforce development, forging partnerships with industry and government that spur job creation, expand the workforce pipeline, upskill incumbent workers, accelerate innovation, and foster a thriving entrepreneurial ecosystem within District 505” (*Parkland College Strategic Plan for Excellence, 2023*). To support this work, the college maintains strong ties to local industry through its career and technical program advisory committees. Such committees are comprised of local professionals and business leaders in the defined career areas, such as automotive, manufacturing, health care, construction, and many others. They act as an advisory structure and sounding board for faculty to ensure the relevance of the college’s academic offerings and students’ career prospects upon completion.

One recent example of Parkland's strong ties to industry include the college's [Ford ASSET program](#), which trains Ford automotive technicians from across the Midwest. Following the apprenticeship model, each student in the Parkland Ford ASSET program is employed by a Ford Dealership at the time of enrollment. The curriculum is aligned to Ford's certification system as well as Master Automotive Service Technology standards (MAST) set by the [Automotive Service Excellence \(ASE\) Education Foundation](#). This fall, the college welcomed its largest-ever Ford ASSET class and the largest in the country, with 30 freshman students.

Another example includes the new [AGCO Agriculture Service Technician Associate in Applied Science \(A.A.S\) degree program](#), providing students with instruction specific to AGCO-branded equipment and cutting-edge precision ag technologies such as those from Fendt® and Massey Ferguson®, as well as education in general ag concepts. Working in collaboration with AGCO leadership, the college developed this new, brand-specific academic program to meet the expanding need for skilled technicians in the industry. Over the next year, the college will construct a new, 20,000 square foot, state-of-the-art training center on its campus made possible by a \$5 million donation from AGCO that came in March 2023. The building will open for classes in Fall 2024.

One key industry in District #505 is health care. Major employers such as [Carle](#) and [OSF Healthcare](#), provide more than 300 clinical placements for Parkland students annually and employ thousands of the college's graduates. The longstanding success of Parkland's programs in the health professions has contributed to nursing becoming the most notable Parkland program in a 2018 community survey by the Clarus Corporation.

Government Entities and Community-Based Organizations

Parkland College also maintains strong relationships with key government entities and community-based organizations as part of its efforts to "effectively market and promote the college, its programs, and services to raise awareness of opportunities for social and economic mobility and career advancement; increase awareness of the college's priorities among key stakeholders, including policymakers" (*Parkland College Strategic Plan for Excellence, 2023*).

President Lau and the vice presidents participate in regional planning as board members and leaders on several community groups such as the Champaign County Economic Development Corporation, Champaign County Community Coalition Executive Council, University of Illinois Chancellor's Economic Development Advisory Council, Champaign County Chamber of Commerce, Metropolitan Intergovernmental Council, United Way of Champaign County, Champaign County Court Appointed Special Advocates, and Local Workforce Innovation Area #17.

The college has also developed strong partnerships with community-based organizations such as the [Housing Authority of Champaign County's YouthBuild Program](#) and [FirstFollowers](#), an organization focused on workforce development and re-entry from incarceration services.

Finally, the college maintains strong relationships with state and federal legislators and agencies to cultivate deeper understanding of the college's policy priorities and funding needs. These efforts are reported monthly as part of the college's Board of Trustees meetings and in the newly drafted Government Relations Plan.

Conclusion

In summary, Parkland College maximizes public investment by providing accessible education and workforce development opportunities that empower individuals to achieve their dreams and contribute to the overall prosperity of our region. As part of its commitment to fulfil its promise to “engage the community in learning,” it serves as a connector between K-12 school districts, universities, government entities, and community-based organizations to create clear pathways to academic and career success for District 505 residents.

References

Parkland College. (2021). *New State Report Details Parkland’s Impact on Local Economy*.

<https://www.parkland.edu/Main/About-Parkland/Newsroom/Parkland-News/ArtMID/1721/ArticleID/840>

Parkland College Strategic Plan for Excellence. (2023). Parkland College.

<https://www.parkland.edu/Main/About-Parkland/Administration/Strategic-Plan-for-Excellence>

Part 2: Physical Facilities Report

Learning Spaces

The Parkland College campus was constructed in the late 1960s with several building additions over the next 50-plus years (*see Appendix A*). While the campus facilities have grown and expanded to meet a range of programming and classroom needs, student enrollment has cycled through periods of increases and decreases. The college has over 260 classrooms and laboratories along with many student study spaces. Student headcount in fall semester 2022 was 5600. The current distribution of classroom spaces meets in-person classroom needs; however, lab space capacity in some health professions and career and technical (CTE) areas limit program sizes.

The college recognizes the need to undertake a consultant-led extensive evaluation of classroom and laboratory spaces on its main campus as well as at its additional locations on Mattis Avenue and at Willard Airport. Such a study has not been done since the main campus was built. It would provide a strategic review of teaching and learning spaces with recommendations that will include two aspects of physical space allocation for teaching and learning. One, this study will address current usage and scheduling of physical spaces for instruction. Enrollments have fallen over the past decade. Meanwhile teaching formats have evolved with an increase in online as well as hybrid approaches reducing the need for fully in-person instruction. Meanwhile, the pandemic has increased the use of online and hybrid teaching formats. An in-depth review is needed to address efficiency and effective use of classrooms and labs in terms of space usage and curricular needs. Two, this study will also address future needs factoring in projected changes to higher education especially in the community college sector in general and Parkland College District 505 in particular. Projected changes include demographic changes in enrollment, increased focus on workforce development to meet regional needs for skilled workers, and ensuring that career programs stay abreast of emerging technologies and industry needs.

Physical Facilities

Physical Plant has undertaken efficiency-related initiatives to reduce the amount of electricity, water, and natural gas utilities consumed on campus.

1. **Solar Array Systems:** The college currently has three separate solar array systems that are effectively reducing the amount of electricity used on campus.
2. **Lighting Systems:** Many of the lighting systems on campus have been converted to LED lights, including all the exterior lighting systems.
3. **Boiler Systems:** Two of the original natural gas-fired hot water boiler systems have been either upgraded or replaced for more efficient operation. The college has plans to upgrade the remaining boiler systems in the near future, along with an upgrade to the campus chilled water system. Both upgrades are expected to reduce utility usage even further as well as reducing water consumption in these systems.

Going forward, the College has long range plans to phase in the replacement of aging systems and/or the upgrade of existing systems with the objective of decreasing utility usage, increasing operational effectiveness, and providing sustainable alternatives to fossil fuel usage.

