**Section 1039.70 Distribution Formula**

a) *The distribution of grants shall be determined by a formula which has two components: a base grant and an FTE grant.* [30 ILCS 769/25-10] To ensure an equitable and fair distribution of funds, the credit hours are reported by the institution and verified by an external auditor.

b) Base Grants

1) Each grantee will receive a base grant determined by its fall 2008 FTE, using the following ranges:

A) Between 1 and 200 FTE, $200,000;

B) Between 201 and 500 FTE, $1,000,000;

C) Between 501 and 4,000 FTE, $2,000,000; and

D) Greater than 4,000 FTE, $5,000,000.

2) If for any reason the amount of funds available for release is not sufficient to distribute the base grant amounts, the Board shall distribute prorated shares to grantees along with an explanation.

c) FTE Grants. After the distribution of the base grants, the remainder of moneys will be distributed on a pro rata share of fall 2008 FTE to the independent colleges as FTE grants.

d)Failure to Use. *If any independent college does not utilize its full award or a portion thereof after 5 years, the remaining funds shall be re-distributed to the remaining independent colleges with capital projects as FTE grants on a pro rata basis.* [30 ILCS 769/25-10]