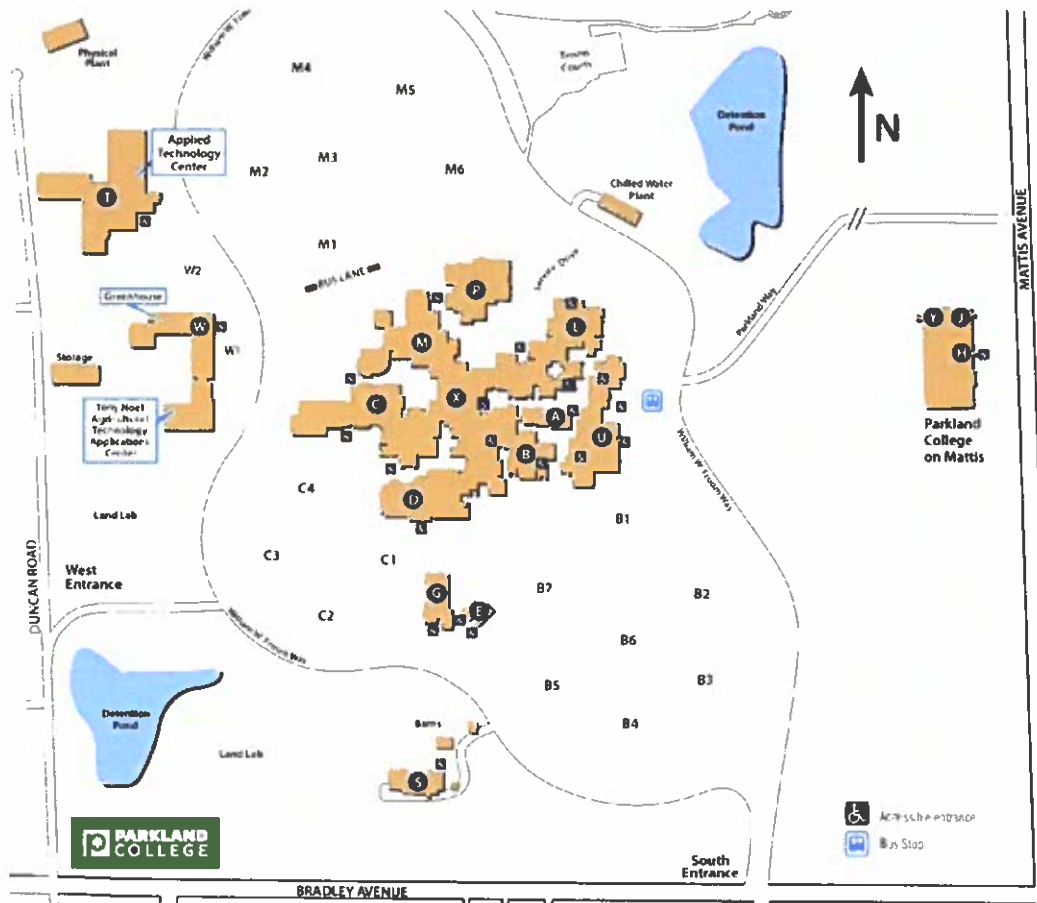
By combining effective use of campus facilities and efficient use of available resources, Parkland College will continue to provide an excellent learning environment while using resources in the most effective ways possible.

Table 2

Parkland College Facilities			
Building	Year(s) Built	Area/Square Footage	# of Stories
Divisions A, B, C, L, M, R & X	1971, 1986, 2016	411,332	A, B, C, L, M are 2 Stories R & X are 3
Physical Education, PE Storage & Fitness Center	1976, 2012	53,858	2
South Building	1984	12,238	1
Maintenance & Storage	2012	9,000	1
Theatre	1986	15,588	1
Planetarium	1986	7,364	1
Wing D	2002	54,429	2
Building E	1984	4,538	1
Chilled Water Plant	1994	6,900	1
Tony Noel AG Tech Center W & Greenhouse Complex	2000, 2011	46,231	1
Child Development Center - G	1994/1995	12,941	1
Applied Tech Center - T	2012	73,596	1
Student Union	2014	109,512	3
Parkland On Mattis	1970	69,900	1

Appendix A

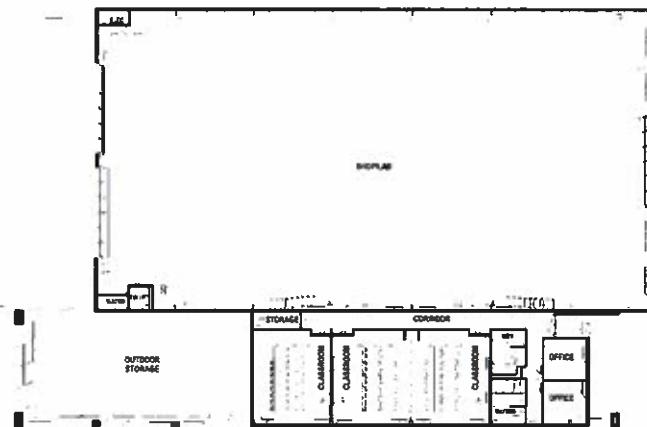
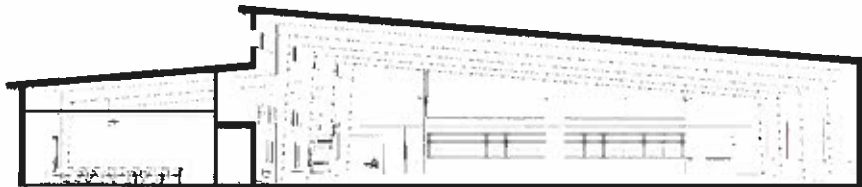
PARKLAND CAMPUS MAP



- A Business Office, Public Safety, Human Resources
 - B Business/Computer Science and Technologies Department
 - C Fine and Applied Arts Department, Humanities Department
 - D Campus Technologies, Center for Academic Success, Center for Excellence in Teaching and Learning, Computer Technology Center, Conference Center, Learning Support Division, Photography and Graphic Design, Professional Development and Instructional Technology, Social Sciences and Human Services Department
 - E Adult Education/Literacy Center
 - G Child Development Center
 - L Health Professions Division
 - M Career and Technical Education Division
 - P Donald C. Dodds, Jr. Athletic Center (Athletics, Fitness Center, Gymnasium)
 - R Library (above X)
 - S South Building
 - T Parkhill Applied Technology Center (Agricultural/Engineering Science and Technologies Department)
 - U Student Union (Accessibility Services, Administrative Offices, Admissions and Records, Assessment Center, Bookstore, Cafeteria, Cashier Office, Counseling Services, Dean of Enrollment Management, Dean of Students, Dean of Counseling Services, Early College Services, Financial Aid and Veteran Services, Foundation, Grants and Contracts, Institutional Accountability and Research, Student Life, TRIO/Student Support Services, Wellness Center)
 - W Tony Noel Agricultural Technology Applications Center (Diesel Power Equipment Technology, Prairie Gardens Plant Lab/Greenhouse Complex)
 - X Arts and Sciences Division, College Center, Educational Video Center, Giertz Gallery, Mathematics Department, Natural Sciences Department, PCTV, WPCD
 - Parkland College on Mattis — Community Education (J), Construction Education Alliance (Y), Health Professions (H), Workforce Development (I)
 - Institute of Aviation at Willard Airport, Savoy
- Accessibility** Location of mechanical doors: • Entrance X-2 southwest of B wing, between B and X • Southwest entrance to C wing • West entrance to D wing • North entrance to M wing • West entrance to P wing • Door to A wing lobby • East entrances to U wing

Parkland College Project Update 9-2023

New AGCO Facility – The project is to construct a new 22,000+ SF training facility for AGCO and Precision Ag programs. The location of the new facility is between the W and T buildings on the west side of campus. The project has been advertised and bids received, with the low bid by Petry-Kuhne of Champaign, IL. Bids results have been submitted to the Board of Trustees for their September meeting. Construction would begin soon after Board approval with completion in 2024.



LEVEL 01 FLOOR PLAN AND SECTION PERSPECTIVE
PARKLAND COLLEGE-AGCO AGRICULTURAL EDUCATION BUILDING

igw



Fountain Courtyard Reconstruction – This project is to reconstruct the fountain courtyard area between the main campus X and M wings and the P wing. The existing courtyard areas have been deteriorating and the water feature has been inoperable. The new design features improved seating areas, ADA movement areas, a new water feature and new landscaping. The project is currently underway and on schedule for completion in late October. Below is an architect's rendering of the space along with current construction.



Fountain Courtyard looking towards the North and the Dodds Athletic Center



ADA walkways and concrete walls, looking West towards the M Wing



New water feature control and mechanical room

Exterior Entry Door Replacement – This project is to replace existing exterior doors and frames around the main campus, the funding for much of the project is from the State and is being processed through the Capital Development Board. The project is progressing, and several exterior doors have been installed. Completion of the door installation will be in early October.

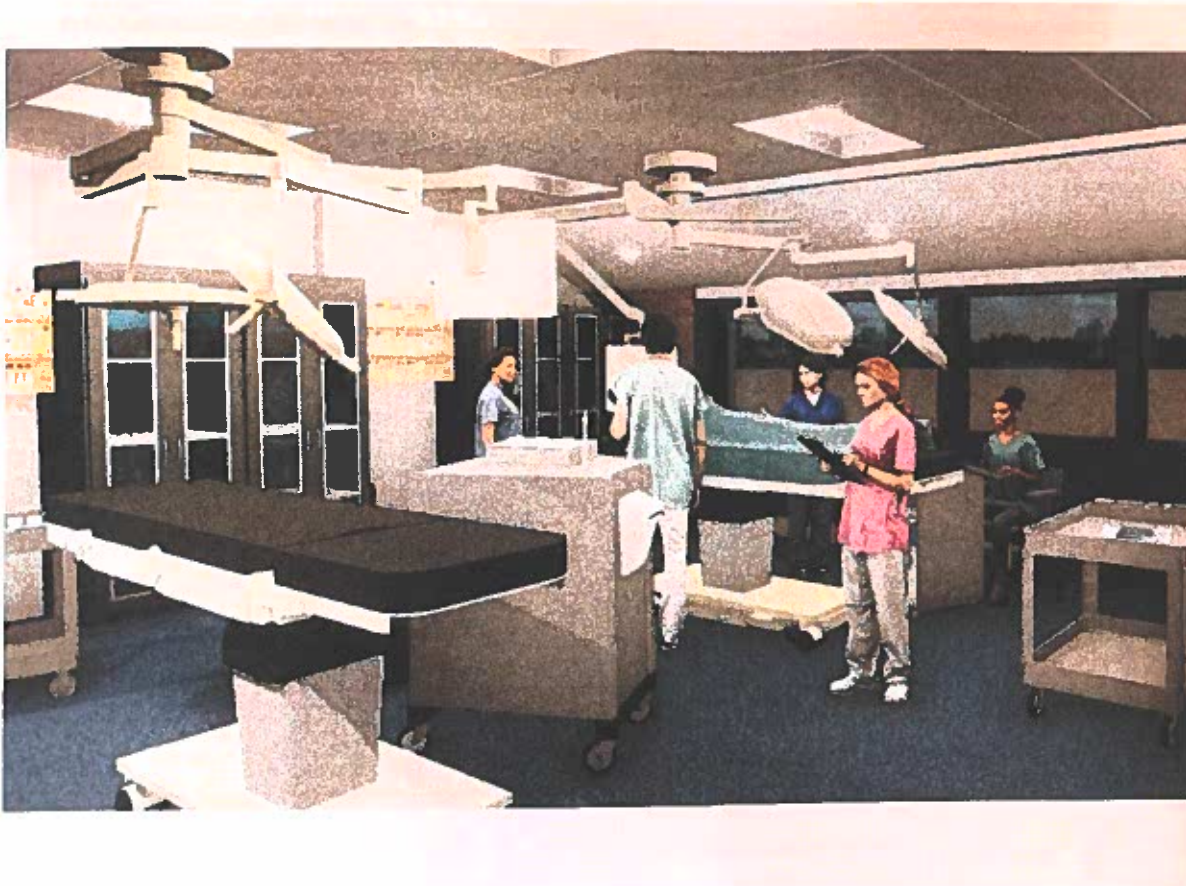


X4 Door replacement completed



D2 Door replacement in progress

Surgical Technology Program Remodel – The Surgical Technology Program will be moved to the B wing into unused space. Two empty classrooms along with 4 offices will be remodeled into a surgical simulation suite and classroom specific to the program. The College has obtained a grant from the State that covers the cost of the remodel. Work on the remodel is on hold until funds from the State have been received, which are expected in late September or early October. Below is an architect's rendering of the simulation space.



Electronic Door Locks – This project involves installing electronic door locks on all interior and exterior doors on the entire campus. The project was divided into 2 phases due to complexity and estimated cost. Phase I was to install locks on interior doors in the D wing and most exterior doors on the main campus, along with the necessary control hardware and software. Phase I physical installation of hardware has been completed and programming work is continuing by Campus Tech. Phase II physical installation of wiring has begun and will continue through the fall and winter, along with hardware installation. It is anticipated that work on Phase II will be complete in late spring 2024.

West Campus Parking Lot Light Replacement – Over the last several years, PHS funds have been used to replace existing parking lot lights and light poles and new LED lighting has been installed. The remaining older lights and poles are being replaced in the C parking lots, along with new LED lights on some of the walkways in the parking areas. This project is nearing completion with most of the work being completed in May. We are currently waiting for delivery of electrical components to complete the project.

M Wing Boiler Replacement – During routine maintenance of the boiler in the M wing, a large water leak was found and the follow up investigation of the leak determined that the boiler had structural damage to the pressure vessel and that a large amount of the water tubes were corroded. Consultants reviewed the boiler, and it was determined that repairs could not be made. A new boiler system was designed, and competitive bids were obtained along with Board of Trustees approval. The new, more efficient boiler system installation is underway. The new system is scheduled to be operational in early October.



New boiler installation



New domestic hot water system

**DECENNIAL COMMITTEE ON LOCAL
GOVERNMENT EFFICIENCY
FISCAL RESOURCES
OCTOBER 18, 2023**

Christopher Randles, CPA
Vice-President Administrative Services/CFO



WHAT IS FISCAL MANAGEMENT?

Is the process of planning, directing and controlling financial resources of an organization.

Refers to money within a government entity

It is the process of keeping an organization running efficiently within its allotted budget.



Fund Balance Management

Fund balances are the cornerstone of financial security, flexibility, and short-term & long-term financial planning

- > Major Purposes of Sufficient Fund Balances
 - Plan for Contingencies
 - State ICCB funding declines or recessions
 - State CPPRT funding 'normalization'
 - Unfunded pension shifts related to SURS or CIP
 - County Clerks reliability for property tax distribution
 - Extreme events like natural disasters (floods, tornados, etc.)
 - Emergency capital repairs (boiler failures, etc.)
 - National or global emergencies (pandemics, etc.)
 - Maintain Good Standing with Rating Agencies (S&P, Moody's)
 - Good indication of the College's overall financial health
 - Adequate levels of fund balance are a sign of creditworthiness
 - It indicates the College's ability to repay debt on time, in full
 - Agencies generally expect minimum operating fund balances in excess of 25%
 - Parkland's March 2022 S&P Rating was AA/Stable
 - Parkland's December 2017 Moody's Rating was Aa3

	Moody's	S&P Global
Best Quality	Aaa	AAA
High Quality	Aa1 Aa2 Aa3	AA+ AA AA-
Upper Medium Grade	A1 A2 A3	A+ A A-
Medium Grade	Baa1 Baa2 Baa3	BBB+ BBB BBB-



- **Avoid Interest Expense**
 - **Fund capital projects using reserves instead of debt**
 - **Fund capital projects using reserves instead of current revenues**
 - **Parkland has a Capital Projects List of \$60+M**

- **Generate Investment Income**
 - **Fund balances can be a material source of income during times of high interest rates**
 - **Parkland's investment policy mirrors the State law with a ranked priority of security, liquidity and return**
 - **Even with restrictive polices Parkland will generate in excess of \$1M in investment income with the current interest rates**

- **Ensure Cash Availability When Revenue is Unavailable**
 - **Have funds available for expenditures when revenues are delayed**

Fund Balance Reserve Level Targets

Fund balance target levels are calculated as a percentage of annual operating expenses

- Parkland minimum stated goal based on College's auditor's recommendation 30%+
- Rating Agency and Association Target Goals
 - Moody's 25%+
 - S&P 15%+
 - ISBE 25%+
 - GFOA 17%+

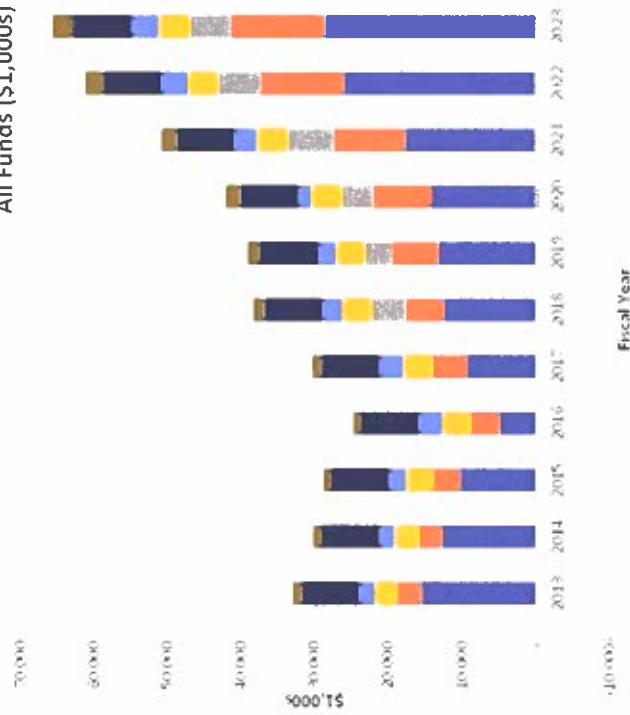
➤ Government Unit Operating Fund Balance Comparisons

	FY2018	FY2023*(New Audit)
○ Champaign Unit 4 Schools	\$54M	40%
○ Parkland College	\$41M	74%
○ Heartland College	\$27M	77%
○ City of Champaign	\$64M	89%
○ College of DuPage	\$226M	137%

➤ Articulating the major purposes of fund balance and the financial risks the College faces makes it easier to explain to stakeholders the rationale for seemingly higher than normal level of fund balance that protects taxpayers, students, and employees.

Total Fund Balances Have Steadily Increased Since FY2015

Parkland College
Fund Balances
All Funds (\$1,000s)



Parkland Fund Balance has increased from 15.57% to 66% in seven years.

**Parkland College
Income Statement - Operating Funds
FY2016-FY2024**

	Actual FY 2016	Actual FY 2017	Actual FY 2018	Actual FY 2019	Actual FY 2020	Actual FY 2021	Final Budget FY 2022	Actual FY 2022	Final Budget FY 2023	Audit FY 2023	FINAL Budget FY 2024
Fund Balance July 1	13,830,835	8,728,035	13,862,489	17,548,713	15,251,883	21,942,814	27,301,317	27,301,317	37,199,658	37,199,658	41,178,747
Revenues											
Local Government	20,325,735	21,109,601	21,232,420	22,174,883	23,646,229	24,712,984	24,689,325	29,501,171	30,246,183	31,186,716	30,445,787
State Government	1,255,540	5,751,369	4,500,747	4,575,240	4,878,241	4,935,788	4,889,283	5,141,070	5,045,106	5,030,756	5,333,174
Federal Government	86,210	90,373	107,755	129,321	140,089	4,762,604	125,000	5,660,565	125,000	169,812	125,000
Tuition And Fees	27,887,758	29,296,689	29,484,315	27,762,180	26,435,677	22,723,016	22,710,541	20,804,767	20,814,546	22,128,242	25,134,779
Sales and Services	510,337	285,313	252,604	265,396	168,615	61,973	188,500	150,102	188,500	238,276	258,776
Investments	130,520	204,662	969,711	565,526	456,380	93,925	157,000	154,969	552,000	1,431,023	1,075,000
Other	1,452,114	1,140,238	898,606	881,337	890,691	98,590	958,500	840,873	960,100	896,593	910,100
Total Revenues	51,648,214	57,878,245	56,846,158	56,353,883	56,615,922	58,248,880	53,718,149	62,253,517	57,931,435	61,081,418	63,282,616
Expenditures											
Salaries	35,126,703	36,709,495	36,353,748	36,800,034	37,066,782	34,811,404	35,577,885	35,309,264	36,569,355	36,437,438	38,859,825
Benefits	8,129,350	4,526,583	5,306,125	5,560,002	5,978,967	7,489,527	6,088,834	5,817,458	7,510,747	6,948,032	8,031,511
Contractual Services	1,664,660	1,921,515	2,003,813	2,399,263	2,672,693	2,592,709	3,363,817	3,333,942	3,959,372	3,809,817	5,019,275
Materials and Supplies	2,767,471	2,894,352	2,964,020	3,020,479	2,743,354	2,313,861	2,851,189	2,250,678	2,798,820	2,256,594	2,714,671
Travel and Meeting	273,194	167,878	329,899	444,381	312,205	113,972	507,635	301,686	542,671	442,308	580,803
Fixed Charges	373,575	182,318	78,164	68,017	52,425	50,184	70,309	66,098	70,309	101,283	70,309
Utilities	2,002,823	2,085,213	2,054,201	1,897,165	1,541,952	1,330,676	1,767,191	1,654,863	1,754,937	1,664,375	1,619,791
Capital Outlay	445,801	558,484	965,510	1,231,035	430,799	225,214	650,000	484,091	1,399,200	2,121,664	1,280,000
Other Expenditures	2,271,617	2,510,068	2,102,593	2,299,502	2,182,954	1,855,334	2,202,488	1,902,700	2,200,225	2,069,368	2,198,002
Contingency		371									2,000,000
Total Expenditures	56,055,194	51,360,277	52,164,073	53,719,878	52,932,131	50,882,881	53,279,348	51,120,780	56,805,636	55,851,879	62,374,187
Transfers (Net)	(695,820)	(1,383,514)	(995,861)	(930,835)	(993,060)	(2,007,296)	(865,000)	(1,234,396)	(865,000)	(1,250,450)	(865,000)
Revenues over Expenditure:	\$5,102,800	5,134,454	3,686,224	1,703,170	2,690,731	5,358,703	(426,199)	9,898,341	260,799	3,979,089	43,429
Fund Balance June 30	8,728,035	13,862,489	17,548,713	19,251,883	21,942,614	27,301,317	26,875,118	37,199,658	37,460,457	41,178,747	41,222,176
% of Expense Budget	15.57%	26.99%	33.64%	35.84%	41.45%	53.66%	50.44%	72.77%	65.94%	73.73%	66.09%

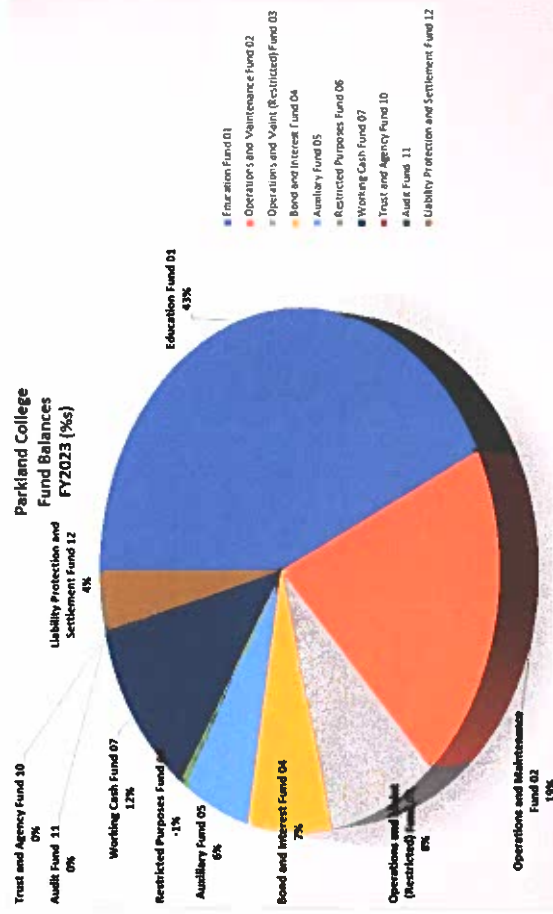


Parkland Fund Balance would be less than half as large without \$22M in Federal HEERF & State CPVRT the last three years.

**Parkland College
Income Statement - Operating Funds
FY2016-FY2024**

	Actual FY 2016	Actual FY 2017	Actual FY 2018	Actual FY 2019	Actual FY 2020	Actual FY 2021	Final Budget FY 2022	Actual FY 2022	Actual FY 2022	Final Budget FY 2023	Audit FY 2023	FINAL Budget FY 2024
Fund Balance July 1	13,830,835	8,728,035	13,862,489	17,548,713	19,251,883	21,942,614	27,301,317	27,301,317	27,301,317	37,199,658	37,199,658	41,178,747
Revenues												
Local Government	20,325,735	21,109,601	21,232,470	22,174,883	23,646,229	24,712,984	24,689,325	29,301,171	29,301,171	30,246,183	31,186,716	30,445,787
State Government	1,255,540	5,751,369	4,500,747	4,575,240	4,878,241	4,935,788	4,889,283	5,141,070	5,141,070	5,045,106	5,030,756	5,333,174
Federal Government	86,210	90,373	107,755	129,321	140,089	4,762,604	125,000	5,660,565	125,000	125,000	169,812	125,000
Tuition And Fees	27,887,758	29,296,689	29,484,315	27,765,180	26,435,677	22,723,016	22,710,541	20,804,767	20,804,767	20,814,546	22,128,242	25,134,779
Sales and Services	510,337	285,313	252,604	265,396	168,615	61,973	188,500	150,102	150,102	188,500	238,276	258,776
Investments	130,520	204,662	369,711	565,526	456,380	93,925	157,000	154,969	154,969	552,000	1,431,023	1,075,000
Other	1,452,114	1,140,238	898,606	881,337	890,691	958,590	958,500	840,873	840,873	960,100	896,593	910,100
Total Revenues	51,648,214	57,878,245	56,846,158	56,353,883	56,615,922	58,248,880	53,718,149	62,253,517	62,253,517	57,931,435	61,081,418	63,282,616
Expenditures												
Salaries	38,126,703	36,709,495	36,353,748	36,800,034	37,066,782	34,811,404	35,577,885	35,309,264	35,309,264	36,569,355	36,437,438	38,859,825
Benefits	8,129,350	4,526,583	5,306,125	5,560,002	5,928,967	7,589,527	6,088,834	5,817,458	5,817,458	7,510,747	6,949,032	8,031,511
Contractual Services	1,664,660	1,924,515	2,009,813	2,339,263	2,672,693	2,592,709	3,563,817	3,333,942	3,333,942	3,959,372	3,809,817	5,019,275
Materials and Supplies	2,767,471	2,694,352	2,964,020	3,020,479	2,743,354	2,313,861	2,851,189	2,250,678	2,250,678	2,798,820	2,256,594	2,714,671
Travel and Meeting	273,194	167,878	329,859	444,381	312,205	113,972	507,635	301,686	301,686	542,671	442,308	580,803
Fixed Charges	373,575	182,318	78,164	68,017	52,425	50,184	70,309	66,098	66,098	70,309	101,283	70,309
Utilities	2,002,823	2,088,213	2,054,201	1,897,165	1,541,952	1,330,676	1,767,191	1,654,863	1,654,863	1,754,937	1,664,375	1,619,791
Capital Outlay	445,801	558,484	965,510	1,231,035	430,799	225,214	650,000	484,091	484,091	1,399,200	2,121,664	1,280,000
Other Expenditures	2,271,617	2,510,068	2,102,593	2,399,502	2,182,954	1,855,334	2,202,488	1,902,700	1,902,700	2,200,225	2,069,368	2,198,002
Contingency	-	371	-	-	-	-	-	-	-	-	-	2,000,000
Total Expenditures	56,055,194	51,360,277	52,164,073	53,719,878	52,932,131	50,882,881	53,279,348	51,120,780	51,120,780	56,805,636	55,851,879	62,374,187
Transfers (Net)	(695,820)	(1,383,514)	(995,861)	(930,835)	(993,060)	(2,007,296)	(865,000)	(1,234,396)	(1,234,396)	(865,000)	(1,250,450)	(865,000)
Revenues over Expenditures	(5,102,800)	5,134,454	3,686,224	1,703,170	2,690,731	5,358,703	(426,199)	9,898,341	9,898,341	260,799	3,979,089	43,429
Fund Balance June 30	8,728,035	13,862,489	17,548,713	19,251,883	21,942,614	27,301,317	26,875,118	37,199,658	37,199,658	37,460,457	41,178,747	41,222,176
% of Expense Budget	15.57%	26.99%	33.66%	35.84%	41.45%	53.66%	50.41%	73.77%	73.77%	65.94%	73.73%	66.09%

HEERF II	HEERF II
4,600,000	6,285,614
1,000,000	5,000,000
(241,297)	(4,739,201)
FY21 Results	FY22 Results
FY21 Fund Bal	FY22 Fund Bal
21,701,317	20,310,044
42.65%	39.73%
FY21 Fund %	FY22 Fund %
	27.41%



Liability Protection and Settlement Fund 12	\$2.7M	73%
Audit Fund 11	\$194K	216%
Working Cash Fund 07	\$7.7M	N/A
Auxiliary Fund 05	\$3.8M	41%
Bond and Interest Fund 04	\$4.4M	N/A

Parkland College
Estimated Cash Flows
FY2023

	July	August	September	October	November	December	January	February	March	April	May	June
FY2023 Financial Budget												
Cash and Investments Beginning Working Cash Fund	\$ 40,809,552	\$ 36,926,945	\$ 39,852,532	\$ 41,852,583	\$ 44,692,788	\$ 41,258,527	\$ 44,271,551	\$ 42,602,466	\$ 39,803,281	\$ 36,904,096	\$ 35,934,912	\$ 35,198,188
	\$ 7,600,000	\$ 7,600,000	\$ 7,600,000	\$ 7,600,000	\$ 7,600,000	\$ 7,600,000	\$ 7,600,000	\$ 7,600,000	\$ 7,600,000	\$ 7,600,000	\$ 7,600,000	\$ 7,600,000
Revenues												
Local Government	3,127,080	1,524,771	4,549,237	5,289,369	451,924	1,662,309	1,130,000	-	1,000,000	1,000,000	1,232,462	9,066,011
State Government	420,426	420,426	420,426	420,426	420,426	420,426	420,426	420,426	420,426	420,426	420,426	420,426
Federal Government	10,417	10,417	10,417	10,417	10,417	10,417	10,417	10,417	10,417	10,417	10,417	10,417
Tuition and Fees	-	5,500,000	1,450,000	1,450,000	-	5,250,000	1,100,000	1,100,000	-	1,930,000	1,930,000	1,104,546
Sales and Services	15,708	15,708	15,708	15,708	15,708	15,708	15,708	15,708	15,708	15,708	15,708	15,708
Investments	46,000	46,000	46,000	46,000	46,000	46,000	46,000	46,000	46,000	46,000	46,000	46,000
Other	80,008	80,008	80,008	80,008	80,008	80,008	80,008	80,008	80,008	80,008	80,008	80,008
Total Increases in Cash	3,799,639	7,597,330	6,671,795	7,311,948	1,037,482	7,484,858	2,802,559	1,572,559	1,572,559	3,502,559	3,735,021	10,743,116
Expenses												
Salaries	3,047,446	3,047,446	3,047,446	3,047,446	3,047,446	3,047,446	3,047,446	3,047,446	3,047,446	3,047,446	3,047,446	3,047,446
Benefits	625,896	625,896	625,896	625,896	625,896	625,896	625,896	625,896	625,896	625,896	625,896	625,896
Contractual Services	2,000,000	1,781,125	1,781,125	1,781,125	1,781,125	1,781,125	1,781,125	1,781,125	1,781,125	1,781,125	1,781,125	1,781,125
Materials and Supplies	233,235	233,235	233,235	233,235	233,235	233,235	233,235	233,235	233,235	233,235	233,235	233,235
Travel and Meeting	45,223	45,223	45,223	45,223	45,223	45,223	45,223	45,223	45,223	45,223	45,223	45,223
Fixed Charges	70,309	5,859	5,859	5,859	5,859	5,859	5,859	5,859	5,859	5,859	5,859	5,859
Utilities	146,245	146,245	146,245	146,245	146,245	146,245	146,245	146,245	146,245	146,245	146,245	146,245
Capital Outlay	1,399,200	200,000	200,000	-	-	-	-	-	-	-	-	399,200
Other Expenses	600,000	200,000	200,000	183,352	183,352	183,352	183,352	183,352	183,352	183,352	183,352	183,352
Contingency	2,000,225	183,352	183,352	183,352	183,352	183,352	183,352	183,352	183,352	183,352	183,352	183,352
Total Decreases in Cash	6,887,255	4,665,380	4,665,380	4,465,380	4,465,380	4,465,380	4,465,380	4,465,380	4,465,380	4,465,380	4,465,380	4,864,580
Transfers (Net)	(865,000)	(6,364)	(6,364)	(6,364)	(6,364)	(6,364)	(6,364)	(6,364)	(6,364)	(6,364)	(6,364)	(6,364)
Increase/Decrease in Cash	(3,882,616)	2,925,586	2,000,052	2,840,204	(3,434,261)	3,013,124	(1,669,185)	(2,799,185)	(2,899,185)	(969,185)	(736,723)	5,872,173
Total Cash and Investments Ending	\$ 43,526,945	\$ 47,452,532	\$ 49,452,583	\$ 52,292,788	\$ 48,858,527	\$ 51,871,551	\$ 50,202,466	\$ 47,403,281	\$ 44,504,096	\$ 43,534,912	\$ 42,798,188	\$ 48,670,361

Credit Student Unduplicated Headcount: FY1968 - FY2021

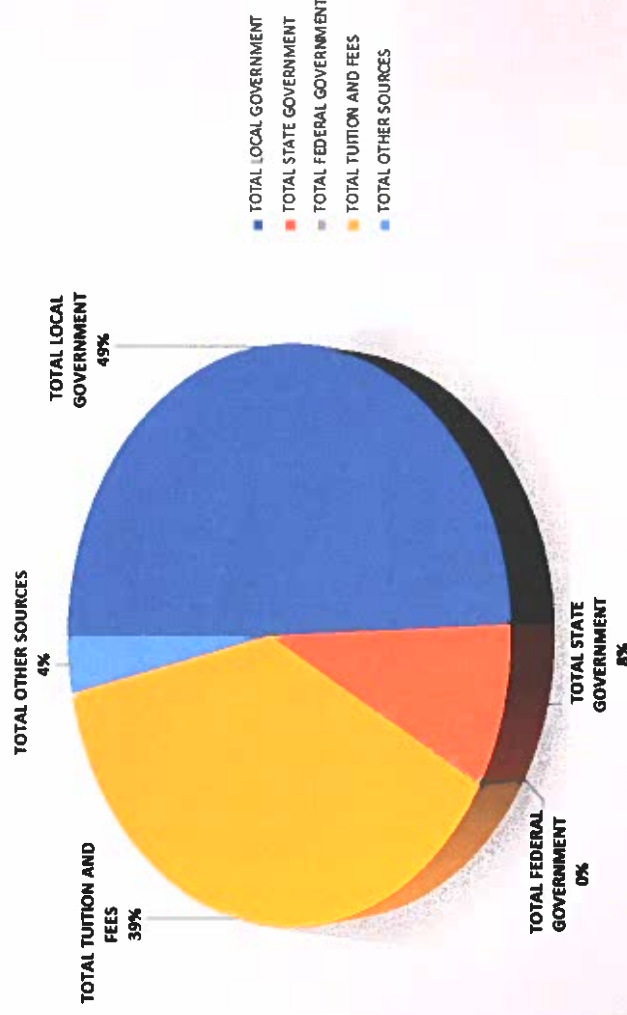


Sources from Streetset.com
2/3/2023

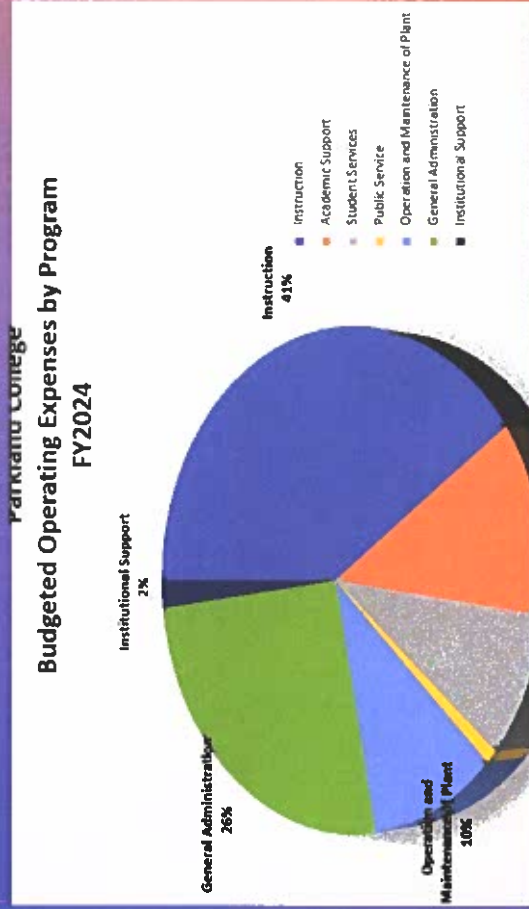
School	City	ZIP	Purchasing Power	Cost of Living +/- vs. 61821	FY 2023	In-District
Carle School College	Galesburg	61401	\$1.09	-9%	\$	\$ 175.00
John Wood Community College	Clincy	62305	\$1.09	-8%	\$	\$ 170.00
Kidoro Community College	Deatur	62821	\$1.08	-8%	\$	\$ 155.00
Frontier Community College	Fairfield	62837	\$1.08	-8%	\$	\$ 149.50
Illinois Eastern Community Colleges**	Onney	62450	\$1.08	-8%	\$	\$ 149.50
Onney Central College	Onney	62450	\$1.08	-8%	\$	\$ 149.50
Lincoln Trail College	Rodanion	62454	\$1.08	-8%	\$	\$ 149.50
Kansas State College	Certala	62801	\$1.07	-7%	\$	\$ 152.00
Illinois Central College	East Peoria	61535	\$1.07	-7%	\$	\$ 155.00
Highland Community College	Freeport	61032	\$1.07	-7%	\$	\$ 154.00
Black Hawk College	Monroe	61285	\$1.07	-7%	\$	\$ 164.00
Wabash Valley College	McCormick	62883	\$1.07	-7%	\$	\$ 149.50
Stawnee Community College	Waverly	62992	\$1.07	-7%	\$	\$ 155.00
Kankakee Community College	Kankakee	60901	\$1.06	-6%	\$	\$ 165.00
Southeastern Illinois College	Marshallburg	62346	\$1.05	-5%	\$	\$ 140.00
Illinois Valley Community College	Oglesby	61348	\$1.05	-5%	\$	\$ 133.00
Litchfield Community College	Springfield	62784	\$1.05	-5%	\$	\$ 150.50
John A. Logan College	Carthage	62918	\$1.04	-4%	\$	\$ 140.00
Kenosha College	Waukegan	62246	\$1.04	-4%	\$	\$ 150.00
Lake Land College	Wainwright	61938	\$1.04	-4%	\$	\$ 132.17
Rock Valley College	Rockford	61114	\$1.04	-4%	\$	\$ 132.00
Spoon River College	Carleton	61520	\$1.03	-3%	\$	\$ 183.00
Sauk Valley Community College	Dixon	61021	\$1.03	-3%	\$	\$ 155.00
Southwestern Illinois College	Bellevue	62221	\$1.02	-2%	\$	\$ 122.00
Darien Area Community College	Darien	61832	\$1.02	-2%	\$	\$ 180.00
Lewis & Clark Community College	Godfrey	62035	\$1.02	-2%	\$	\$ 148.00
Parkland College	Champaign	61821	\$1.00	0%	\$	\$ 171.00
Kirtland College	Northfield	60150	\$1.00	0%	\$	\$ 164.00
Heartland Community College	Normal	61761	\$0.98	2%	\$	\$ 169.00
Macomb College	Chicago	60612	\$0.92	8%	\$	\$ 146.00
Oliver-Harvey College	Chicago	60628	\$0.92	8%	\$	\$ 146.00
Richard J. Daley College	Chicago	60652	\$0.92	8%	\$	\$ 146.00
Wilbur Wright College	Chicago	60634	\$0.92	8%	\$	\$ 146.00
Prairie State College	Chicago Heights	60411	\$0.92	8%	\$	\$ 174.00
Morton College	Cicero	60804	\$0.92	8%	\$	\$ 149.00
Michigan State College	Crystal Lake	60012	\$0.92	8%	\$	\$ 128.25
Oakton Community College	Des Plaines	60016	\$0.92	8%	\$	\$ 141.25
East Community College	Egg Harbor	60123	\$0.92	8%	\$	\$ 132.00
College of DuPage	Geneva	60137	\$0.92	8%	\$	\$ 138.00
College of Lake County	Grayslake	60030	\$0.92	8%	\$	\$ 150.00
Western Illinois College	Jet	60431	\$0.92	8%	\$	\$ 148.00
Harper College	Palatine	60067	\$0.92	8%	\$	\$ 154.50
Morris Valley Community College	Palos Hills	60465	\$0.92	8%	\$	\$ 156.00

• Parkland's Cost of Living Is "Middle of the Pack" State-Wide

Parkland College
Budgeted Operating Revenues
FY2024

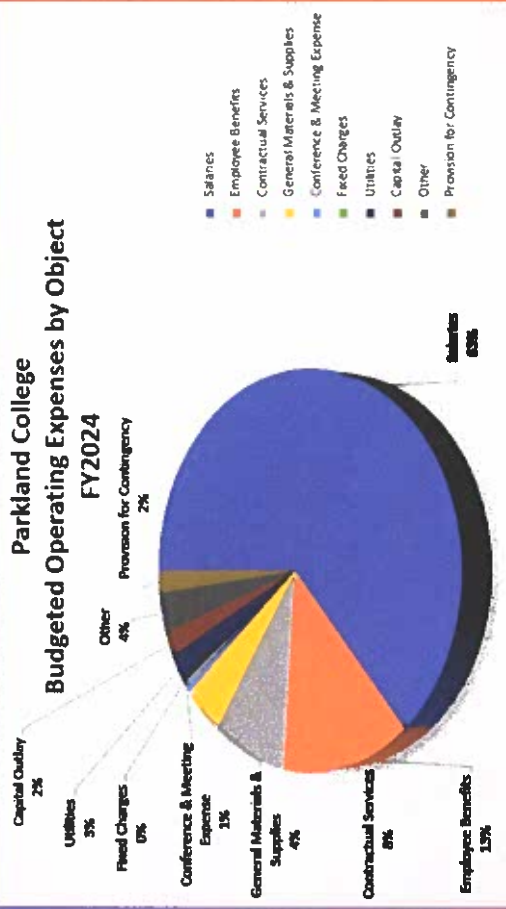


- Historical Operating Revenue Goal is 1/3 – 1/3 – 1/3
- Local Government Includes Property Taxes and State CPPRT. The Large Increase in CPPRT Has Skewed the Local Government Percentage
- The State Remains Low at Under 8%



Parkland categorizes expenses in two ways:
Program & Object.

The majority of its operating expenses go to instruction & direct student support services under one classification and salaries & benefits under the other.



Parkland College

SWOT ANALYSIS

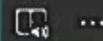
STRENGTHS	WEAKNESSES	OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> S&P and Moody's Bond Ratings Operating Funds Fund Balance Other Funds' Fund Balance Strong Cash Flows Steady Property Tax Rate 5-Year EAV Growth Stabilized ICCB State Funding Increases in State CPPRT Stable Total Operating Expenses Stabilized Enrollment 	<ul style="list-style-type: none"> Lack of Full ICCB Formula Funding Possible 4th Highest ID Tuition & Fees Difficulty in Recruitment & Retention of Qualified Staff Lack of Flexibility on Wages & Benefits Physical Plant Space Utilization Costly IT Hardware Refresh Expenses 	<ul style="list-style-type: none"> Tax Rate "Swap" in 2028 Tax Rate Increase in PHS & LPS EAV Growth Enrollment Increases ICCB Funding Formula Increases ID Tuition Well Under Capita Limit Collective Bargaining Negotiations Creative Use of Physical Plant Space Use Fund Balances for Strategic Investments Governor's Continued Support of Education Increasing Grant & Collaborative Opportunities 	<ul style="list-style-type: none"> State CPPRT Declines Returning Enrollment Declines EAV Declines Reduced ICCB State Funding Tuition & Fees Rates Too High Collective Bargaining Negotiations Unfunded Fed & State Mandates Including Pension Shifts Increased Cyber Terrorism Future Unknowns - Pandemics



- Thank You!

Any Questions





Decennial Committee feedback

Thank you for attending the Parkland College Board of Trustees Decennial Committee on Local Government Efficiency on September 20, 2023. We are interested in your feedback or comments and invite you to complete the short survey provided.

1. Do you wish to provide the Decennial Committee with feedback on its proposed study on the college's efficiency in meeting its mission? 

Yes

No

2. If you answered Yes to the above question, please provide your feedback below. 

Enter your answer

Submit

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